



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 **4th Quarter of 2022/23**



Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009

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GLOSSARY

Adjustment's budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Approved budget - means an annual budget—

- a) approved by a municipal council; or
- b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include the Tariff Policy, Property Rates Policy, Customer Care, Credit Control and Debt Collection Policy etc.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – summarizes the amount of cash and cash equivalents entering and leaving the municipality. The cash flow statement measures how well the municipality manages its cash position. It should be noted that there could be a difference between the timing of the actual cash flow compared to the recognition of expenditure. For example, when an invoice is received by the Municipality it is recognised as expenditure in the month it is dated, even though it may not be paid within the same month.

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - Local Government: Municipal Finance Management Act (56/2003). The principal piece of legislation relating to municipal financial management. From here on to be referred to as the Act.

MTREF - Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two outer year budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure - Spending on the day-to-day expenses of the Municipality such as salaries and wages. It provides a short-term benefit, normally less than a year.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- a) overspending of the total amount appropriated in the municipality's approved budget;
 - b) overspending of the total amount appropriated for a vote in the approved budget;
- Unauthorised expenditure refers to expenditure that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

PART 1: IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 In -Year Report – Quarterly Budget Statement

The quarterly budget statement, for the period ended **30 June 2023**, has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of ***the Service Delivery Budget Implementation Plan (SDBIP)***. Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.
- b) ***Financial problems or risks*** facing the municipality are numerous and the implementation of the budget will demand continuous monitoring.

Cash flow has and will for the foreseeable future be of concern. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related costs and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been developed and is being implemented to ensure that revenue will be sufficient to cover the expenses and prior year liabilities.

Section 2 – Resolutions

Recommendation:

That the council takes cognisance of the Quarterly budget statement of the **Fourth Quarter of the 2022/23 MTREF (Q4)**.

Section 3 – Executive Summary

1.1 Introduction

In terms of section 52(d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality. The format and content of in-year reporting are set out in the Municipal Budget and Reporting Regulations of 2009, that was published in terms of section 168 of the MFMA (2003).

1.2 Consolidated Performance

The performance against the budget can be summarized as follow:

	Original Budget	Adjustments Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 192 782	R 193 021	R 193 021	R 172 274	R (20 746)	-11%
Operating Expenditure	R 218 716	R 219 080	R 219 080	R 161 833	R (57 247)	-26%
Capital	R 12 919	R 14 106	R 14 106	R 7 880	R (6 226)	-44%

TABLE C1 – QUARTERLY BUDGET SUMMARY

Western Cape: Kannaland (WC041) - Table C1 Quarterly Budget Summary for 4th Quarter ended 30 June 2023

Description	2021/22	2022/23	Budget year 2022/23											
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast	
Financial Performance														
Property rates	25 891	-	24 836	24 836	6 388	6 367	6 413	6 395	25 562	24 836	726	2.92	24 836	
Service charges	102 394	-	109 715	109 715	27 878	24 601	24 557	23 683	100 720	109 715	(8 996)	(8.20)	109 715	
Investment revenue	1 232	-	680	1 380	232	509	479	568	1 788	1 380	408	29.53	1 380	
Transfer and subsidies - Operational	41 701	-	43 164	42 854	12 989	6 422	10 575	1 171	31 157	42 854	(11 697)	(27.30)	42 854	
Other own revenue	7 380	-	14 386	14 235	2 420	2 444	4 028	4 157	13 048	14 235	(1 187)	(8.34)	14 235	
Total Revenue (excluding capital transfers and contributions)	178 600	-	192 782	193 021	49 906	40 342	46 051	35 975	172 274	193 021	(20 746)	(10.75)	193 021	
Employee costs	71 598	-	80 239	80 836	18 110	20 629	20 632	19 930	79 301	80 836	(1 535)	(1.90)	80 836	
Remuneration of councillors	3 148	-	3 357	3 438	977	1 007	1 740	1 022	4 746	3 438	1 309	38.07	3 438	
Depreciation and amortisation	16 588	-	13 222	13 222	1 075	2 151	4 301	4 301	11 829	13 222	(1 393)	(10.54)	13 222	
Finance charges	4 244	-	2 072	2 008	75	729	482	425	1 711	2 008	(297)	(14.79)	2 008	
Inventory consumed and bulk purchases	54 288	-	63 094	59 017	6 382	7 671	11 078	10 928	36 058	59 017	(22 959)	(38.90)	59 017	
Transfers and subsidies	240	-	450	450	-	-	80	30	110	450	(340)	(75.56)	450	
Other expenditure	61 387	-	56 283	60 109	3 196	13 009	6 040	5 833	28 078	60 109	(32 031)	(53.29)	60 109	
Total Expenditure	211 494	-	218 716	219 080	29 815	45 195	44 353	42 470	161 833	219 080	(57 247)	(26.13)	219 080	
Surplus/(Deficit)	(32 894)	-	(25 934)	(26 059)	20 091	(4 853)	1 699	(6 496)	10 441	(26 059)	36 500	(140.07)	(26 059)	
Transfers and subsidies - capital (monetary allocations)	18 889	-	10 529	12 194	0	-	-	374	375	12 194	(11 819)	(96.93)	12 194	
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	(14 005)	-	(15 405)	(13 865)	20 092	(4 853)	1 699	(6 122)	10 816	(13 865)	24 681	(178.01)	(13 865)	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	(14 005)	-	(15 405)	(13 865)	20 092	(4 853)	1 699	(6 122)	10 816	(13 865)	24 681	(178.01)	(13 865)	
Capital expenditure & funds sources														
Capital expenditure	14 052	-	12 919	14 106	7	870	88	6 915	7 880	14 106	(6 226)	(44.14)	14 106	
Transfers recognised - capital	19 138	-	10 529	12 194	-	-	-	6 889	6 889	12 194	(5 305)	(43.51)	12 194	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	726	-	2 390	1 912	7	870	88	26	991	1 912	(921)	(48.17)	1 912	
Total sources of capital funds	19 864	-	12 919	14 106	7	870	88	6 915	7 880	14 106	(6 226)	(44.14)	14 106	
Financial position														
Total current assets	(12 141)	-	(60 736)	(65 168)	22 053	9 737	14 886	(9 928)	36 746	(57 709)	94 455	(163.68)	(65 168)	
Total non current assets	324 309	-	325 969	327 156	(1 068)	(1 281)	(4 213)	2 614	(3 949)	884	(4 833)	(546.60)	327 156	
Total current liabilities	40 080	-	(1 894)	(7 612)	916	13 308	9 024	(1 083)	22 165	(42 523)	64 688	(152.13)	(7 612)	
Total non current liabilities	33 884	-	44 757	45 689	-	-	-	-	-	(436)	436	(100.00)	45 689	
Community wealth/Equity	252 209	-	237 775	237 775	(24)	0	(50)	(110)	(184)	-	(184)	-	237 775	
Cash flows														
Net cash from (used) operating	130 076	-	(8 251)	(9 530)	39 485	21 600	23 290	4 505	88 880	(9 530)	98 410	(1 032.62)	(9 530)	
Net cash from (used) investing	(7 293)	-	(12 733)	(13 330)	(8)	-	(1 095)	(7 705)	(8 808)	(13 330)	4 522	(33.92)	(13 330)	
Net cash from (used) financing	-	-	(648)	(216)	-	-	-	-	-	(216)	216	(100.00)	(216)	
Cash/cash equivalents at the year end	171 583	-	27 173	25 729	39 477	61 077	83 272	80 072	80 072	(23 076)	103 148	(446.99)	25 729	
Collection Rate														
	66.87	-	86.19	85.84	59.56	59.02	54.33	55.61	57.15	85.84	-	-	85.84	
Property rates	58.44	-	82.00	82.00	25.46	15.16	17.71	18.62	19.24	82.00	-	-	82.00	
Service charges	73.06	-	91.58	91.67	71.65	74.88	71.66	73.02	72.76	91.67	-	-	91.67	
Service charges - electricity revenue	81.72	-	104.16	104.16	80.00	84.50	80.33	80.16	81.18	104.16	-	-	104.16	
Service charges - water revenue	65.14	-	74.77	75.70	61.96	65.28	62.59	69.49	64.76	75.70	-	-	75.70	
Service charges - sanitation revenue	53.28	-	65.11	65.11	52.23	59.86	56.26	58.85	56.76	65.11	-	-	65.11	
Service charges - refuse revenue	46.56	-	58.77	57.65	44.89	48.48	48.98	46.70	47.24	57.65	-	-	57.65	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	

Operational Revenue

The municipality's total operational revenue budget amounts to R193 million and the year-to-date revenue on the budget accrued to R 172 million. This represents 89% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R219 million, with a year-to-date performance of R162 million, or 74% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to 14 million. National grant funding amounts to R10.5 million, Provincial grant funding amounts to R1.1 million and own funding R1.9 million.

The capital expenditure for Grant funded projects for this Quarter amounted to R 6.8 million and R 26 thousand for own funded projects. The total capital expenditure against year-to-date actual amounted to R6.915 million.

Operating Surplus/Deficit

Fourth quarter operating revenue amounted to R36 million, with expenditure amounting to R43 million, with an operating deficit of R6.4 million for the quarter under review.

1.3 Material differences to the SDBIP

Material differences to the SDBIP will be discussed under section 10 and in more detail within Appendix A.

1.4 Remedial actions

- (a) Directorates are to ensure that the budget is being implemented in accordance with the Service Delivery and Budget Implementation Plan of the Municipality;
- (b) That, strategic decisions / resolutions to improve the capital expenditure, be implemented; communicating with the technical department on slow spending on capital budget;
- (c) That monthly monitoring of the implementation of the Budget Funding Plan;
- (d) The effort should be coordinated, with giving the necessary and all-important consideration to the impact of the COVID-19 pandemic on municipal operations and more specifically municipal liquidity;
- (e) That measures on debt collection are implemented and applied effectively;
- (f) A procurement plan be developed and approved as a matter of urgency;
- (g) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an always changing environment.

Section 4 – In-year budget statement tables

TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

Western Cape: Kannaland (WC041) - Table C4 Quarterly Budgeted Financial Performance (All) for 4th Quarter ended 30 June 2023

Description	Ref	2021/22	2022/23	Budget year 2022/23										
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands														
Revenue														
Exchange Revenue														
Service charges - Electricity		64 750		70 503	70 503	18 364	14 854	15 014	14 614	62 845	70 503	(7 657)	(10.86)	70 503
Service charges - Water		20 355		21 516	21 516	4 957	5 346	5 206	4 748	20 258	21 516	(1 258)	(5.85)	21 516
Service charges - Waste Water Management		8 706		8 778	8 778	2 243	2 175	2 144	2 145	8 707	8 778	(72)	(0.82)	8 778
Service charges - Waste Management		8 583		8 918	8 918	2 314	2 227	2 193	2 176	8 910	8 918	(8)	(0.09)	8 918
Sale of Goods and Rendering of Services		307		274	274	85	63	87	193	428	274	154	56.24	274
Agency services		1 098		1 200	1 200	167	282	382	204	1 035	1 200	(165)	(13.71)	1 200
Interest														
Interest earned from Receivables		3 407		3 240	3 240	1 237	959	2 152	1 898	6 246	3 240	3 006	92.76	3 240
Interest earned from Current and Non Current Assets		1 232		680	1 380	232	509	479	568	1 788	1 380	408	29.53	1 380
Dividends														
Rent on Land														
Rental from Fixed Assets		552		607	607	146	151	154	160	611	607	4	0.65	607
Licence and permits		135		334	159	43	46	39	43	171	159	12	7.63	159
Operational Revenue		241		201	201	32	350	65	720	1 167	201	966	480.46	201
Non-Exchange Revenue														
Property rates		25 891		24 836	24 836	6 388	6 367	6 413	6 395	25 562	24 836	726	2.92	24 836
Surcharges and Taxes														
Fines, penalties and forfeits		39		6 007	6 031	13	14	103	78	208	6 031	(5 823)	(96.55)	6 031
Licences or permits		25		30	30	0	0	0	0	0	30	(30)	(98.78)	30
Transfer and subsidies - Operational		41 701		43 164	42 854	12 989	6 422	10 575	1 171	31 157	42 854	(11 697)	(27.30)	42 854
Interest		1 577		1 728	1 728	528	411	879	695	2 514	1 728	786	45.50	1 728
Fuel Levy														
Operational Revenue				765	765	168	168	165	166	667	765	(98)	(12.83)	765
Gains on disposal of Assets														
Other Gains														
Discontinued Operations														
Total Revenue (excluding capital transfers and contributions)		178 600	-	192 782	193 021	49 906	40 342	46 051	35 975	172 274	193 021	(20 746)	(10.75)	193 021
Expenditure														
Employee related costs		71 598		80 239	80 836	18 110	20 629	20 632	19 930	79 301	80 836	(1 535)	(1.90)	80 836
Remuneration of councillors		3 148		3 357	3 438	977	1 007	1 740	1 022	4 746	3 438	1 309	38.07	3 438
Bulk purchases - electricity		50 752		58 024	53 617	5 873	6 929	10 220	10 406	33 428	53 617	(20 189)	(37.65)	53 617
Inventory consumed		3 536		5 071	5 401	509	741	858	522	2 630	5 401	(2 770)	(51.29)	5 401
Debt impairment		(14 327)		23 594	23 594		7 956			7 956	23 594	(15 638)	(66.28)	23 594
Depreciation and amortisation		16 588		13 222	13 222	1 075	2 151	4 301	4 301	11 829	13 222	(1 393)	(10.54)	13 222
Interest		4 244		2 072	2 008	75	729	482	425	1 711	2 008	(297)	(14.79)	2 008
Contracted services		13 677		13 749	13 748	1 033	1 366	2 951	1 827	7 177	13 748	(6 571)	(47.80)	13 748
Transfers and subsidies		240		450	450			80	30	110	450	(340)	(75.56)	450
Irrecoverable debts written off		38 627					37	9		46		46		
Operational costs		16 573		18 939	22 767	2 163	3 650	3 080	4 006	12 899	22 767	(9 868)	(43.34)	22 767
Losses on disposal of Assets		4 806												
Other Losses		2 031												
Total Expenditure		211 494	-	218 716	219 080	29 815	45 195	44 353	42 470	161 833	219 080	(57 247)	(26.13)	219 080
Surplus/(Deficit)		(32 894)	-	(25 934)	(26 059)	20 091	(4 853)	1 699	(6 496)	10 441	(26 059)	36 500	(140.07)	(26 059)
Transfers and subsidies - capital (monetary allocations)		18 889		10 529	12 194	0			374	375	12 194	(11 819)	(96.93)	12 194
Surplus/(Deficit) after capital transfers and contributions		(14 005)	-	(15 405)	(13 865)	20 092	(4 853)	1 699	(6 122)	10 816	(13 865)	24 681	(178.01)	(13 865)
Income Tax														
Surplus/(Deficit) after income tax		(14 005)	-	(15 405)	(13 865)	20 092	(4 853)	1 699	(6 122)	10 816	(13 865)	24 681	(178.01)	(13 865)
Share of Surplus/Deficit attributable to Joint Venture														
Share of Surplus/Deficit attributable to Minorities														
Surplus/(Deficit) attributable to municipality		(14 005)	-	(15 405)	(13 865)	20 092	(4 853)	1 699	(6 122)	10 816	(13 865)	24 681	(178.01)	(13 865)
Share of Surplus/Deficit attributable to Associate														
Intercompany/Parent subsidiary transactions														
Surplus/(Deficit) for the year		(14 005)	-	(15 405)	(13 865)	20 092	(4 853)	1 699	(6 122)	10 816	(13 865)	24 681	(178.01)	(13 865)

THE DETAILED QUARTERLY OPERATING REVENUE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:

Q4 Electricity Revenue – R14.6 million (20% of the Electricity Budget)

Loadshedding is having a negative impact on the number of units sold and this item should be monitored as it is currently very unpredictable

Electricity billing during the third quarter amounted to R15 million a 21% of the year-to-date budget

Q4 Water Revenue – R4.7 million (22% of the Water Budget)

Water billing during the third quarter amounted to **R5.02 million a 24%** of the year-to-date budget

Q4 Sewerage Revenue – R2.1 thousand (24% of the Sewerage Budget)

Sewerage billing during the third quarter amounted to **R2.1 million a 24%** of the year-to-date budget.

Q4 Refuse Removal Revenue – R2.2 thousand (24% of the Solid Waste Budget)

Refuse billing during the third quarter amounted to **R2.22 million a 24%** of the year-to-date budget

Interest on Outstanding Debtors

This revenue item considered the write-off of indigent and prescription debt and because of the timing, this revenue item will deviate from the monthly forecast. Outstanding debtors continue to increase, and the collection rate did not realize as budgeted for.

Interest charges on outstanding debtors is currently **1.9 million**.

Rental of facilities and equipment

Rental of facilities and equipment amounted to **R160 thousand and 26%** of the year-to-date budget

Q4 Interest on external investments – R1.3 million (41% of the interest Budget)

The budget did not consider the timing of the grants to be received (interest on call account with cash relating to grants being cash backed) when the monthly budget break-down was done.

Fines Penalties and forfeits

Almost no activity, no vendor appointed to provide cameras and administrative support on speed fines.

Fines Penalties and forfeits for Quarter 4 amounted to **78 thousand**.

Other revenue, Agency services, licences and permits

The reason for these variances is due to a breakdown in the equipment needed for the testing and issuing of licenses, can be explained as incidental and cyclical in nature. The lack of revenue from licences and permits will necessitate further investigation with a potential allocation issue under "other revenue"

Other Revenue, Agency Services and Licences and permits amounts to **R1.133 million**.

THE DETAILED QUARTERLY OPERATING EXPENDITURE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:

Employee Related Costs – R20.63 million (26% of Annual Employee Budget) with Councillors at R1.02 million (30% of the Annual Councillors Remuneration Budget)

Bulk Purchases

Bulk purchases are severely understated as expenditure are only recognised once paid and not in terms of GRAP. The actual expenditure on bulk purchases amounted to R10.4 million thousand for the 4th quarter or 19% against the full year budget.

Finance Charges R425 thousand (21% of the Finance Charges Budget)

Finance charges will significantly exceed the full budget forecast and the extent thereof still needs to be established. The budget accounted for finances charges that relates to employee benefits and the rehabilitation of landfill sites, that were not on a year-to-date basis accounted for on SAMRAS.

Other materials – R522 thousand (10% of the budget)

Expenditure on “Other Materials” is well below the year-to-date forecast.

Contracted Services – R1.8 million (13% of Budget)

The expenditure on Contracted Services will be well below the actual forecast.

Other Expenditure – R4 million (18 % of Budget)

Other expenditure is much lower than forecasted. Expenditure can only be incurred in terms of available revenue.

TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

Western Cape: Kannaland (WC041) - Table C5 Quarterly Budgeted Capital Expenditure by Functional Classification and Funding for 4th Quarter ended 30 June 2023

Section: Super-Municipal (R554) - Table 6: Quarterly Budgeted Capital Expenditure - Functional Classification and Funding for 1st Quarter ended 30 June 2022														
Description	Ref	2021/22	2022/23	Budget year 2022/23		Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget									
R thousands														
Capital Expenditure - Functional														
<i>Municipal governance and administration</i>		(907)	-	180	212	7	64	10	26	107	212	(105)	(49,33)	212
Executive and council		249		130	147	7	17	10	26	61	147	(86)	(58,68)	147
Finance and administration		(1 155)		50	65		47			47	65	(18)	(28,19)	65
Internal audit														
<i>Community and public safety</i>		5 235	-	1 510	33	-	-	-	30	30	33	(4)	(11,02)	33
Community and social services		5 235		860	33				30	30	33	(4)	(11,02)	33
Sport and recreation				650										
Public safety														
Housing														
Health														
<i>Economic and environmental services</i>		341	-	700	700	-	-	-	-	-	700	(700)	(100,00)	700
Planning and development														
Road transport		341		700	700						700	(700)	(100,00)	700
Environmental protection														
<i>Trading services</i>		9 383	-	10 529	13 161	-	806	78	6 859	7 743	13 161	(5 418)	(41,17)	13 161
Energy sources				1 980	2 482		806		873	1 679	2 482	(803)	(32,36)	2 482
Water management		9 383		2 441	1 554			78	501	578	1 554	(975)	(62,77)	1 554
Waste water management				6 108	9 125				5 486	5 486	9 125	(3 640)	(39,88)	9 125
Waste management														
<i>Other</i>														
Total Capital Expenditure - Functional	3	14 052	-	12 919	14 106	7	870	88	6 915	7 880	14 106	(6 226)	(44,14)	14 106
Funded by														
National Government		11 552		10 529	11 086				5 789	5 789	11 086	(5 297)	(47,78)	11 086
Provincial Government		7 586			1 108				1 100	1 100	1 108	(8)	(0,75)	1 108
District Municipality														
Transfers and subsidies - capital (monetary allocations) (Nat/														
Transfers recognised - capital		19 138	-	10 529	12 194	-	-	-	6 889	6 889	12 194	(5 305)	(43,51)	12 194
<i>Borrowing</i>	6													
Internally generated funds		726		2 390	1 912	7	870	88	26	991	1 912	(921)	(48,17)	1 912
Total Capital Funding		19 864	-	12 919	14 106	7	870	88	6 915	7 880	14 106	(6 226)	(44,14)	14 106

THE FOLLOWING IS THE FINANCIAL PERFORMANCE AGAINST THE BUDGET CAPITAL EXPENDITURE IN THE FOURTH QUARTER

- The actual capital expenditure amounts to 6.9 million for Grant Funded Projects
- The monthly actual expenditure for own funded capital amounted to R 26 thousand.

TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		3 642	(31 478)	(35 656)	6 090	(35 656)
Call investment deposits		27 292	40 236	40 236	(8 679)	40 236
Consumer debtors		6 207	3 919	3 919	22 135	3 919
Other debtors		(51 539)	(72 689)	(72 689)	10 992	(72 689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 257	(724)	(934)	1 004	(934)
Total current assets		(12 141)	(60 736)	(65 124)	31 541	(65 124)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		186	-	-	-	-
Investment property		1 163	1 250	1 250	-	1 250
Investments in Associate		-	-	-	-	-
Property, plant and equipment		322 957	324 691	326 484	(5 024)	326 484
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		3	28	28	-	28
Other non-current assets		-	-	-	-	-
Total non current assets		324 309	325 969	327 762	(5 024)	327 762
TOTAL ASSETS		312 168	265 233	262 638	26 517	262 638
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		229	459	459	(216)	459
Consumer deposits		1 217	1 119	1 119	148	1 119
Trade and other payables		30 245	(10 769)	(16 441)	20 970	(16 441)
Provisions		8 390	7 296	7 296	-	7 296
Total current liabilities		40 080	(1 894)	(7 567)	20 903	(7 567)
Non current liabilities						
Borrowing		-	(950)	(19)	-	(19)
Provisions		33 884	45 708	45 708	-	45 708
Total non current liabilities		33 884	44 757	45 689	-	45 689
TOTAL LIABILITIES		73 964	42 863	38 122	20 903	38 122
NET ASSETS	2	238 204	222 370	224 516	5 614	224 516
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		251 739	237 306	237 306	(176)	237 306
Reserves		470	470	470	(8)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	252 209	237 775	237 775	(184)	237 775

TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		15 132	20 366	20 366	343	4 921	20 366	(15 446)	-76%	20 366
Service charges		74 810	100 478	100 534	5 533	73 390	100 534	(27 144)	-27%	100 534
Other revenue		1 343	10 583	11 132	140	2 794	11 132	(8 338)	-75%	11 132
Transfers and Subsidies - Operational		31 684	43 164	42 854	306	43 410	42 854	556	1%	42 854
Transfers and Subsidies - Capital		23 701	10 529	12 194	—	13 170	12 194	976	8%	12 194
Interest		18	3 664	3 664	—	1	3 664	(3 663)	-100%	3 664
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		96 510	(226 787)	(231 259)	(20 478)	(80 714)	(231 259)	(150 545)	65%	(231 259)
Finance charges		—	—	—	—	—	—	—	—	—
Transfers and Grants		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		243 197	(38 004)	(40 515)	(14 157)	56 971	(40 515)	(97 486)	241%	(40 515)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		(186)	—	—	—	—	—	—	—	—
Payments										
Capital assets		2 600	(25 838)	(28 785)	—	—	(28 785)	(28 785)	100%	(28 785)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2 415	(25 838)	(28 785)	—	—	(28 785)	(28 785)	100%	(28 785)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		98	—	—	15	148	—	148	0%	—
Payments										
Repayment of borrowing		(230)	(648)	(216)	—	(216)	(216)	(0)	0%	(216)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(132)	(648)	(216)	15	(67)	(216)	(148)	69%	(216)
NET INCREASE/ (DECREASE) IN CASH HELD		245 479	(64 489)	(69 515)	(14 142)	56 904	(69 515)			(69 515)
Cash/cash equivalents at beginning:		48 800	48 805	48 805		—	48 805			—
Cash/cash equivalents at month/year end:		294 280	(15 685)	(20 711)		56 904	(20 711)			(69 515)

The total bank balances of **Quarter 4** were as follow;

- Standard Bank Main Account Balance **R 1.4 million**;
- The Traffic Account Balance **R 486 thousand**;
- Deposit Account Balance **R 284 million**; and
- Call Account Balance component of conditional grants amounts to **R9.5 million** at the end of Quarter 4.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current local economic circumstances are in addition having an adverse effect on an already difficult situation. Insufficient funding is available to fund reserves and provisions and the liquidity of the municipality remains fragile.

TABLE C2 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

(Functional Classification)

Western Cape: Kannaland (WC041) - Table C2 Quarterly Budgeted Financial Performance by Functional Classification for 4th Quarter ended 30 June 2023

Description	Ref	2021/22	2022/23	Budget year 2022/23										Full Year Forecast
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	
Revenue - Functional														
<i>Municipal governance and administration</i>		61 563	-	43 561	45 417	20 411	12 907	17 478	9 156	59 952	45 417	14 535	32,00	45 417
Executive and council		28 774		12 201	12 401	12 971	4 939	9 314	2	27 226	12 401	14 825	119,55	12 401
Finance and administration		32 789		31 360	33 016	7 440	7 968	8 164	9 155	32 727	33 016	(289)	(0,88)	33 016
Internal audit														
<i>Community and public safety</i>		15 179	-	16 689	15 256	17	1 226	1 095	1 049	3 387	15 256	(11 869)	(77,80)	15 256
Community and social services		14 567		14 889	15 256	12	1 226	1 064	1 048	3 350	15 256	(11 906)	(78,04)	15 256
Sport and recreation						0				0		0		
Public safety		80				5	0	31	1	37		37		
Housing		532		1 800										
Health														
<i>Economic and environmental services</i>		1 756	-	8 170	8 019	219	484	635	384	1 721	8 019	(6 298)	(78,54)	8 019
Planning and development														
Road transport		1 756		8 170	8 019	219	484	635	384	1 721	8 019	(6 298)	(78,54)	8 019
Environmental protection														
<i>Trading services</i>		118 991	-	134 891	136 522	29 260	25 726	26 843	25 759	107 588	136 522	(28 934)	(21,19)	136 522
Energy sources		71 371		75 292	76 924	18 412	14 888	15 073	14 674	63 047	76 924	(13 878)	(18,04)	76 924
Water management		29 376		30 332	30 332	5 495	5 787	6 126	5 596	23 004	30 332	(7 329)	(24,16)	30 332
Waste water management		9 618		15 135	15 135	2 673	2 535	2 811	2 755	10 774	15 135	(4 361)	(28,81)	15 135
Waste management		9 627		14 131	14 131	2 681	2 516	2 833	2 734	10 764	14 131	(3 367)	(23,83)	14 131
<i>Other</i>	4													
Total Revenue - Functional	2	197 488	-	203 311	205 215	49 906	40 342	46 051	36 349	172 649	205 215	(32 566)	(15,87)	205 215
Expenditure - Functional														
<i>Municipal governance and administration</i>		104 246	-	72 679	75 222	12 488	17 602	17 147	15 772	63 009	75 222	(12 213)	(16,24)	75 222
Executive and council		23 511		20 288	20 256	4 960	5 071	5 994	4 760	20 784	20 256	528	2,61	20 256
Finance and administration		80 735		52 391	54 966	7 529	12 531	11 153	11 012	42 225	54 966	(12 741)	(23,18)	54 966
Internal audit														
<i>Community and public safety</i>		13 857	-	13 346	12 231	2 796	3 278	2 967	3 118	12 160	12 231	(71)	(0,58)	12 231
Community and social services		10 670		9 826	10 389	2 178	2 214	2 047	2 250	8 689	10 389	(1 700)	(16,36)	10 389
Sport and recreation		397		448	566	121	280	369	284	1 054	566	488	86,33	566
Public safety		1 276		231	231	249	470	297	325	1 342	231	1 110	479,82	231
Housing		1 514		2 841	1 045	248	314	254	259	1 075	1 045	30	2,88	1 045
Health														
<i>Economic and environmental services</i>		9 108	-	17 823	18 429	2 038	2 773	3 540	3 383	11 734	18 429	(6 695)	(36,33)	18 429
Planning and development														
Road transport		9 108		17 823	18 429	2 038	2 773	3 540	3 383	11 734	18 429	(6 695)	(36,33)	18 429
Environmental protection														
<i>Trading services</i>		84 282	-	114 868	113 198	12 492	21 543	20 699	20 197	74 931	113 198	(38 267)	(33,81)	113 198
Energy sources		38 407		68 326	64 388	7 086	8 957	12 564	12 660	41 265	64 388	(23 122)	(35,91)	64 388
Water management		21 399		20 485	21 643	2 137	5 577	3 395	3 287	14 396	21 643	(7 247)	(33,48)	21 643
Waste water management		9 969		12 251	13 002	1 082	3 083	2 601	2 190	8 955	13 002	(4 048)	(31,13)	13 002
Waste management		14 507		13 806	14 165	2 188	3 926	2 139	2 061	10 315	14 165	(3 851)	(27,18)	14 165
<i>Other</i>	4													
Total Expenditure - Functional	3	211 494	-	218 716	219 080	29 815	45 195	44 353	42 470	161 833	219 080	(57 247)	(26,13)	219 080
		(14 005)	-	(15 405)	(13 865)	20 092	(4 853)	1 699	(6 122)	10 816	(13 865)	24 681	(178,01)	(13 865)

TABLE C3 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

(Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		28 774	12 201	12 401	2	27 226	12 401	14 825	119,5%	12 401
Vote 2 - CORPORATE SERVICES		15 469	23 672	22 695	201	5 177	22 695	(17 518)	-77,2%	22 695
Vote 3 - FINANCIAL SERVICES		32 352	30 912	31 961	2 610	32 437	31 961	476	1,5%	31 961
Vote 4 - TECHNICAL SERVICES		120 892	136 526	138 158	8 743	110 417	138 158	(27 741)	-20,1%	138 158
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	197 488	203 311	205 215	11 556	175 256	205 215	(29 958)	-14,6%	205 215
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		23 511	20 288	20 481	1 832	20 846	20 481	365	1,8%	20 481
Vote 2 - CORPORATE SERVICES		29 078	36 476	35 975	2 698	31 211	35 975	(4 763)	-13,2%	35 975
Vote 3 - FINANCIAL SERVICES		66 518	35 710	37 083	2 120	25 048	37 083	(12 035)	-32,5%	37 083
Vote 4 - TECHNICAL SERVICES		91 527	124 182	122 904	9 870	91 576	122 904	(31 329)	-25,5%	122 904
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2 060	2 030	190	777	2 030	(1 253)	-61,7%	2 030
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	211 494	218 716	218 474	16 710	169 459	218 474	(49 015)	-22,4%	218 474
Surplus/ (Deficit) for the year	2	(14 005)	(15 405)	(13 259)	(5 155)	5 798	(13 259)	19 057	-143,7%	(13 259)

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1,916	883	862	1,002	996	882	4,633	18,808	29,982	26,321	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,120	151	110	117	98	76	328	735	2,735	1,354	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,615	664	608	548	527	511	2,903	19,846	28,220	24,333	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	691	323	321	321	321	321	1,922	10,308	14,528	13,193	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,374	545	536	530	525	521	3,074	15,261	22,365	19,910	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	29	51	72	97	118	132	1,120	18,681	20,300	20,148	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(1,539)	175	167	157	151	151	837	3,127	3,227	4,424	-	-
Total By Income Source	2000	6,205	2,793	2,677	2,772	2,735	2,595	14,817	86,766	121,358	109,684	-	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(396)	42	30	14	15	13	89	495	302	627	-	-
Commercial	2300	1,056	292	247	215	200	194	1,037	4,256	7,497	5,902	-	-
Households	2400	5,224	2,265	2,204	2,351	2,323	2,204	12,628	69,659	98,858	89,165	-	-
Other	2500	320	195	196	191	198	183	1,062	12,356	14,701	13,990	-	-
Total By Customer Group	2600	6,205	2,793	2,677	2,772	2,735	2,595	14,817	86,766	121,358	109,684	-	-

- The total amount owed to Kannaland Municipality amounted to **R121 million during the end of the Fourth Quarter.**
- **R87 million or 71%** of the total outstanding debtors are older than one year.
- **R110 million or 90%** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description R thousands	NT Code	Budget Year 2022/23								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	5,527	70	54	5	42,356	-	-	-	48,013
Bulk Water	0200	33	-	-	-	-	-	-	-	33
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	430	460	84	268	8,182	-	-	-	9,424
Auditor General	0800	150	73	126	526	7,124	-	-	-	7,999
Other	0900	1,504	105	40	66	5,871	-	-	-	7,586
Total By Customer Type	1000	7,643	708	304	865	63,534	-	-	-	73,054

- The total outstanding creditors as at the end of the **Fourth Quarter** amounts to **R 73 054**.
- The biggest outstanding creditors are Eskom (**R48 012 million**), the Auditor-General of South Africa (**R7 999 million**). Combined, the before mentioned, represents **79%** of all outstanding creditors.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply with supply chain management regulations. Creditors are owed money for extended periods of time, and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing, due to long outstanding creditors demanding settlement.

Section 7 – Investment portfolio analysis

- ↳ The municipality has no long-term debt obligations and any investments other than call account investments.

Section 8 – Allocation and grant receipts and expenditure

Transfers and Grant Receipts 2022/ 2023							ROLLOVERS
	Original Budget	Roll-over (Approved)	Adjustment Budget	Total Received	Total Spent	Unspent	
National Government Grants							
Financial Managememnt Grant (FMG)	R2 932 000,00			R2 932 000,00	R2 930 839,75	R1 160,25	
Integrated National Electrification (INEP)		R556 878,81				R556 878,81	
Equitable Share	R33 259 000,00			R27 223 000,00	R27 223 000,00		
Municipal Infrastructure Grant (Operational)	554 150,00			R554 150,00	R554 150,00	R0,00	
Municipal Infrastructure Grant (Capital)	R10 528 850,00			R8 608 850,00	R7 956 318,90	R652 531,10	R178 273,77
Water Service Infrastructure Grant						R0,00	R4 667 823,66
EPWP Incentive Grant	R1 031 000,00			R1 031 000,00	R1 031 000,00	R0,00	
Total National Grants	R48 305 000,00	R556 878,81	R0,00	R40 349 000,00	R39 695 308,65	R1 210 570,16	
Provincial Government							
Libraries (Conditional Grant)		R33 203,21			R33 977,00	-R773,79	
MRF (Municipal Replacement Fund)	R3 281 000,00	R334 204,16		R3 281 000,00	R3 095 704,68	R519 499,48	
Local Government Employee Support Grant		R126 236,40			R125 350,40	R886,00	
CDW Grant	R112 000,00	R73 524,21		R112 000,00	R186 102,81	-R578,60	
Capacity Bursary Grant		R250 000,00		R100 000,00	R7 802,00	R342 198,00	
PT Intervention Testing Kits				R306 000,00	R226 786,33	R79 213,67	
Microsoft Server				R300 000,00		R300 000,00	
Loadshedding Relief				R1 075 000,00	R1 004 065,00	R70 935,00	
Total Provincial Grants	R3 393 000,00	R567 167,98	R0,00	R5 174 000,00	R4 679 788,22	R1 311 379,76	
Departmental Agencies	Original Budget	Roll-over (Approved)	Adjustment Budget	Total Received	Total Spent	Unspent	
Public Sector Seta	R145 000,00			R111 556,09	R110 414,25	R1 141,84	
Totals	R51 698 000,00	R1 124 046,79	R0,00	R45 523 000,00	R44 375 096,87	R2 521 949,92	

The following indicates receipts and expenditure for each respective grants (Operational) and (Capital) for Quarter 4 of 2022/23 –

National Treasury

Expenditure:

- **Financial Management Grant** amounts to **R2.7 million**.
- **Municipal Infrastructure Grant (MIG)** amounts **R 7.3 million** capital expenditure.
- **Expanded Public Works Programme** amounts to **R 315 thousand**

Provincial Treasury

Expenditure:

Libraries Grant amounts to **R 863 thousand**

Community Development Workers amounts to **R 51 thousand**

Loadshedding Relief amounts to **R1 million**.

PT Intervention Water Testing Kits amounts to **R227 thousand**

Capacity Building Grant - External Bursary amounts to **R 7 thousand**

Section 9 – Expenditure on Councillor, Senior Managers and Other Staff

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter										
Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		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
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		2 560	3 046	3 046	296	4 300	3 046	1 255	41%	3 046
Pension and UIF Contributions		26	–	–	3	36	–	36	#DIV/0!	–
Medical Aid Contributions		124	–	81	9	67	81	(15)	-18%	81
Motor Vehicle Allowance		131	–	–	3	52	–	52	#DIV/0!	–
Cellphone Allowance		307	311	311	25	292	311	(19)	-6%	311
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		3 148	3 357	3 438	336	4 746	3 438	1 309	38%	3 438
% increase	4		6,6%	9,2%						9,2%
<u>Senior Managers of the Municipality</u>										
Basic Salaries and Wages		1 854	4 994	4 994	57	1 532	4 994	(3 462)	-69%	4 994
Pension and UIF Contributions		1	9	9	0	3	9	(6)	-70%	9
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		130	–	–	20	186	–	186	#DIV/0!	–
Cellphone Allowance		37	115	115	1	25	115	(91)	-79%	115
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		12	210	210	–	96	210	(114)	-54%	210
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		2 033	5 328	5 328	78	1 842	5 328	(3 486)	-65%	5 328
% increase	4		162,0%	162,0%						162,0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		45 593	49 327	51 910	4 709	50 535	51 910	(1 374)	-3%	51 910
Pension and UIF Contributions		6 740	8 520	8 520	610	7 126	8 520	(1 394)	-16%	8 520
Medical Aid Contributions		2 434	2 899	2 899	190	2 150	2 899	(748)	-26%	2 899
Overtime		4 001	4 442	4 405	582	6 572	4 405	2 167	49%	4 405
Performance Bonus		1 564	652	641	–	1 274	641	633	99%	641
Motor Vehicle Allowance		2 393	2 391	2 391	275	2 684	2 391	293	12%	2 391
Cellphone Allowance		165	172	172	10	153	172	(19)	-11%	172
Housing Allowances		315	349	349	30	337	349	(12)	-3%	349
Other benefits and allowances		4 420	4 639	3 741	223	6 204	3 741	2 463	66%	3 741
Payments in lieu of leave		(243)	1 520	520	22	532	520	13	2%	520
Long service awards		249	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		1 934	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		69 564	74 911	75 546	6 649	77 567	75 546	2 021	3%	75 546
% increase	4		7,7%	8,6%						8,6%
Total Parent Municipality		74 745	83 595	84 312	7 064	84 155	84 312	(157)	0%	84 312
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		1	–	–	0	1	–	1	#DIV/0!	–
TOTAL SALARY, ALLOWANCES & BENEFITS		74 746	83 595	84 312	7 064	84 156	84 312	(156)	0%	84 312
% increase	4		11,8%	12,8%						12,8%
TOTAL MANAGERS AND STAFF		71 597	80 239	80 874	6 728	79 408	80 874	(1 466)	-2%	80 874

Section 10 – Material variances to the SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2020/21 includes the following KPA's to be discussed in more detail in Appendix A.

KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

KPA 2: To Provide adequate Services and improve our public relations

KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks

KPA 4: To Facilitate Economic Growth and Social and Community development

KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation

KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy

KPA 7: To Strive towards a financially sustainable municipality

Section 11– Capital programme performance

EXPENDITURE STATUS 2022/2023 FY (June 2023)											
No.	Grant	Project No	Project Name	Original Budget	Rollover Approved	Rollover Rejected	Received	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG	285450	Ladismith: Upgrade Water Treatment Works	R 403 612,00				R 403 612,00	R -	100%	Contractor Appointed
2	MIG	160843	Ladismith: New Waste Water Treatment Works	R 441 713,00				R 441 713,00	R -	100%	Contractor Appointed
3	MIG	220290	Zoar: New Sport Field Lighting						R -		Contractor Appointed
4	MIG	220290	Zoar: New Sport Field Lighting (AFA - Additional Fund Application; project 220290)						R -		Contractor Appointed
5	MIG		Van Wyksdorp: Upgrade Water treatment Works	R 1 631 725,00				R 1 603 441,86	R 28 283,14	98%	Consultant Appointed
6	MIG		Van Wyksdorp: Upgrade Sewerage Works	R 1 823 450,00				R 1 806 242,91	R 17 207,09	99%	Consultant Appointed
7	MIG		Zoar: Upgrade sewer Works	R 4 308 349,00				R 3 730 243,10	R 578 105,90	87%	Consultant Appointed
8	MIG					R 826 369,00					
9	WSIG		Calitzdorp Deep Boreholes			R 5 199 296,57			R -		
10	INEP		Electrification Network		R 556 878,81	R 10 955,50			R 556 878,81		
11	Library Capital		Bergsig Library		R 33 203,21			R 33 977,00	-R 773,79		
12			Loadshedding Relief				R 1 075 000,00	R 1 004 065,00	R 70 935,00		
13			Blue Drop Green Drop- and Testing Kits				R 300 000,00	R 226 786,33	R 73 213,67		
Totals				R 8 608 849,00	R 590 082,02	R 6 036 621,07	R 9 983 850,00	R 8 019 229,87	R 1 323 849,82	R 4,84	Total Capital Commitments

Section 13 – Quality certification

I, **Morne Hoogbaard**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter 4**, ending **30 June 2023**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Morne Hoogbaard

Signature:

Date:

APPENDIX A: Bank Withdrawals MFMA Section 11(4)

PROVINCIAL TREASURY		
Withdrawals from Municipal Bank Accounts		
In accordance with Section 11, Sub-section 1 (b) to (j)		
NAME OF MUNICIPALITY:	KANNALAND MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	WC041	
QUARTER ENDED:	2023/06/31	
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality</i> bank accounts, and may do so only -	Amount	Reason for withdrawal
	R 0,00	
(b) to defray expenditure authorised in terms of section 26(4);	R 0,00	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	R 0,00	
(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 0,00	
(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -	R 1 042 775,55	Motor Registration and RTMC transaction fees
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	R 0,00	
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	R 0,00	
(f) to refund money incorrectly paid into a bank account;	R 0,00	
(g) to refund guarantees, sureties and <i>security</i> deposits;	R 0,00	
(h) for cash management and <i>investment</i> purposes in accordance with section 13;	R 0,00	
(i) to defray increased expenditure in terms of section 31; or	R 0,00	
(j) for such other purposes as may be <i>prescribed</i> .	R 0,00	
(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -	Name and Surname: R Saptoe	
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and	Rank/Position:	CFO
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Signature:	
Tel number	Fax number	Email Address
(028) 551 8000	(028) 551 1766	jodene@kannaland.gov.za

D

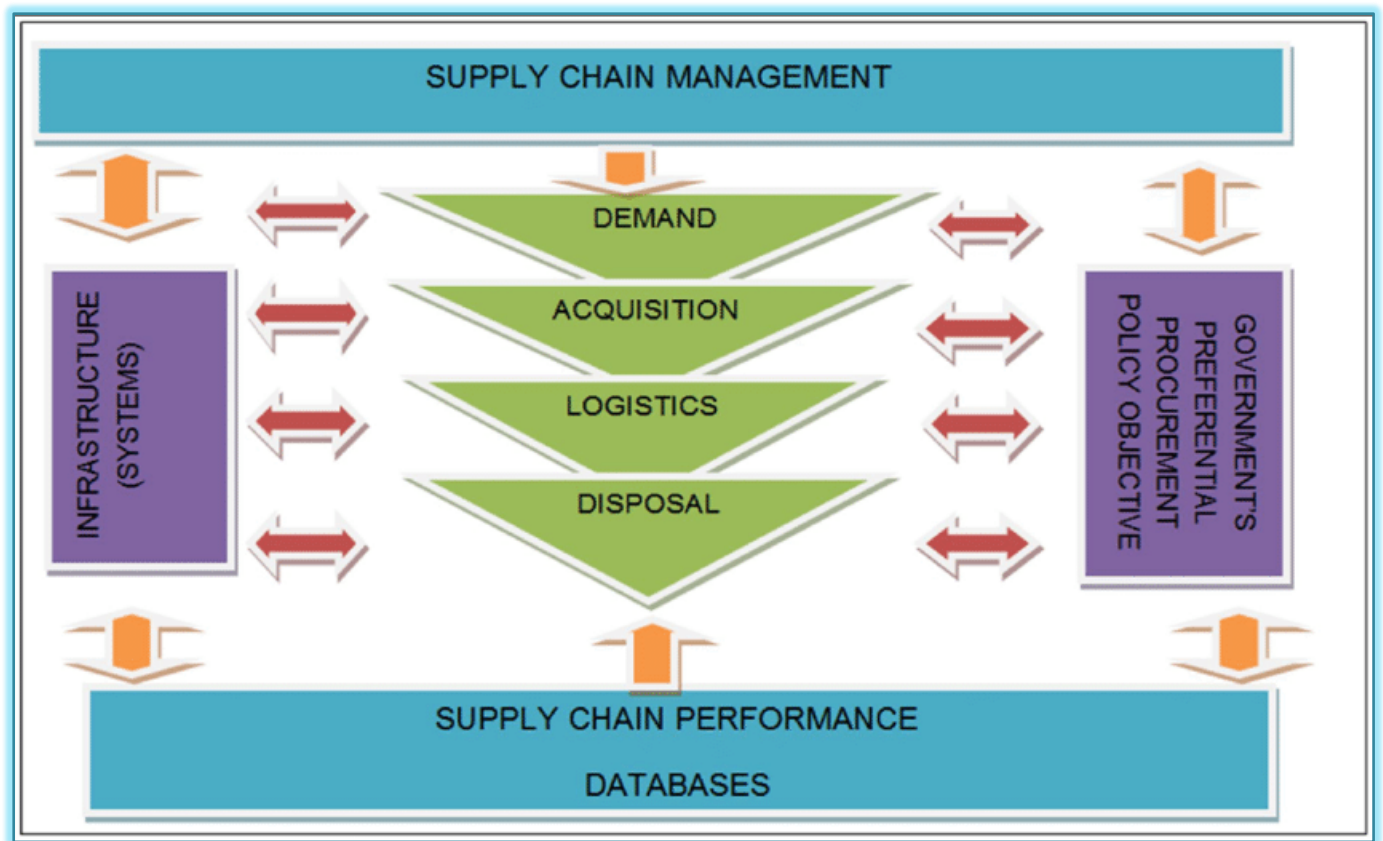
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APPENDIX B: Implementation of the SCM Policy



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Supply Chain Management Policy Implementation Report Fourth Quarter 2022/23



Quarterly Report in terms of Section 6(3) of the Municipal SCM Policy

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<u>APPENDIX D</u>	Error! Bookmark not defined.

1. INTRODUCTION

In terms of clauses 6(1) & 6(3) of Kannaland Municipality's Supply Chain Management Policy, the following responsibilities were allocated:

- 1) The council of a municipality must maintain oversight over the implementation of its supply chain management policy.
- 3) 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. BACKGROUND

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy, specifically regarding the following:

- a) Awards made through the bid committee system for the Quarter under review;
- b) Deviations in terms of Clause 36 of the Supply Chain Management Policy;
- c) Minor breaches approved by the Accounting Officer in terms of Clause 36(2) of the Supply Chain Management Policy;
- d) The status of objections, complaints and appeals lodged;
- e) Deviations in terms of section 114 of the MFMA, pertaining to the approval of a tender other than the one recommended through normal procurement processes;
- f) Clause 32 of the SCM Policy disclosure, procurement of goods or services under a contract secured by another organ of state;
- g) Status update on the implementation of the Council approved procurement plan as year-to-date; and
- h) Report of and progress made with incidences of non-compliance and irregular expenditure identified and currently undergoing investigation.

3. SCM POLICY & PROCEDURES

3.1 Adoption of a S

3.2 CM Policy by Council

- Adopted.

3.2 SCM Procedures

- SCM procedures manual and relevant SOP's.

It should however be noted that implementation has been hampered due to the delay in the staff placement process.

3.3 Delegations

- All delegations have not been delegated, are not in writing and accepted.
The above will be address as a matter of urgency.

3.4 Infrastructure Procurement

- The Standard for Infrastructure Procurement and Delivery Management Policy has been adopted.

4. FUNCTIONING OF THE SCM UNIT

4.1 SCM Structure:

- The approved SCM Structure is in place but not in full operation to date.

It is important to note that there are numerous critical vacancies within the SCM department that needs to be filled as a matter of urgency. There are only three positions filled and all are assuming acting positions for more than nine months that is in contravention with the Collective agreement.

Please see below the latest approved organogram:

SCM & Asset Management	Manager: SCM & Contract Management	T15
Demand & Acquisition Management	Senior SCM Practitioner: Demand & Acquisition Management	T11
	Senior Clerk: Procurement	T7
	Senior Clerk: Procurement	T7
Logistics, Compliance & Contract Management	Senior SCM Practitioner: Logistics, Compliance & Contract Management	T11
	Assistant: Inventory Control	T4
	Assistant: Inventory Control	T4
Fleet, Asset & Insurance Management	Accountant: Fleet, Asset & Insurance Management	T12
	Clerk: Assets, Fleet & Insurance	T6

4.2 Declaration of Interest:

- All SCM Practitioners Have declared their interests.

4.3 Code of Conduct for SCM Practitioners:

- All SCM Practitioners have signed the Code of Conduct.

4.4 Training of SCM Personnel:

- Training schedule to be made available.

4. FUNCTIONING OF BID COMMITTEES

- 4.1 All Bid Committees are constituted in line with Clauses 27, 28 and 29 of the SCM Policy of Kannaland Municipality.
- 4.2 All Infrastructure Committees are aligned with the Infrastructure Delivery Management System (IDMS)
- 4.3 Bid Committee Terms of Reference are in place.

5. REPORTING

5.1 Total Bids Awarded

Bids are awarded in terms of Kannaland Municipality's Supply Chain Management Policy.

Total value of bids awarded for the quarter under review:

Bids are awarded in terms of Kannaland Municipality's Supply Chain Management Policy and the preferential points system prescribed in the Preferential Procurement Policy.

Procurement transactions have been processed through the bid committee system and formal written price quotations in excess of R30 000 within the following timeframes:

	2022/23 4 th Quarter	2022/23 YTD	2022/2021
Bids Processed	3	23	
Bids processed - Average per Quarter			
Average days from final evaluation to Bid Adjudication Committee	N/A	N/A	N/A
Average days from initiation to Bid Specification Committee	N/A	N/A	N/A
Estimated Value of Awards (Rand)	R 508 999.99	R 2 086 529.41	R

A schedule of these awards for the 4th Quarter of 2022/23 is attached as **Annexure A**.

a) Value of all Awards

The total value of tenders and formal written price quotations in excess of R30 000 awarded by the Supply Chain Management Unit for the 4th Quarter of 2022/23:

	Operational Amount (Including VAT, where applicable)	Capital Amount (Including VAT, where applicable)	VAT @ 15%	Value of Awards (Including VAT, where applicable) for Q4
Bid Awards (xxx)	R 508 999.99	R	R	R 508 999.99

b) Deviations – Clause 36(1)(a)

Clause 36(1)(a) of Kannaland Municipality's Supply Chain Management Policy allows circumstances for deviations from the procurement proWSR5*--cesses. Furthermore, the policy requires in Clause 36(2), that the reasons for any deviations from the procurement processes must be recorded and be reported to Council.

Deviations approved by the Accounting Officer or by the delegated officials were motivated in terms of the following categories for applications approved for the 2022/23 year to date is compared to the 2021/2022 financial year as per the following schedule:

SCM Policy	Description	2022/23 4th Quarter	2022/23 to date	2021/2022
Clause 36(1)(a)(i)	Emergency	3		0
Clause 36(1)(a)(ii)	Sole Provider	6		0
Clause 36(1)(a)(iii)	Special works of Art	0		0
Clause 36(1)(a)(iv)	Animals for zoos	0		0
Clause 36(1)(a)(v)	Impractical Impossible	29		0
Total		38	0	0

A schedule of Deviations approved in terms of Clauses 36(1)(a) is attached as **Annexure B**.

Value of all Deviations Awarded

The total value of deviations processed via the Supply Chain Management Unit for the 4th Quarter of 2022/23, are as follows:

	Operational Amount (Excluding VAT, where applicable)	Capital Amount (Excluding VAT, where applicable)	VAT @ 15%	Value of Awards (Including VAT, where applicable) for Q4
Deviations (xxx)	R 7 685 805	R0.00	R 0	R 7 685 805

c) Minor Breaches

The Supply Chain Management Policy states in Clause 36(1)(b) that the Accounting Officer may consider ratifying any minor breach of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

The Accounting Officer approved one (0) minor breaches of the Supply Chain Management Policy in the 4th Quarter of the 2022/2023 financial year:

SCMMB #	Date approved	Description
N/A		

d) Objections, Complaints and Appeals

In terms of Clause 49 of the SCM Policy, persons aggrieved by decisions or actions taken in the implementation of the supply chain management system, may lodge a written objection against the decision or action within 10 business days of the decision or action.

These objections must be dealt with and resolved in terms of Clause 50(1) of the SCM Policy. In terms of this, the Accounting Officer has appointed an 'appeals authority' which must strive to resolve all objections within 46 business days of receipt and report to the Accounting Officer on a monthly basis on the objections received, attended to and resolved in terms of Clause 50(3) of the Policy.

In terms of Section 62 of the Local Government: Municipal Systems Act, No. 32 of 2000, a person whose rights are affected by a decision taken by a staff member of a municipality, may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.

e) Incidences of Non-compliance and Irregular Expenditure

In terms of Section 32(4) of the Local Government: Municipal Finance Management, Act No. 56 of 2003, the Executive Mayor, inter alia, must be made aware of all possible irregular expenditure incurred by the municipality.

A register of all incidences of irregular expenditure identified and currently undergoing investigation will be attached when compiled.

f) Awards above R2000 to spouses, child, parent of a person in service of the state

Section 45 of the Supply Management Policy – Nothing to declare

6. FINANCIAL IMPLICATIONS

Nothing to be reported.

7. STAFF IMPLICATIONS

Nothing to be reported.

8. COMMENTS FROM OTHER DEPARTMENTS, DIVISIONS AND ADMINISTRATIONS

Nothing to be reported.

9. ANNEXURES

Annexure A: Schedule of Awards made through the Bid Committee system and all formal written price quotations in excess of R30 000;

Annexure B: Schedule of Deviations from the procurement processes;

Annexure C: Schedule of disputes, objections, queries, complaints and appeals received

RECOMMENDATION TO THE COUNCIL:

That the activities undertaken, and outcomes achieved in the implementation of the Kannaland Municipality's Supply Chain Management Policy for the 4th Quarter of 2022/23 **be noted**, including the schedules pertaining to -

- Awards made through the Bid Committee system and all formal written price quotations in excess of R30 000;
- Deviations from the procurement processes;
- Disputes, objections, queries, complaints and appeals received; and
- Irregular Expenditure report will be available for the 4th Quarter of 2022/2023.

APPENDIX A

Attached

APPENDIX B

Attached

APPENDIX C

Attached (There was no disputes, objections, queries, complaints and appeals received)

Annexure A

FORMAL QUOTATION NO.	NAME OF SUPPLIER	APPOINTED 2021/2022	ADDRESS OF SUPPLIER	NAME OF TENDER	AMOUNT
12/2023	CHLORCAPE (PTY) LTD	2022/2023	POSTNET SUITE 321 PRIVATE BAG X1 MELKBOSSTRAND SP 7437	SUPPLY AND DELIVERY OF ULTRA FLOC U3500	R155 250,00
13/2023	PNB CIVILS	2022/2023	13 DORING CRESCENT GROENEWEIDE PARK GEORGE 6529	SUPPLY AND DELIVERY OF BLACK REFUSE BAGS	R198 499,99
14/2023	CHLORCAPE (PTY) LTD	2022/2023	POSTNET SUITE 321 PRIVATE BAG X1 MELKBOSSTRAND SP 7437	SUPPLY AND DELIVERY OF ULTRA FLOC U3500	R155 250,00
					R508 999,99

Annexure B

April 2023

SUPPLY CHAIN MANAGEMENT-ART 36- SCM REGULATIONS						
NOMMER/NUMBER	ORDER NO.	DATUM/DATE	DEPARTEMENT/DEPARTMENT	VERSKAFFER/SUPPLIER	BEDRAG/AMOUNT	REDE/REASON
8/1/4/R		01/03/2023	FINANCE	LUCROMSGOTT	R 38 646,00	THE MUNICIPALITY DOES NOT HAVE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE APPOINTED SERVICE PROVIDER CAN CURRENTLY NOT SUPPLY THE INFORMATION DUE TO THE EMERGENCY OF THIS SERVICE THAT MUST BE DELIVERED IN INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER. NO REVENUE I.R.O SERVICES RENDERED CAN BE GENERATED IF THE MONTHLY METER READINGS ARE NOT PERFORMED AND INVOICES RENDERED TO USERS FOR PAYMENT.
8/1/4/R		24/03/2023	MUNICIPAL MANAGER	TITUS & ASSOCIATES	R 9 200,00	DE MANSIPALITEIT HET TITUS & ASSOCIATES NODIGERWISSE ANGESITSE OP APTREKING OM REGEDAREEL ENTERHE NAMES DIE MAAD EN MANSIPALITEIT TE HANTEER KANNALAND MUNISPALITEIT HET TYDENS NOVEMBER 2022 NODIGERWISSE ONTVANGS WAREN DIE LADSMITH KAKL, SUD-KAAP WINGERDE EN 1 ANDER DIE MUNISPALITEIT BEDADVAAR HET BAKENDE DIE VOORSIENING VAN WATER, DIE AANGELEENTHEID WAS OP 17 MAART 2023 OP DIE HOFKOL EN MAN TITUS MOES ADV 1 MAYOSI GEBRUIK OM DIE MUNISPALITEIT IN DIE ANDERKE TE VERTEWODIGS.
8/1/4/R		04/04/2023	TECHNICAL	FAME LE ROUX	R 28 800,00	THE MUNICIPAL HONEY SUCKER IS CURRENTLY OUT OF SERVICES DUE TO AN ENGINE FAULT. THIS CAN TAKE SOME TIME, AS PER THE CONTRACTOR WHO WORKS ON THE MUNICIPAL VEHICLES. THE MUNICIPALITY HAS THROUGH THE INTER-GOVERNMENTAL FRAMEWORK REACHING AN AGREEMENT WITH OUDTPOORT MUNICIPALITY, TO PROVIDE HONEY SERVICE TO KANNALAND MUNICIPALITY. KANNALAND STILL HAS CONSERVANCY TANKS WHICH REQUIRE FREQUENT EXTRACTION BY PUMP WITH THE HONEY SUCKER.
8/1/4/R		11/04/2023	FINANCE	SA POST OFFICE	R 2 540,00	SAPO IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
8/1/4/R		18/04/2023	FINANCE	ICT WISE GROUP (PTY) LTD	R 28 318,00	IT WOULD HAVE SOME OUT ON TROUBLE BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT THE BUDGET AND TREASURY OFFICES. CURRENTLY KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WISE GROUP HAS THE ABILITY TO HELP KANNALAND TO HELP KANNALAND WITH THE ROUTING OF THE NETWORK FROM CAUTEDORP AND ZION TO LADSMITH.
8/1/4/R		18/04/2023	FINANCE	UBM REBAF TRUST	R 28 465,00	KANNALAND MUNISPALITEIT CONSERVING DIE PSELORE PANE JANE TE TE TOIT JAN KANTOOR SPASE. HIERDE BEHOEFTE HET ONTSTANN AS GEVOLG VAN DIE FREY DAT DIE PERSONEEL AANGESTEL MOES WOND OM DIE MUNISPALITEIT IN STANT TE STEL OM SY DAGLIGSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDEURENDE 2013-2015, HET DIE MUNISPALITEIT NIEKS VIR HIERDE DOEL KANTORE BY NBN ELLO INDIUTAFAN VERN BISS GEKOR.
8/1/4/R		11/04/2023	FINANCE	LUCROMSGOTT	R 38 646,00	THE MUNICIPALITY DOES NOT HAVE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE APPOINTED SERVICE PROVIDER CAN CURRENTLY NOT SUPPLY THE INFORMATION DUE TO THE EMERGENCY OF THIS SERVICE THAT MUST BE DELIVERED IN INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER. NO REVENUE I.R.O SERVICES RENDERED CAN BE GENERATED IF THE MONTHLY METER READINGS ARE NOT PERFORMED AND INVOICES RENDERED TO USERS FOR PAYMENT.
8/1/4/R		11/04/2023	FINANCE	WINDRED SYSTEMS	R 1 967,00	KANNALAND NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS.
8/1/4/R		17/04/2023	TECHNICAL	DEALIN	R 40 571,00	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLEMS WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE ELLEVATED LEVELS OF LANDFILLING. AS PART OF CONTINGENCY PLANNING, A STANDBY WATER TRUCK MUST BE AVAILABLE DURING THIS PERIOD, IF THE MUNICIPAL WATER TANKER BREAKS OR WHEN AN ADDITIONAL WATER TANKER IS NEEDED.
					R 217 144,00	

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8/14/R		08/05/2023	FINANCE	SA POST OFFICE	R	45 344,95	SAPD IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
8/14/R		08/05/2023	FINANCE	LIBM BRAAF TRUST	R	28 466,73	KANNALAND MUNISPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR N TE KORT AAN KANTOOR SPASIE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT DIE PERSONEEL AANGESTEL MOES WORD OM DIE MUNISPALITEIT IN STAAT TE STE OM SY DAAGLIKSE FUNKSIONES DOELTREFFEND UIT TE VOER. GEDEURENDE 2013-2015, HET DIE MUNISPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW 888) GEHUIR.
8/14/R		02/05/2023	MUNICIPAL MANAGER	DIERGAARDT MARC ANTHONY	R	15 200,00	DIE DISSPLINERE VERHOOR VAN MNR ROY DE JONGH VIND PLAAS OP 566 APRIL 2023 TE LADSMITH. DIE GETUENIS VAN MNR MARC DIERGAARDT IS VAN KRITIESE BELANG IN VERHOOR.
8/14/R		11/05/2023	MUNICIPAL MANAGER	WILLIAMS C (VERHOOR)	R	18 788,00	EXTERNE VOORSITTENDE BEAMPTTE VIR DIE DISSPLINERE VERHOOR VAN MNR R DE JONGH, MEV J ANDREWS.
8/14/R		21/04/2023	TECHNICAL SERVICES	SANITECH	R	82 329,07	THE PROVISIONING OF SANITATION IS A BASIC SERVICE WITHOUT THE CHEMICAL TOILETS, NO OTHER MEAN OF SANITATION SERVICES EXISTS. IT IS THEREFORE NECESSARY TO PROVIDE THESE MOBILE CHEMICAL TOILETS TO THE RESIDENTS IN THESE INFOMAL SETTLEMENTS. (FEBRUARY 2023)
8/14/R		21/04/2023	TECHNICAL SERVICES	SANITECH	R	82 329,07	THE PROVISIONING OF SANITATION IS A BASIC SERVICE WITHOUT THE CHEMICAL TOILETS, NO OTHER MEAN OF SANITATION SERVICES EXISTS. IT IS THEREFORE NECESSARY TO PROVIDE THESE MOBILE CHEMICAL TOILETS TO THE RESIDENTS IN THESE INFOMAL SETTLEMENTS (JANUARY 2023)
8/14/R		16/05/2023	FINANCE	ICT WIDE GROUP (PTY) LTD	R	28 319,00	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT THE BUDGET AND TREASURY OFFICES. CURRENTLY KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WYKSE GROUP HAS THE ABILITY TO HELP KANNALAND TO HELP KANNALAND WITH THE ROUTING OF THE NETWORK FROM CAULDZORPP AND ZDAR TO LADSMITH.
8/14/R		18/05/2023	TECHNICAL SERVICES	SANITECH	R	82 329,07	THE PROVISIONING OF SANITATION IS A BASIC SERVICE WITHOUT THE CHEMICAL TOILETS, NO OTHER MEAN OF SANITATION SERVICES EXISTS. IT IS THEREFORE NECESSARY TO PROVIDE THESE MOBILE CHEMICAL TOILETS TO THE RESIDENTS IN THESE INFOMAL SETTLEMENTS (MARCH 2023)
8/14/R		11/05/2023	TECHNICAL SERVICES	DEKLIN CC	R	50 715,00	DEKLIN IS APPOINTED AS THE CONTRACTOR FOR THE INSTALLATION OF KANNALAND WATERMETERS PROJECT. THE PROJECT IS FUNDED THROUGH KANNALAND MUNICIPALITY.
					R	433 820,89	

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8/14/R		05/06/2023	ADMINISTRATION	ROY STEELLE AND ASSOCIATES	R	103 500,00	COUNCIL RESOLVED ON 21 NOVEMBER 2022 TO ADVERTISE THE POST OF MUNICIPAL MANAGER AND CHIEF FINANCIAL OFFICER, ONLINE WITH THE REGULATION ON THE APPOINTMENT AND CONDITIONS OF SENIOR MANAGERS, 2004
8/14/R		05/06/2023	TECHNICAL	PHAMBILI CIVILS CC	R	447 138,25	THE PURPOSE OF THIS DEVIATION IS FOR THE ACTING MUNICIPAL MANAGER TO APPROVE THIS DEVIATION IN TERMS OF SECTION 36 (1)(A)(V) OF THE MUNICIPAL SUPPLY CHAIN REGULATION. THE VAN WYKSDORP WTW PROJECT WAS APPROVED THROUGH THE MIG PROGRAMME ON 01 DECEMBER 2022. PLEASE SEE ATTACHED APPROVAL LETTER.
8/14/R		05/06/2023	TECHNICAL	IMBRIOLD CONSTRUCTION	R	1 086 055,50	THE PURPOSE OF THIS DEVIATION IS FOR THE ACTING MUNICIPAL MANAGER TO APPROVE THIS DEVIATION IN TERMS OF SECTION 36 (1)(A)(V) OF THE MUNICIPAL SUPPLY CHAIN REGULATION. THE 2024 WTW PROJECT WAS APPROVED THROUGH THE MIG PROGRAMME ON 01 DECEMBER 2022. PLEASE SEE ATTACHED APPROVAL LETTER.
8/14/R		01/06/2023	TECHNICAL	AMANDA GCF CONSTRUCTION	R	180 147,79	THE PURPOSE OF THIS DEVIATION IS FOR THE ACTING MUNICIPAL MANAGER TO APPROVE THIS DEVIATION IN TERMS OF SECTION 36 (1)(A)(V) OF THE MUNICIPAL SUPPLY CHAIN REGULATION. THE LADSMITH WTW PROJECT WAS APPROVED THROUGH THE MIG PROGRAMME ON 01 DECEMBER 2022. PLEASE SEE ATTACHED APPROVAL LETTER.
8/14/R		13/06/2023	FINANCE	RED AND METER READINGS/LUCROMSOPT	R	38 640,00	THE MUNICIPALITY DOES NOT HAVE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE APPOINTED SERVICE PROVIDER CAN CURRENTLY NOT SUPPLY THE INFORMATION DUE TO THE URGENCY OF THIS SERVICE THAT MUST BE DELIVERED IN INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER. NO REVENUE I.R.O SERVICES RENDERED CAN BE GENERATED IF THE MONTHLY METER READINGS ARE NOT PERFORMED AND INVOICES RENDERED TO USERS FOR PAYMENT.
8/14/R		12/06/2023	FINANCE	LIBM BRAAF TRUST	R	36 352,87	KANNALAND MUNISPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR N TE KORT AAN KANTOOR SPASIE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT DIE PERSONEEL AANGESTEL MOES WORD OM DIE MUNISPALITEIT IN STAAT TE STE OM SY DAAGLIKSE FUNKSIONES DOELTREFFEND UIT TE VOER. GEDEURENDE 2013-2015, HET DIE MUNISPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW 888) GEHUIR.
8/14/R		09/06/2023	FINANCE	SA POST OFFICE	R	44 922,50	SAPD IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
8/14/R		14/06/2023	ADMINISTRATION	BIOVEST STEINER	R	33 804,44	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE CLEANING SERVICES HAS LAPSED AND THIS RESULTED IN THE MUNICIPALITY HAVING TO START THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF NEW SERVICE PROVIDER ON A LONG TERM BASIS. THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CORRECT SERVICES PROVIDERS UP UNTIL THE PROCUREMENT AND TENDER PROCESS FOR A SERVICE PROVIDER HAS BEEN FINALIZED.
8/14/R		14/06/2023	ADMINISTRATION	TELKOM SA LIMITED	R	26 064,10	THE MUNICIPALITY DURING THE PREVIOUS AND CURRENT FINANCIAL YEAR STARTED ENGAGEMENT WITH THE BUSINESS SIDE OF TELKOM, BUT COULD NOT FINALISE THE PROCESS DUE TO A LACK OF CONTINUITY IN NEGOTIATIONS AND PERSONNEL. MR BLUES FORTUIN IS STILL IN EVENTUAL PROCUREMENT. TELKOM ARE A GOVERNMENT PARASTATAL. THE CONTRACTS THAT LAPSED MAKES PROVISION FOR A MONTH- TO MONTH AGREEMENT THAT SHALL BE TERMINATED UPON PRIOR NOTICE BY ANY OF THE PARTIES.
8/14/R		14/06/2023	ADMINISTRATION	CONTAINERS 4 LESS	R	30 360,00	THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICE PROVIDER UP UNTIL A PROCUREMENT AND TENDER PROCESS FOR A MORE PERMANENT SERVICE PROVIDER HAS BEEN FINALIZED. THE AIM OF THIS PROJECT IS TO PROVIDE CONTAINERS FOR STORAGE AND OFFICE IN VARIOUS AREAS WITHIN THE KANNALAND MUNICIPALITY.
8/14/R		15/06/2023	FINANCE	WINDEED SYSTEMS	R	3 855,80	KANNALAND NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS
8/14/R		15/06/2023	FINANCE	WINDEED SYSTEMS	R	2 591,81	KANNALAND NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS
8/14/R		15/06/2023	FINANCE	RED AND METER READINGS/LUCROMSOPT	R	38 640,00	THE MUNICIPALITY DOES NOT HAVE FACILITIES TO PERFORM THESE METER READINGS THEMSELVES. THE APPOINTED SERVICE PROVIDER CAN CURRENTLY NOT SUPPLY THE INFORMATION DUE TO THE URGENCY OF THIS SERVICE THAT MUST BE DELIVERED IN INFORMATION IS OBTAINED FROM THE PREVIOUS SERVICE PROVIDER. NO REVENUE I.R.O SERVICES RENDERED CAN BE GENERATED IF THE MONTHLY METER READINGS ARE NOT PERFORMED AND INVOICES RENDERED TO USERS FOR PAYMENT.
8/14/R		07/06/2023	ADMINISTRATION	CW IR SOLUTION (PTY) LTD	R	22 288,00	EXTERNE VOORSITTENDE BEAMPTTE VIR DIE DISSPLINERE VERHOOR VAN MNR R DE JONGH, MEV J ANDREWS, MNR N PERSINWALLI EN MNR A. DELPOIT
8/14/R		20/06/2023	ADMINISTRATION	KONICA MINOLTA SOUTH AFRICA	R	58 657,87	THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICE PROVIDERS UP UNTIL THE END OF THE FINANCIAL YEAR TO ALLOW THE SECTION TO COMPLETE PROCUREMENT AND TENDER PROCESS FOR A SERVICE PROVIDER TO BE APPOINTED ON 36 MONTHS CONTRACT.
8/14/R		27/06/2023	TECHNICAL	PHAMBILI CIVILS CC	R	783 233,06	THE PURPOSE OF THIS DEVIATION IS FOR THE ACTING MUNICIPAL MANAGER TO APPROVE THIS DEVIATION IN TERMS OF SECTION 36 (1)(A)(V) OF THE MUNICIPAL SUPPLY CHAIN REGULATION. THE VAN WYKSDORP WTW PROJECT WAS APPROVED THROUGH THE MIG PROGRAMME ON 01 DECEMBER 2022. PLEASE SEE ATTACHED APPROVAL LETTER.
8/14/R		27/06/2023	TECHNICAL	IMBRIOLD CONSTRUCTION	R	1 638 296,24	THE PURPOSE OF THIS DEVIATION IS FOR THE ACTING MUNICIPAL MANAGER TO APPROVE THIS DEVIATION IN TERMS OF SECTION 36 (1)(A)(V) OF THE MUNICIPAL SUPPLY CHAIN REGULATION. THE 2024 WTW PROJECT WAS APPROVED THROUGH THE MIG PROGRAMME ON 01 DECEMBER 2022.
8/14/R		27/06/2023	TECHNICAL	JHWHIBO C TRANSAND	R	993 983,77	THE PURPOSE OF THIS DEVIATION IS FOR THE ACTING MUNICIPAL MANAGER TO APPROVE THIS DEVIATION IN TERMS OF SECTION 36 (1)(A)(V) OF THE MUNICIPAL SUPPLY CHAIN REGULATION. THE VAN WYKSDORP WTW PROJECT WAS APPROVED THROUGH THE MIG PROGRAMME ON 01 DECEMBER 2022.
8/14/R		27/06/2023	TECHNICAL	EREO KHOMELA CIVIL ENGINEERING	R	371 852,47	THE LADSMITH WTW PROJECT WAS IMPLEMENTED DURING THE 2021/2022 FINANCIAL YEAR THROUGH AN OPEN TENDER PROCESS. EREO KHOMELA CIVIL ENGINEERING CONSTRUCTION (PTY) LTD WAS APPOINTED AS THE CONTRACTOR UNDER BID NO. KANNA 04/2021 FOR THE FULL SCOPE OF WORKS AS ADVERTISED IN THE TENDER DOCUMENT. A FINAL APPOINTMENT LETTER WAS ISSUED TO EREO FOR THE FULL SCOPE OF WORKS TO AN AMOUNT OF R16 147 921,03. THE AVAILABLE BUDGET FOR THE 2021/2022 FY WAS R6422209 AND THEREFORE THE SCOPE OF WORKS WAS REDUCED TO FIT THE BUDGET.
8/14/R		27/06/2023	TECHNICAL	SANITECH	R	82 329,07	THE PROVISIONING OF SANITATION IS A BASIC SERVICE, WITHOUT THE CHEMICAL TOILETS, NO OTHER MEANS OF SANITATION SERVICES EXISTS. IT IS THEREFORE NECESSARY TO PROVIDE THESE MOBILE CHEMICAL TOILETS TO THE RESIDENTS IN THESE INFOMAL SETTLEMENTS.
8/14/R		27/06/2023	TECHNICAL	LOPISO CIVIL CONSTRUCTION	R	1 004 065,00	GENERATORS AND FUEL TRANSFER PUMPS
					R	7 034 839,14	