



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 2nd Quarter of 2023/24



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.

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

In accordance with Section 52(d) of the Municipal Finance Management Act, I submit a report to the council within 30 days after the end of the first quarter of 2023/24, on the implementation of the budget and the financial state of affairs of the Kannaland Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

Executive Mayor

Recommendations

That the council takes cognisance of the Quarterly budget statement of the **Second Quarter of the 2023/24 MTREF (Q2)**.

SECTION 1 – 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

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).

It also 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 2nd quarter of 2023/24.

The performance against the budget can be summarized as follow:

Amount in thousands	Original Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 226 346	R 124 714	R 111 101	R (13 613)	-11%
Operating Expenditure	R 240 912	R 120 485	R 127 813	R 7 328	6%
Capital	R 13 743	R 6 871	R 7 295	R 424	6%

Operational Revenue

The municipality's total operational revenue budget amounts to R 226 million and the year-to-date revenue on the budget accrued to R 111 million. This represents 49% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R 240 million, with a year-to-date performance of R 128 million, or 53% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to R 14 million with a year-to-date performance of R 7.2 million, or 53% of the total capital budget.

Operating Surplus/Deficit

Second quarter operating revenue amounted to R 54 million, with expenditure amounting to R 90 million, with an operating deficit of R 36 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 Annexure C.

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) That measures on debt collection are implemented and applied effectively;
- (e) A procurement plan be developed and approved as a matter of urgency;
- (f) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an always changing environment.

SECTION 2 – IN-YEAR BDUEGT STATEMENT TABLES

2.1 TABLE C1 – QUARTERLY BUDGET SUMMARY

Western Cape: Kannaland (WC041) - Table C1 Quarterly Budget Summary for 2nd Quarter ended 31 December 2023

Description	2022/23	Budget year 2023/24								
	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands										
Financial Performance										
Property rates	25 562	26 915	26 915	7 119	7 069	14 188	13 457	730	5,43	26 915
Service charges	101 947	117 388	117 388	29 382	27 423	56 805	58 694	(1 889)	(3,22)	117 388
Investment revenue	1 845	960	960	562	260	821	480	341	71,14	960
Transfer and subsidies - Operational	41 576	64 252	64 252	16 219	13 838	30 057	43 667	(13 610)	(31,17)	64 252
Other own revenue	12 828	16 831	16 831	3 746	5 485	9 230	8 415	815	9,68	16 831
Total Revenue (excluding capital transfers and contributions)	183 758	226 346	226 346	57 027	54 075	111 101	124 714	(13 613)	(10,92)	226 346
Employee costs	81 640	79 390	79 390	23 097	25 493	48 590	39 694	8 896	22,41	79 390
Remuneration of councillors	4 746	3 276	3 276	1 090	952	2 042	1 638	404	24,66	3 276
Depreciation and amortisation	13 957	11 762	11 762	2 940	2 940	5 881	5 881	0	0,00	11 762
Finance charges	6 069	8 000	8 000	1	495	496	4 000	(3 504)	(87,59)	8 000
Inventory consumed and bulk purchases	58 220	64 991	64 991	7 254	37 696	44 950	32 496	12 455	38,33	64 991
Transfers and subsidies	255	920	920	10	114	123	460	(337)	(73,15)	920
Other expenditure	97 034	72 573	72 573	3 121	22 609	25 730	36 316	(10 586)	(29,15)	72 573
Total Expenditure	261 921	240 912	240 912	37 514	90 300	127 813	120 485	7 328	6,08	240 912
Surplus/(Deficit)	(78 163)	(14 566)	(14 566)	19 513	(36 225)	(16 712)	4 229	(20 941)	(495,20)	(14 566)
Transfers and subsidies - capital (monetary allocations)	8 426	15 804	15 804	2 112	5 070	7 183	11 853	(4 670)	(39,40)	15 804
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(69 737)	1 238	1 238	21 626	(31 155)	(9 529)	16 082	(25 611)	(159,25)	1 238
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(69 737)	1 238	1 238	21 626	(31 155)	(9 529)	16 082	(25 611)	(159,25)	1 238
Capital expenditure & funds sources										
Capital expenditure	3 047	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743
Transfers recognised - capital	17 429	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	(21 435)	-	-	-	-	-	-	-	-	-
Total sources of capital funds	(4 007)	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743
Financial position										
Total current assets	(36 163)	(23 714)	(23 714)	39 604	(76 378)	(36 774)	(3 020)	(33 754)	1 117,68	(23 714)
Total non current assets	317 657	1 981	1 981	(2 410)	321 482	319 072	991	318 081	32 112,66	1 981
Total current liabilities	82 292	(22 971)	(22 971)	15 583	77 073	92 655	(18 111)	110 767	(611,58)	(22 971)
Total non current liabilities	30 889	-	-	-	30 889	30 889	-	30 889	-	-
Community wealth/Equity	251 141	2 867	2 867	(14)	168 297	168 283	-	168 283	-	2 867
Cash flows										
Net cash from (used) operating	75 736	5 213	5 213	47 361	(17 028)	30 333	11 444	18 889	165,07	5 213
Net cash from (used) investing	(8 808)	(13 258)	(13 258)	(577)	(5 805)	(6 382)	(6 629)	247	(3,73)	(13 258)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	97 862	(8 045)	(8 045)	46 784	44 681	44 681	4 814	39 866	828,05	(8 045)
Collection Rate	56,71	93,01	93,01	65,91	60,43	63,23	93,01	-	-	93,01
Property rates	19,25	82,87	82,87	56,37	64,57	60,46	82,87	-	-	82,87
Service charges	71,99	103,01	103,01	75,84	67,68	71,90	103,01	-	-	103,01
Service charges - electricity revenue	79,73	109,68	109,68	83,01	71,57	77,71	109,68	-	-	109,68
Service charges - water revenue	64,83	89,61	89,61	71,74	65,26	68,23	89,61	-	-	89,61
Service charges - sanitation revenue	56,88	92,00	92,00	53,20	58,19	55,68	92,00	-	-	92,00
Service charges - refuse revenue	47,35	92,00	92,00	46,04	53,83	49,85	92,00	-	-	92,00
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-

2.2 TABLE C2 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE (Functional Classification)

Western Cape: Kannaland (WC041) - Table C2 Quarterly Budgeted Financial Performance by Functional Classification for 2nd Quarter ended 31 December 2023

Description	Ref	2022/23	Budget year 2023/24								
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Revenue - Functional											
<i>Municipal governance and administration</i>		68 359	50 659	50 659	23 760	22 017	45 776	30 064	15 712	52,26	50 659
Executive and council		33 573	12 961	12 961	14 728	11 824	26 552	9 749	16 803	172,35	12 961
Finance and administration		34 786	37 698	37 698	9 032	10 193	19 224	20 315	(1 091)	(5,37)	37 698
Internal audit											
<i>Community and public safety</i>		11 776	36 120	36 120	3 195	6 142	9 337	21 659	(12 322)	(56,89)	36 120
Community and social services		11 666	15 750	15 750	3 195	6 142	9 337	11 474	(2 137)	(18,62)	15 750
Sport and recreation		0									
Public safety		110			(0)		(0)		(0)		
Housing			20 370	20 370				10 185	(10 185)	(100,00)	20 370
Health											
<i>Economic and environmental services</i>		2 239	4 604	4 604	594	638	1 232	2 586	(1 354)	(52,36)	4 604
Planning and development											
Road transport		2 239	4 604	4 604	594	638	1 232	2 586	(1 354)	(52,36)	4 604
Environmental protection											
<i>Trading services</i>		109 810	150 767	150 767	31 591	30 348	61 939	82 258	(20 319)	(24,70)	150 767
Energy sources		65 268	81 032	81 032	19 922	17 230	37 152	41 749	(4 597)	(11,01)	81 032
Water management		23 004	37 355	37 355	5 731	6 956	12 687	21 865	(9 178)	(41,97)	37 355
Waste water management		10 774	16 612	16 612	2 983	3 128	6 111	9 641	(3 530)	(36,61)	16 612
Waste management		10 764	15 769	15 769	2 954	3 035	5 989	9 004	(3 015)	(33,49)	15 769
<i>Other</i>	4										
Total Revenue - Functional	2	192 184	242 150	242 150	59 139	59 145	118 284	136 567	(18 283)	(13,39)	242 150
Expenditure - Functional											
<i>Municipal governance and administration</i>		89 810	86 062	86 062	15 998	21 727	37 726	43 031	(5 305)	(12,33)	86 062
Executive and council		23 144	24 205	24 205	5 065	6 470	11 535	12 102	(567)	(4,69)	24 205
Finance and administration		66 666	61 858	61 858	10 934	15 257	26 191	30 929	(4 738)	(15,32)	61 858
Internal audit											
<i>Community and public safety</i>		15 601	31 175	31 175	3 176	3 311	6 488	15 618	(9 130)	(58,46)	31 175
Community and social services		10 203	8 894	8 894	2 285	2 349	4 634	4 477	157	3,50	8 894
Sport and recreation		1 096	532	532	248	204	452	266	186	69,83	532
Public safety		1 197	280	280	369	417	786	140	646	461,98	280
Housing		3 105	21 469	21 469	275	341	616	10 735	(10 119)	(94,26)	21 469
Health											
<i>Economic and environmental services</i>		17 058	17 691	17 691	3 452	3 644	7 096	8 845	(1 750)	(19,78)	17 691
Planning and development		5									
Road transport		17 053	17 691	17 691	3 452	3 644	7 096	8 845	(1 750)	(19,78)	17 691
Environmental protection											
<i>Trading services</i>		139 453	105 983	105 983	14 887	61 618	76 504	52 991	23 513	44,37	105 983
Energy sources		64 460	70 336	70 336	8 271	38 279	46 550	35 168	11 382	32,36	70 336
Water management		35 304	14 006	14 006	2 923	12 695	15 618	7 003	8 615	123,03	14 006
Waste water management		20 940	10 984	10 984	1 542	5 188	6 730	5 492	1 238	22,54	10 984
Waste management		18 749	10 657	10 657	2 151	5 456	7 607	5 328	2 278	42,76	10 657
<i>Other</i>	4										
Total Expenditure - Functional	3	261 921	240 912	240 912	37 514	90 300	127 813	120 485	7 328	6,08	240 912

2.3 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) - Q2 Second Quarter										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	33 573	12 961	12 961	11 783	26 552	9 749	16 803	172,4%	12 961
Vote 2 - CORPORATE SERVICES		14 305	41 883	41 883	2 204	9 845	24 235	(14 391)	-59,4%	41 883
Vote 3 - FINANCIAL SERVICES		33 986	34 750	34 750	2 949	18 894	18 841	53	0,3%	34 750
Vote 4 - TECHNICAL SERVICES		111 450	152 556	152 556	10 680	62 994	83 742	(20 748)	-24,8%	152 556
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	193 314	242 150	242 150	27 616	118 284	136 567	(18 283)	-13,4%	242 150
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	21 671	24 748	24 748	1 980	11 535	12 374	(839)	-6,8%	24 748
Vote 2 - CORPORATE SERVICES		37 646	55 025	55 025	3 202	19 246	27 512	(8 266)	-30,0%	55 025
Vote 3 - FINANCIAL SERVICES		43 700	38 044	38 044	1 559	14 035	19 022	(4 986)	-26,2%	38 044
Vote 4 - TECHNICAL SERVICES		151 252	121 333	121 333	18 255	82 441	60 697	21 744	35,8%	121 333
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		1 381	2 305	2 305	128	556	1 153	(596)	-51,7%	2 305
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	255 649	241 455	241 455	25 125	127 813	120 757	7 056	5,8%	241 455
Surplus/ (Deficit) for the year	2	(62 335)	695	695	2 491	(9 529)	15 810	(25 340)	-160,3%	695

2.4 TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

Western Cape: Kannaland (WC041) - Table C4 Quarterly Budgeted Financial Performance (All) for 2nd Quarter ended 31 December 2023

Description	Ref	Budget year 2023/24									
		2022/23	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands		Audited Outcome									
Revenue											
Exchange Revenue											
Service charges - Electricity		64 073	76 101	76 101	19 869	17 162	37 031	38 050	(1 020)	(2,68)	76 101
Service charges - Water		20 258	22 267	22 267	4 834	5 710	10 544	11 134	(590)	(5,30)	22 267
Service charges - Waste Water Management		8 707	9 610	9 610	2 336	2 305	4 640	4 805	(164)	(3,42)	9 610
Service charges - Waste Management		8 910	9 410	9 410	2 343	2 247	4 590	4 705	(115)	(2,44)	9 410
Sale of Goods and Rendering of Services		428	396	396	61	210	272	198	74	37,33	396
Agency services		1 215	1 350	1 350	317	407	725	675	50	7,34	1 350
Interest											
Interest earned from Receivables		6 176	5 929	5 929	2 065	2 538	4 603	2 964	1 638	55,26	5 929
Interest earned from Current and Non Current Assets		1 845	960	960	562	260	821	480	341	71,14	960
Dividends											
Rent on Land											
Rental from Fixed Assets		611	1 098	1 098	176	160	336	549	(213)	(38,75)	1 098
Licence and permits		171	159	159	52	43	96	79	16	20,73	159
Operational Revenue		602	66	66	49	333	382	33	349	1 055,17	66
Non-Exchange Revenue											
Property rates		25 562	26 915	26 915	7 119	7 069	14 188	13 457	730	5,43	26 915
Surcharges and Taxes											
Fines, penalties and forfeits		395	2 501	2 501	83	45	128	1 250	(1 122)	(89,75)	2 501
Licences or permits		0	30	30	0		0	15	(15)	(99,63)	30
Transfer and subsidies - Operational		41 576	64 252	64 252	16 219	13 838	30 057	43 667	(13 610)	(31,17)	64 252
Interest		2 561	2 802	2 802	767	975	1 741	1 401	340	24,30	2 802
Fuel Levy											
Operational Revenue		667			175	190	365		365		
Gains on disposal of Assets			2 500	2 500				1 250	(1 250)	(100,00)	2 500
Other Gains											
Discontinued Operations											
Total Revenue (excluding capital transfers and contrib		183 758	226 346	226 346	57 027	54 075	111 101	124 714	(13 613)	(10,92)	226 346
Expenditure											
Employee related costs		81 640	79 390	79 390	23 097	25 493	48 590	39 694	8 896	22,41	79 390
Remuneration of councillors		4 746	3 276	3 276	1 090	952	2 042	1 638	404	24,66	3 276
Bulk purchases - electricity		55 313	56 045	56 045	6 573	36 062	42 635	28 023	14 613	52,15	56 045
Inventory consumed		2 907	8 946	8 946	681	1 634	2 315	4 473	(2 158)	(48,25)	8 946
Debt impairment		59 016	16 691	16 691				8 345	(8 345)	(100,00)	16 691
Depreciation and amortisation		13 957	11 762	11 762	2 940	2 940	5 881	5 881	0		11 762
Interest		6 069	8 000	8 000	1	495	496	4 000	(3 504)	(87,59)	8 000
Contracted services		22 841	33 727	33 727	613	2 597	3 210	16 863	(13 654)	(80,97)	33 727
Transfers and subsidies		255	920	920	10	114	123	460	(337)	(73,15)	920
Irrecoverable debts written off		46			70	16 695	16 765		16 765		
Operational costs		14 873	22 156	22 156	2 438	3 317	5 755	11 108	(5 353)	(48,19)	22 156
Losses on disposal of Assets		(609)									
Other Losses		866									
Total Expenditure		261 921	240 912	240 912	37 514	90 300	127 813	120 485	7 328	6,08	240 912
Surplus/(Deficit)		(78 163)	(14 566)	(14 566)	19 513	(36 225)	(16 712)	4 229	(20 941)	(495,20)	(14 566)
Transfers and subsidies - capital (monetary allocations)											
		8 426	15 804	15 804	2 112	5 070	7 183	11 853	(4 670)	(39,40)	15 804
Transfers and subsidies - capital (in-kind)											
Surplus/(Deficit) after capital transfers and contributions		(69 737)	1 238	1 238	21 626	(31 155)	(9 529)	16 082	(25 611)	(159,25)	1 238
Income Tax											
Surplus/(Deficit) after income tax		(69 737)	1 238	1 238	21 626	(31 155)	(9 529)	16 082	(25 611)	(159,25)	1 238
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		(69 737)	1 238	1 238	21 626	(31 155)	(9 529)	16 082	(25 611)	(159,25)	1 238
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year		(69 737)	1 238	1 238	21 626	(31 155)	(9 529)	16 082	(25 611)	(159,25)	1 238

2.5 OPERATING REVENUE BY SOURCES:

- **YTD Electricity Revenue – R 37 million (49% of the Electricity Budget)**

Electricity billing during the **second quarter** amounted to **R 17 million** a **23%** of the total budget.

- **YTD Water Revenue – R 10.5 million (47% of the Water Budget)**

Water billing during the **second quarter** amounted to **R 5.7 million** a **26%** of the total budget

- **YTD Sewerage Revenue – R 4.6 million (48% of the Sewerage Budget)**

Sewerage billing during the **second quarter** amounted to **R 2.3 million** a **24%** of the total budget.

- **YTD Refuse Removal Revenue – R 4.5 million (48% of the Solid Waste Budget)**

Refuse billing during the **second quarter** amounted to **R 2.2 million** a **24%** of the total budget

- **Interest on Outstanding Debtors**

Interest charges on outstanding debtors is currently **R 2.5 million**.

- **Rental of facilities and equipment**

Rental of facilities and equipment amounted to **R 160 thousand** and **15%** of the total budget

- **Interest on external investments – R 260 thousand (27% of the interest Budget)**

- **Fines Penalties and forfeits**

Fines Penalties and forfeits for **Quarter 2** amounted to **R 45 thousand**.

- **Other revenue, Agency services, licences and permits**

Other Revenue, Agency Services and Licences and permits amounts to **R 640 thousand**.

2.6 OPERATING EXPENDITURE BY TYPE

- **Q2 Employee Related Costs – R 25 million (23% of Annual Employee Budget) with Councillors at R 952 thousand (29 % of the Annual Councillors Remuneration Budget)**
- **Q2 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 was in reality in line with the full year budget with the amount of **R 36 million a 64%**.
- **Q2 Finance Charges R 496 thousand (6% of the Finance Charges Budget)**
Expenditure on “Finance charges” is well below the year-to-date forecast.
- **Q2 Other materials – R 1.6 million (18% of the budget)**
Expenditure on “Other Materials” is well below the year-to-date forecast.
- **Q2 Contracted Services – R 2.5 million (8% of Budget)**
The expenditure on Contracted Services will be well below the actual forecast.
- **Q2 Other Expenditure – R 3.3 million (15 % of Budget)**
Other expenditure is much lower than forecasted. Expenditure can only be incurred in terms of available revenue.

2.7 TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

Western Cape: Kannaland (WC041) - Table C5 Quarterly Budgeted Capital Expenditure by Functional Classification and Funding for 2nd Quarter ended 31 December 2023

Description	Ref	2022/23	Budget year 2023/24								
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Capital Expenditure - Functional											
<i>Municipal governance and administration</i>		6 856	-	-	-	-	-	-	-	-	-
Executive and council											
Finance and administration		6 856									
Internal audit											
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>		(21 238)	-	-	-	-	-	-	-	-	-
Planning and development											
Road transport		(21 238)									
Environmental protection											
<i>Trading services</i>		17 429	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743
Energy sources		873	485	485		1 171	1 171	242	929	383,30	485
Water management		(676)	6 449	6 449	530	378	908	3 225	(2 316)	(71,84)	6 449
Waste water management		17 231	6 809	6 809		5 216	5 216	3 404	1 811	53,21	6 809
Waste management											
<i>Other</i>											
Total Capital Expenditure - Functional	3	3 047	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743
Funded by											
National Government		17 231	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743
Provincial Government		197									
District Municipality											
Transfers and subsidies - capital (monetary allocations)											
Transfers recognised - capital		17 429	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743
Borrowing	6										
Internally generated funds		(21 435)									
Total Capital Funding		(4 007)	13 743	13 743	530	6 765	7 295	6 871	424	6,17	13 743

CAPITAL EXPENDITURE

- The capital expenditure for **quarter 2** was **R 6 765 million** which amounts to **49%** of the total budget.

2.8 TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

Western Cape: Kannaland (WC041) - Table C6 Quarterly Budget Statement - Financial Position (All) for 2nd Quarter ended 31 December 2023

Description	Ref	Budget year 2023/24										
		2022/23	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast	
R thousands	1	Audited Outcome										
ASSETS												
Current assets												
Cash and cash equivalents		20 729	(14 630)	(14 630)	29 468	(17 866)	11 603	1 522	10 081	662,28	(14 630)	
Trade and other receivables from ex change transactions		(19 814)	(9 478)	(9 478)	7 018	(25 319)	(18 301)	(4 739)	(13 561)	286,15	(9 478)	
Receivables from non-ex change transactions		(1 219)	(1 128)	(1 128)	2 093	(2 631)	(538)	(564)	26	(4,52)	(1 128)	
Current portion of non-current receivables												
Inventory		2 400	(8 946)	(8 946)	(73)	2 417	2 344	(4 473)	6 817	(152,41)	(8 946)	
VAT		(37 195)	10 468	10 468	1 170	(31 884)	(30 714)	5 234	(35 948)	(686,80)	10 468	
Other current assets		(1 063)			(73)	(1 095)	(1 168)		(1 168)			
Total current assets		(36 163)	(23 714)	(23 714)	39 604	(76 378)	(36 774)	(3 020)	(33 754)		1 117,68	(23 714)
Non current assets												
Investments												
Investment property		1 116				1 116	1 116		1 116			
Property, plant and equipment		316 531	1 981	1 981	(2 410)	320 356	317 946	991	316 955	31 999,02	1 981	
Biological assets												
Living and non-living resources												
Heritage assets												
Intangible assets		9				9	9		9			
Trade and other receivables from ex change transactions												
Non-current receivables from non-exchange transactions												
Other non-current assets												
Total non current assets		317 657	1 981	1 981	(2 410)	321 482	319 072	991	318 081	32 112,66	1 981	
TOTAL ASSETS		281 494	(21 733)	(21 733)	37 194	245 104	282 298	(2 029)	284 327	(14 010,01)	(21 733)	
LIABILITIES												
Current liabilities												
Bank overdraft		-										
Financial liabilities		0										
Consumer deposits		1 364			23	1 393	1 416		1 416			
Trade and other payables from ex change transactions		99 664	(19 856)	(19 856)	2 335	94 369	96 704	(9 899)	106 603	(1 076,95)	(19 856)	
Trade and other payables from non-ex change transactions		13 937			8 828	11 777	20 605	(6 655)	27 261	(409,60)		
Provision		8 491				8 491	8 491		8 491			
VAT		(41 164)	(3 115)	(3 115)	4 397	(38 957)	(34 560)	(1 558)	(33 003)	2 118,94	(3 115)	
Other current liabilities												
Total current liabilities		82 292	(22 971)	(22 971)	15 583	77 073	92 655	(18 111)	110 767	(611,58)	(22 971)	
Non current liabilities												
Financial liabilities												
Provision		19 349				19 349	19 349		19 349			
Long term portion of trade payables												
Other non-current liabilities		11 540				11 540	11 540		11 540			
Total non current liabilities		30 889	-	-	-	30 889	30 889	-	30 889	-	-	
TOTAL LIABILITIES		113 181	(22 971)	(22 971)	15 583	107 962	123 544	(18 111)	141 656	(782,13)	(22 971)	
NET ASSETS		168 314	1 238	1 238	21 611	137 142	158 754	16 082	142 672	887,15	1 238	
COMMUNITY WEALTH/EQUITY												
Accumulated surplus/(deficit)		250 680	2 867	2 867	(14)	167 836	167 821		167 821		2 867	
Reserves and funds		462				462	462		462			
Other												
TOTAL COMMUNITY WEALTH/EQUITY	2	251 141	2 867	2 867	(14)	168 297	168 283	-	168 283	-	2 867	

2.9 TABLE C7 – QUARTERLY BUDGETED CASH FLOW

Western Cape: Kannaland (WC041) - Table C7 Quarterly Budgeted Cash Flows (All) for 2nd Quarter ended 31 December 2023

Description	Ref	Budget year 2023/24									
		2022/23	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 921	22 305	22 305	4 013	4 564	8 578	11 152	(2 575)	(23,09)	22 305
Service charges		73 390	120 923	120 923	22 282	18 560	40 842	60 461	(19 620)	(32,45)	120 923
Other revenue		2 794	9 067	9 067	5 122	2 128	7 250	4 534	2 717	59,93	9 067
Transfers and Subsidies - Operational	1	43 410	64 252	64 252	19 176	13 631	32 807	40 963	(8 156)	(19,91)	64 252
Transfers and Subsidies - Capital	1	13 170	15 804	15 804	8 066	3 118	11 174	7 902	3 272	41,40	15 804
Interest											
Dividends											
Payments											
Suppliers and employees		(61 949)	(227 138)	(227 138)	(11 288)	(59 029)	(70 318)	(113 569)	43 251	(38,08)	(227 138)
Finance charges											
Transfers and Subsidies	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 736	5 213	5 213	47 361	(17 028)	30 333	11 444	18 889	165,07	5 213
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors (not used)											
Decrease (increase) in non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(8 808)	(13 258)	(13 258)	(577)	(5 805)	(6 382)	(6 629)	247	(3,73)	(13 258)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 808)	(13 258)	(13 258)	(577)	(5 805)	(6 382)	(6 629)	247	(3,73)	(13 258)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		66 928	(8 045)	(8 045)	46 784	(22 833)	23 951	4 814	19 137	397,49	(8 045)
Cash/cash equivalents at the year begin:		30 934			-	46 784	-	-	-	-	
Cash/cash equivalents at the year end:	2	97 862	(8 045)	(8 045)	46 784	23 951	23 951	4 814	19 137	397,49	(8 045)

The total bank balances of **Quarter 2** were as follow;

- Standard Bank Main Account Balance **R 1.4 million**;
- The Traffic Account Balance **R 300 thousand**;
- Deposit Account Balance **R 551 thousand**; and
- The call account contains a balance of **R11 million**.

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.

SECTION 3 SUPPORTING DOCUMENTATION

3.1 TABLE SC3 – DEBTORS AGE ANALYSIS

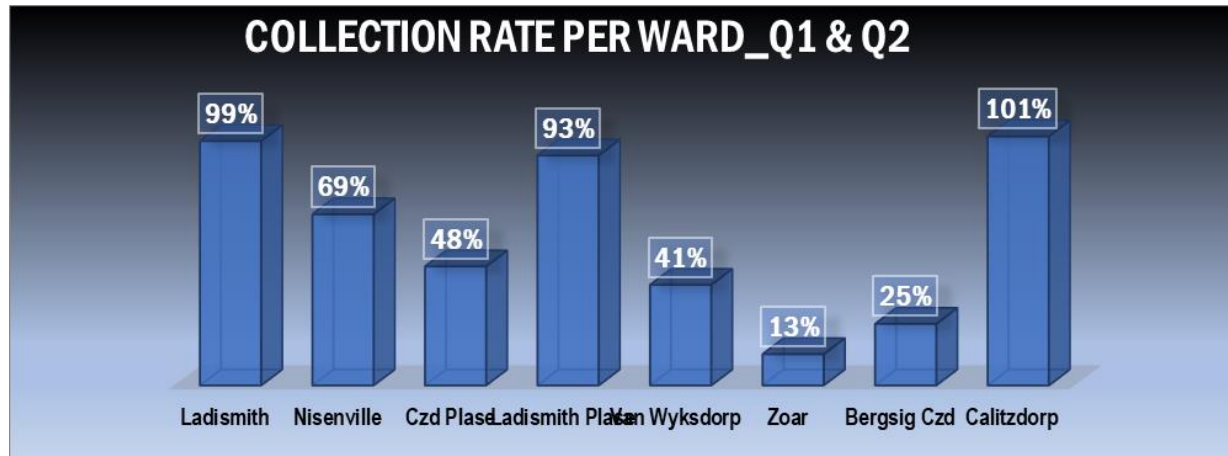
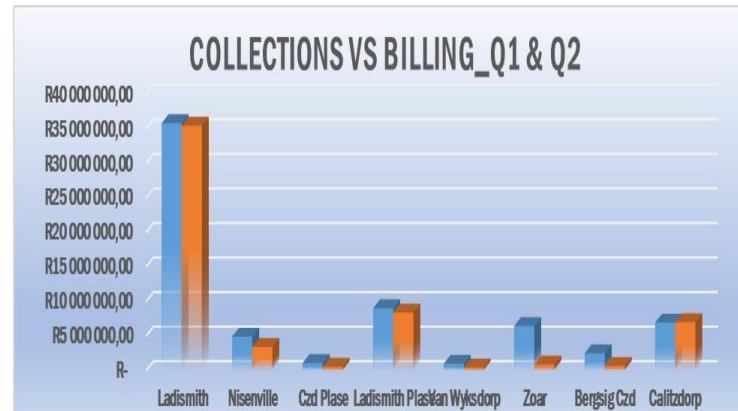
WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter													
Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 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 Ex change Transactions - Water	1200	2 239	607	603	490	417	476	3 215	17 055	25 103	21 652	-	-
Trade and Other Receivables from Ex change Transactions - Electricity	1300	1 283	196	119	105	76	73	321	673	2 845	1 248	-	-
Receivables from Non-ex change Transactions - Property Rates	1400	2 553	700	598	882	512	476	2 593	20 706	29 020	25 169	-	-
Receivables from Ex change Transactions - Waste Water Management	1500	737	340	336	334	334	278	1 661	10 702	14 721	13 309	-	-
Receivables from Ex change Transactions - Waste Management	1600	1 434	570	545	535	527	435	2 544	15 536	22 126	19 578	-	-
Receivables from Ex change Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	64	73	91	120	117	124	1 087	21 929	23 604	23 376	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(3 398)	202	184	176	166	120	680	3 159	1 289	4 301	-	-
Total By Income Source	2000	4 912	2 687	2 476	2 641	2 149	1 983	12 100	89 760	118 708	108 633	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(1 630)	121	51	99	14	13	72	401	(860)	599	-	-
Commercial	2300	700	248	168	281	152	139	730	3 672	6 089	4 973	-	-
Households	2400	6 015	2 155	2 100	2 068	1 837	1 691	10 473	74 550	100 889	90 619	-	-
Other	2500	(173)	163	157	194	145	140	825	11 138	12 590	12 443	-	-
Total By Customer Group	2600	4 912	2 687	2 476	2 641	2 149	1 983	12 100	89 760	118 708	108 633	-	-

- The total amount owed to Kannaland Municipality amounted to **R119 million during the end of the Second Quarter**.
- **R89 million or 76%** of the total outstanding debtors are older than one year.
- **R108 million or 92%** 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.

3.2 DEBTORS PAYMENT PERCENTAGES

	Billing	Collections	
Ladismith	R 35 741 488,57	R 35 364 260,72	99%
Nisenville	R 4 848 259,37	R 3 360 246,75	69%
Czd Plase	R 1 032 744,23	R 497 699,98	48%
Ladismith Plase	R 8 949 953,43	R 8 332 622,92	93%
Van Wyksdorp	R 905 241,66	R 368 516,89	41%
Zoar	R 6 390 478,71	R 808 594,00	13%
Bergsig Czd	R 2 443 485,17	R 608 754,05	25%
Calitzdorp	R 6 877 359,12	R 6 935 162,51	101%
	<u>R 67 189 010,26</u>	<u>R 56 275 857,82</u>	83,8%



3.3 TABLE SC4 – CREDITORS AGE ANALYSIS

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter										
Description	NT Code	Budget Year 2023/24								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	5 190	1 079	9 777	-	29 287	-	-	-	45 332
Bulk Water	0200	130	-	-	-	-	-	-	-	130
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	580	403	371	140	3 560	-	-	-	5 054
Auditor General	0800	195	85	84	83	7 950	-	-	-	8 398
Other	0900	221	361	619	227	16 468	-	-	-	17 897
Total By Customer Type	1000	6 316	1 929	10 851	451	57 265	-	-	-	76 812

- The total outstanding creditors as at the end of the **Second Quarter** amounts to **R 76 812**.

The old debt, +90days, consist mainly of the following:

- ESKOM = R40,142, of which the entire amount is conditionally written off. The other R16m is mainly made up of Creditors with payment arrangements, being AG, SALGA, SAMRAS, Collaborator consist of R11,093m ad further Municipal debt owed by Kannaland municipality to neighbouring municipalities amount to R5,052m.
- All other creditors 0-90 days are managed on a month-to-month payment plan, for finalisation in the 2023-2024 FY.

3.4 INVESTMENT PORTFOLIO ANALYSIS

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

3.5 GRANT RECEIPTS AND EXPENDITURE

Transfers and Grant Receipts 2023/ 2024						
	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	Rejected Rollover Repayment
National Government Grants						
Financial Management Grant (FMG)	R2 932 000,00		R2 932 000,00	R850 928,82	R2 081 071,18	
Equitable Share	R35 348 000,00		R26 511 000,00	R26 511 000,00		
Municipal Infrastructure Grant (Operational)	568 650,00		R568 650,00	R284 324,97	R284 325,03	
Municipal Infrastructure Grant (Capital)	R10 804 350,00		R10 105 350,00	R6 947 807,82	R3 157 542,18	R958 939,65
Water Service Infrastructure Grant	R5 000 000,00		R500 000,00	R234 984,13	R265 015,87	
EPWP Incentive Grant	R1 220 000,00		R854 000,00	R776 029,80	R77 970,20	
	R55 873 000,00		R41 471 000,00	R35 605 075,54	R5 865 924,46	
Provincial Government						
	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
Human Settlements	R20 370 000,00		R0,00			
MRF (Municipal Replacement Fund)	R3 555 000,00		R2 370 000,00	R1 570 191,02	R799 808,98	
CDW Grant	R113 000,00		R113 000,00	R40 811,00	R72 189,00	
Departmental Agencies						
	Original Budget	Adjustment Budget	Total Received	Total Spent	Unspent	
Public Sector Seta	R145 000,00		R49 664,75		R49 664,75	
Total	R24 183 000,00		R2 532 664,75	R1 611 002,02	R921 662,73	
	R80 056 000,00		R44 003 664,75	R37 216 077,56	R6 787 587,19	

The following indicates expenditure on each respective grant received (Operational) and (Capital) for Quarter 2 of 2023/24 -

Received:

- Equitable Share amounts to **R 11 783 million**.
- Expanded Public Works Programme amounts to **R 549 thousand**.
- Municipal Infrastructure Grant amounts to **R 3 118 million**.

Expenditure:

- Financial Management Grant amounts to **R 574 thousand**.
- Municipal Infrastructure Grant (MIG) amounts **R 4 835 thousand** capital expenditure and **MIG PMU** amounts to **R 142 thousand**.
- Expanded Public Works Programme amounts to **R 447 thousand**.
- Water Services Infrastructure Grant amounts to **R 235 thousand**.

Provincial Treasury

Received:

- Library Grant amounts to **R1.185 million**.

Expenditure:

- Libraries Grant amounts to **R 856 thousand**.
- Community Development Workers amounts to **R 41 thousand**.

3.6 TABLE SC8 – EXPENDITURE ON COUNCILLOR, SENIOR MANAGERS AND OTHER STAFF

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter										
Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 827	2 990	2 990	256	1 760	1 495	265	18%	2 990
Pension and UIF Contributions		36	-	-	16	57	-	57	-	-
Medical Aid Contributions		67	-	-	9	57	-	57	-	-
Motor Vehicle Allowance		52	-	-	3	18	-	18	-	-
Cellphone Allowance		292	286	286	25	150	143	7	5%	286
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allow ances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3 273	3 276	3 276	310	2 042	1 638	404	25%	3 276
% increase	4		0,1%	0,1%						0,1%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 729	4 449	4 449	301	1 353	2 225	(872)	-39%	4 449
Pension and UIF Contributions		5	9	9	1	3	4	(1)	-25%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		80	509	509	35	161	254	(94)	-37%	509
Cellphone Allowance		50	113	113	10	40	56	(17)	-30%	113
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allow ances		98	88	88	0	0	44	(44)	-100%	88
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 963	5 167	5 167	347	1 557	2 584	(1 027)	-40%	5 167
% increase	4		74,4%	74,4%						74,4%
Other Municipal Staff										
Basic Salaries and Wages		52 231	52 793	52 793	5 165	30 712	26 396	4 315	16%	52 793
Pension and UIF Contributions		7 132	8 568	8 568	647	3 883	4 284	(401)	-9%	8 568
Medical Aid Contributions		2 168	1 687	1 687	200	1 164	843	320	38%	1 687
Overtime		6 568	4 876	4 876	791	3 850	2 438	1 412	58%	4 876
Performance Bonus		1 975	752	752	-	761	376	385	102%	752
Motor Vehicle Allowance		2 790	2 359	2 359	331	1 791	1 179	612	52%	2 359
Cellphone Allowance		127	100	100	11	62	50	12	23%	100
Housing Allowances		337	173	173	33	174	86	88	102%	173
Other benefits and allow ances		6 515	2 851	2 851	358	4 380	1 425	2 954	207%	2 851
Payments in lieu of leave		(1 166)	150	150	40	257	75	182	243%	150
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		(723)	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		77 954	74 309	74 309	7 578	47 033	37 154	9 879	27%	74 309
% increase	4		-4,7%	-4,7%						-4,7%
Total Parent Municipality		84 190	82 752	82 752	8 234	50 632	41 376	9 256	22%	82 752
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	457	457	-	-	228	(228)	-100%	457
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allow ances		-	-	-	0	0	-	0	-	-
Board Fees	5	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Executive members Board		-	457	457	0	0	228	(228)	-100%	457
% increase	4		0,0%	0,0%						0,0%
Total Municipal Entities		-	457	457	0	0	228	(228)	-100%	457
TOTAL SALARY, ALLOWANCES & BENEFITS		84 190	83 209	83 209	8 235	50 632	41 604	9 028	22%	83 209
% increase	4		-1,2%	-1,2%						-1,2%
TOTAL MANAGERS AND STAFF		80 917	79 476	79 476	7 925	48 590	39 738	8 852	22%	79 476

3.7 MATERIAL VARIANCES TO THE SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2023/24 includes the following KPA's to be discussed in more detail in Appendix C.

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 – Material Variances from the SDBIP

2023/2024 KANNALAND MUNICIPALITY SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
(PERFORMANCE REPORT FOR QUARTER 2)

ANNEXURE IV

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	Status	Management comment	Q2 TARGET	Q2 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/ MANAGEMENT/ COMMENT/ CORRECTIVE MEASURES
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	Department	Indicator	Unit of measurement								
KPI.1	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7 An inclusive district economy	Innovation and Culture	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Complete 100% of all MIG infrastructure to the stage where were issued with Practical Completion certificates by 30 June 2023	Number of all MIG infrastructure projects completed and issued with practical completion certificates/total number of all MIG projects	18%	25%	KPI NOT MET	KPI Adjustment to reflect target met until completion certificate is issued	40%	69.3% (Expenditure)	KPI NOT MET	KPI Adjustment to reflect expenditure of all MIG Infrastructure projects up to the stage where practical completion certificates are issued.
KPI.2	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7 An inclusive district economy	Innovation and Culture	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Complete 100% of all PMU infrastructure projects (MIG, WSIG, Drought relief) to the stage where were issued with Practical Completion certificates by 30 June 2023	Number of all PMU infrastructure projects (MIG, WSIG, Drought Relief) completed and issued with practical completion certificates/total number of all PMU infrastructure projects (MIG, WSIG, Drought relief)	-	-	KPI not yet measured	N/A	40%	74.5% (Expenditure)	KPI NOT MET	KPI Adjustment to reflect expenditure of all WSIG and Drought Relief I Infrastructure projects up to the stage where practical completion certificates are issued.
KPI.3	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7 An inclusive district economy	Innovation and Culture	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Complete 95% of all Electricity infrastructure projects (INEP, EEDM) to the stage where were issued with Practical Completion certificates by 30 June 2023	Number of all electricity infrastructure projects (INEP, EEDM) completed and issued with Practical Completion certificates/total number of all electricity infrastructure projects (INEP, EEDM)	-	-	KPI not yet measured	N/A	40%	0%	KPI NOT MET	Grant funding not received SDBIP to be adjusted to remove this KPI
KPI.5	KPA 2: To Provide adequate Services and improve our Public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	Limit total of electricity losses in distribution network to less than 12% accumulated over the financial year until 30 June 2023	Percentage (%) of electricity losses calculated in distribution network on a twelve-month rolling period as kWh sold/kWh purchased	Less than 12%	14.72%	KPI not met	Losses due to outdated infrastructure and possible faulty meters	12%	INFORMATION OUTSTANDING	KPI NOT MET	Result not submitted Manager on special leave

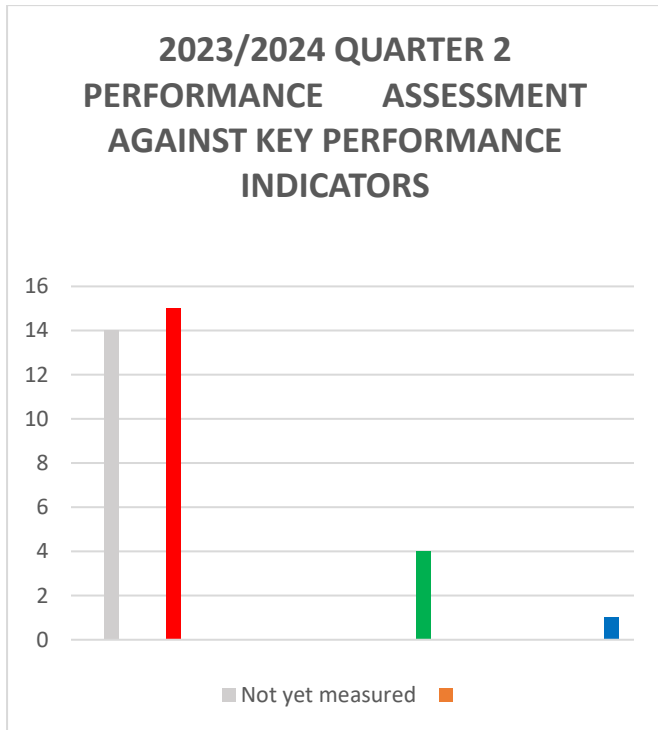
KPI.6	KPA 2: To Provide adequate Services and improve our Public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	75% of water samples comply with SANS-241 micro biological indicators (Number of water samples that comply with SANS-241 indicators/Number of water samples tested)x100)	% of water samples that complies with SANS-241 standards	75%	78%	KPI met	Garden Route Water testing results	75%	60%	KPI NOT MET	Council intervention meeting with Senior Management to address water quality Procurement planning for purchase of chlorine timeously Meeting between CFO and Director Infrastructure to improve planning processes.
KPI.7	KPA 2: To Provide adequate Services and improve our Public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Financial Services	Limit accumulated unaccounted for water to less than 30% annually until 30 June 2023	% of water losses in distribution networks in all of Kannaland towns	Less than 30%	25%	KPI Met	Water loss statistics	Less than 30%	RESULTS NOT SUBMITTED	KPI NOT MET	Results not submitted. Succession planning and capacity building of staff to act in positions where staff is on leave.
NKPI 1	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of formal residential properties that receive piped water connected to the municipal water infrastructure network annually as at 30 June 2023	Number of formal residential properties which are billed for water services as at 30 June 2023	4935	4690	KPI not met	Target to be adjusted by council resolution as target refers to total connections instead of total formal households	4942	4690	KPI not met	Target to be adjusted by council resolution as target refers to total connections instead of total formal households
NKPI 2	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering. Number of formal residential properties connected to the municipal electrical infrastructure network (excluding Eskom areas) annually as at 30 June 2023	Number of formal residential properties which are billed for electricity/have pre-paid electricity (excluding Eskom areas) as at 30 June 2023	3820	223 3318	KPI not met	Target to be adjusted by council resolution as target refers to total connections instead of total households	3830	3370	KPI Not met	Target to be adjusted by council resolution as target refers to total connections instead of total formal households
NKPI 3	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Provision of sanitation/sewerage services to formal residential account holders which are connected to the municipal waste water/sanitation/sewerage network and billed for services annually as at 30 June 2023	Number of formal residential properties which are billed for sewerage services in accordance with the SAMRAS financial system as at 30 June 2023	4465	4358	KPI not met	Target to be adjusted by council resolution as target refers to total connections instead of total formal households	4470	4261	KPI not met	Target to be adjusted by council resolution as target refers to total connections instead of total formal households
NKPI 4	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of formal residential properties for which refuse is removed at least once per week and billed for the service annually as at 30 June 2023.	Number of formal residential properties which are billed for refuse removal services as at 30 June 2023.	4805	4552	KPI not met	Target to be adjusted by council resolution as target refers to total connection instead of total formal households	4810	4587	KPI not met	Target to be adjusted by council resolution as target refers to total connections instead of total formal households
NKPI 5	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Provision of electricity to informal residential account holders in the designated informal areas which are connected to the municipal electrical	Number of residential pre-paid meters registered on the Syntel/ Utilities World Financial system in the designated informal areas	150	204	KPI Met		150	228	KPI met	Financial statistics Syntel Utilities World Financial Report

NKPI 6	KPA 2: To Provide adequate Services and improve our public relations	3	Bul k Infrastructure Co-ordination	10. Integrating servicedelivery for maximum impact	Outcome 8: Sustainable humansettlements and improved quality of household live.	FinancialServices	Number of Households with access to free basic services (as per Indigent Register annually) by 30 June 2023.	Number of Households with access to free basic services (as per Indigent Register)	2247	KPI Not met	Another Indigent drive to be performed to encourage households to apply/register as indigent household	2540	2332	KPI not met	Another Indigent drive to be performed to encourage households to apply/register as indigent household
NKPI 7	KPA 2: To Provide adequate Services and improve our public relations	3	Bul k Infrastructure Co-ordination	10. Integrating servicedelivery for maximum impact	Outcome 8: Sustainable humansettlements and improved quality of household live.	FinancialServices	Provision of free basic electricity to indigent account holders connected to the municipal electrical infrastructure network annually as at 30 June 2023	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	1665	KPI not met	Another Indigent drive to be performed to encourage households to apply/ register as indigent household	2540	1876	KPI not met	Another Indigent drive to be performed to encourage households to apply/register as indigent household
NKPI 8	KPA 2: To Provide adequate Services and improve our public relations	3	Bul k Infrastructure Co-ordination	10. Integrating servicedelivery for maximum impact	Outcome 8: Sustainable humansettlements and improved quality of household live.	FinancialServices	Provision of free basic sanitation services to indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) annually as at 30 June 2023	Number of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	1665	KPI Not met	Another Indigent drive to be performed to encourage households to apply/register as indigent household	2540	1876	KPI not met	Another Indigent drive to be performed to encourage households to apply/register as indigent household
NKPI 9	KPA 2: To Provide adequate Services and improve our public relations	3	Bul k Infrastructure Co-ordination	10. Integrating servicedelivery for maximum impact	Outcome 8: Sustainable humansettlements and improved quality of household live.	FinancialServices	Provision of clean piped water to indigent account holders which are connected to the municipal water infrastructure network annually as at 30 June 2023	Number of indigent account holders receiving free basic water.	1665	KPI not met	Another Indigent drive to be performed to encourage households to apply/register as indigent household	2540	1876	KPI not met	Another Indigent drive to be performed to encourage households to apply/register as indigent household
KPI 8	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4.	Environment al management and public safety	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Community Services	Review of the disaster management plan by March 2023	Number of plans reviewed and submitted to council quarterly	-	KPI not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A
KPI 9	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4.	Environment al management and public safety	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Community Services	Re view Integrated Waste Management Implementation plan by 30 June 2023	Number of IWMIIP reviewed	-	KPI not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A

TBD	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4. Environmental management and public safety	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Community Services	Conduct one quarterly clean-up campaign in all 4 wards Kannaland up until 30 June 2023	No of quarterly clean up campaigns held in Kannaland.	-	-	KPI Not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A
NKPI.10	KPA 4: To Facilitate Economic Growth and Social and Community Development	7. An inclusive district economy	Growth and Jobs	Outcome 5: A skilled and capable workforce to support inclusive growth	Infrastructure Services	Create job opportunities through the Expanded Public Works Programme (EPWP) until 30 June 2023	Number of job opportunities created	80	134	KPI met Extremely well	EPWP Report	100	162	KPI MET EXTREMELY WELL	EPWP Report
KPI.10	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance Framework by 1 July 2023	Percentage (%) of signed performance agreements of Section 57 managers within 14 days of approval of the SDBIP or appointment in the case of vacancies	100%	66.6%	KPI not met	Performance agreements. Received for MM and CFO. Adjust SDBIP during February 2024 after workshop and adjust Performance agreement OF Dir: Corporate Services	-	-	KPI NOT YET MEASURED	N/A
KPI.11	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Corporate Services	(Minimum number of General Council meetings to be held per annum)	(Number of meetings convened)	1	0	KPI Not met	Schedule of council meetings to be prepared and submitted to council	1	0	KPI NOT MET	Arrange a meeting with the Speaker to develop a calendar indicating dates for ordinary council meetings with dates of submission of items.
KPI.13	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Conduct an Annual Strategic risk Assessment by 30 June 2023	Number of risk assessments conducted through the reviewed risk register compiled.	-	-	KPI Not yet Measured	N/A	-	-	KPI NOT YET MEASURED	N/A
KPI 25	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of Municipal Manager/	Risk based audit plan approved by Audit Committee by 31 March 2023	No of risk based audit plans approved by audit committee	-	-	KPI Not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A
KPI.26	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Quarterly Ward Committee meetings with consolidated quarterly reports to council until 30 June 2023	Number of ward committee meetings convened	4	4	KPI met	Ward committee Attendance register and minutes of meetings	4	4	KPI MET	Minutes of ward committee meetings
KPI.29	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated timeframes until 30 June 2023	% of reporting on all compliance documents	100%	100%	KPI met	S 52 Report and council resolution	100%	100%	KPI MET	Financial Reports
KPI 30	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Community Services	Promote library services to community through outreach and awareness in each of the six	Two community outreach engagements conducted in each of the six libraries in Kannaland	-	-	KPI not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A

	participation					libraries in Kannalnd									
KPI.131	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and controlling resource-use efficiency	Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Vacancy rate of the entire approved staff establishment by 30 June 2023.	% of vacancy rate to be not more than 20% as calculated at 30 June 2023 calculated as Number of current vacant posts/ Number of current posts	-	-	KPI not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A
KPI.134	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	10. Integrating service delivery for maximum impact	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	Budget for 2023/2024 financial year approved by Council by 31 May 2023.	Number of budgets approved	-	-	KPI not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A
KPI.135	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	10. Integrating service delivery for maximum impact	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	Achieve 80% year to date collection rate of revenue billed by 30 June 2023 (Total revenue collected / total billed x 100	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	-	-	KPI Not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A
NKPI.11	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	1. Creating opportunities for growth and job	Outcome 4: Decent employment through inclusive growth	Financial Services	Financial Viability measured in terms of Cost coverage ratio by 30 June 2023	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	-	-	KPI Not yet Measured	N/A	-	-	KPI NOT YET MEASURED	N/A
NKPI.12	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	7. Mainstreaming sustainability and controlling resource-use efficiency	Outcome 5: A skilled and capable workforce to support inclusive growth	Financial Services	Financial Viability measured in terms of debt coverage ratio for the 2022/23 financial year.	Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	-	-	KPI Not yet measured	N/A	-	-	KPI NOT YET MEASURED	N/A
KPI.136	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	Conduct monthly reconciliation of the bank account within 10 working days and signed by CEO	Number of reconciliations completed	3	3	KPI Met	Signed reconciliations	3	3	KPI MET	SIGNED RECONCILIATIONS

KPI.37	KPA 7: To Strive towards financially sustainable municipality	5	Financial Viability	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	Financial Statements submitted to the Auditor-General by 31 August 2023.	Number of completed annual financial statements submitted to the Auditor-General by 31 August 2023	1	0	KPI Not Met	Application for late submission to AG	-	-	KPI NOT YET MEASURED	CFO to submit AFS timeously in future.
KPI.38	KPA 7: To Strive towards financially sustainable municipality	5	Financial Viability	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	Submit an adjustment budget to Council for approval by 28 February 2023	Number of adjustment budget approved	-	-	KPI Not yet Measured	-	-	-	KPI NOT YET MEASURED	N/A



	Not yet measured	14
	Not met	15
	Almost met	
	KPI met	4
	KPI met well	
	KPI met extremely well	1
	TOTAL KPIs	34

PERFORMANCE OUTCOME

The total number of KPIs amounts to 34

Total number of KPIs measured during the second quarter amounts to 20.

KPIs not measured during the second quarter amounts to 14

KPIs not met during the second quarter amounts to 15 of the 20 KPIs measured. (75%)

KPIs met during the second quarter including those met (4 KPIs) and those met extremely well (1) amounts to 5 KPIs out of the total of 20 KPIs measured. (25%)

3.8 CAPITAL PROGRAMME PERFORMANCE

CAPITAL EXPENDITURE STATUS 2023/2024 FY (OCT - DEC 2023)								
No.	Grant	Project No	Project Name	Original Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG	458789	Refurbishment & Upgrade of Van Wyksdorp WTW	R 443 753,20	R 407 767,03	R 35 986,17	92%	Contractor Appointed
2	MIG	458828	Upgrading & Refurbishment of Van Wyksdorp Greenhills WWTW	R 2 196 660,71	R 1 615 148,31	R 581 512,40	74%	Contractor Appointed
3	MIG	458834	Refurbishment & Upgrading of Zoar WWTW	R 7 606 456,47	R 4 924 892,48	R 2 681 563,99	65%	Contractor Appointed
4	MIG	470476	Zoar Sportfield Lighting	R 557 479,62		R 557 479,62	0%	
5	WSIG			R 5 000 000,00	R 234 984,13	R 4 765 015,87	5%	
8	MIG	PMU/041	PMU 2022/23	R 568 650,00	R 284 324,94	R 284 325,06	50%	Registered
						R -		
		TOTALS		R 16 373 000,00	R 7 467 116,89	R 8 905 883,11	45,6%	EXPENDITURE FOR 2023/2024 FY

SECTION 4 – QUALITY CERTIFICATION

I, Hendrik Barnard, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter 2**, ending **30 December 2023**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Hendrik Barnard

Signature:

Date:

APPENDIX B COST CONTAINMENT REPORT Q2

ANNEXURE D: Total Cost Savings Disclosure in the In-Year and Annual Report							Quarter 1
Measures	Cost Containment In -Year Report						
	Budget	Q1	Q2	Q3	Q4	Savings / (Exceed)	
	R'000	R'000	R'000	R'000	R'000	R'000	
Use of consultants	R 4 695 012,00	R 226 114,13	R 252 389,77	R -	R -	R 4 216 508,10	
Vehicles used for political office-bearers	R -	R -	R -	R -	R -	R -	
Travel and subsistence	R 942 442,00	R 78 327,48	R 75 730,67	R -	R -	R 788 383,85	
Domestic accommodation	R 916 010,00	R 181 377,48	R 179 108,55	R -	R -	R 555 523,97	
Sponsorships, events and catering	R 111 280,00	R 35 414,62	R 50 209,37	R -	R -	R 25 656,01	
Communication	R 4 568 760,00	R 249 248,46	R 203 758,23	R 41 460,00	R -	R 4 074 293,31	
Other related expenditure items	R 187 098 091,00	R 31 369 683,10	R 66 409 656,84	R 41 460,00	R -	R 89 277 291,06	
Total	R198 331 595,00	R32 140 165,27	R 67 170 853,43	R 82 920,00	R -	R 98 937 656,30	

Cost Containment Annual Report			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	R 4 695 012,00	R 478 503,90	R 4 216 508,10
Vehicles used for political office-bearers	R -	R -	R -
Travel and subsistence	R 942 442,00	R 154 058,15	R 788 383,85
Domestic accommodation	R 916 010,00	R 360 486,03	R 555 523,97
Sponsorships, events and catering	R 111 280,00	R 85 623,99	R 25 656,01
Communication	R 4 568 760,00	R 494 466,69	R 4 074 293,31
Other related expenditure items	R 187 098 091,00	R 97 820 799,94	R 89 277 291,06
Total	R 198 331 595,00	R 99 393 938,70	R 98 937 656,30

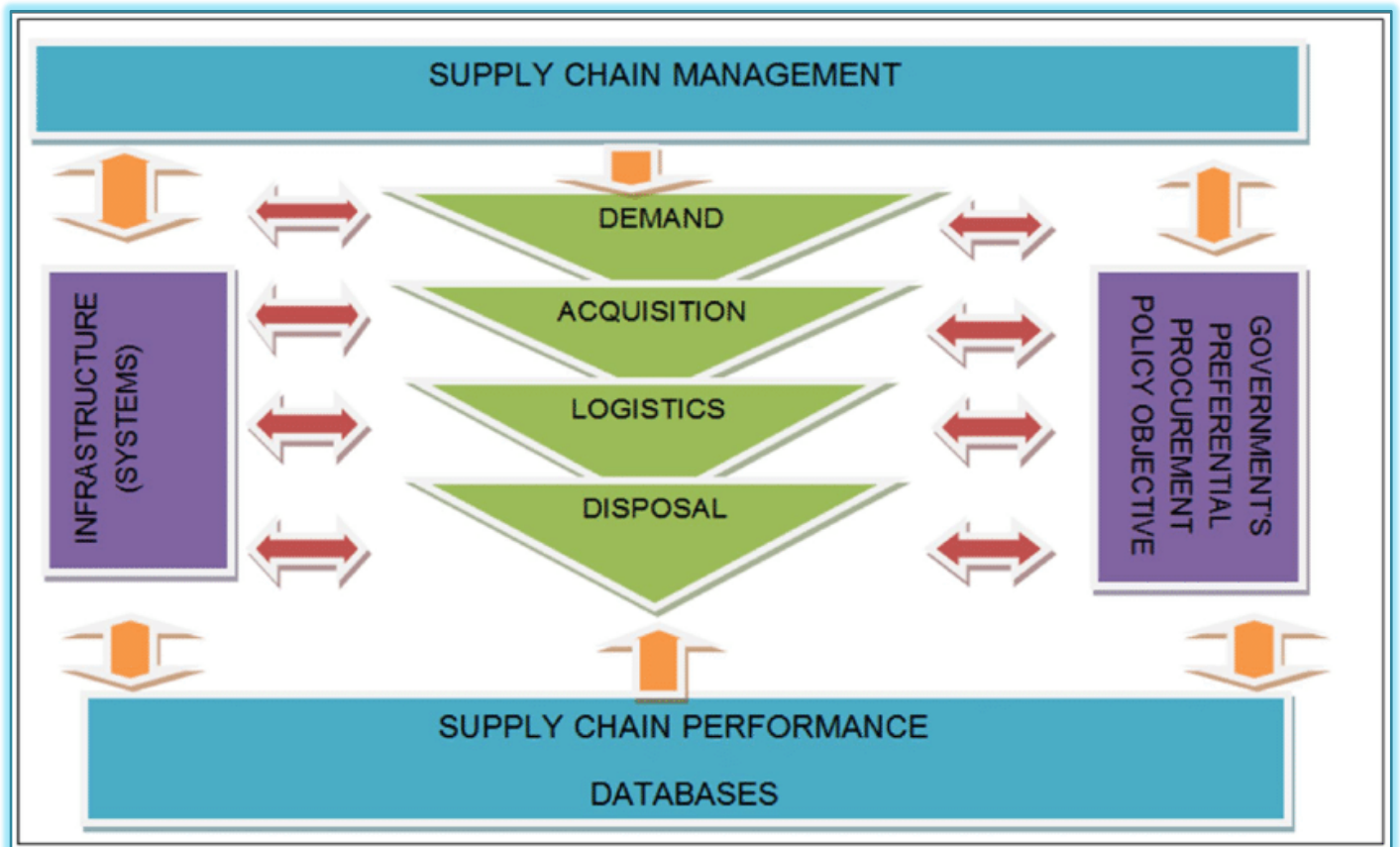
Relates to the quarter (Q2) under review					
Allowances & Overtime	Annual Budget	Q2 Budget	Actual	(Exceeded Budget) / Within Budget	YTD: (Exceeded Budget) / Saving
Telephone Allowance	R 2 534 319,00	R 633 579,75	R 565 781,42	R 67 798,33	R 289 961,67
Vehicle Allowance	R 8 994 270,00	R 2 248 567,50	R 1 670 987,70	R 577 579,80	R 1 214 042,75
Acting Allowance	R 12 591 156,00	R 3 147 789,00	R 4 092 184,92	-R 944 395,92	-R 2 312 812,81
Standby Allowance	R 5 062 960,00	R 1 265 740,00	R 1 143 572,58	R 122 167,42	R 381 021,96
Leave Payout	R 1 212 370,00	R 303 092,50	R 492 913,16	-R 189 820,66	R 94 718,05
Overtime	R 775 920,00	R 193 980,00	R 533 115,26	-R 339 135,26	-R 238 075,73
Contracted Services	R 9 085 216,00	R 2 271 304,00	R 649 068,12	R 1 622 235,88	R 3 461 124,42
Interest - Overdue Accounts	R 1 244 080,00	R 311 020,00	R -	R 311 020,00	R 622 040,00
Petrol & Diesel	R 1 724 350,00	R 431 087,50	R 463 842,55	-R 32 755,05	R 398 332,45
Entertainment	R 117 400,00	R 29 350,00	R 44 877,65	-R 15 527,65	-R 14 864,37
Travel and Subsistence	R 1 258 452,00	R 314 613,00	R 121 667,23	R 192 945,77	R 395 207,55
	R 44 600 493,00	R 11 150 123,25	R 9 778 010,59	R 1 372 112,66	R 4 290 695,94

CONTRACT SERVICES	Annual Budget	Q2 Budget	Actual	(Exceeded Budget) / Within Budget	YTD: (Exceeded Budget) / Saving
Catering Services	R 25 000,00	R 6 250,00	R 17 078,80	-R 10 828,80	-R 6 578,80
Cleaning Services	R 8 000,00	R 2 000,00	R 13 845,56	-R 11 845,56	-R 25 662,54
Transport Services	R 11 000,00	R 2 750,00	R 1 520,76	R 1 229,24	R 3 979,24
Administrative and Support Sta	R 700 000,00	R 175 000,00	R -	R 175 000,00	R 350 000,00
Burial Services	R -	R -	R -	R -	R -
Business and Advisory	R 476 942,00	R 119 235,50	R 15 096,08	R 104 139,42	R 150 172,07
Internal Auditors	R 65 380,00	R 16 345,00	R -	R 16 345,00	R 32 690,00
Meter Management	R -	R -	R -	R -	R -
Clearing and Grass Cutting Ser	R 5 640,00	R 1 410,00	R 1 350,00	R 60,00	-R 880,00
Refuse Removal	R -	R -	R -	R -	R -
Hygiene Services	R -	R -	R -	R -	R -
Traffic Fines Management	R -	R -	R -	R -	R -
Business and Advisory	R 3 318 070,00	R 829 517,50	R 187 293,71	R 642 223,79	R 1 368 829,99
Legal Cost	R 100 000,00	R 25 000,00	R 24 999,99	R 0,01	R 0,02
Laboratory Services	R -	R -	R -	R -	R -
Maintenance of Equipment	R 711 630,00	R 177 907,50	-R 5 424,04	R 183 331,54	R 341 653,23
Safeguard and Security	R -	R -	R -	R -	R -
Sewerage Services	R -	R -	R 206 901,01	-R 206 901,01	-R 217 145,97
Employee Wellness	R -	R -	R -	R -	R -
Maintenance of Buildings and F	R 3 556 834,00	R 889 208,50	R 161 386,90	R 727 821,60	R 1 460 726,52
Tracing Agents and Debt Collec	R 100 000,00	R 25 000,00	R 24 999,99	R 0,01	R 0,02
Stream Cleaning and Ditching	R 6 660,00	R 1 665,00	R -	R 1 665,00	R 3 330,00
Catering Services	R -	R -	R -	R -	R -
Maintenance of Unspecified Ass	R 60,00	R 15,00	R 19,36	-R 4,36	R 10,64
	R 9 085 216,00	R 2 271 304,00	R 649 068,12	R 1 622 235,88	R 3 461 124,42



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Supply Chain Management Policy Implementation Report Second Quarter 2023/24



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

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:

	2023/24 2 nd Quarter	2023/24 YTD	2022/2023
Bids Processed	3	4	3
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 281 412.50	R 469 932.42	R 508 999.99

A schedule of these awards for the 2nd Quarter of 2023/24 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 2nd Quarter of 2023/24:

	Operational Amount (Including VAT, where applicable)	Capital Amount (Including VAT, where applicable)	VAT @ 15%	Value of Awards (Including VAT, where applicable) for Q2
Bid Awards (xxx)	R 281 412.50	R	R	R281 412.50

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 processes. 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 2023/24 year to date is compared to the 2022/2023 financial year as per the following schedule:

SCM Policy	Description	2023/24 2 nd Quarter	2023/24 to date	2022/2023
Clause 36(1)(a)(i)	Emergency	0		3
Clause 36(1)(a)(ii)	Sole Provider	0		6
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	0		29
Total		0	0	38

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 2nd Quarter of 2023/24, 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 Q2
Deviations (xxx)	R 9 952 633.41	R0.00	R 0	R 9 952 633.41

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 (0) minor breaches of the Supply Chain Management Policy in the 2nd Quarter of the 2023/2024 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: Tender Register.

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 1st Quarter of 2023/24 **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;

ANNEXURE A Formal Quotations

Annexure A					
<u>FORMAL QUOTATION NO</u>	<u>NAME OF SUPPLIER</u>	<u>APPOINTED 2023/2024</u>	<u>ADDRESS OF SUPPLIER</u>	<u>NAME OF TENDER</u>	<u>AMOUNT</u>
17/2023	PENTAFORTIS CC	2023/2024	BLOCK A4 THE GROVE BUSINESS PARK OU PAARDEVLEI ROAD SOMERSER WEST 7130	SUPPLY AND DELIVERY OF PREPAID METERS AND SEALS	R135 412,50
19/2023	ADE EQUIPMENT TRADING CC	2023/2024	34 DANIE CRAVEN CRESCENT GEORGE 6530	SUPPLY AND DELIVERY OF OFFICE FURNITURE	R43 400,00
20/2023	EMMAR HOLDINGS	2023/2024	107 COTTONWOOD DRIVE MTUBATUBA 3935	SUPPLY AND DELIVERY OF SOLAR SECURITY CAMERAS	R102 600,00
					R281 412,50

ANNEXURE B Deviation Register

Annexure B - DEVIATION REGISTER OCTOBER 2023- DECEMBER 2023

SUPPLY CHAIN MANAGEMENT: ART 36- SCM REGULATIONS					
NOMMER/NUMBER	DATUM/DATE	DEPARTEMENT/DEPARTMENT	VERSKAFFER/SUPPLIER	BEDRAG/AMOUNT	REDE/REASON
8/1/4/R	01/09/2023	TECHNICAL SERVICES	PHAMBILI CIVILS CC	R 315 651,29	UPGRADING OF VAN WYKSDORP WTW
8/1/4/R	01/09/2023	FINANCE	LJBM BRAAF TRUST	R 31 028,73	KANNALAND MUNISIPALITEIT 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 MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	01/09/2023	TECHNICAL SERVICES	URHWEBO E-TRANSAND	R 500 733,00	UPGRADING OF VAN WYKSDORP WTW
8/1/4/R	01/09/2023	TECHNICAL SERVICES	IMBRILIO CONSTRUCTION	R 615 281,58	REFURBISHMENT OF ZOAR WASTE WATER TREATMENT WORK PAYMENT CERT. 3
8/1/4/R	01/09/2023	TECHNICAL SERVICES	URHWEBO E-TRANSAND	R 380 713,19	REFURBISHMENT OF VAN WYKSDORP PAYMENT CERT.3
8/1/4/R	18/09/2023	TECHNICAL SERVICES	VALSTA'S SPECIALIZED CLEANING	R 112 000,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS IN FOR REPAIRS, AND QUITE OFTEN WE ARE WITHOUT A SEWERAGE TRUCK DUE TO BREAKDOWN OF OUR OWN TRUCK, THUS THIS WILL RESULT IN THE SEWERAGE OVERFLOW INTO THE NEARBY RIVERS, CREATING AN ENVIRONMETAL SPILL..
8/1/4/R	28/09/2023	FINANCE	BERNARD MOSES BRAAF	R 31 028,73	KANNALAND MUNISIPALITEIT 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 MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	03/10/2023	FINANCE	ICT WIZE 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 BUDGET AND TEASURY OFFICES. CURRENTLY, KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFOE THE APPOINTMENT OF ICT WYSE GROUP HAS THE ABILITY TO HELP KANNALAND. WITH THE ROUTING OF THE CALITZDORP AND ZOAR TO LADISMITH WHICH MAKES IT POSSIBLE FOR CALITZDORP AND ZOAR OFFICIALS TO WORK REMOTELY IN LADISMITH, AND ALL OTHER SATELLITE OFFICES CONNECTED TO THE MAIN BUILDING IN LADISMITH.
8/1/4/R	03/10/2023	TECHNICAL SERVICES	URHWEBO E-TRANSAND	R 420 772,90	KANNALAND HAS BEEN MAKING USE OF IZT WYSE GROUP FOR ABOUT 10 (TEN YEARS). UPGRADING OF VAN WYKSDORP WTW
8/1/4/R	05/10/2023	TECHNICAL SERVICES	FANIE LE ROES	R 1 200,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS IN FOR REPAIRS, AND QUITE OFTEN WE ARE WITHOUT A SEWERAGE TRUCK DUE TO BREAKDOWN OF OUR OWN TRUCK, THUS THIS WILL RESULT IN THE SEWERAGE OVERFLOW INTO THE NEARBY RIVERS, CREATING AN ENVIRONMETAL SPILL..
8/1/4/R	05/10/2023	ADMIN.	VALLEY CONTAINERS	R 10 522,50	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 PROVIDER CONTAINERS FOR STORAGE AND OFFICE IN VARIOUS AREAS WITHIN THE KANNALAND MUNICIPALITY.
8/1/4/R	06/10/2023	MUNICIPAL MANAGER	JANSEN&SAMSON ATTORNEYS	R 249 791,00	SECTION 109A OF THE MUNICIPAL SYSTEMS ACT 2000 PERMITS A MUNICIPALITY TO PROVIDE CONUCILOR OF EMPLOYEES OF MUNICIPALITIES WITH LEGAL REPRESENTATION ARISING OUT OF THE INSTITUTION OF LEGAL ACTIONS AGAINST THEM. CASE 89/4/2018 CURRENTLY INVOLVE THE MUNICIPAL MANAGER , A S56 SENIOR MANAGER AS WELL AS EMPLOYEE, RESULTING IN POSSIBLE CONFLICT OF INTEREST.
8/1/4/R	06/10/2023	COMMUNITY SERVICES	SANITECH	R 82 329,07	MUNICIPALITY HAS 6 INFORMAL SETTLEMENT AREAS WITHIN KANNALAND. NO BULK INFRASTRUCTURE IN TERMS OF SANITATION EXISTS FOR THESE INFORMAL SETTLEMENT AREAS. SANITECH IS USED BY THE MUNICIPALITY AND IS CURRENTLY PERFORMING THE FUNCTION
8/1/4/R	06/10/2023	COMMUNITY SERVICES	SANITECH	R 61 467,73	MUNICIPALITY HAS 6 INFORMAL SETTLEMENT AREAS WITHIN KANNALAND. NO BULK INFRASTRUCTURE IN TERMS OF SANITATION EXISTS FOR THESE INFORMAL SETTLEMENT AREAS. SANITECH IS USED BY THE MUNICIPALITY AND IS CURRENTLY PERFORMING THE FUNCTION
8/1/4/R	06/10/2023	COMMUNITY SERVICES	SANITECH	R 87 917,73	MUNICIPALITY HAS 6 INFORMAL SETTLEMENT AREAS WITHIN KANNALAND. NO BULK INFRASTRUCTURE IN TERMS OF SANITATION EXISTS FOR THESE INFORMAL SETTLEMENT AREAS. SANITECH IS USED BY THE MUNICIPALITY AND IS CURRENTLY PERFORMING THE FUNCTION
8/1/4/R	06/10/2023	COMMUNITY SERVICES	SANITECH	R 74 692,73	MUNICIPALITY HAS 6 INFORMAL SETTLEMENT AREAS WITHIN KANNALAND. NO BULK INFRASTRUCTURE IN TERMS OF SANITATION EXISTS FOR THESE INFORMAL SETTLEMENT AREAS. SANITECH IS USED BY THE MUNICIPALITY AND IS CURRENTLY PERFORMING THE FUNCTION
8/1/4/R	06/10/2023	TECHNICAL SERVICES	DEKLIN	R 43 335,00	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLESM WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE WATER DELIVERY TO RURAL AREAS WITHIN THE KANNALAND MUNICIPALITY, LADISMITH, CALITZDORP AND ZOAR
8/1/4/R	06/10/2023	FINANCE	SA POST OFFICE	R 44 922,50	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 CANNOTGENERATE REVENUE FOR SERVICE DELIVERED.
8/1/4/R	09/10/2023	MUNICIPAL MANAGER	TELKOM SA LTD	R 35 254,68	THE ORIGINAL AGREEMENT WITH THE SERVICE PROVIDER TO PROVIDE TELECOMMUNICATION SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO START THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A LONG-TERM BASIS.
8/1/4/R	09/10/2023	MUNICIPAL MANAGER	BIDVEST STEINER	R 11 989,21	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE THESE SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THESE SERVICES ON A MONTH TO MONTH BASIS. THE NEED FOR EXTERNAL SPECIFIED CLEANSING SERVICES/PRODUCTS ARE A CHALLENGE IN KANNALAND MUNICIPALITY AS WE HAVE LIMITED SOURCES.
8/1/4/R	20/10/2023	MUNICIPAL MANAGER	TELKOM SA LTD	R 35 977,85	THE ORIGINAL AGREEMENT WITH THE SERVICE PROVIDER TO PROVIDE TELECOMMUNICATION SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO START THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A LONG-TERM BASIS.
8/1/4/R	27/10/2023	TECHNICAL SERVICES	HIDRO-TECH SYSTEMS	R 1 054 389,69	PAYMENT CERTIFICATE 2: UPGRADE AND REFURBISHMENT OF ZOAR PUMP STATION
8/1/4/R	27/10/2023	TECHNICAL SERVICES	HIDRO-TECH SYSTEMS	R 187 948,76	PAYMENT CERTIFICATE 2: UPGRADE AND REFURBISHMENT OF ZOAR PUMP STATION
8/1/4/R	27/10/2023	TECHNICAL SERVICES	NEIL LYNERS AND ASSOCIATES	R 97 600,95	UPGRADE AND REFURBISHMENT OF ZOAR SEWERAGE PUMP STATION
				R 4 514 867,82	

8/1/4/R	01/11/2023	TECHNICAL SERVICES	COASTAL ARMATURE WINDERS & SUPPLIERS	R	224 825,00	THE ZOAR WWTW PUMPSTATION OPERATES ON THREE 48KW SUBMERSIBLE ROBOT PUMPS ALL THREE PUMPS ARE CURRENTLY NOT OPERATIONAL FOR VARIOUS REASONS, INCLUSIVE OF VOLTAGE DROPS, DEFECTIVE NON-RETURN VALVES AND AN INLET SCREEN THAT DOES NOT PERFORM EFFECTIVELY.
8/1/4/R	01/11/2023	TECHNICAL SERVICES	VALSTA'S SPECIALIZED CLEANING	R	162 800,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS IN FOR REPAIRS, AND QUITE OFTEN WE ARE WITHOUT A SEWERAGE TRUCK DUE TO BREAKDOWN OF OUR OWN TRUCK, THIS WILL RESULT IN THE SEWERAGE OVERFLOW INTO THE NEARBY RIVERS, CREATING AN ENVIRONMENTAL SPILL.
8/1/4/R	06/11/2023	FINANCE	BERNARD MOSES BRAAF	R	31 028,73	KANNALAND MUNISIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR N TE KORT AAN KANTOOR SPASOE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT DIE PERSONEEL AANGESTEL MOES WORD OM DIE MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	10/11/2023	COUNCIL	FTMG CORPORATE ADVISORY SERVICE	R	200 000,00	COUNCIL AND MPAC HAVE TASKED THE ACTING MUNICIPAL MANAGER TO INVESTIGATE SEVERAL ISSUES OF CONCERNED AS A MATTER OF URGENCY. SINCE 2017 TO 2020 LITTLE HAS BEEN DONE TO EXECUTE RULINGS MADE BY MPAC TO COLLECT FRUITLESS AND WASTEFUL OR IRREGULAR EXPENSES AND LOSSES. IN FACT SOME OF THESE EXPENDITURES WERE BROUGHT UNDER ADMINISTRATOR'S WESSELS RABBET ATTENTION BY THE MEC OF DPLG: MR ANTON BREDELL BUT WITHOUT ANY SUCCESS FROM HIS LOCAL REPRESENTATIVE MR RABBETS. FURTHERMORE, ITS ALSO ALLEGED THAT RABBETS WERE FAVOURING CERTAIN OFFICIALS AND SERVICE PROVIDERS
8/1/4/R	10/11/2023	TECHNICAL SERVICES	DEKLIN	R	66 225,00	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLEMS WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE WATER DELIVERY TO RURAL AREAS WITHIN THE KANNALAND MUNICIPALITY, LADISMITH, CALITZDORP AND ZOAR
8/1/4/R	10/11/2023	COUNCIL/ FINANCE	TELKOM SA LIMITED	R	37 698,37	THE ORIGINAL AGREEMENT WITH THE SERVICE PROVIDER TO PROVIDE TELECOMMUNICATION SERVICES HAS LAPSED AND THIS RESULTED IN THE MUNICIPALITY HAVING TO START THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A LONG-TERM BASIS.
8/1/4/R	13/11/2023	ADMINISTRATION	VALLEY CONTAINERS	R	10 522,50	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 PROVIDER CONTAINERS FOR STORAGE AND OFFICE IN VARIOUS AREAS WITHIN THE KANNALAND MUNICIPALITY.
8/1/4/R	13/11/2023	ADMINISTRATION	BIDVEST STEINER	R	12 826,78	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TO PROVIDE THESE SERVICES HAS LAPSED AND THIS RESULTED IN THE MUNICIPALITY HAVING TO RETAIN THESE SERVICES ON A MONTH TO MONTH BASIS. THE NEED FOR EXTERNAL SPECIFIED CLEANSING SERVICES/PRODUCTS ARE A CHALLENGE IN KANNALAND MUNICIPALITY AS WE HAVE LIMITED SOURCES.
8/1/4/R	13/11/2023	ADMINISTRATION	KONICA MINOLTA	R	16 686,31	THE AGREEMENTS WITH THE SERVICES PROVIDERS TO PROVIDE, INSTALL AND MAINTAIN THE CURRENT MEDIUM VOLUME MULTIFUNCTION COPIERS AT THE MUNICIPALITY ON A RENTAL BASIS HAS LAPSED AND THIS RESULTED IN THE MUNICIPALITY STARTING THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A 36 MONTHS CONTRACT.
8/1/4/R	14/11/2023	MUNICIPAL MANAGER	ICT WIZE GROUP WIZE (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 BUDGET AND TREASURY OFFICES. CURRENTLY, KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFOE THE APPOINTMENT OF ICT WIZE GROUP HAS THE ABILITY TO HELP KANNALAND. WITH THE ROUTING OF THE CALITZDORP AND ZOAR TO LADISMITH WHICH MAKES IT POSSIBLE FOR CALITZDORP AND ZOAR OFFICIALS TO WORK REMOTELY IN LADISMITH, AND ALL OTHER SATELLITE OFFICES CONNECTED TO THE MAIN BUILDING IN LADISMITH. KANNALAND HAS BEEN MAKING USE OF IZT WIZE GROUP FOR ABOUT 10 (TEN YEARS).
8/1/4/R	15/11/2023	MUNICIPAL MANAGER	ICT WIZE GROUP WIZE (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 BUDGET AND TREASURY OFFICES. CURRENTLY, KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFOE THE APPOINTMENT OF ICT WIZE GROUP HAS THE ABILITY TO HELP KANNALAND. WITH THE ROUTING OF THE CALITZDORP AND ZOAR TO LADISMITH WHICH MAKES IT POSSIBLE FOR CALITZDORP AND ZOAR OFFICIALS TO WORK REMOTELY IN LADISMITH, AND ALL OTHER SATELLITE OFFICES CONNECTED TO THE MAIN BUILDING IN LADISMITH. KANNALAND HAS BEEN MAKING USE OF IZT WIZE GROUP FOR ABOUT 10 (TEN YEARS).
8/1/4/R	17/11/2023	COUNCIL/ FINANCE	MEDIA 24 BEPERK	R	95 358,00	COUNCIL RESOLVED ON 06 NOVEMBER 2023 TO RE-ADVERTISE THE POSTS OF MUNICIPAL MANAGER AND CFO SERVED AT COUNCIL ON 12 JANUARY 2023. COUNCIL TOOK A DECISION TO RE-ADVERTISE THE POST, IN LINE WITH REGULATION ON THE APPOINTMENT AND CONDITIONS OF SENIOR MANAGERS, 2014.
8/1/4/R	20/11/2023	TECHNICAL SERVICES	ULTRA WATER CC	R	71 875,00	THE LAST WATER TESTS CARRIED OUT IN CALITZDORP REVEAL PRESENCE OF ECOU IN THE WATER. THE ECOU IS A HEALTH RISK TO THE COMMUNITY OF CALITZDORP. THE ACTIVATED CARBON IS THE PART OF THE FILTRATION PROCESS. IT HELPS WITH THE CLORINATION PROCESS AND TO GET THE SMELL OUT OF THE WATER. IS AN EMERGENCY WHICH IS AN UNFORESEASABLE AND SUDDEN EVENT WITH MATERIAL HARMFUL OF POTENTIALLY MATERIALLY HARMFUL CONSEQUENCES
8/1/4/R				R	986 483,69	
8/1/4/R	17/11/2023	FINANCE/MUNICIPAL MANAGER	MEDIA 24 BEPERK	R	95 358,00	COUNCIL RESOLVE ON 6 NOVEMBER TO ADVERTISE THE POST OF THE MUNICIPAL MANAGER AND DIRECTOR TECHNICAL SERVICES, IN LINE WITH THE REGULATIONS ON THE REGULATIONS ON THE APPOINTMENT AND CONDITIONS OF SENIOR MANAGEMENT, 2014 THE ADVERTISEMENT CAN ONLY BE PLACED AFTER THE APPOINTMENT OF THE INDEPENDENT CONSULTANT, WHICH WILL ASSIST COUNCIL WITH RECRUITMENT AND SELECTION PROCESS.
8/1/4/R	01/12/2023	TECHNICAL SERVICES	DEKLIN	R	74 257,80	THE MUNICIPALITY IS CURRENTLY EXPERIENCING PROBLEMS WITH SUSTAINABLE WATER PROVISIONING, ESPECIALLY WITH THE WATER DELIVERY TO RURAL AREAS WITHIN THE KANNALAND MUNICIPALITY, LADISMITH, CALITZDORP AND ZOAR
8/1/4/R	01/12/2023	TECHNICAL SERVICES	PHAMBILI CIVILS CC	R	442 042,47	PHAMBILI CIVILS WAS APPOINTED FOR THE REBURISHMENT AND UPGRADING OF VAN WYKSDORP WTW ON TENDER 04/2023. PARTIAL CLOMPELTION HAS TEKEN PLACE ON THE PROJECT. FINAL INSPECTION WAS DONE ON THE PARTIALPRACTICAL COMPLETION AND NO DEFECTS WERE FOUND.
8/1/4/R	01/12/2023	TECHNICAL SERVICES	HIDROTECH SYSTEMS (PTY) LTD	R	1 026 548,66	PAYMENT CERTIFICATE 2: UPGRADE AND REFURBISHMENT OF ZOAR PUMP STATION
8/1/4/R	01/12/2023	TECHNICAL SERVICES	IMBRIOLO CONSTRUCTION	R	546 549,18	REFURBISHMENT OF THE WASTE WATER TREATMENT WORKS KANNA 03/2023
8/1/4/R	08/12/2023	COUNCIL	AYSIE ENTERPRISES (PTY) LTD	R	149 770,25	KANNALAND MUNICIPALITY SHOW THEIR GRATITUDE TO THEIR SENIOR CITIZENS EACH YEAR DURING THE CHRISTMAS SEASON. FOR THE CURRENT YEAR IT WAS DECIDED TO PROVIDE CATERING AND TRANSPORTATION FOR ELDERLY IN ALL FOUR TOWNS WITHIN KANNALAND.
8/1/4/R	11/12/2023	TECHNICAL SERVICES	VALSTA'S SPECIALIZED CLEANING	R	55 437,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS CURRENTLY NOT OPERATIONAL DUE TO THE PUMP THAT HAS BROKEN AND REMOVED FOR REPAIRS. THE REPAIR TIME IS UNKNOWN AT THIS STAGE. THE MUNICIPALITY IS CURRENTLY SEVICING SEPTIC TANKS ALL OVER KANNALAND TO AVOID THE SEWERAGE TO OVERFLOW AND CREATE ENVIRONMENTAL SPILL WE URGENTLY NEED TO RENT A SEWERAGE TRUCK FOR 7DAYS TO RENDER THIS ESSENTIAL SERVIC TO THE COMMUNITY.
8/1/4/R	12/12/2023	FINANCE	BERNARD MOSES BRAAF	R	31 028,73	KANNALAND MUNISIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR TE KORT AAN KANTOOR SPASOE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT MEER PERSONEEL AANGESTEL MOES WORD OM DIE MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	12/12/2023	FINANCE	BERNARD MOSES BRAAF	R	31 028,73	KANNALAND MUNISIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR TE KORT AAN KANTOOR SPASOE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT MEER PERSONEEL AANGESTEL MOES WORD OM DIE MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	14/12/2023	TECHNICAL SERVICES	ULTRA WATER CC	R	60 260,00	THE TREATMENT WORKS MAKE USE OF ULTRA FLOC UB300 FOR COAGULATION PURPOSES. THE SUPPLY CHAIN MANAGEMENT PROCESS WAS STARTED BUT IT SEEMS SERVICE PROVIDERS WILL BE CLOSED WITHOUT THE PLANTS HAVING THE REQUIRED CHEMICALS. THE PROCESS WAS STARTED BUT A DEVIATION IS NECESSARY TO ENSURE CHEMICALS ARE RECEIVED BEFORE CLOSING TIME.
8/1/4/R	19/12/2023	TECHNICAL SERVICES	HIDROTECH SYSTEMS (PTY) LTD	R	1 679 255,35	PAYMENT CERTIFICATE 2: UPGRADE AND REFURBISHMENT OF ZOAR PUMP STATION
8/1/4/R	20/12/2023	TECHNICAL SERVICES	SANITECH	R	225 491,43	THE SERVICE HAS ALREADY BEEN RENDERED AND PAYMENT MUST BEAFFECTED. IF THIS IS NOT DONE RESIDENCE IN THE INFORMAL SETTLEMENTS IN KANNALAND WILL BE WITHOUT SANITATION SERVICES. HEREWITH I REQUEST THAT THE OUTSTANDING AMOUNT OF R225 491,43 BE PAID FOR THE SERVICES RENDERED BY SANITECH.
8/1/4/R	20/12/2023	TECHNICAL SERVICES	SANITECH	R	2 049,30	THE SERVICE HAS ALREADY BEEN RENDERED AND PAYMENT MUST BEAFFECTED. IF THIS IS NOT DONE RESIDENCE IN THE INFORMAL SETTLEMENTS IN KANNALAND WILL BE WITHOUT SANITATION SERVICES. HEREWITH I REQUEST THAT THE OUTSTANDING AMOUNT OF R225 491,43 BE PAID FOR THE SERVICES RENDERED BY SANITECH.
8/1/4/R	21/12/2023	TECHNICAL SERVICES	VALSTA'S SPECIALIZED CLEANING	R	32 205,00	THE SEWERAGE TRUCK OF KANNALAND MUNICIPALITY IS CURRENTLY NOT OPERATIONAL DUE TO THE PUMP THAT HAS BROKEN AND REMOVED FOR REPAIRS. THE REPAIR TIME IS UNKNOWN AT THIS STAGE. THE MUNICIPALITY IS CURRENTLY SEVICING SEPTIC TANKS ALL OVER KANNALAND TO AVOID THE SEWERAGE TO OVERFLOW AND CREATE ENVIRONMENTAL SPILL WE URGENTLY NEED TO RENT A SEWERAGE TRUCK FOR 7DAYS TO RENDER THIS ESSENTIAL SERVIC TO THE COMMUNITY.
				R	4 451 281,90	
				R	9 952 633,41	

ANNEXURE C Tender Register

TENDER PROCESS REPORT																				
1																				
CURRENT PROCESS																				
NEW PROCESS																				
CONTRACT																				
Project Description	Current Process applied for payments	Service Provider	Emergency Procurement	Date when this process started	Reason that Formal Procurement Process was not Followed	PAYMENT SINCE 01.07.2022	Reason for delay in current Process	Responsible official	Method of procurement	Estimated Value (incl. taxes)	Bid Specification	Advert	Bidding	Bid Evaluation	Bid award	Contract commence	Contract expiry	Stage of completion of project	Date of certificate of completion	Comment
Transactional and advisory services								M. MacKier	Tender		31/07/2023	03/08/2023	05/09/2023	10/10/2023	11/10/2023					Tender Awarded
ICT	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	CT twice	NO	I was told by IT that the current service provider started in the year 2010. The latest deviation was done starting 1 July 2022 ending 30 June 2023. They are currently on a month-to-month deviation	No formal reasons provided		User department unavailability since the CFO request for a formal process in June 2023.	R Meyers	Tender		14/09/2023	22/09/2023	23/10/2023	06-01-1-2023	21/11/2023					This tender has been cancelled. Want the process to be more fair and transparent.
Sanitation services	Please check	Please check	Please check	Please check	Please check		Please check	C. Claassen/J. Bonyson	Tender		27/10/2023	04/11/2023	04/12/2023							Busy evaluating the tenders
Legal services	Deviations	Various legal	NO	Indefinite	No formal reasons provided		Re-advertised	F. Stemmet	Tender		14/09/2023 25/10/2023	18/09/2023 27/10/2023	19/09/2023 27/11/2023							Tender Cancelled due to Budget Constraints & the Incomplete Scope of work.
Chemical Toilet Supplies	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	Sanitech	NO	In spite to the user department they could not give me a clear indication of when this services started	No planning has been done and always excuses that we will go back to you and we will meet with you guys on how to take this thing forward.		The User Department did not bring their side. No active steps has been taken by the user department to bring their side on how to go about in taking the relative steps in procuring the service in the correct procurement process.	M. MacKier R. Timme & James	Tender		30/10/2023	02/11/2023	02/12/2023							I am currently in the process of meeting with the Manager Community Services R. Timme and Mr James Technical Director on putting measures in place on how to substitute the services so in the following month another alternative would be put in place on how are going to acquire this services. The discussion is that the municipality must build their own toilets and do the sucking themselves.
Bulk meter readings	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	Lucumsoft	Yes	The user department was waiting on the tender committees to be compiled.	The user department informed me that they have followed the formal procurement process, but due to the bid committees was not in place.		Waiting on bid committees	R. Nel	Tender		23/10/2023	2023/04/11	2023/04/12							If the user department process of going out on the formal procurement process so the tender will probably go out in the next month or for bid invitations.
Consulting Engineers	Tender, with a section 116 extension until 30/06/2024	SMEC	Emergency Procurement	N/A	N/A		N/A	M. MacKier	Tender		2023/02/08	New date awaiting due to adjustments								If the user department process of going out on the formal procurement process so the tender will probably go out in the next month or for bid invitations.

Printers	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	Konica Minolta	NO	I spoke to the user department they could not give me a clear indication of when this services started. I get the same answer from Judie in the SCM UNIT working all this time with this service. Mense gee nie hulle saamewerk nie.	The user departments does not take responsibility it is always a blame shifting between officials. No planning has been done and always excuses that we will get back to you and we will meet with you guys on how to take this thing forward.		I approached the user department several times they said they are going to get back to me regard specifications and the way forward and up until now no response. There is no active steps or planning taken from the user department in resolving the procurement issue.	H. Constable	Tender		2023/06/11	2023/09/11	2023/08/12					Tenders were submitted	Busy evaluating the tenders
Telecoms	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	Telkom	NO	I spoke to the user department they could not give me a clear indication of when this services started	No formal reason not provided		User department unavailability since the CFO request for a formal process in June 2023.	R. Meyers/H. Constable	Tender		26/10/2023		27/11/2023						R. Meyers & H. Constable, everytime I go to them they say they will get back to me but still no response
Hygienic services	The current payment is done through a deviation memorandum. Where the memorandum is drafted by the user department, a request is uploaded on the system based on that a order is processed for payment to take place. This payment has been made on a month to month basis since the contract expired.	Gloves/Steiner	NO	I spoke to the user department they could not give me a clear indication of when this services started. I get the same answer from Judie in the SCM working all this time with this service. Mense gee nie hulle saamewerk nie.	The user departments does not take responsibility it is always a blame shifting between officials. No planning has been done and always excuses that we will get back to you and we will meet with you guys on how to take this thing forward.		User department unavailability since the CFO request for a formal process in June 2023.	H. Constable/Mr	Tender		30/10/2023	27/11/2023	27/11/2023						R. Meyers & H. Constable, everytime I go to them they say they will get back to me but still no response
Tires for vehicles	Quotation basis	Tires & Treads	NO	I spoke to the user department they could not give me a clear indication of when this services started	No formal reason provided		User Department improper planning	M. Scheffers / Mr James	Tender		31/10/2023	2023/04/11	2023/04/12						No tenders were received

Vehicle Maintenance	Service Provider on Contract, the payment is done through the contract arrangement between the municipality and the service provider	Arithu's workshop and towing	NO	Started December 2021	Please check		User department improper planning	M S chellies / Mr James	Tender		15/11/2023	2023/04/11	2023/04/12						Busy evaluating the tenders
Equipment Maintenance	Party to whom the user department is							Mr James	Tender		2023/06/11								Tender process will be followed in the next month
Upgrading and Refurbishment of Adismiti Waste Water Treatment Works Phase 2	New project																		
Water supply	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	Deklin	NO	Started December 2022	Process of disasle just here replaced with a formal tender process		User department unavailability since the CFO request for a formal process in June 2023.	R Timmer / C Willemse	Tender		2023/06/11	30/10/2023	02/11/2023	02/12/2023					Gathering information to go out on tender.
Debt Collections	No previous activity																		
								C Hartouw/R Ned	Tender		30/10/2023	20/10/2023							Tender process will be followed in the next month. This is in process just getting a few things ready for specifications committee meeting
Container rentals	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	Valley containers	NO	Indefinite	No reason provided		User department unavailability since the CFO request for a formal process in June 2023. A summary must be made of the containers currently rented, the usage and the cost per month and submitted to the CFO prior to any further process.	H. Coors table/Mor	Tender										Tender process will be followed in the next month. User Department communication back
Rivul Suggestie	The current payment is done through a deviation memo. Where the memo is written by the user department, a request is uploaded on the system based on that a order is processed for payment to take place.	Various service providers, the latest provider Viasia	YES, however, a deviation cannot be justified for year on end	I spoke to the user department they could not give me a clear indication of when this services started. This process is been like this since forever.	The user departments did not take accountability and responsibility, always doing blame shifting.		User department unavailability since the CFO request for a formal process in June 2023.	N Pasikwall	Tender		2023/06/11	30/10/2023	02/11/2023	02/12/2023					This is seen as a matter of urgency as discussed Honey-Sucker problems
Fleet Management System	No Processes yet	No service provider	No					M S chellies / Mr James	Tender		15/11/2023	20/11/2023	15/01/2024						Awaiting Tendres

ANNEXURE D: Budget Funding Plan



KANNALAND
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Budget Funding Implementation Schedule

17-Jan-24	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action
Improved Monthly Collection Rate	Meter verification, TID & data collection project	Start processes for meter verification, TID & data collection project - Specs for tender	Not Due	01-Feb-24		The tender was advertised, only one application was received. The tender expired and will be re-advertised. This process will commence shortly. The Municipality will re-assess the process and attempt to re-advertise the tender.
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Not Due	01-Apr-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Not Due	01-Jun-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Not Due	01-Sep-24		The tender was not awarded, it will be re-advertised.
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Not Due	01-Oct-24		The tender was not awarded, it will be re-advertised.
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Not Due	31-Jan-24		The Municipality is currently busy with an intensive debt collection drive. The focus is on the top 50 debtors. Numerous communication has been circulated with some success. A further drive will ensue and none paying debtors will be handed over. The Municipality advertised a tender for legal and professional services. None of the bidders were able to assist with Debt Collection. The Municipality opted to re-advertise. The Municipality is in the process of enlisting the services of a debt collection agency and all overdue debtors will be handed-over systematically.
	Bulk SMS's - Credit Control / Check with SAMRAS credit control module	SMSs can be done internally (part of FMG support Plan)	Achieved	31-Aug-23	31-Aug-23	The Municipality managed to procure bulk messages and it forms part of the debt collection process. The Municipality appointed an Accountant Debt Collection to ensure a dedicated focus on overdue accounts
	SAMRAS - Credit Control Module activate and support	Dependent availability of SAMRAS (part of FMG support Plan)	Achieved	30-Sep-23	01-Nov-23	The Municipality opted to appoint an Accountant responsible for Debt Collection. The Credit Control Module implementation will be investigated and detailed recommendations will be considered.
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Achieved	01-Aug-23	01-Oct-23	The Municipality are making use of the services of a Seconded Technical Director. This will allow management to implement cross departmental actioned. The technical department in conjunction with the meter reading department will ensure all faulty meters are replaced.
	Action against biggest Debtors	Dependent on summons processes (can start with notices to be issued & addressing disputes)	Achieved	31-Aug-23	31-Aug-23	The debt collection team is busy prioritising the highest debtors per month.
	Strengthen internal capacity	Appointment Customer Care Clerk	Achieved	31-Jul-23	31-Aug-23	The Municipality opted to appoint an Accountant responsible for Debt Collection. It also appointed a clerk within the department.
	Strengthen internal capacity	Appointment Accountant - Debtors	Achieved	31-Jul-23	01-Dec-23	The Municipality advertised for this position and is busy with the recruitment process. An appointment will be made once the process has been concluded. The appointment has been made and the candidate will start on 01 December 2023.
	Adding additional pay-points / Indigent registration	WID - (tools of trade to be issued)	Achieved	31-Jul-23	01-Aug-23	The Municipality are busy exploring the options to increase the pay-points. It was concluded that a possible relief cashier be used on selected days.
	Adding additional pay-points / Indigent registration	Thusong Centre - (tools of trade to be issued)	Not Due	31-Mar-24		The Municipality are busy exploring the options to increase the pay-points. A site visit was conducted and a particular office was identified. The Municipality must identify savings to make the necessary adjustments, safety proof the office.
Adding additional - Indigent registration (temporarily - Maxi Hall)	Zoar (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.	
Adding additional - Indigent registration (temporarily - Bergsig Library)	Czd (tools of trade to be issued)	Achieved	31-Jul-23	31-Jul-23	The Municipality throughout the month of July 2023 embarked on numerous indigent registration initiatives. This was rewarding as people managed to register.	

Improved Accuracy in Billing	Reconciliations	Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Achieved	31-Aug-23	31-Oct-23	The valuation roll is being reconciled and all variances reported on monthly. A action plan has been drawn up to address outstanding matters.
	Water & Electricity Meters to be recorded correctly on the system	Uniformity in capturing and data cleansing through verification project - SOPs to be put in place and actual corrections to correlate with verification process	Achieved	31-Oct-23	30-Sep-23	The debtors and metering department is busy with a meter audit. A number of faulty meters has been identified for repairs and replacement. The Municipality has established a operating team consisting of the technical and finance department to perform a detailed analysis throughout the Municipality. The process already started and will be completed by end of January 2024.
	Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Achieved	31-Aug-23	30-Sep-23	An interdepartmental working group will be established and the finance department will be in charge of the data of each meter
	Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Achieved	30-Sep-23	31-Dec-23	Accounts is being emailed to debtors monthly. The council resolved that the CFO can engage outstanding debtors on a payment plan or settlement arrangement.
	Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Achieved	30-Nov-23	31-Dec-23	Bulk meters are being monitored monthly. The Municipality is currently in the processes of going out on tender for the reading of all bulk meters.
Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Missed	31-Aug-23		The Municipality is busy collating the outstanding contracts. The deadline was extended to 31 December 2023 from 31 August 2023. The user department is currently busy with finalising these contracts.
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Target Missed	31-Dec-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Rental Income	Rental income all municipal properties and market related where applicable	Target Missed	31-Jul-23		Rental contracts must be adjusted with market related rental income. All outstanding rental contract must be signed.
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Not Due	31-Jan-24		The Municipality has rented a traffic camera which is currently in use. The Municipality is currently in the process of auditing the traffic fine system. The progress is not satisfactory and management will review the operations, as the service is under-utilised.
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Target Missed	31-Oct-23		This is currently in process, the position has been advertised, HR is yet to make the appointment
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Missed	30-Sep-23		Due to a lack in leadership the department does not have a clear action plan. The targets must be revised to end of December 2023. It seems unlikely that the projected revenue target for this will be achieved.

Cost Containment Measures	Human Resources	Implement a performance management system for all managers (consequence management + improvement discipline)	Target Missed	31-Oct-23		This is still outstanding, a draft performance plan and contracts have been implemented for directors. The Municipality must enlist the get access to a performance management system to effectively implement a PMS.
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Target Missed	31-Aug-23		The Municipality is busy with budget vs actual workshops for each department. Costs containment measures will be implemented once the directors have a better understanding of their budgets. Various cash flow meetings was held with line managers during November 2023. A budget vs actual workshop was also held, budgeted vacant positions were highlighted for the employment of temporary workers, limited until Feb 2024.
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritised and "need" justified	Target Missed	31-Aug-23		Monthly reconciliations is still outstanding, this must be implemented by 31 December 2023.
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Not Due	31-Jan-24		The Municipality is currently busy with the implementation of controls and the development of a compliant contract register. Various expired contracts will be reviewed to implement cost-containment measures.
Liability Management	Creditors	Compliance with section 65 of the MFMA Recognition of expenditure when incurred. Sub-system to be used and reconciled	Not Due	29-Feb-24		The Municipality circulated numerous communication with suppliers regarding payment dates, processes and payment terms. As cash flow allow it will attempt to ensure compliance with the section. The Eskom debt relief application has allowed the Municipality to decrease its total liabilities. The final adjustments for the Eskom balance has been received and the Municipality has over R8million credit which will impact the municipalities cash balance positively.
	Budgeting	Weekly cash flow monitoring	Achieved	31-Aug-23	07-Nov-23	Cash flow meetings is scheduled weekly
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Not Due	31-Jan-24		The Municipality is in the process of establishing a budget steering committee
	Liabilities	Clearing and dealing with old grants on grant register	Not Due	31-Jan-24		The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system. The financial system will be aligned to the grant register. All historical grants will be reported on as historical expenditure might be off-set against these expense conditions.
	Liabilities	Improved grant & retention management - address FMU inefficiencies and administrative responsibilities clarified	Achieved	31-Aug-23	31-Aug-23	The Municipality performed a detailed grant reconciliation at year-end for the financials statements, this will be corrected in the financial system
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Missed	31-Jul-23		The Technical department is in the process of implementing a system in which they will address water losses.
	Water & Electricity Losses	Pre-Paid water meters first Indigent households as policy dictate - linked to verification project	Not Due	31-Jan-24		The Municipality is in the process of embarking on a internal meter audit verification process, by establishing a multi-departmental team to verify meter data of all meters within the Municipality. Through this process all water & electricity meters will be audited and replaced if found to be faulty.
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Target Missed	31-Dec-23		The Municipality has started exploring this through the technical department.
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target Missed	31-Jul-23		Fleet management is challenging in the Municipality due to the lack of vehicle management.
	Asset Management	Develop a R&M plan / strategy	Not Due	31-Mar-24		
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Target Missed	31-Oct-23		The organogram is still in development phase