



MATATIELE

LOCAL MUNICIPALITY

2023/2024 MID TERM BUDGET ASSESSMENT REPORT

TABLE OF CONTENTS

	PAGE
Glossary	3
Legislative Framework	4
SECTION 1 _In- year Budget statements	
Executive summary	5-7
In-year budget statement tables	7-22
SECTION 2_Supporting documents	
Debtors Analysis	23-24
Creditors Analysis	25
Investment Portfolio	25-26
Grants Management	26-27
Employee Related Costs & Remuneration of Councillors	28
Supply Chain Management	29-43
Irregular, Fruitless and Wasteful Expenditure	44
Indigent Management	44
Recommendations	45
Municipal Manager's quality certificate	46
Annexures	47

GLOSSARY

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

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 and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings – for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

GRAP – Generally Recognised Accounting Practice. The new 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 dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts.

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 years' budget allocations. Also includes details of the previous and current years' financial position.

Vote – One of the main segments into which a budget is divided.

PURPOSE & LEGISLATIVE REQUIREMENT

The purpose of the report is to inform council of the municipality's mid-year actual performance for the Mid-year financial year against the approved budget in compliance with section 72 of the Municipal Finance Management Act, 56 of 2003.

As instructed by the Local Government: Municipal Finance Management Act No.56 of 2009, Chapter 8 on roles of municipal officials, section 72, the Accounting officer must assess the half yearly performance of the municipality and this is required to be done by 25th January every year to be submitted to the Mayor, National and Provincial Treasuries.

The strategic objective of this report is to ensure good governance, financial viability and management of optimal organisational development and transformation to execute its mandate.

In terms of Section 72 of the Municipal Finance Management Act, 56 of 2003

1. "The accounting officer of the municipality must by 25 January of each year-
 - (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report.
 - b) Submit a report on such assessment to-
 - i) The mayor of the municipality
 - ii) The National Treasury and
 - iii) The relevant provincial treasury
2. The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

The accounting officer must, as part of the review-

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) Recommend revised projections for the revenue and expenditure to the extent that this may be necessary.

PART 1 - EXECUTIVE SUMMARY

1.1 Introduction

The figures presented in this report are for the first six months ended 31 December 2023.

1.2 Consolidated Performance

Revenue by source

The municipality's approved revenue budget amounts to **R 610,233,708** million and the 1st adjusted budget was **R 612,484,708**, with the 2nd adjusted budget of **R 698,440,957**. The mid-year revenue recognised for the first six months ended 31 December 2023 is **R 401,368,377** against 2nd budget of **R 698,440,957** (including capital transfers). This represents **57%** of the approved revenue budget. This is due to the transfers and grants received in the first six months and property rates that is billed in the first quarter of the financial year.

As at 31 December 2023 the municipality recognised revenue above the 50% performance that is expected for the first six month of the financial year.

Operating Expenditure by type

The municipality's approved expenditure budget of **R 514,750,752** million and no adjustment was made on the 1st adjustment, the 2nd adjusted operating expenditure budget is **R 517 184 781** million. The mid-year actual expenditure as at 31 December 2023 is **R 226,499,954**, when measured against 2nd adjusted budget this represents **44%** of the approved operating budget. The performance is below **50%** at mid-term mainly due to vacant positions not filled, contracted services that have not been committed as planned and slow spending on other general expenditure items. Major variance reasons will be detailed further on the report on contracted services and other expenditure.

Capital Expenditure

- The municipality's approved capital expenditure budget amounted **R 181,716,499** million and the 1st adjusted budget was **R 183,967,499**, with the 2nd adjusted budget of **R 267,489,720**, capital expenditure incurred as at 31 December 2023 amounted to **R 72,257,462**. This represents **27%** of the capital expenditure budget. The performance is below the expected performance at mid-term as the municipality is required to have spent **50%** at mid-term. The variance is due to supply chain

processes that are still underway which results to delays in appointing the suitable service provider but the expenditure is expected to increase before the financial year end as appointments were made in December and more appointments will be made during the 3rd quarter.

- The MIG capital funding for the financial year is **R 51,863,374** . The spending at the end of 31 December 2023 is **R 26,288,548 (excl VAT)** which represents **51%** of expenditure to date.
- Integrated National Electrification Programme (INEP) of **R 37,400,000** million was allocated. The grant reflects **R 21,435,448** spending at the end of 31 December 2023 which represent **57%**.
- Disaster Response Grant of **R 34,957,000** million was allocated. The grant reflects **R 1,760,243 (excl VAT)** spending as at 31 December 2023 which represent **5% YTD**.
- Human Settlement Grant of **R 57,033,570** million was allocated. The grant reflects **R 3,840,650** spending as at 31 December 2023 which represent **7% YTD**.
- Capital Replacement Reserves (CRR) for the financial year of **R 86,235,816** million is allocated. The spending as at 31 December 2023 is **R 18,932,573** which represent **22%**.
- The municipality anticipates to spend **80%** of the total capital budget as at the end of the financial year.

1.3 Material variances from SDBIP (Service Delivery and Budget Implementation Plan).

The Service Delivery and Budget Implementation Plan (SDBIP) performance of the municipality will be explained in a report prepared by the performance unit, situated in the Office of the Municipal Manager.

The variances on the SDBIP will also be part of this report on non-financial information for the period started 1 July 2023 to 31 December 2023.

1.4 Annual Report

The draft annual report for the 2022/2023 will be tabled to Council on the 25th January 2024.

1.5 Remedial or corrective steps

After assessing the performance of the municipality for the six months, an adjustments budget will be tabled to Council in February on the operational revenue and expenditure to address major variances that have been noted at midterm. Together with the adjustments budget a report on the revised Service Delivery and Budget implementation Plan will also be taken to council for approval.

PART 2- IN YEAR BUDGET STATEMENT TABLES

2.1 Monthly budget statements

2.1.1 Table C1: Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M06 - Half Year

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	48 716	54 360	54 360	44 811	44 811	27 180	17 631	65%	54 260
Service charges	70 828	86 942	86 942	37 508	37 508	43 471	(5 963)	-14%	86 942
Investment revenue	19 146	17 200	17 200	11 007	11 007	8 600	2 407	28%	17 200
Transfers and subsidies - Operational	293 763	318 510	318 093	234 264	234 264	159 151	75 113	47%	318 093
Other own revenue	25 812	37 741	40 592	13 161	13 161	19 583	(6 423)	-33%	40 592
Total Revenue (excluding capital transfers and contributions)	458 264	514 753	517 187	340 750	340 750	257 885	82 765	32%	517 187
Employee costs	146 840	161 717	161 299	77 396	77 396	80 754	(3 358)		161 299
Remuneration of Councilors	22 872	25 320	25 320	11 553	11 553	12 660	(1 107)		25 320
Depreciation and amortisation	64 712	53 300	53 300	18 282	18 282	26 650	(8 368)		53 300
Interest	134	-	-	-	-	-	-		-
Inventory consumed and bulk purchases	64 088	78 705	78 705	39 570	39 570	39 352	218		78 705
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	231 745	185 709	198 581	79 954	79 954	90 567	(10 613)	-19%	198 581
Total Expenditure	536 361	514 751	517 185	226 758	226 758	257 884	(31 226)	-12%	517 185
Surplus/(Deficit)	(78 097)	2	2	113 992	113 992	1	113 991	1000000%	2
Transfers and subsidies - capital (monetary allocations)	108 353	95 481	181 254	60 741	60 741	69 746	(9 005)	-13%	181 254
Transfers and subsidies - capital (in-kind) contributions	-	-	-	-	-	-	-		-
Share of surplus/ (deficit) of associate	36 225	95 483	181 256	174 733	174 733	69 748	104 986	151%	181 256
Surplus/ (Deficit) for the year	36 225	95 483	181 256	174 733	174 733	69 748	104 986	151%	181 256
Capital expenditure & funds sources									
Capital expenditure	129 995	181 717	287 490	67 844	67 844	112 884	(45 040)	-40%	287 490
Capital transfers recognised	91 149	95 481	181 254	53 325	53 325	69 746	(16 421)	-24%	181 254
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	48 631	86 236	86 236	18 933	18 933	43 118	(24 185)	-50%	86 236
Total sources of capital funds	137 781	181 717	287 490	72 257	72 257	112 884	(40 627)	-38%	287 490
Financial position									
Total current assets	459 547	523 856	523 856		564 608				523 856
Total non current assets	1 124 220	1 394 697	1 390 470		1 178 195				1 390 470
Total current liabilities	160 944	160 394	160 394		153 850				160 394
Total non current liabilities	44 889	38 827	38 827		36 325				38 827
Community wealth/Equity	1 377 943	1 829 334	1 715 107		1 552 628				1 715 107
Cash flow									
Net cash from (used) operating	361 338	147 918	233 691	289 085	289 085	95 965	(193 121)	-201%	233 691
Net cash from (used) investing	143 199	(181 717)	(287 490)	(81 268)	(81 268)	(112 864)	(31 597)	28%	(287 490)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	885 280	320 924	320 924	-	482 005	343 823	(138 181)	-35%	220 988
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 945	5 094	3 676	4 280	28 459	29 513	2 791	157 066	239 823
Creditors Age Analysis									
Total Creditors	3	-	-	-	-	-	-	-	3

2.1.2 Table C2: Monthly Budget Statement – Financial Performance (standard classification)

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Approved Outcome	Original Outcast	Adjusted Outcast	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Enacted
R thousands	1									
Revenue - Functional										
Governance and administration		372 020	403 019	403 019	293 612	293 612	201 510	92 103	46%	403 019
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		372 020	403 019	403 019	293 612	293 612	201 510	92 103	46%	403 019
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 053	12 100	11 908	5 061	5 061	6 030	(1 038)	-2%	11 908
Community and social services		6 664	6 909	6 767	3 275	3 275	3 429	(164)	-5%	6 767
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 109	5 201	5 201	2 626	2 626	2 600	26	1%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		63 015	62 020	152 940	32 500	32 500	54 365	(21 706)	-40%	152 940
Planning and development		666	3 504	63 389	3 908	3 908	16 723	(12 815)	-77%	63 389
Road transport		62 147	56 516	89 560	28 691	28 691	37 582	(8 890)	-24%	89 560
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		118 729	133 005	130 505	60 378	60 378	65 877	(5 499)	-5%	130 505
Energy sources		106 919	113 716	111 216	61 742	61 742	56 233	5 510	10%	111 216
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11 810	19 289	19 289	7 636	7 636	9 644	(2 008)	-21%	19 289
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	506 616	610 234	608 441	481 491	481 491	327 731	73 700	23%	608 441
Expenditure - Functional										
Governance and administration		213 020	233 487	233 487	105 673	105 673	118 743	(11 071)	-9%	233 487
Executive and council		30 685	33 967	33 967	15 722	15 722	16 904	(1 262)	-7%	33 967
Finance and administration		178 772	194 744	194 744	87 755	87 755	97 372	(9 617)	-10%	194 744
Internal audit		3 571	4 775	4 775	2 196	2 196	2 388	(192)	-8%	4 775
Community and public safety		48 537	51 797	51 575	24 308	24 308	25 843	(1 445)	-6%	51 575
Community and social services		24 553	27 466	27 244	13 337	13 337	13 678	(341)	-2%	27 244
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		21 984	24 331	24 331	11 062	11 062	12 166	(1 104)	-9%	24 331
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		125 473	105 773	108 420	44 005	44 005	53 551	(8 886)	-17%	108 420
Planning and development		19 784	38 759	41 611	14 708	14 708	20 093	(5 385)	-27%	41 611
Road transport		105 609	67 014	66 818	29 957	29 957	33 458	(3 501)	-10%	66 818
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		145 353	123 003	123 003	52 022	52 022	61 847	(9 825)	-16%	123 003
Energy sources		128 555	102 345	102 345	42 070	42 070	51 173	(9 103)	-18%	102 345
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		16 798	21 348	21 348	9 952	9 952	10 674	(722)	-7%	21 348
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	536 381	514 751	517 185	226 758	226 758	257 964	(31 226)	-12%	517 185
Surplus/ (Deficit) for the year		36 225	95 483	181 256	174 733	174 733	68 748	184 986	151%	181 256

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 - Half Year

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Revised Estimate	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		371 565	402 544	402 544	293 321	293 321	201 272	92 049	45.7%	402 544
Vote 3 - Corporate		454	475	475	291	291	238	54	22.6%	475
Vote 4 - Development and Planning		846	3 504	63 389	4 002	4 002	16 723	(12 721)	-76.1%	63 389
Vote 5 - Community		24 663	31 479	31 257	13 537	13 537	15 684	(2 147)	-13.7%	31 257
Vote 6 - Infrastructure		169 087	172 232	200 776	90 340	90 340	93 815	(3 475)	-3.7%	200 776
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	566 616	610 234	606 441	401 481	401 481	327 731	73 750	22.5%	606 441
Expenditure by Vote	1									
Vote 1 - Executive Council		30 685	33 967	33 967	15 722	15 722	16 904	(1 262)	-7.4%	33 967
Vote 2 - Finance and Admin		106 403	111 852	111 852	50 757	50 757	55 926	(5 170)	-9.2%	111 852
Vote 3 - Corporate		72 369	82 892	82 892	36 999	36 999	41 446	(4 447)	-10.7%	82 892
Vote 4 - Development and Planning		19 940	38 759	41 611	14 708	14 708	20 093	(5 385)	-26.8%	41 611
Vote 5 - Community		63 335	73 146	72 924	34 350	34 350	36 517	(2 167)	-5.9%	72 924
Vote 6 - Infrastructure		234 088	169 359	169 163	72 027	72 027	84 631	(12 604)	-14.9%	169 163
Vote 7 - Internal Audit		3 571	4 775	4 775	2 196	2 196	2 388	(192)	-8.0%	4 775
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	530 391	514 751	517 185	226 758	226 758	257 904	(31 226)	-12.1%	517 185
Surplus/(Deficit) for the year	2	36 225	95 483	181 256	174 733	174 733	69 746	104 980	150.5%	181 256

2.1.4 Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Half Year

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		59 114	71 416	71 416	31 668	31 668	35 708	(4 040)	(0)	71 416
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 713	15 526	15 526	5 940	5 940	7 763	(1 923)	(0)	15 526
Sale of Goods and Rendering of Services		870	3 930	6 781	461	461	2 678	(2 216)	(0)	6 781
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 313	6 500	6 500	741	741	3 250	(2 509)	(0)	6 500
Interest from Current and Non Current Assets		19 146	17 200	17 200	11 007	11 007	8 600	2 407	0	17 200
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		206	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 237	2 028	2 028	681	681	1 014	(332)	(0)	2 028
Licence and permits		3 596	4 094	4 094	1 513	1 513	2 047	(534)	(0)	4 094
Operational Revenue		264	965	965	199	199	483	(283)	(0)	965
Non-Exchange Revenue										
Property rates		48 716	54 360	54 360	44 811	44 811	27 180	17 631	0	54 360
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 609	1 769	1 769	1 135	1 135	685	251	0	1 769
Licence and permits		64	25	25	16	16	12	3	0	25
Transfers and subsidies - Operational		293 763	318 510	318 093	234 264	234 264	159 151	75 113	0	318 093
Interest		14 956	18 431	18 431	8 291	8 291	9 215	(924)	(0)	18 431
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		104	-	-	-	-	-	-	-	-
Other Gains		591	-	-	123	123	-	123	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		456 284	514 753	517 187	340 750	340 750	257 685	82 785	32%	517 187
Expenditure By Type										
Employee related costs		146 840	161 717	161 299	77 398	77 398	80 754	(3 356)	(0)	161 299
Remuneration of councillors		22 872	25 320	25 320	11 553	11 553	12 660	(1 107)	(0)	25 320
Bulk purchases - electricity		58 340	71 075	71 075	37 056	37 056	35 538	1 519	0	71 075
Inventory consumed		5 748	7 629	7 629	2 514	2 514	3 815	(1 301)	(0)	7 629
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		64 712	53 300	53 300	18 282	18 282	26 650	(8 368)	(0)	53 300
Interest		134	-	-	-	-	-	-	-	-
Contracted services		94 142	113 385	116 236	48 409	48 409	57 405	(8 996)	(0)	116 236
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		13 361	6 000	6 000	-	-	3 000	(3 000)	(0)	6 000
Operational costs		59 673	76 325	76 325	31 287	31 287	38 162	(6 875)	(0)	76 325
Losses on Disposal of Assets		64 589	-	-	-	-	-	-	-	-
Other Losses		-	-	-	258	258	-	258	#DIV/0!	-
Total Expenditure		530 391	514 751	517 185	226 758	226 758	257 984	(31 226)	-12%	517 185
Surplus/(Deficit)		(72 127)	2	2	113 992	113 992	1	113 991	101	2
Transfers and subsidies - capital (monetary allocations)		108 353	95 481	181 256	60 741	60 741	69 748	(9 006)	(0)	181 256
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		38 225	95 483	181 256	174 733	174 733	69 748			181 256
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		38 225	95 483	181 256	174 733	174 733	69 748			181 256
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		38 225	95 483	181 256	174 733	174 733	69 748			181 256
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		38 225	95 483	181 256	174 733	174 733	69 748			181 256

Revenue by Source

Property Rates

The municipality levies property rates on all rateable properties within the Matatiele area in terms of the Municipal Property Rates Act No.6 of 2004.

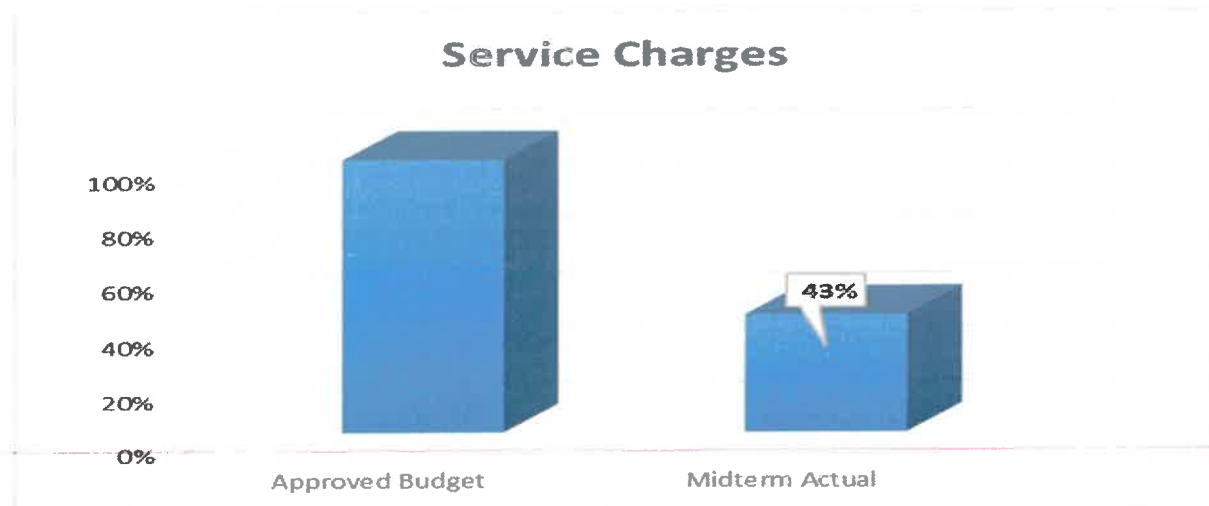
Billing on property rates is done during the first quarter of the financial year which results on the majority of the revenue for this source to be recognised at mid-term. Revenue billed on property rates as at 31 December 2023 amounted to **R 44,810,915**.

Property rates appears to be in line with the budget projections, the revenue received from property rates amounted to **R 33,224,807** as at 31 December 2023 against approved budget of **R 54,360,276** and reflects **82%** at mid-year. Property rates billed vs collected to date represents **79%** for the six months under review.

The annual billings and outcomes of the valuation roll objections are to be considered in order to more accurately predict the rate billing for the full financial year

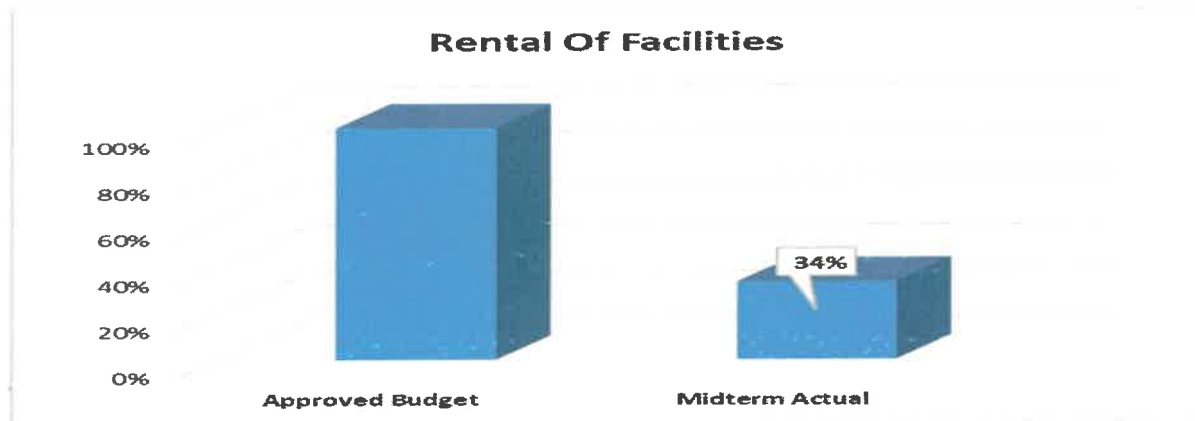
Service Charges

It appears that the revenue trends for the service charge revenue are lower than anticipated in the operating budget. Revenue from service charges for the first six months ended 31 December 2023 amounted to **R 37,508,002** when measured against the approved budget of **R 86,941,680** and represents **43%** performance on the allocated budget for this revenue source. The variance is due to reduced sales on electricity due to load shedding.



Rental of facilities and equipment

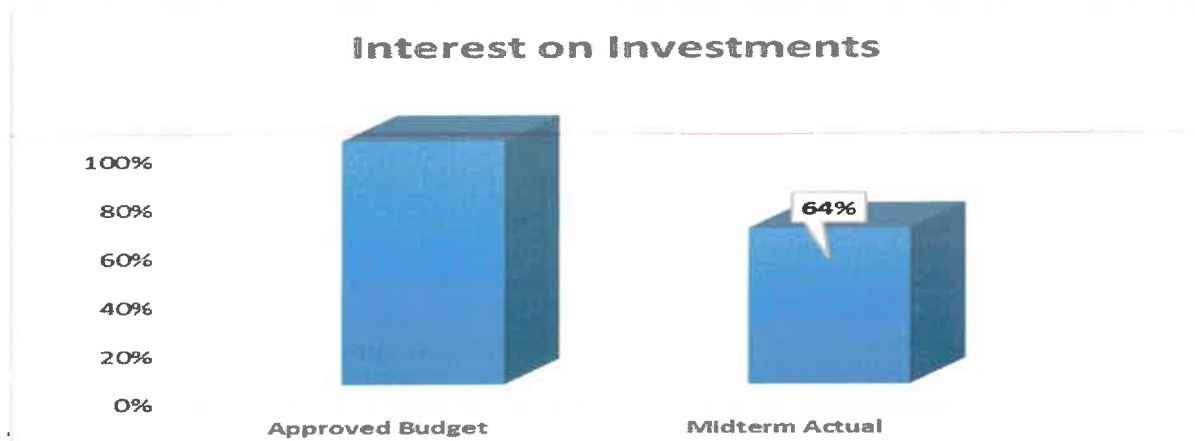
It appears that Rentals of facilities and equipment lower than anticipated in the mid-year budget projections. Income received from rental of facilities for the first six months ended 31 December 2023 amounted to **R 681,281** against approved budget of **R 2,027,544**. This reflects **34%** performance due to less revenue received for site rentals, rental of facilities other. The decrease revenue has been observed under rental of council assets, necessary adjustments will be made during the adjustment budget process if necessary where rentals are raised / billed according to the valuation roll.



Interest earned –External Investments

The interest earned represents the cash received in respect of investments that have matured and have been earned during the 2023/24 financial year. Interest earnings are influenced by the extent of the municipality's investment portfolio.

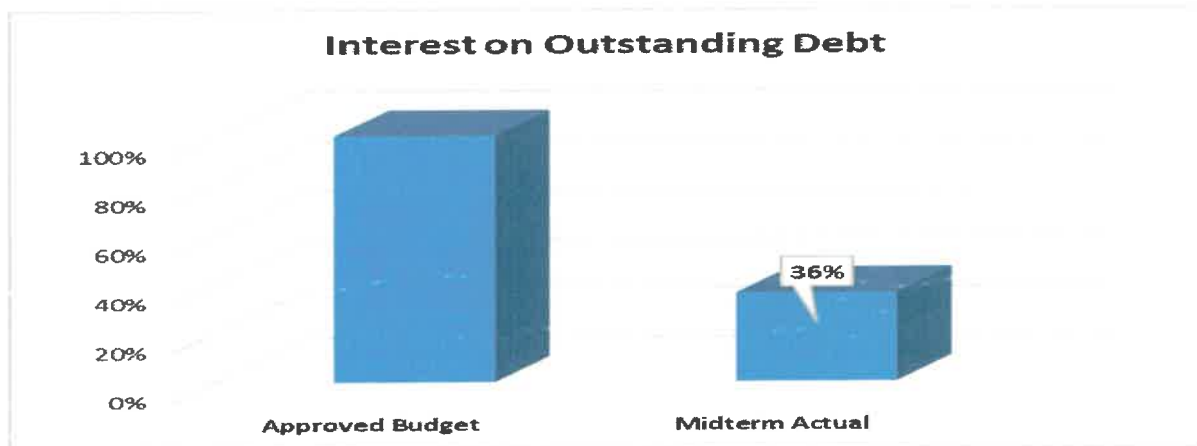
The budget for interest on investments amounted to **R 17,199,996**, an amount of **R 11,006,504** has been received as at 31 December 2023. It reflects a performance of **64%** and is the expected performance at mid-term as it is above **50%**. The positive variance is a result of funds being invested for 3 months. The municipality only receives interest on the maturity of the capital investment. Adjustment budget should be made under this category.



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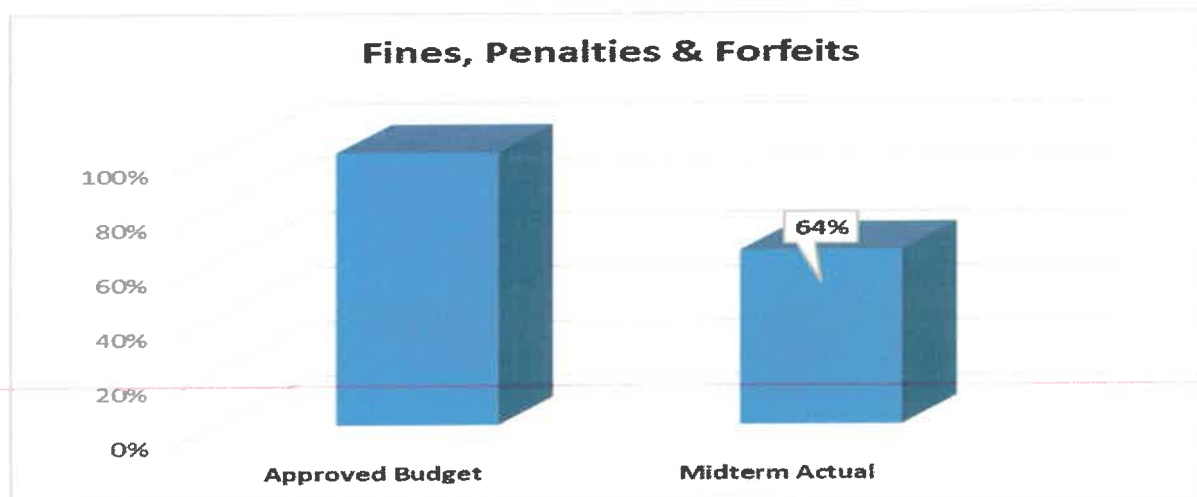
Interest earned –Debtors

The municipality charges interest on arrear services charges and property rates. Interest on outstanding debtors for the first half of the financial year ended 31 December 2023 amounted to **R 9,032,055** against approved budget of **R 24,930,792**. This represents **36%** performance at mid-term, with many debtors taking advantage of the indigent relief scheme, the billing on interest on outstanding debt is therefore lower than anticipated.



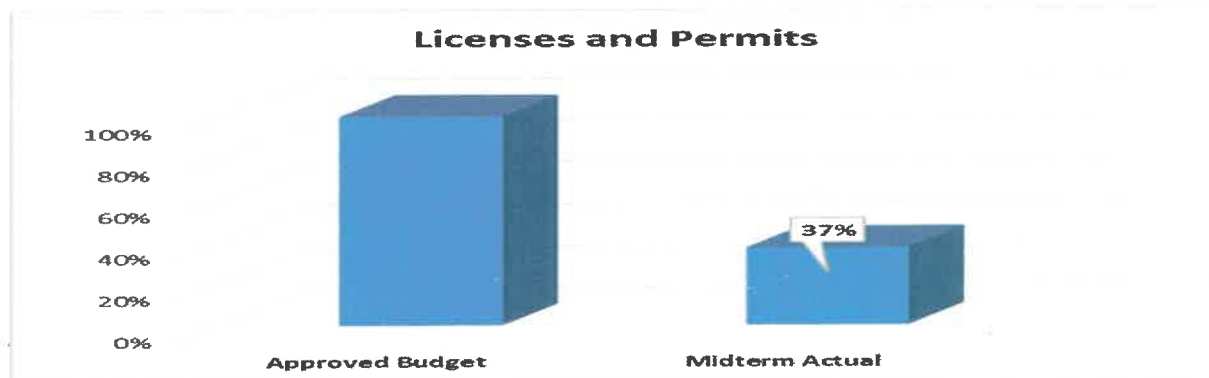
Fines, penalties and forfeits

Traffic Fines which amount to **R 1,135,184** million was collected for the period ending 31 December 2023 against budget of **R 1,769,004** which represents **64%** performance at mid-term. This is the expected performance at mid-year on this category and necessary adjustment should be made under this category.



Licenses and Permits

The total Licences and Permits revenue recognised as at 31 December 2023 is **R 1,528,742** against budget of **R 4,118,844** which represents **37%** performance, this is less expected performance due to an decrease in driver's and learners licence applications; and roadworthy examinations. Income for license and permits is demand driven and therefore difficult to predict accurately.



Transfers recognised- Operational

The municipality has recognised revenue amounting to **R 235,691,000** as at 31 December 2023, the total grants transfers amounted to **R 318,092,652** based on DORA allocation for 2023-2024 financial year, this represent **75%** at midyear which is above the expected performance.

Transfers Capital

Total approved budget on transfers and subsidies is **R 95,480,700** and the 1st adjusted budget was **R 97,731,700**, with the 2nd adjusted budget of **R 181,253,920**. The municipality has recognised revenue amounting to **R 60,741,477** as at 31 December 2023, this represents **34%** against adjusted budget at mid-year which is below the expected performance. Disaster relief grant and humans settlements grants are expected to be recognised in the 3rd and 4th quarter as appointments relating to these grants were made in the month December 2023.

It is anticipated that by the end of the financial year the actual recognition shall in line with the budget. It should be noted that all tranche that was scheduled to be received at mid-term have been received.

Other revenue

Other revenue reflects an amount of **R 521,922** for the midterm ended 31 December 2023 against approved budget of **R 7,746,251**. This represents **35%** of the budget allocated for this category. This is below the expected performance and variance is a result of lower or no recognition of some major line item in the other revenue category received on 5% Admin handling fees has not been received from human settlement, should this trend continue will be adjusted during the adjustment budget process.

Expenditure by Type

Employee related cost & Remuneration of councillors

As part of the mid-year assessment it can be noted that, as at 31 December 2023 the following budgeted expenditure line items are showing under performance

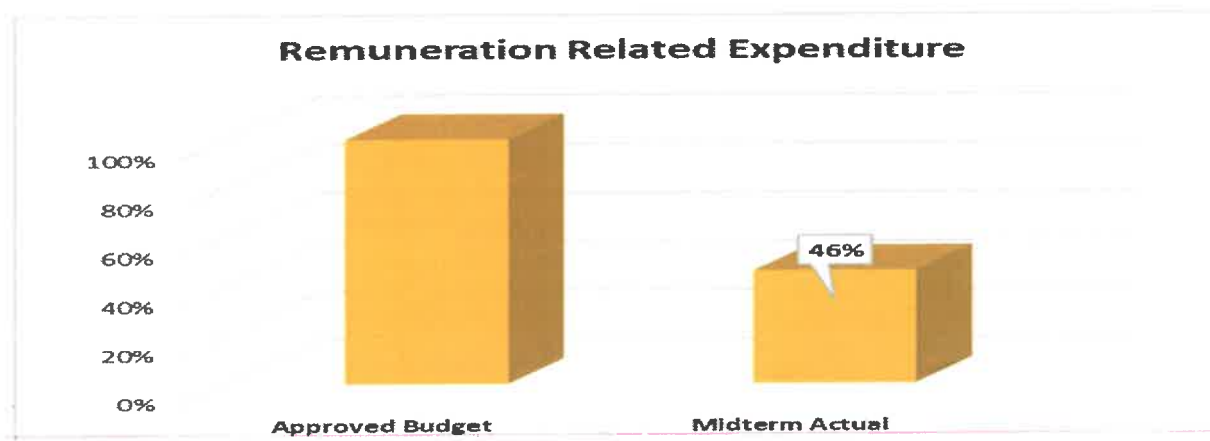
Employee related expenditure

For the six months ended 31 December 2023 employee costs amounted to **R 77,398,450** against budget amount of **R 161,298,886**, this represents **48%** of the budgeted amount. The variance is due to vacant post budgeted for but not yet filled and payroll exists (due to resignations, retirements are the main reasons for this variance. It must be noted that the Contributions to Post Retirement benefits and Leave Pay provision are only processed as at the close of the financial year.

To note that the recruitment processes are underway for various vacant positions.

Remuneration of Councillors

Remuneration of Councillors amounted to **R 11,552,920** for the period ended 31st December 2023 against budget of **R 25,320,192**, this represents **46%**. This is below the expected performance, the increment for the 2023/24 has not been effected as budgeted for.



Debt impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for the period of six months.

It must be noted that debt impairment testing, and calculation is done at the financial year end and only at the time are journal entries processed onto the financial system and this journal only

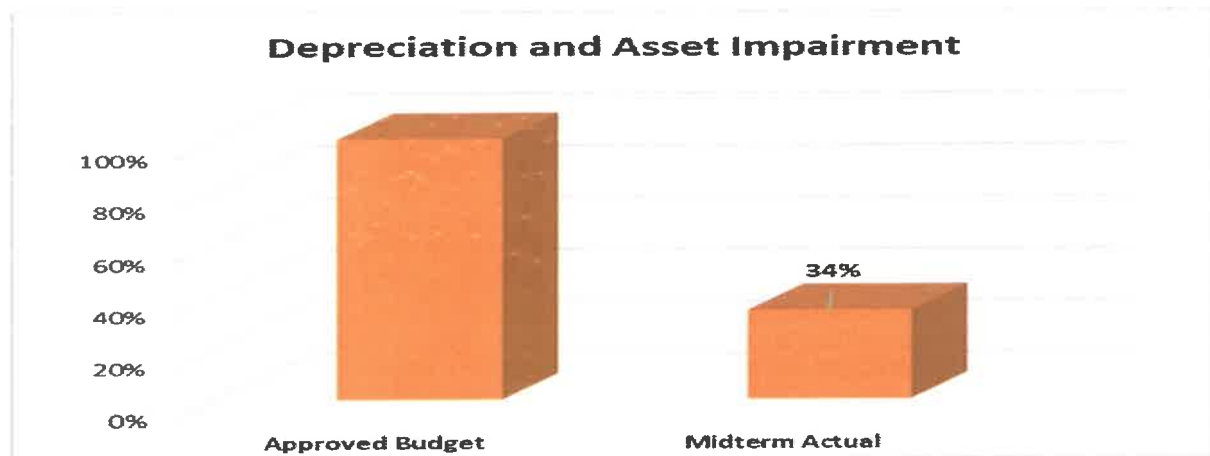
accrue in the 13th period on the financial system, therefore no expenditure will reflect for under for this category and Bad debts are written off upon Council's approval.

The council to note that the above non-cash provisions are required in terms of GRAP which are normally calculated at year end.

Depreciation and asset impairment

Expenditure on depreciation and asset Impairment amounted to **R 18,282,115** as at 31 December 2023, which reflects performance of **34%** which is below the performance for the mid-term period.

It also relates to asset impairment which is undertaken towards the year end of the financial year and the approved budget of **R 53,300,148** has been provided for assets depreciation and impairment and the journal for this category will be processed in the period 13th once the impairment testing has been finalised.



Finance charges

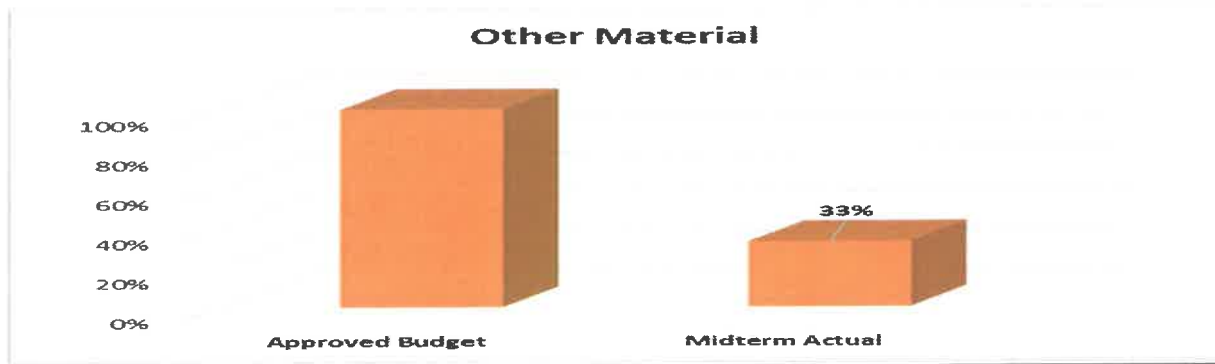
The expenditure relating to interest charges has been incurred for the period.

Bulk purchases

Expenditure on electricity bulk purchases amounted to **R 37,056,465** for the midterm period ended December 2023 against approved budget of **R 71,075,364**, this represents **52%** and is within the expected performance for the midterm. This can be attributed to the seasonal demand of electricity but could also be indicative of energy losses that the municipality is incurring year to year. The municipality continues to monitor bulk expenditure to ensure energy losses are not excessive as this may result in increase of expenditure.

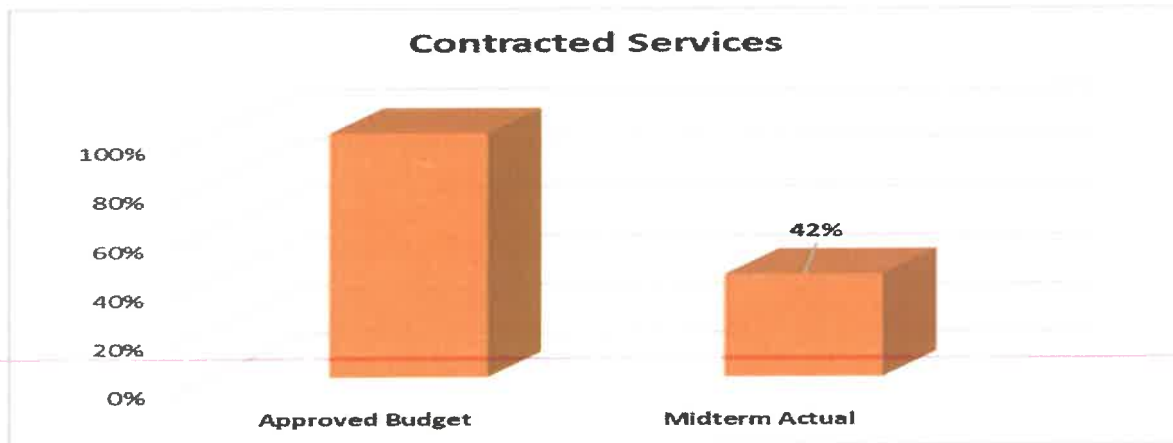
Other Material

Expenditure on other material amounted to **R 2,513,640** for the period ended 31 December 2023 against approved budget of **R 7,746,996**. This represents **33%** of budget allocation, the variance results from lower expenditure on Materials and Supplies.



Contracted services

Expenditure on contracted services amounted to **R 48,409,286** for the period ended 31 December 2023 against approved budget of **R 116,236,259**, this represents **42%** of the budget for this category and is less than the expected performance for the period necessary adjustment will be made if necessary. It reflects under spending at midyear due to timing of projects. There are also certain annual projects for which the expenditure will only be considered closer to year end. Low spending electrical maintenance, and indigent management system.



Other Expenditure

Operational expenditure for the six months' period ended 31 December 2023 amounted to **R 31,287,078** against approved budget of **R 76,324,512** and represents **41%** of the budget

The other expenditure reflects an under spending of **R 6,875,178** million as at December 2023 based on the 6 months' projection. This also results on unexpected circumstances, contributions to provision that are normally recognised towards the end of the financial year and those line items that are technically undertaken upon the finalization of annual financial statements remain the main contributors in this variance, another factor to this variance is the Workmen's Compensation Fund and Uniform and Protective Clothing, the expenditure generally is below as anticipated and will improve in the last two quarters of financial year.

2.1.5 Table C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - Half Year

Vote Description		Ref	Budget Year 2024/25								
R thousands			2023/24 Budget	2023/24 Actual	2023/24 Variance	Monthly actual	Year to actual	2023/24 Variance	%	2023/24 Variance	
Multi-Year expenditure appropriation		2	-	-	-	-	-	-	-	-	
Vote 1 - Executive Council			-	-	-	-	-	-	-	-	
Vote 2 - Finance and Admin			-	-	-	-	-	-	-	-	
Vote 3 - Corporate			-	-	-	-	-	-	-	-	
Vote 4 - Development and Planning			-	-	-	-	-	-	-	-	
Vote 5 - Community			-	-	-	-	-	-	-	-	
Vote 6 - Infrastructure			-	-	-	-	-	-	-	-	
Vote 7 - Internal Audit			-	-	-	-	-	-	-	-	
Vote 8 -			-	-	-	-	-	-	-	-	
Vote 9 -			-	-	-	-	-	-	-	-	
Vote 10 -			-	-	-	-	-	-	-	-	
Vote 11 -			-	-	-	-	-	-	-	-	
Vote 12 -			-	-	-	-	-	-	-	-	
Vote 13 -			-	-	-	-	-	-	-	-	
Vote 14 -			-	-	-	-	-	-	-	-	
Vote 15 -			-	-	-	-	-	-	-	-	
Total Capital Multi-year expenditure		4,7	-	-	-	-	-	-	-	-	
Single Year expenditure appropriation		2	-	70	70	20	20	35	(19)	-43%	70
Vote 1 - Executive Council			-	-	-	-	-	-	-	-	
Vote 2 - Finance and Admin			3 867	3 900	3 900	2 198	2 198	1 950	248	13%	3 900
Vote 3 - Corporate			201	2 610	2 610	1 288	1 288	1 305	(19)	-1%	2 610
Vote 4 - Development and Planning			-	130	57 164	3 945	3 945	14 323	(10 377)	-72%	57 164
Vote 5 - Community			2 417	9 130	9 130	698	698	4 585	(3 887)	-85%	9 130
Vote 6 - Infrastructure			131 296	164 017	164 017	64 063	64 063	89 756	(25 693)	-29%	164 017
Vote 7 - Internal Audit			(7 788)	1 860	1 860	(4 368)	(4 368)	930	(5 298)	-570%	1 860
Vote 8 -			-	-	-	-	-	-	-	-	-
Vote 9 -			-	-	-	-	-	-	-	-	-
Vote 10 -			-	-	-	-	-	-	-	-	-
Vote 11 -			-	-	-	-	-	-	-	-	-
Vote 12 -			-	-	-	-	-	-	-	-	-
Vote 13 -			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure		4	129 995	181 717	267 480	67 844	67 844	112 864	(45 020)	-48%	267 480
Total Capital Expenditure			129 995	181 717	267 480	67 844	67 844	112 864	(45 020)	-48%	267 480
Capital Expenditure - Functional Classification											
Governance and administration			(3 748)	8 440	8 440	(844)	(844)	4 228	(5 084)	-120%	8 440
Executive and council			-	70	70	20	20	35	(19)	(0)	70
Finance and administration			4 058	6 510	6 510	3 434	3 434	2 288	229	0	6 510
Internal audit			(7 788)	1 860	1 860	(4 368)	(4 368)	930	(5 298)	(0)	1 860
Community and public safety			2 956	4 600	4 600	630	630	2 380	(1 670)	-73%	4 600
Community and social services			373	910	910	243	243	468	(212)	(0)	910
Sport and recreation			-	-	-	-	-	-	-	-	-
Public safety			1 713	3 690	3 690	388	388	1 842	(1 454)	(0)	3 690
Housing			-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-
Economic and environmental services			87 929	99 791	99 791	40 187	40 187	72 883	(32 777)	-45%	99 791
Planning and development			-	130	57 164	3 945	3 945	14 323	(10 377)	(0)	57 164
Road transport			87 929	99 661	122 323	36 150	36 150	55 560	(22 408)	(0)	122 323
Environmental protection			-	-	-	-	-	-	-	-	-
Trading services			43 696	68 886	68 886	27 978	27 978	33 481	(5 491)	-16%	68 886
Energy services			43 357	64 355	64 355	27 903	27 903	31 195	(3 294)	(0)	64 355
Water management			-	-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-	-
Waste management			330	4 530	4 530	69	69	2 345	(2 197)	(0)	4 530
Other			-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification		3	129 995	181 717	267 480	67 844	67 844	112 864	(45 020)	-48%	267 480
Funding											
National Government			91 149	95 481	124 220	49 434	49 434	55 458	(6 004)	(0)	124 220
Provincial Government			-	-	57 034	3 541	3 541	14 258	(10 418)	(0)	57 034
District Municipality			-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) [Net / Prox Depts/ Agencies]			-	-	-	-	-	-	-	-	-
Transfers recognised - capital			91 149	95 481	124 220	53 325	53 325	69 746	(16 422)	-24%	124 220
Borrowing			-	-	-	-	-	-	-	-	-
Internally generated funds			46 631	36 236	36 236	19 930	19 930	43 118	(24 185)	(0)	36 236
Total Capital Funding			137 780	181 717	267 480	72 257	72 257	112 864	(45 607)	-36%	267 480

The municipality's approved capital expenditure budget amounts **R 181,716,499** million and the 1st adjusted budget was **R 183,967,499**, with the 2nd adjusted budget of **R 267,489,720**, capital expenditure incurred as at 31 December 2023 amounted to **R 72,257,462** this represents **27%** of the budget. The variance of **23%** is as a result of delayed expenditure on capital projects but this will improve during the financial year end.

The appointment for some projects has been made and other service provider waiting for the letter of award to be issued to successful contractors, the expenditure is expected to improve in quarter 3 and 4.

2.1.6 Table C6: Monthly Budget Statement – Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		254 787	326 924	326 924	343 161	326 924
Trade and other receivables from exchange transactions		(27 732)	125 378	125 378	(20 606)	125 378
Receivables from non-exchange transactions		143 549	52 209	52 209	156 073	52 209
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 605	2 025	2 025	1 578	2 025
VAT		82 020	17 322	17 322	79 683	17 322
Other current assets		5 319	-	-	4 721	-
Total current assets		459 547	523 858	523 858	564 608	523 858
Non current assets						
Investments		-	-	-	-	-
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 116 806	1 297 761	1 363 534	1 170 930	1 383 534
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		1 543	-	-	1 543	-
Intangible assets		911	1 975	1 975	762	1 975
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1 124 220	1 304 697	1 390 470	1 178 195	1 390 470
TOTAL ASSETS		1 583 767	1 828 554	1 914 328	1 742 803	1 914 328
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 636	413	413	1 727	413
Trade and other payables from exchange transactions		57 699	56 071	56 071	23 202	56 071
Trade and other payables from non-exchange transactions		4 904	-	-	21 275	-
Provision		11 816	90 868	90 868	20 371	90 868
VAT		81 928	13 041	13 041	84 314	13 041
Other current liabilities		2 961	-	-	2 961	-
Total current liabilities		160 944	160 394	160 394	153 858	160 394
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		30 382	38 827	38 827	21 827	38 827
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		14 497	-	-	14 497	-
Total non current liabilities		44 880	38 827	38 827	36 325	38 827
TOTAL LIABILITIES		205 824	199 221	199 221	190 175	199 221
NET ASSETS	2	1 377 943	1 629 334	1 715 107	1 552 628	1 715 107
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 026 622	1 543 086	1 628 871	1 200 307	1 628 871
Reserves and funds		352 321	86 236	86 236	352 321	86 236
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1 377 943	1 629 334	1 715 107	1 552 628	1 715 107

Table C6 reflects on the financial position of the municipality.

2.1.7 Table C7: Monthly Budget Statement – Cash flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		43 708	43 488	43 488	38 143	38 143	21 744	16 399	75%	43 488
Service charges		70 126	76 730	76 730	36 720	36 720	38 365	(1 645)	-4%	76 730
Other revenue		21 974	51 959	54 811	12 821	12 821	26 692	(13 872)	-52%	54 811
Transfers and Subsidies - Operational		293 564	318 510	318 093	235 783	235 783	159 151	76 632	48%	318 093
Transfers and Subsidies - Capital		119 841	95 481	181 254	76 186	76 186	69 746	6 439	9%	181 254
Interest		18 991	17 200	17 200	11 604	11 604	8 600	3 004	35%	17 200
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(206 865)	(455 451)	(457 885)	(122 171)	(122 171)	(228 334)	106 163	-46%	(457 885)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM(USED) OPERATING ACTIVITIES		361 338	147 918	233 801	289 085	289 085	95 905	(183 121)	-201%	233 801
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(143 192)	(181 717)	(267 400)	(81 288)	(81 288)	(112 884)	31 597	-28%	(267 400)
NET CASH FROM(USED) INVESTING ACTIVITIES		(143 199)	(181 717)	(267 400)	(81 288)	(81 288)	(112 884)	(31 597)	28%	(267 400)
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		504 337	(33 799)	(33 799)	207 818	207 818	(16 980)			(33 799)
Cash/cash equivalents at beginning:		360 723	360 723	360 723		254 787	360 723			254 787
Cash/cash equivalents at month/year end:		865 060	326 924	326 924		462 605	343 823			220 988

Short term deposits amounted to **R 329,783,240** as at 31 December 2023.

The Total Cash held reflects bank balances at 31 December 2023 is **R 15,059,711** consist of the following bank balances as at 2023.

Standard Bank R 6,967,512
FNB R 2,811,358
Nedbank R 5,280,841

Therefore, the total cash and cash equivalents amounts to **R 344,842,951**.

PART 3- SUPPORTING DOCUMENTATION

3.1 Debtor's analysis

Supporting Table SC3

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - Half Year

Description	NT Code	Budget Year 2024/25									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts Lto Council Policy	
		6-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 743	1 769	958	1 449	1 139	750	921	4 583	16 319	8 949	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 957	816	652	807	563	26 987	17	65 601	96 801	93 774	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	920	568	539	417	420	415	385	26 190	29 880	27 856	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	7	7	-	-	-
Interest on Ameer Debtor Accounts	1810	1 571	1 580	1 533	1 601	1 325	1 354	1 292	51 130	61 365	56 701	-	-	-
Recoverable unauthorised, irregular, ineffectual and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	150	379	0	177	25 014	0	177	8 553	35 450	34 521	-	-	-
Total By Income Source	2800	8 945	5 894	3 678	4 280	28 459	28 513	2 791	157 086	239 823	222 198	-	-	-
2023/24 - totals only		8 237	5 594	6 420	5 094	3 509	20 979	13 119	132 870	206 651	188 641	-	-	-
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 596	2 347	1 968	2 443	2 304	26 051	1 771	69 551	110 790	103 030	-	-	-
Commercial	2300	5 170	1 601	536	718	25 329	325	240	14 403	48 324	41 016	-	-	-
Households	2400	1 179	1 146	1 142	1 116	1 105	1 136	780	73 102	80 709	77 282	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2800	8 945	5 894	3 678	4 280	28 459	28 513	2 791	157 086	239 823	222 198	-	-	-

The total debt book as at 31 December 2023 amounted to R 239,823,208 (including advance payments of R 3,849,533), The Debt exclusive of advance payments of R 235,973,675.

The total debt book for December 2023 of R 235,973,675 (including current of R 8,695,993 which is not yet due) has decreased by R 11,091,489.63 from the previous month closing balance of R 238 369 171. Debt is made up of the following

Residential debt:

R 91 049 460.13

Commercial debt

R 35,793,269.11

Government debt

R 105,184,887.65

Other

R 3,946,988.67

The municipality implements the credit control and debt collection policy.

There are two areas in which the municipality is not able to collect and the debt totals to;

Maluti

R 62,299,337.34 (including current)

Cedarville

R 5,307,487.96 (including current)

(both areas are handed over for collection)

The municipality makes use of debt collectors in implementing the credit and debt collection policy. A new service provider has been appointed to start looking at debt that is older than 90 days.

The following has been handed over:

Residential H/O R 80 524 688.45

Business H/O R 30 624 766.74

Churches H/O R 124 353.62

Farms H/O R 3 617 979.25

An amount of R 5,370,550 was collected from the debt that was handed over at a mid-year.

The credit control measures for collection are implemented especially for old debt.

The following are measures to be put in place to reduce the outstanding debts

- Debtors are handed over to the new debt collections panel of attorneys.
- Council has appointed a service provider to undertake the disconnections with an aim of speeding up debt recovery.
- Continuous partial blocking of accounts that utilize the prepaid electricity meters.

Other reasons for the increase in debt:

- The new valuation roll was implemented, awaits objections on some accounts are yet to be finalised if any.
- the loss of income faced by customers affected their ability to pay.

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The municipality had total investments amounting to R 329,783,240 as at 31 December 2023. Conditional grants investments amounted to R 31,483,364 and R 298,299,877 relates to unconditional investments.

The municipality invests surplus funds in order to maximize the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy.

The Total Cash held reflects bank balances as at 31 December 2023 is R 15,059,711.

Therefore, the total cash and cash equivalents amount to R 344,842,951.

3.4 Grant receipts and expenditure

3.4.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		345 491	312 569	312 152	276 873	276 873	156 186	120 693	77.3%
Expanded Public Works Programme Integrated Grant		4 518	3 974	3 752	2 781	2 781	1 932	849	44.0%
Local Government Financial Management Grant		1 650	1 700	1 700	1 700	1 700	850	850	100.0%
Municipal Infrastructure Grant		52 723	2 925	2 730	44 415	44 415	1 414	43 001	3041.7%
Equitable Share		286 398	303 970	303 970	227 977	227 977	151 945	75 992	50.9%
Provincial Government:		-	5 941	5 941	650	650	2 970	(2 320)	-79.1%
Specify (Add grant description)		-	2 250	2 250	650	650	1 125	(475)	-42.2%
Specify (Add grant description)		-	3 691	3 691	-	-	1 845	(1 845)	-100.0%
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		345 491	318 510	318 093	277 523	277 523	155 151	118 372	74.4%
Capital Transfers and Grants									
National Government:		48 539	95 481	124 220	27 930	27 930	55 488	(27 558)	-49.7%
Municipal Disaster Relief Grant		2 251	-	34 957	-	-	9 302	(9 302)	-100.0%
Municipal Infrastructure Grant		-	15 581	51 963	-	-	26 861	(26 861)	-100.0%
Integrated National Electrification Programme Grant		46 288	39 300	37 400	27 930	27 930	19 325	8 605	44.5%
Provincial Government:		-	-	57 034	2 583	2 583	14 258	(11 675)	-81.9%
Specify (Add grant description)		-	-	-	2 583	2 583	-	2 583	100.0%
Specify (Add grant description)		-	-	57 034	-	-	14 258	(14 258)	-100.0%
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		48 539	95 481	181 254	30 513	30 513	69 746	(39 233)	-56.3%
TOTAL RECEIPTS OF TRANSFERS & GRANTS		394 030	413 991	499 347	308 036	308 036	224 897	75 139	34.6%

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of revenues. Other trenches allocated to be received during the midterm have been received. The grants receipts performance of the conditional grants was impacted by National Treasury for not paying the Municipal Infrastructure Fund as Gazetted in the DoRA.in line with the National Treasury Payment Schedule.

3.4.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 - Half Year

Description		Ref	2023/24	Budget Year 2024/25								
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands												
EXPENDITURE												
Operating expenditure of Transfers and Grants												
National Government:		3	6 460	2 925	2 730	4 499	4 499	1 414	3 085	218.2%	2 730	
Expanded Public Works Programme Integrated Grant			4 910	-	-	2 781	2 781	-	2 781	#DIV/0!	-	
Local Government Financial Management Grant			1 590	-	-	689	689	-	689	#DIV/0!	-	
Municipal Infrastructure Grant			-	2 925	2 730	1 030	1 030	1 414	(384)	-27.1%	2 730	
Provincial Government:			345	3 691	3 691	1 788	1 788	1 845	(58)	-3.1%	3 691	
Specify (Add grant description)			345	-	-	1 788	1 788	-	1 788	#DIV/0!	-	
Specify (Add grant description)			-	3 691	3 691	-	-	1 845	(1 845)	-100.0%	3 691	
District Municipality:			-	-	-	-	-	-	-	-	-	
Other grant providers:			-	-	-	-	-	-	-	-	-	
Total Operating Transfers and Grants			6 805	6 616	6 421	6 287	6 287	3 259	3 027	92.9%	6 421	
Capital Transfers and Grants												
National Government:			108 353	103 405	131 922	56 901	56 901	59 395	(2 494)	-4.2%	131 922	
Municipal Disaster Relief Grant			-	-	34 957	1 760	1 760	9 302	(7 542)	-81.1%	34 957	
Municipal Infrastructure Grant			62 065	63 505	59 565	30 490	30 490	30 755	(270)	-0.9%	59 565	
Integrated National Electrification Programme Grant			46 288	39 900	37 400	24 651	24 651	19 325	5 326	27.6%	37 400	
Provincial Government:			-	-	57 034	501	501	14 258	(13 757)	-96.5%	57 034	
Specify (Add grant description)			-	-	57 034	501	501	14 255	(13 757)	-96.5%	57 034	
District Municipality:			-	-	-	-	-	-	-	-	-	
Other grant providers:			-	-	-	-	-	-	-	-	-	
Total Capital Transfers and Grants			108 353	103 405	188 956	57 402	57 402	73 653	(16 251)	-22.1%	188 956	
TOTAL EXPENDITURE OF TRANSFERS & GRANTS												
			115 157	110 821	195 377	63 688	63 688	76 912	(13 224)	-17.2%	195 377	

Expenditure performance on operational grants to date represents **55%** of the approved budget of **R 11,4** and excluding equitable share, nil expenditure on library support grant, the department has planned to utilise library assistance funds for the next six months.

Capital spending on grants for 2023/24 as at 31 December 2023 amounts to only **R 57,4 million** or **30%** of the approved budget of **R 188,9m**, Expenditure on capital grants is below the expected performance as at the mid-year, this is due to procurement processes that were underway in the 2nd quarter, appointments have been made for the projects funded by MIG and disaster recovery grant which will improve expenditure for the remaining term of the financial year.

3.5 Expenditure on councilor and staff related expenditure

Supporting Table SC8

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - Half Year

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		13 696	14 165	14 165	6 187	6 187	7 082	(895)	-13%	14 165
Pension and UIF Contributions		919	2 975	2 975	416	416	1 487	(1 071)	-72%	2 975
Medical Aid Contributions		528	113	113	405	405	56	349	618%	113
Motor Vehicle Allowance		158	199	199	(4)	(4)	99	(104)	-104%	199
Cellphone Allowance		2 552	2 610	2 610	1 276	1 276	1 305	(29)	-2%	2 610
Housing Allowances		5 019	5 259	5 259	3 272	3 272	2 629	642	24%	5 259
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		22 872	25 328	25 328	11 533	11 533	12 080	(1 197)	-9%	25 328
% increase	4		10.7%	10.7%						10.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 594	3 190	3 190	1 205	1 205	1 595	(390)	-24%	3 190
Pension and UIF Contributions		90	218	218	(19)	(19)	109	(128)	-117%	218
Medical Aid Contributions		95	168	168	-	-	84	(84)	-100%	168
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		348	468	468	-	-	234	(234)	-100%	468
Motor Vehicle Allowance		1 382	2 119	2 119	588	588	1 059	(471)	-44%	2 119
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		667	972	972	845	845	439	359	74%	972
Other benefits and allowances		0	1	1	0	0	0	(0)	-79%	1
Payments in lieu of leave		234	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		350	495	495	111	111	248	(137)	-55%	495
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 740	7 838	7 838	2 730	2 730	3 815	(1 085)	-28%	7 838
% increase	4		32.7%	32.7%						32.7%
Other Municipal Staff										
Basic Salaries and Wages		96 768	107 314	106 896	51 285	51 285	53 552	(2 268)	-4%	106 896
Pension and UIF Contributions		14 500	15 824	15 824	7 781	7 781	7 912	(131)	-2%	15 824
Medical Aid Contributions		5 198	5 945	5 945	2 892	2 892	2 972	(81)	-3%	5 945
Overtime		2 530	2 726	2 726	1 627	1 627	1 363	264	19%	2 726
Performance Bonus		7 743	8 354	8 354	3 688	3 688	4 177	(489)	-12%	8 354
Motor Vehicle Allowance		5 226	7 037	7 037	3 842	3 842	3 518	324	9%	7 037
Cellphone Allowance		6	6	6	3	3	3	(0)	-7%	6
Housing Allowances		2 422	4 906	4 906	1 547	1 547	2 453	(906)	-37%	4 906
Other benefits and allowances		3 137	1 973	1 973	1 331	1 331	987	345	35%	1 973
Payments in lieu of leave		3 133	-	-	368	368	-	368	#DIV/0!	-
Long service awards		427	-	-	324	324	-	324	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		141 080	154 886	153 088	74 089	74 088	78 939	(2 270)	-3%	153 088
% increase	4		9.2%	8.9%						8.9%
Total Parent Municipality		188 712	187 837	186 819	88 951	88 951	93 414	(4 863)	-5%	186 819

Remuneration of Councilors reflects 48% expenditure performance the slight variance is due to vacant positions that have not been filled and the variance will decrease as vacancies are filled.

SUPPLY CHAIN MANAGEMENT AS AT 31 DECEMBER 2023

PROCUREMENT PLAN	Total Project Cost	Budget 2023/24	Mode of Procurement	Project Description	Requisition and Spec submission date	SPEC Date	Advert Date	Closing Date	Appointment	Status
BUDGET & TREASURY OFFICE										
Revenue and expenditure:										
Revenue and expenditure Management	2 500 000	2 500 000	Competitive bidding	Indigent management system	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Re-advert waiting presentation on BSC
Revenue and expenditure Management	380 000	380 000	Competitive bidding	Printing and mailing of statements	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Awarded
Revenue and expenditure Management			Competitive bidding	Debt collectors	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Evaluation stage

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SCM & FLEET	3 000 000	3 000 000	Competitive bid	Supply and delivery of motor vehicles	08-May-23	09-May-23	12-May-23	29-May-23	28-Jun-23	Awarded
SCM & FLEET	500 000	500 000	Competitive bid	Supply and delivery of office furniture	08-May-23	09-May-23	12-May-23	29-May-23	28-Jun-23	Not presented on BSC
SCM & FLEET	150 000	-	Competitive bid	Installation of a tender document strongroom	08-May-23	09-May-23	12-May-23	29-May-23	28-Jun-23	Not presented on BSC
SCM & FLEET	200 000	50 000	Competitive bid	Purchase of 5 laptops and a projector	08-May-23	09-May-23	12-May-23	29-May-23	28-Jun-23	Not presented on BSC
Assets & Financial Reporting	3 200 000	3 320 000	Competitive bidding	Insurance of municipal assets	09-Jun-23	13-Jun-23	23-Jun-23	24-Jun-23	11-Sep-23	Awarded
COMMUNITY SERVICES										

	3 000 000	3 000 000	Competitive bidding	Procurement of the fire engine	26-May-23	30-May-23	09-Jun-23	10-Jul-23	28-Aug-23	BAC
Public Safety	130 000	130 000	Competitive bidding	2 x Containers for Licensing and Fire storage	26-May-23	30-May-23	09-Jun-23	10-Jul-23	28-Aug-23	Evaluation (Quote less than R200 000.00)
Public Safety	100 000	100 000	Competitive bidding	2 x Laptops	26-May-23	30-May-23	09-Jun-23	10-Jul-23	28-Aug-23	Not presented on BSC
Public Safety	400 000	400 000	Competitive bidding	Procurement of the automatic plate recognition Machinery	26-May-23	30-May-23	09-Jun-23	10-Jul-23	28-Aug-23	Not presented on BSC

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Public Safety	100 000	100 000	Competitive bidding	Procurement of grassfire high pressure Bakkie fire fighter Unit 500L	26-May-23	30-May-23	09-Jun-23	10-Jul-23	28-Aug-23	Evaluation stage
Public Safety	800 000	800 000	Competitive bidding	Development of Integrated Transport Plan	26-May-23	30-May-23	09-Jun-23	10-Jul-23	28-Aug-23	Evaluation
Public Safety	250 000	250 000	Competitive bidding	Development of Integrated Community Safety Plan	26-May-23	30-May-23	09-Jun-23	10-Jul-23	28-Aug-23	Re-advert
Public Amenities	800 000	800 000	tender	Fencing of Coffee Pot Toilets and Rank	01-Jul-23	31-Jul-23	31-Aug-23	31-Sept-2023	15-Nov-23	Not presented on BSC

Public Amenities	1 000 000	1 000 000	1	000 000	tender	Maintenance of 5 Sportsfields	01-Jul-23	31-Jul-23	31-Aug-23	31-Sept-2023	15-Nov-23	Not presented on BSC
CORPORATE SERVICES												Not presented on BSC
HRM&D	600 000	600 000		600 000	Competitive Bidding	Employee Assistance & Wellness Programme	07-Apr-23	11-Apr-23	21-Apr-23	22-May-23	09-Jul-23	Re-advertising presentation on BSC
HRM&D	500 000	500 000		500 000	Competitive Bidding	MFMP /CPMD	07-Apr-23	11-Apr-23	21-Apr-23	22-May-23	09-Jul-23	Awarded
HRM&D	3 000 000	250 000		250 000	Competitive Bidding	Protective Clothing	07-Apr-23	11-Apr-23	21-Apr-23	22-May-23	09-Jul-23	Not presented on BSC

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HRM&D	350 000	450 000	Competitive Bidding	Achievement Awards	07-Apr-23	11-Apr-23	21-Apr-23	22-May-23	09-Jul-23	Awarded
HRM&D	100 000	150 000	Competitive Bidding	OHS Programmes	07-Apr-23	11-Apr-23	21-Apr-23	22-May-23	09-Jul-23	Not presented on BSC
Public Participation and Customer Care	800 000	500 000	Competitive Bidding	Customer Satisfaction Survey	07-Apr-23	11-Apr-23	21-Apr-23	22-May-23	09-Jul-23	Evaluation stage
Administrative Support	13 200 000	13 200 000	Competitive Bidding	Security Services	07-Apr-23	11-Apr-23	21-Apr-23	22-May-23	09-Jul-23	Not presented on BSC
ICT	2 500 000 (MULTI YEAR PROJECT)	1 000 000	competitive tender	CUSTOMER CARE MANAGEMENT SYSTEM	05-May-23	09-May-23	19-May-23	19-Jun-23	07-Aug-23	Not presented on BSC

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ICT	180 000	200 000	competiti ve tender	ACTIVE DIRECTORY AUDIT SOFTWARE	05-May- 23	09-May- 23	19-May- 23	19-Jun- 23	07-Aug- 23	7 days Advert
	800 000	800 000	competiti ve tender	Disaster Management & Business Continuity Plans	05-May- 23	09-May- 23	19-May- 23	19-Jun- 23	07-Aug- 23	Not presente d on BSC
ICT	190 000	190 000	competiti ve tender	FORTIGATE FIREWALL LICENCE	05-May- 23	09-May- 23	19-May- 23	19-Jun- 23	07-Aug- 23	Not presente d on BSC
ICT	400 000	350 000	competiti ve tender	Delegate management system (New Council chambers)	05-May- 23	09-May- 23	19-May- 23	19-Jun- 23	07-Aug- 23	Not presente d on BSC

ICT	200 000	250 000	competitive tender	UNINTERP TED POWER SUPPLY (ups)	05-May-23	09-May-23	19-May-23	19-Jun-23	07-Aug-23	Not presented on BSC
ECONOMIC DEV & PLAN										
Planning and Development	1 200 000	1 200 000	Competitive bidding	planning and Survey- Area M	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Evaluated on stage
Planning and Development	1 000 000	1 000 000	Competitive bidding	feasibility study output- Mixed use Development	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Evaluated on stage
Planning and Development	1 000 000	1 000 000	Competitive bidding	Local Spatial Development Framework development	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Evaluated on stage
Planning and Development	500 000	500 000	Competitive bidding	Maluti land Tenure Upgrade	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Evaluated on stage

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Planning and Development	500 000	500 000	Competitive bidding	GIS Strategy	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Evaluation stage
Planning and Development	1 000 000	1 000 000	Competitive bidding	feasibility study output-Mixed use Development	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Not presented on BSC
Planning and Development	3 600 000	3 400 000	Competitive bidding	Appointment of Two(2) project managers	31-Mar-23	03-Apr-23	15-Apr-23	15-May-23	02-Jul-23	Not presented on BSC
LED	300 000	300 000	Competitive bidding	SMME Support	01-Apr-23	2023/04/15	06-May-23	45073	#####	Evaluation stage
LED	300 000	300 000	Competitive bidding	Manufacturing Support	01-Apr-23	2023/04/15	06-May-23	45073	#####	Evaluation stage

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LED	150 000	150 000	Competitive bidding	Skill Development of Contractors	01-Apr-23	2023/04/15	06-May-23	45073	#####	Not presented on BSC
LED	150 000	150 000	Competitive bidding	SMME Skill Development	01-Apr-23	2023/04/15	06-May-23	45073	#####	Not presented on BSC
LED	250 000	250 000	Competitive bidding	Hawker Stall Development	01-Apr-23	2023/04/15	06-May-23	45073	#####	Not presented on BSC
LED	1 500 000	1 500 000	Competitive bidding	Livestock improvement	01-Apr-23	15-Apr-23	06-May-23	27-May-23	#####	Evaluating on stage
LED	4 000 000	4 000 000	Competitive bidding	Household food security and Cropping	01-Apr-23	15-Apr-23	06-May-23	27-May-23	#####	Evaluating on stage

LED			Competitive bidding	Contractor Development Programme	01-Apr-23	15-Apr-23	06-May-23	27-May-23	#####	Evaluation stage
	150 000	150 000								
INFRASTRUCTURE TECHNICAL/ SERVICES										
Electricity Unit	39 900 000	39 900 000	Competitive Bidding	Panel of turnkey electricity service providers for the design and electrification of villages (3 years)	22-Nov-22	29-Nov-22	09-Dec-22	27-Jan-23	24-Mar-23	Not presented on BSC
Electricity Unit	7 852 900	7 852 900	Competitive Bidding	Installation of 250 Streetlights	17-Mar-23	21-Mar-23	31-Mar-23	01-May-23	06-Jun-23	Awarded
Electricity Unit	5 166 800	5 166 800	Competitive Bidding	Installation of 10 Highmastlights	17-Mar-23	21-Mar-23	31-Mar-23	01-May-23	06-Jun-23	Awarded
Electricity Unit	4 100 000	-	Competitive Bidding	Appointment for supply and delivery of electrical equipment (12 months)	17-Mar-23	21-Mar-23	31-Mar-23	01-May-23	06-Jun-23	Evaluation stage

Electricity Unit	500 000	500 000	Competitive Bidding	Fencing of Transformers	17-Mar-23	21-Mar-23	31-Mar-23	01-May-23	06-Jun-23	Intention to award cancelled
Electricity Unit	5 000 000	3 400 000	Competitive Bidding	Appointment of suitable electrical service providers for repairs and maintenance of electrical infrastructure and associated works (3 years)	12-May-23	16-May-23	26-May-23	19-Jun-23	07-Aug-23	Awarded
Electricity Unit	500 000	500 000	Competitive Bidding	Christmas Lights in Town	17-Mar-23	21-Mar-23	31-Mar-23	01-May-23	06-Jun-23	Not presented on BSC
Electricity Unit	1 800 000	1 800 000	Competitive Bidding	Supply and delivery of Cherry Picker Truck	24-Mar-23	28-Mar-23	07-Apr-23	27-Apr-23	09-Jun-23	No presented on BSC
Operations and maintenance	19 185 000	19 185 000	Competitive Bidding	Panel of service providers for maintenance of access roads and stormwater (3 years)	28-Mar-23	04-Apr-23	14-Apr-23	15-May-23	14-Jun-23	Evaluation stage

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Operations and maintenance	1 000 000	800 000	Competitive Bidding	Panel of service providers for maintenance of buildings (12 months)	11-Apr-23	18-Apr-23	28-Apr-23	26-May-23	19-Jun-23	Evaluati on stage
Operations and maintenance	1 500 000	700 000	Competitive Bidding	Supply and delivery of TLB & Jetting Truck	11-Apr-23	18-Apr-23	28-Apr-23	26-May-23	19-Jun-23	Evaluati on stage
Operations and maintenance	1 000 000	1 000 000	Competitive Bidding	Procurement of Bobcat , Tar spray, ride on roller, concrete mixer, tar cutter	28-Mar-23	04-Apr-23	14-Apr-23	15-May-23	14-Jun-23	Evaluati on stage

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Operations and maintenance	500 000	500 000	Competitive Bidding	Service provider for the servicing of air conditioners	28-Mar-23	04-Apr-23	14-Apr-23	15-May-23	14-Jun-23	Evaluation stage
Project Management Unit	5 000 000	5 000 000	Competitive Bidding	Contractor for Extension of Matatiele Sports Centre - Phase 2	03-Feb-23	14-Feb-23	24-Feb-23	24-Mar-23	14-Jun-23	Awarded
Project Management Unit	19 161 000	19 161 000	Competitive Bidding	Panel of service providers for Construction of access roads	24-Mar-23	28-Mar-23	07-Apr-23	27-Apr-23	09-Jun-23	Awarded
Project Management Unit	8 000 000	8 000 000	Competitive Bidding	Panel of service providers for surfacing of roads	28-Mar-23	04-Apr-23	14-Apr-23	15-May-23	14-Jun-23	Awarded

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Project Management Unit	19 161 000	19 161 000	Competitive Bidding	Panel of Civil Engineers	10-Feb-23	14-Feb-23	24-Feb-23	24-Mar-23	14-Jun-23	Awarded
MUNICIPAL MANAGER'S OFFICE										
Communications and SPU	400 000	400 000	Competitive bidding	Branding of new offices	14-Apr-23	18-Apr-23	28-Apr-23	29-May-23	17-Jul-23	Not presented on BSC
Communications and SPU	400 000	480 000	Competitive bidding	Mayoral Cup hosting	14-Apr-23	18-Apr-23	28-Apr-23	29-May-23	17-Jul-23	Not presented on BSC
Communications and SPU	400 000	500 000	Competitive bidding	Radio bulk buying airtime	14-Apr-23	18-Apr-23	28-Apr-23	29-May-23	17-Jul-23	Awarded

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IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

No fruitless and wasteful expenditure incurred for quarter two ended 31 December 2023.

INDIGENT MANAGEMENT

The indigent register for the 2023/24 has 12 006 beneficiaries registered to date. A total of R 817,538.58 has been incurred as expenditure for indigent benefits as follows for the month ended 31 December 2023:

- | | |
|--|--------------|
| - Electricity | R 54 288.00 |
| - Rates and refuse | R 175 300.58 |
| - Alternative energy (Solar; and gas and stoves) | R 587 950.00 |

A total of R 2,839,554.83 has been incurred as expenditure for indigent benefits as follows for quarter two ended 31 December 2023:

- | | |
|--|----------------|
| - Electricity | R 552,604.54 |
| - Rates and refuse | R 508,360.29 |
| - Alternative energy (Solar; and gas and stoves) | R 1,778,590.00 |

3.6 Material variances to the service delivery and budget implementation plan

The performance on implementation of the service delivery and budget implementation plan is dealt with separately on the non-financial performance report.

3.7 Recommendations

It is recommended that;

1. Council takes note of the mid-year budget performance report in terms of section 72 of the Municipal Finance Management Act.
2. Council takes note that an adjustments budget will be tabled for consideration, taking into account the midterm performance.

3.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Lizo Matiwane** Municipal Manager of Matatiele Local Municipality, hereby certify that the Mid-term Performance Assessment report and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Performance Assessment has been done properly to ensure that is a true reflection of what has taken place with effect from 01 July 2023 to 31 December 2023 and is consistent with the Integrated Development Plan, Budget and SDBIP of the municipality.

This report will be submitted to the Mayor by the 25/01/2024 as required by the Municipal Finance Management Act, Section 72 and acknowledges receipt as signed below.

Print Name **Lizo Matiwane**

Municipal Manager of Matatiele Local Municipality (EC441)

Signature:



Date:

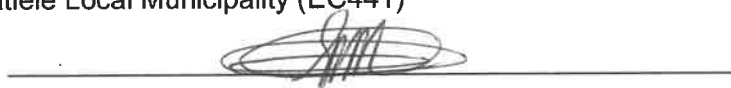
25/01/2024

Mayor's Acknowledgement of Submission

Print Name **Sonwabile Mngenela**

Mayor of Matatiele Local Municipality (EC441)

Signature:



Date:

25/01/2024

4. ANNEXTURES

4.1. ANNEXTURE “Á”- C SCHEDULE_MIDTERM_2023/2024