

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
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2023/24

**SECTION 52 REPORT FOR THE
3rd QUARTER ENDING 31 MARCH 2024**
(Section 71 report incorporated)

TABLE OF CONTENTS

INTRODUCTION	4
1. STRATEGIC OBJECTIVE	4
3. MAYOR'S SUMMARY	5
4. VARIANCE ANALYSIS BASED ON C4 BUDGET SUMMARY	6
5. MFMA LEGISLATED DUE DATES / LIST OF ACTIVITIES.....	9
6. BANK RECONCILIATION	10
7. INVESTMENT PORTFOLIO	11
8. LONG-TERM BORROWING / DEBT	12
9. CASH AND CASH COMMITMENTS / LIQUIDITY ASSESSMENT	14
10. DEBTORS MANAGEMENT / INTERVENTIONS	15
11. AGE ANALYSIS CREDITORS.....	17
12. mSCOA ROADMAP	18
13. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS	23
14. SECTION 11 (4) MFMA WITHDRAWALS	25
15. LEGISLATED INFORMATION.....	26
16. QUALITY CERTIFICATE.....	35

To The Executive Mayor

In accordance with **Section 71(1)** of the Municipal Finance Management Act, I submit the required statement on the state of Cape Agulhas Municipality's budget implementation and the financial state of the municipality's affairs reflecting the particulars up until the end of **31 March 2024**.

52. The mayor of a municipality—

(d) 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.

Section 54(1) of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

Recommendations

- The content of the **quarterly report for the 3rd quarter ending 31 March 2024** and supporting documentation for the consolidated period be noted.
- It be noted that the directors ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and in accordance with the approved budget.
- It be noted that any material variances will receive remedial or corrective steps.

INTRODUCTION

2.1 PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in Government Gazette No 32141 of 17 April 2009 (Municipal budgeting and reporting requirements).

1. STRATEGIC OBJECTIVE

“To comply with MFMA priorities as well as MFMA implementation plan”.

BACKGROUND

Section 71 of the MFMA and Section 28 of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitate that specific financial particular be reported on and in the format prescribed, hence this report to meet legislative compliance.

“Section 52(d) of the MFMA states that, the executive 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.

However, section 71 of the MFMA states that, the accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality’s approved budget”.

“Section 28 of the Government Notice 32141, the monthly budget statement of a municipality must be in the format specified in Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act”.

Section 54 of the MFMA requires the Mayor to consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

3. MAYOR'S SUMMARY

The Budget and Reporting regulations become effective during April 2009 and the municipality is obliged to report in the prescribed format to National & Provincial Treasury, the Executive Mayor and council accordingly.

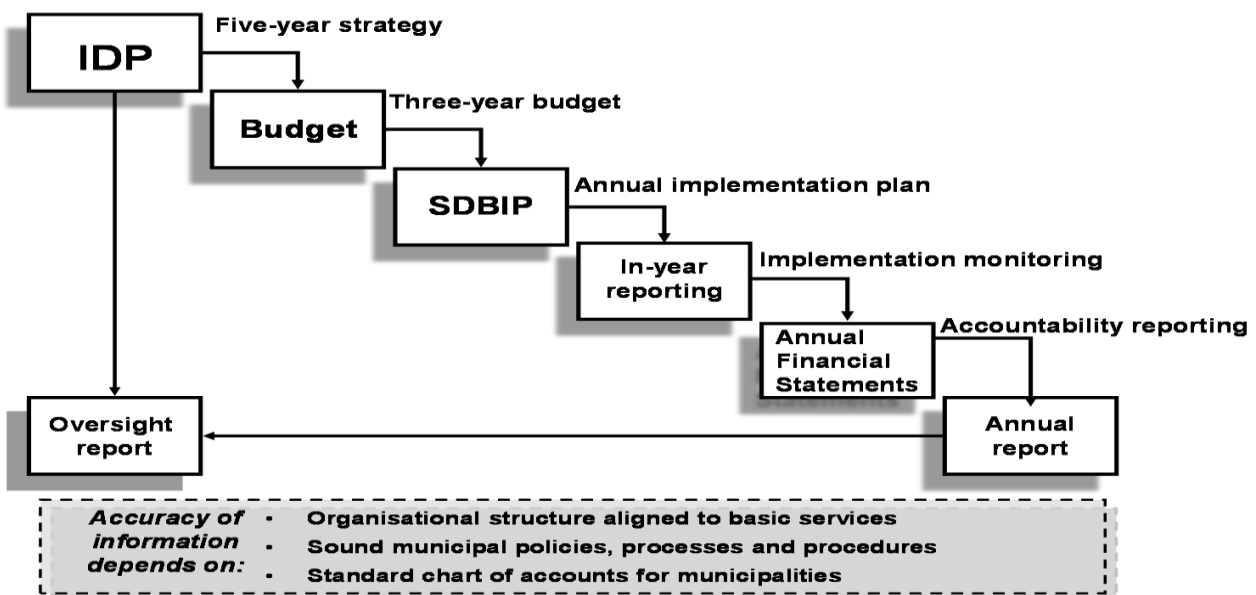
3.1 Budget Process:

Section 53(1)(a) of the MFMA stipulates that the Executive Mayor of the Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

The flowchart on the budget process basically reflecting three different processes in the budget cycle at the same time, namely:

- Reporting on the previous year budget.
- Current year budget implementation; and
- Preparation of the new financial year's budget (including the budget estimates for the two outer financial years)

The municipal planning and budget cycle processes consist of the following:



The municipality is entering the final quarter in terms of the municipal planning and budget cycle before the new financial year starts, 01 July 2024. Part of this process was the tabling of the Draft Budget 2024/25. This document was tabled and approved by Council on the 28 March 2024. Following the Draft Budget is the Imbizos and Ward communities where community inputs will be received. Meetings are scheduled for the month of April 2024.

4.SUMMARY FINANCIAL PERFORMANCE

Revenue performance

Performance of revenue for the 3rd quarter ending March 2024 amounted to R351.5m equivalent to 80.22% of adjusted budget amount.

Grants received in March are the following:

- | | |
|------------------------------|----------------|
| ➤ Equitable Shares | R10 095 000.00 |
| ➤ Water Infrastructure Grant | R2 983 000.00 |
| ➤ Proclaim Road Subsidy | R90 00.00 |

The abovementioned table compares the revenue recognized against its budget. A more comprehensive table is detailed in Table C4.

Expenditure performance

Total expenditures for the period ending March 2024 totals R321.1m of a total budget of R465.1m equivalent 69.05%. The biggest contributor being bulk purchases (electricity) and employee related costs together 54.4% spent of total budget. The municipality already started to review its Organigram and the potential outcome of this process will hopefully be a positive effect on municipal expenditures and operations.

Operating expenditure committed for April 2024 is R5.26m

Capital Performance

The capital expenditures for the quarter ended 31 March 2024 are R25m of a budget of R59,9m which is equivalent to 41.8% spending to date. Majority of top 10 capital projects are in process and expenditure will increase during the last quarter of financial year.

Capital expenditure committed for April 2024 is already R5.17m

4. VARIANCE ANALYSIS BASED ON C4 BUDGET SUMMARY

Analysis of variance on the C4 report with a 10% variance on the performance of the municipality.

Financial Performances

Revenue items

Service charges – Water (+22%)

Sales from water services are positive based on the Adjustment Budget, this is mainly due to the change in the municipal cost structure.

License and Permits (-100%)

No licenses and permits are recognized to date. The administration needs to see that these items are updated on more regular basis.

Interest (+215%)

The reason for variance as actual to date more than total adjustment budget. More moneys were invested than anticipated.

Gains on disposal of Assets (-83%)

Gains on disposal budget has been adjusted downwards from R15m to R10m. The municipality is busy to ensure all legal and supporting documents are place with the necessary suppliers of these services to ensure disposal of properties occur. Revenue will be recognised as disposal take place when conditions are met of sales.

Expenditure items

Inventory Consumed (-30%)

Inventory consumed relates to different operational items where inventory is consumed and held for municipal activities. The variance relates to different over and under budget performances.

Debt impairment (-100%)

Debt impairment is mostly accounted for at the end of the financial year. The provincial treasury already indicated that the municipality needs to implement internal controls to ensure that expenditures can be accounted for throughout the financial year. A process of how it will be done needs to occur at municipality as it is not straightforward exercise.

Interest (50%)

Actual interest recognised to date exceeds budget to date reason for variance. These interests are paid on external borrowing.

Irrecoverable debts written off (-93%)

The contributing factor relates to traffic fines as it is ongoing challenge. The municipality is looking into the matter more effective and efficient fines management system.

COUNCIL – EQUITABLE SHARE ALLOCATION FUNDING

Equitable share is a allocation received from National Government as part of the yearly Budget allocations of government as communicated in the yearly budget speech of the Minister of Finance during February yearly.

The Equitable share allocation is a Schedule 3 and based on the yearly DORA Division of Revenue Act the allocation formulae - **LGES = BS + (I + CS) x RA ± C**

where

- LGES is the local government equitable share
- BS is the basic services component
- I is the institutional component
- CS is the community services component
- RA is the revenue adjustment factor
- C is the correction and stabilisation factor

2023/24	2024/25	2025/26
R40,380,000	R43,729,000	R47,082,000

The funds are used to fund the following expenditures in the municipal budget with year-to-date expenditures as follows:

DESCRIPTION	BUDGET	YTD ACTUAL	%
FREE BASIC SERVICES - WATER	8 750 740,00	5 536 177,51	63,27
FREE BASIC SERVICES - SANITATION	6 588 060,00	2 364 973,61	35,90
FREE BASIC SERVICES - REFUSE REMOVAL	9 214 810,00	3 744 616,53	40,64
FREE BASIC SERVICES - ELECTRICITY	500 000,00	26 992,99	5,40
FREE BASIC SERVICES - ELECTRICITY (ESCOM)	658 810,00	544 209,71	82,60
	25 712 420,00	12 216 970,35	47,51

Based on the above table it is evident that the municipality budget 63% of its total Equitable Shares (EQS) on free basic services. To date 47.51% of budget has been spent. EQS is also used to fund other Operational expenditures as per the grant conditions etc. Councillor allowances, administrative expenditure relating to the functioning of the municipality.

The review of the municipal monthly billing of household on the municipal indigent register / Masakhane will impact the spending reflected on free basic services.

5. MFMA LEGISLATED DUE DATES / LIST OF ACTIVITIES

THE FOLLOWING LIST OF ACTIVITIES IS DUE FOR THE REPORTING MONTH OF MARCH 2024 IN TERMS OF LEGISLATION

<u>LEGISLATIVE REFERENCE</u>	<u>DATE</u>	<u>ACTIVITY</u>	<u>STATUS</u>
Section 71	15 April	Monthly budget statement (FMR) – 10 th working day to Mayor / Provincial / National Treasury	
Section 74	15 April	Cash Management Reporting – Provincial Treasury	
Section 11	30 April	Quarterly withdrawals and report – Submitted to Council	
Section 52	30 April	Quarterly section 52 report to Council	

THE FOLLOWING LIST OF ACTIVITIES IS DUE FOR THE REPORTING MONTH OF APRIL 2024 IN TERMS OF LEGISLATION

<u>LEGISLATIVE REFERENCE</u>	<u>DATE</u>	<u>ACTIVITY</u>	<u>STATUS</u>
Section 71	15 May	Monthly budget statement (FMR) – 10 th working day to Mayor / Provincial / National Treasury	
Section 74	15 May	Cash Management Reporting – Provincial Treasury	
Section 24 (1)	31 May	Annual Budget Approval	

6. BANK RECONCILIATION

4/9/24, 12:43 PM

BRS02

Production

Johayn Jol

09 APRIL 2024

Bank Reconciliation Summary

WC033 Cape Agulhas Local Municipality Production

AccountNo Financial Mth

<u>Opening Balances</u>	<u>Bank Statement</u>	<u>Cashbook</u>
Opening Balance on 20240301	37,377,842.85+	38,365,714.40+
Reconciliatory Item brought forward	987,871.55+	
Reconciled opening balance 20240301	38,365,714.40+	38,365,714.40+
<u>Reconciled Movements</u>		
Deposits 032628000011	106,377,614.81+	110,231,241.05+
Interest Received 032628000016	223,023.65+	223,023.65+
Withdrawals 032628000015	111,092,918.38-	111,204,963.97-
Charges 032628000017	186,963.05-	186,963.05-
<u>Unreconciled Movements</u>		
Pending Approval	0	0
Unmatched	504,475.48-	25,763.48-
<u>Closing Balances</u>		
Closing balance 032628000010	32,194,124.40+	37,402,288.60+
Reconciliatory item Carried forward	5,208,164.20+	
Reconciled Closing Balance 20240331	37,402,288.60+	37,402,288.60+

Breakdown of Unreconciled Items

Bank credits not in Cashbook	9,806.52+	Pending Auto Match Approvals
Cashier deposits not in Bank	317,793.76+	Pending Journals
Outstanding from prior periods	210,359.33+	Bank Charges
Payments not in Bank	30,810.32-	Interest Paid
Bank debits not in Cashbook	514,282.00-	

7. INVESTMENT PORTFOLIO

WC033 CAPE AGULHAS MUNICIPALITY							
CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 March 2024	Movements for the month			Balance as at 31 March 2024	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
Cape Agulhas Municipality							
<i>Interest Received YTD</i>	-				-		
<i>Standard Bank (CRR)</i>	40 000 000	40 000 000	40 000 000		40 000 000	157 869	1 484 184
<i>Standard Bank</i>	-	-	-		-	-	673 065
ABSA (CRR)	-	-	-		-	-	-
Nedbank (CRR)	-	-	-		-	-	-
Nedbank (CRR)	-	-	35 000 000		35 000 000	118 484	921 038
Nedbank	-	-	-		-	-	561 901
FNB (CRR)	20 000 000	20 000 000	-		-	9 344	112 131
<i>ABSA (ESKOM Deposit)</i>	1 254 000	-	-		1 254 000	5 164	36 151
<i>ABSA (ESKOM Deposit)</i>	2 535 000	-	-		2 535 000	10 442	73 095
<i>Nedbank</i>	-	-	-		-	-	-
<i>Investec</i>	-	-	-		-	-	-
	-				-		
BANK DEPOSITS	63 789 000	60 000 000	75 000 000	-	78 789 000	301 303	3 861 565

8. LONG-TERM BORROWING / DEBT

CASH FLOW REPORT IN TERMS OF PROVINCIAL CIRCULAR 10 & 50

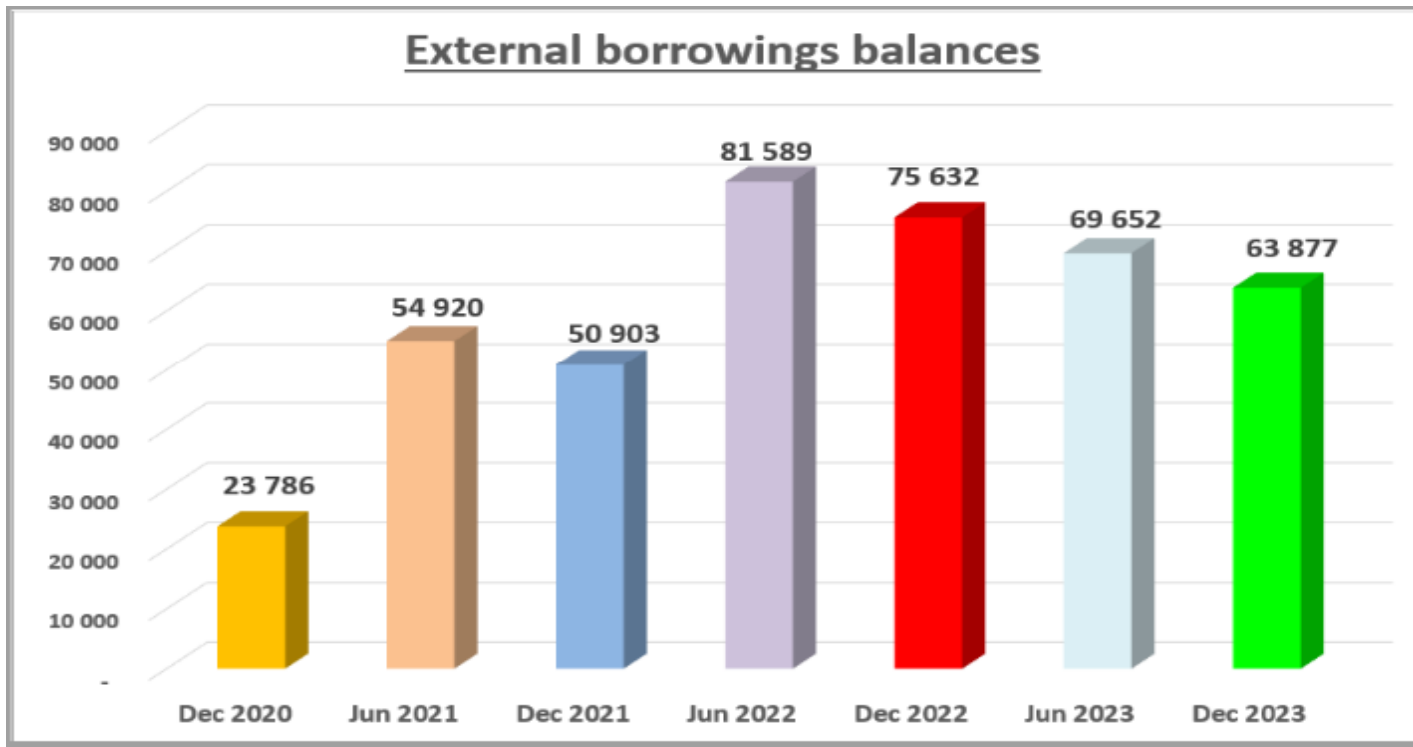
Name of municipality

SUMMARY OF EXTERNAL LOANS FOR MONTH - 31 MARCH 2024

Lending Institution	Loan Number	Institution	Loan start date	Loan settlement date	Loan Period	Loan Amount	Balance 01 March 2024	Balance 31 March 2024
ABSA - Infrastr. (Old Nostra)	3044713107	ABSA	30 June 2016	30 June 2026	10 years	1 200 000,00	428 732,04	428 732,04
ABSA - Various	3046537820	ABSA	06 July 2017	30 June 2027	10 years	2 400 000,00	1 113 847,18	1 113 847,18
Nedbank - Infrastructure Medium Term	INFRA 4	ABSA	27 June 2019	30 June 2024	5 years	4 120 000,00	412 000,00	412 000,00
Nedbank - Infrastructure Long Term	INFRA 2	Nedbank	26 June 2018	30 June 2028	10 years	7 000 000,00	3 150 000,00	3 150 000,00
Nedbank	Asset Finance	Nedbank	26 June 2019	30 June 2024	5 years	2 880 000,00	288 000,00	288 000,00
Nedbank - Infrastructure	INFRA 3	Nedbank	27 June 2019	30 June 2029	10 years	10 000 000,00	5 500 000,00	5 500 000,00
Std Bank - Motor Vehicle Fleet	Medium (655404)	Standard Bank	29 June 2021	30 June 2024	3 years	4 800 000,00	861 898,66	861 898,66
Std Bank - New and Upgrade Infrastructure	Asset (655433)	Standard Bank	29 June 2021	30 June 2026	5 years	2 318 000,00	1 248 971,39	1 248 971,39
Std Bank - New and Upgrade Infrastructure	Long (655414)	Standard Bank	29 June 2021	30 June 2031	10 years	27 082 000,00	21 718 236,78	21 718 236,78
FNB - Motor Vehicle Fleet	4-000-520-347-105	First National Bank	27 June 2022	30 June 2027	5 years	8 542 000,00	6 354 790,26	6 354 790,26
FNB - New and Upgrade Infrastructure	4-000-520-347-543	First National Bank	27 June 2022	30 June 2027	5 years	4 091 200,00	3 044 822,52	3 044 822,52
FNB - New and Upgrade Infrastructure	4-000-520-347-806	First National Bank	27 June 2022	30 June 2032	10 years	21 992 850,00	19 755 735,77	19 755 735,77
Total						96 426 050,00	63 877 034,60	63 877 034,60

- External loans are payable every six months with the next payment due on 30 June 2024.
- The municipality is in a position to pay its short-term commitments when fall due.
- No challenges are foreseen.

Below mentioned diagram illustrates the movements in external loans over the past three years.



It is clear from the diagram that no new loans were taken up during 2023/24 period, the decline in balances are merely capital repayments.

9. CASH AND CASH COMMITMENTS / LIQUIDITY ASSESSMENT

As part of the Provincial Treasury legislated oversight responsibilities the municipality is required to report on Cash and Cash Commitments relating to the available cash balance at the end of the reporting period. A report is submitted to Treasury reflecting the available cash with related commitments as required.

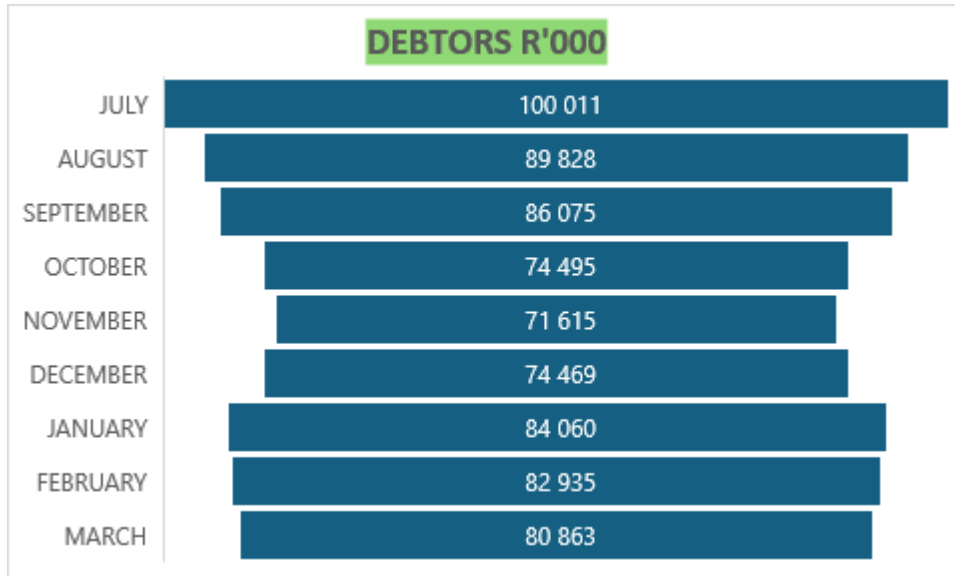
Please find below the detail report as per Cash Management commitments as follows:

WC033 - CAPE AGULHAS MUNICIPALITY		
REPORTING MONTH:	31 March 2024	
Commitments against Cash & Cash Equivalents		
DESCRIPTION	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	101 168	110 983
- Bank balance as per bank statement	37 379	32 194
- Short Term Investment balance	63 789	78 789
Commitments:	91 851	93 244
Unspent Loans	11 006	10 586
Unspent Grants	25 333	26 996
Capital Funding Requirement	-	-
Capital Replacement Reserve by 30 June 2023	39 500	39 500
Loan repayment due 30 June	5 736	5 736
Projected salary	-	-
Projected creditors	4 561	5 260
Capital commitment outstanding	5 715	5 166
Year-end creditor payments (partly funded)		
Surplus / (Deficit)	9 317	17 739

The cash commitments are used to determine the level of "FREE CASH" available at the municipality. This is a barometer to determine the level of liquidity and cash coverage of the municipality.

10. DEBTORS MANAGEMENT / INTERVENTIONS

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -1 Year	Over 1 Year	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	5 480 133,00	2 051 151,00	1 409 722,00	923 778,00	743 399,00	757 345,00	4 187 340,00	3 713 591,00	19 266 459,00
Trade and Other Receivables from Exchange Transactions - Electricity	11 668 720,00	3 201 487,00	1 030 852,00	477 179,00	260 555,00	270 059,00	1 702 994,00	2 470 242,00	21 082 088,00
Receivables from Non-exchange Transactions - Property Rates	5 077 883,00	1 302 221,00	561 311,00	1 053 602,00	237 830,00	229 346,00	4 067 206,00	4 649 789,00	17 179 188,00
Receivables from Exchange Transactions - Waste Water Management	1 720 009,00	645 032,00	439 267,00	386 326,00	332 873,00	316 913,00	2 340 577,00	2 352 318,00	8 533 315,00
Receivables from Exchange Transactions - Water Management	2 761 957,00	909 256,00	564 866,00	495 493,00	438 142,00	415 160,00	3 044 363,00	3 352 219,00	11 981 456,00
Receivables from Exchange Transactions - Property Rental Debtors	80 553,00	20 828,00	152 691,00	15 707,00	11 798,00	9 595,00	481 390,00	782 672,00	1 555 234,00
Interest on Arrear Debtor Accounts	382 924,00	322 583,00	266 361,00	246 931,00	206 938,00	191 641,00	1 018 997,00	1 803 344,00	4 439 719,00
Recoverable unauthorised or irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-
Other	- 4 053 528,00	120 180,00	64 076,00	24 174,00	43 722,00	28 722,00	144 125,00	454 199,00	- 3 174 330,00
Total By Income Source	23 118 651,00	8 572 738,00	4 489 146,00	3 623 190,00	2 275 257,00	2 218 781,00	16 986 992,00	19 578 374,00	80 863 129,00
Debtors Age Analysis By Customer Group									
Organs of State	- 214 362,00	241 300,00	115 661,00	95 287,00	98 381,00	93 905,00	450 816,00	1 594 679,00	2 475 667,00
Commercial	6 227 506,00	2 429 290,00	634 770,00	233 992,00	143 836,00	176 127,00	1 341 416,00	2 353 360,00	13 540 297,00
Households	16 208 140,00	5 896 304,00	3 733 497,00	3 289 598,00	2 028 650,00	1 945 200,00	15 161 604,00	15 556 362,00	63 819 355,00
Other	897 367,00	5 844,00	5 218,00	4 313,00	4 390,00	3 549,00	33 156,00	73 973,00	1 027 810,00
Total By Customer Group	23 118 651,00	8 572 738,00	4 489 146,00	3 623 190,00	2 275 257,00	2 218 781,00	16 986 992,00	19 578 374,00	80 863 129,00



Age analysis for debtors as at January 2024 is reported at **R80,9m** of debt outstanding.

As indicated above debtors over the last nine months have had mixed reactions with a slight decline for the last quarter under review. A new tender process for collection of outstanding debts have already closed with Bid Committees currently evaluating tenders. The management of debtors is however an ongoing challenge with the impact of economic conditions.

Currently the municipality implemented the following initiatives in terms of debt collection:

- All outstanding debt longer than 90 days has been handed over to the external service provider to collect as per the new SCM tender awarded.
- Debt older than 30 to 90 days is being pursued internally by the Income department (Masakhane)
- Collection rate for the period remained above 95%, with the final calculation for the six months in December still subject to change when debt collection processes will be concluded for the period.

11. AGE ANALYSIS CREDITORS

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -1 Year	Over 1 Year	Total
Bulk Electricity	4 492 146,00	-	-	-	-	-	-	-	4 492 146,00
Bulk Water	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT [output less input]	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	451 481,00	119 825,00	5 491,00	-	-	2 358,00	2 976 517,00	-	3 555 672,00
Auditor General	-	-	-	-	-	-	-	-	-
Other	104 214,00	-	-	-	-	-	-	-	104 214,00
TOTAL	5 047 841,00	119 825,00	5 491,00	-	-	2 358,00	2 976 517,00	-	8 152 032,00

Outstanding Creditors - Generators

As mentioned in last month's report, the 180+ days relates to the acquisition of generators as specifications were not correct. Further investigation has indicated that several efforts have been made with the supplier but with no or very little progress. The municipality is aware that the matter must be wrapped up urgently and is working on it.

Outstanding Creditors – Other

Other outstanding creditors are invoices received, but for which payment only due 30 days thereafter. These invoices are captured on the system when received and therefor indicated in report. The municipality needs to ensure that the timing of capturing invoices in correct period.

12. mSCOA ROADMAP

In terms of section the yearly Municipal Budget Circular no 122 section 4.4 reads as follows –

Regulation of Minimum Business Processes and System Specifications:

“Where a municipality is not fully compliant with the mSCOA requirements, a mSCOA Road Map must be in place to drive and fast track the mSCOA implementation in the municipality. The mSCOA Steering Committee, chaired by the Accounting Officer or his/her delegate, must use the mSCOA Road Map to track process and take correction action where required.”

The mSCOA Road Map needs to address the municipal approach to ensuring full mSCOA compliance and the roadmap must be table to Council on a quarterly basis as part of their in-year reporting.

The municipality needs to ensure that the mSCOA requirements are implemented based on the roadmap plan tabled.

The Municipal Budget Circular 2024/25 has been issued on 07 December 2023 with some guidelines and directions. On an annual basis, the *mSCOA* chart is reviewed to address implementation challenges and correct chart related errors, mSCOA is an ongoing municipal process that report revenue and expenditure within local government sphere contributing to whole of government reporting.

Mscoa Roadmap – For implementation and action plans required.

<u>Category</u>	<u>Description of changes required</u>	<u>Target date / Actions</u>
Item		
Borrowing / Loan balances	The municipality needs to ensure that the Loans/ Borrowing is budgeted per department and the corresponding Interest payments are processed with the department where the Capital expenditures is incurred.	This is currently being implemented with the current borrowings / loans and needs to be budget corrected with the new loans for the new financial year.
Item: Donations	The municipality need to ensure the allocations (Donations and other allocations) needs to be processed via the Creditors / Accrual balance vote. This is to ensure that the Cashflow can be correctly reflected within the cashflow statement of the monthly budget statement	31 May 2024
Item: Bulk purchases	Split of bulk purchases in the different wards to ensure that the municipality can implement regional budgeting and reporting	31 May 2024
Function		
Core vs non-core	An analysis of the Core vs non-core functions needs to be done to ensure that the municipality budget based on the Constitutional functions of Schedule 4 and 5. Unfunded mandates need to be addressed and limited to allocated resources to the municipal	This needs to be reviewed for the 2024/25 financial year. Changes needs to be recorded to ensure new

	functions.	MTREF budget correctly allocated to Core vs non-core.
<u>Category</u>	<u>Description of changes required</u>	<u>Target date / Actions</u>
Fund		
Control accounts per service - Fund	The classification of the control accounts to ensure that all services is allocated the corresponding fund segment based on the basic services [Water / Electricity / Refuse / Sewerage]	31 May 2024
Region		
Ward based budgeting	Implement ward-based budgeting to ensure that reporting to citizens can be done to improve accountability during the public participation and IDP engagement processes	31 May 2024
Costing		
Basis municipal services	Needs to implement the costing for the Basic services component to ensure more realistic cost, that is direct and indirect cost allocated to the different services. This is required for the following services – - Water / Electricity / Sewerage / Refuse	31 May 2024

<u>Category</u>	<u>Description of changes required</u>	<u>Target date / Actions</u>
Project		
Elec FBS project 0PO003060	Required Rebates project needs to be implemented to account for the correct reporting of Free basic services (FBS) to informal areas.	31 May 2024
0PO 003 058	Operational: Typical Work Streams: Revenue Cost of Free Services – The additional cost associated with the FBS allocated to the citizens to ensure that municipality account for loss of revenue that can be billed / additional services provided	31 May 2024
Other items		
Council parameters (Vat) indicators	The municipality needs to be ensured that the VAT indicators is correctly indicated before the start of the financial year. Items created needs to be correctly indicated on the VAT indicator parameter to ensure that the legislated compliance is complied with	This can only be done for new items in the financial year. Current items that need to be changed that already transacted on needs to be correctly at the beginning of the financial year.
Budget and virement Policy	The policy needs to be reviewed to ensure that virements is only processed within the different categories of the mSCOA categories as follows: - Function / Funding	31 May 2024

Payday integration	full	The full integration of the Third party (Payday) salary control accounts into the Phoenix (Vesta) financial system. Review of the data strings to ensure the correct guide is selected for the seamless integration of the financial information.	31 May 2024
<u>Category</u>		<u>Description of changes required</u>	<u>Target date / Actions</u>
IDP review		Review of the IDP to ensure that the relevant National KPA is selected relevant to Local government, and excluding the KPA's not applicable	31 May 2024
Asset Module		Implementation of the Electronic asset module into Vesta to ensure seamless integration into the financial system	31 May 2024
NT AFS template		The National Treasury issued a Template for use with the compilation of the Annual financial statements, which is compulsory to be extracted from the financial system for the 2023/24 financial year.	31 May 2024

13. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS

National Treasury as part of the drive for more efficient use of government resources introduced the **Local Government: Municipal Cost Containment regulation (MCCR)** promulgated on the 7 June 2019 with effective date of **1 July 2019**.

As part of the regulation municipalities is required to report as part of the in-year reporting mechanisms of the MFMA to the municipal council's relating to **COST CONTAINMENT** initiatives implemented. Numerous other requirements were also introduced that enforce reviewed of municipal policies and documentation as well as business processes. These will be implemented by the Chief Financial Officer as required.

Below the standardised report relating to ***Cost containment measures*** implemented by the municipality.



The administration as part of the strategic planning and processes needs to review the approach followed with respect to the implementation of the Cost containment measures and policy. This needs to be escalated to a higher priority on the radar screens to ensure that the municipality will ensure that long-term benefits can be achieved with the implementation of these measures.

Total cost saving disclosure in the In-year report

COST CONTAINMENT IN-YEAR REPORT - 31 MARCH 2024

MEASURES	ADJUSTMENT BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	YTD TOTAL	Unspent	% Spent
<i>Use of Consultants</i>	6 063 210,00	731 073,28	978 429,17	896 637,12	-	2 606 139,57	3 457 070,43	43,0%
<i>Use of RME contractors</i>	10 628 140,00	2 020 362,78	2 547 454,98	1 901 996,93	-	6 469 814,69	4 158 325,31	60,9%
<i>Travel and subsistence</i>	357 100,00	85 347,78	88 361,71	53 993,50	-	227 702,99	129 397,01	63,8%
<i>Domestic accommodation</i>	221 620,00	43 931,18	45 009,96	29 501,00	-	118 442,14	103 177,86	53,4%
<i>Sponsorship, events and catering</i>	174 450,00	42 004,65	46 537,42	35 569,54	-	124 111,61	50 338,39	71,1%
<i>Communication</i>	362 240,00	60 423,89	58 116,60	124 560,73	-	243 101,22	119 138,78	67,1%
<i>Other related expenditures</i>	928 750,00	165 691,90	207 829,59	159 851,74	-	533 373,23	395 376,77	57,4%
Total	18 735 510,00	3 148 835,46	3 971 739,43	3 202 110,56	-	10 322 685,45	8 412 824,55	55,1%

14. SECTION 11 (4) MFMA WITHDRAWALS

 PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j) 		
NAME OF MUNICIPALITY:	CAPE AGULHAS MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	WC033	
QUARTER ENDED:	31 March 2024	
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality</i> bank accounts, and may do so only -	Amount	Reason for withdrawal
		Payment of Operational and Capital expenditures.
(b) to defray expenditure authorised in terms of section 26(4);	Not Applicable	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	None	None
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	None	None
(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -	None	None
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	None	None
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	None	None
(f) to refund money incorrectly paid into a bank account;	None	None
(g) to refund guarantees, sureties and <i>security</i> deposits;	None	None
(h) for cash management and <i>investment</i> purposes in accordance with section 13;	R195m	Q3 consolidated investments (Roll-over)
(i) to defray increased expenditure in terms of section 31; or	None	None
(j) for such other purposes as may be <i>prescribed</i> .	None	None
(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -	Name and Surname: EO PHILLIPS	
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and	Rank/Position: Municipal Manager	
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Signature:	
Tel number	Fax number	Email Address
028 425 5500		shauns@capeagulhas.gov.za
The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.		

PART B

15. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M09 March

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	87 883	93 065	94 804	5 392	78 046	77 523	523	1%	94 804
Service charges	225 179	236 549	248 131	20 082	189 659	184 170	5 489	3%	248 131
Investment revenue	9 475	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	53 136	58 906	59 864	10 185	47 411	55 727	(8 316)	-15%	59 864
Other own revenue	30 010	67 157	63 082	2 656	36 399	48 137	(11 739)	-24%	-
Total Revenue (excluding capital transfers and contributions)	405 684	455 677	465 881	38 315	351 514	365 557	(14 043)	-4%	465 881
Employee costs	163 551	178 576	177 672	13 517	133 719	136 256	(2 537)	-2%	177 672
Remuneration of Councillors	5 577	5 753	6 335	455	4 703	4 588	115	3%	6 335
Depreciation and amortisation	21 507	11 311	11 311	809	8 349	8 483	(134)	-2%	11 311
Interest	8 264	6 900	7 000	-	3 673	2 444	1 229	50%	7 000
Inventory consumed and bulk purchases	135 435	165 045	166 942	11 305	120 099	117 064	3 035	3%	166 942
Transfers and subsidies	1 999	2 292	2 080	134	1 203	1 468	(266)	-18%	2 080
Other expenditure	82 045	84 331	93 809	4 275	49 428	67 439	(18 011)	-27%	93 809
Total Expenditure	418 379	454 206	465 147	30 495	321 174	337 742	(16 568)	-5%	465 147
Surplus/(Deficit)	(12 695)	1 470	733	7 820	30 340	27 814	2 525	9%	733
Transfers and subsidies - capital (monetary)	22 591	16 623	20 665	-	8 544	11 722	(3 178)	-27%	20 665
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	9 895	18 093	21 398	7 820	38 883	39 536	(653)	-2%	21 398
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	9 895	18 093	21 398	7 820	38 883	39 536	(653)	-2%	21 398
Capital expenditure & funds sources									
Capital expenditure	101 096	59 933	58 060	1 709	25 058	49 910	(24 851)	-50%	58 060
Capital transfers recognised	18 465	16 623	20 675	790	9 893	20 143	(10 250)	-51%	20 675
Borrowing	18 465	22 634	18 125	420	6 553	18 209	(11 656)	-64%	18 125
Internally generated funds	64 165	20 675	19 261	499	8 612	11 557	(2 945)	-25%	19 261
Total sources of capital funds	101 096	59 933	58 060	1 709	25 058	49 910	(24 851)	-50%	58 060
Financial position									
Total current assets	168 751	282 779	231 140		190 845				231 140
Total non current assets	609 102	670 789	647 908		617 867				647 908
Total current liabilities	85 974	99 436	95 462		87 343				95 462
Total non current liabilities	186 510	216 271	199 285		179 631				199 285
Community wealth/Equity	505 369	637 860	584 302		541 737				584 302
Cash flows									
Net cash from (used) operating	(366 426)	16 900	26 382	16 003	189 731	28 420	(161 311)	-568%	26 382
Net cash from (used) investing	(41 506)	(44 933)	(48 060)	(2 633)	(38 250)	(40 660)	(2 409)	6%	(48 060)
Net cash from (used) financing	6 245	18 763	19 140	10	1 039	(1 839)	(2 879)	157%	19 140
Cash/cash equivalents at the month/year end	(278 230)	135 406	117 037	-	272 095	105 496	(166 600)	-158%	117 037
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	23 119	8 573	4 489	3 623	2 275	2 219	16 987	19 578	80 863
Creditors Age Analysis									
Total Creditors	5 048	120	5	-	-	2	2 977	-	8 152

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		71 204	175 821	177 474	16 266	140 846	148 124	(7 278)	-5%	177 474
Executive and council		37 037	40 380	40 380	10 095	40 010	40 380	(370)	-1%	40 380
Finance and administration		34 167	135 441	137 094	6 171	100 836	107 744	(6 908)	-6%	137 094
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15 803	24 731	25 294	359	11 282	20 415	(9 133)	-45%	25 294
Community and social services		8 089	10 479	10 397	20	4 510	10 273	(5 763)	-56%	10 397
Sport and recreation		7 576	10 027	10 027	340	6 626	7 578	(952)	-13%	10 027
Public safety		-	-	-	-	-	-	-	-	-
Housing		138	4 225	4 870	-	146	2 564	(2 419)	-94%	4 870
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 379	12 563	12 563	450	5 202	9 890	(4 688)	-47%	12 563
Planning and development		3 450	3 044	3 044	150	1 476	2 284	(808)	-35%	3 044
Road transport		3 917	4 287	4 287	253	3 031	3 425	(394)	-12%	4 287
Environmental protection		3 012	5 231	5 231	47	695	4 181	(3 486)	-83%	5 231
<i>Trading services</i>		243 006	259 185	271 215	21 239	202 727	198 849	3 878	2%	271 215
Energy sources		147 574	165 993	174 720	13 305	127 130	130 921	(3 791)	-3%	174 720
Water management		49 525	47 140	50 079	4 143	39 347	32 907	6 440	20%	50 079
Waste water management		18 548	20 019	20 231	1 563	15 179	15 260	(81)	-1%	20 231
Waste management		27 359	26 034	26 185	2 229	21 071	19 761	1 310	7%	26 185
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	340 391	472 299	486 545	38 315	360 058	377 278	(17 221)	-5%	486 545
Expenditure - Functional										
<i>Governance and administration</i>		125 105	134 581	133 954	8 309	93 152	100 511	(7 358)	-7%	133 954
Executive and council		15 069	38 256	38 419	2 528	20 914	29 052	(8 138)	-28%	38 419
Finance and administration		108 430	94 437	93 872	5 647	71 004	70 118	886	1%	93 872
Internal audit		1 607	1 888	1 663	134	1 234	1 340	(106)	-8%	1 663
<i>Community and public safety</i>		34 211	43 750	43 886	2 553	26 825	32 745	(5 920)	-18%	43 886
Community and social services		13 383	14 124	13 030	956	9 000	10 170	(1 171)	-12%	13 030
Sport and recreation		14 311	16 451	17 185	1 033	12 347	12 770	(423)	-3%	17 185
Public safety		3 403	5 537	5 231	152	2 692	3 767	(1 075)	-29%	5 231
Housing		3 115	7 638	8 439	412	2 787	6 037	(3 251)	-54%	8 439
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		46 246	53 259	51 843	3 751	33 940	39 728	(5 788)	-15%	51 843
Planning and development		12 811	16 928	16 156	1 094	10 752	12 747	(1 995)	-16%	16 156
Road transport		24 515	24 052	22 933	1 955	16 658	17 438	(780)	-4%	22 933
Environmental protection		8 920	12 278	12 754	701	6 530	9 543	(3 014)	-32%	12 754
<i>Trading services</i>		212 817	222 617	235 465	15 883	167 257	164 759	2 498	2%	235 465
Energy sources		136 923	148 894	157 668	11 567	120 325	110 034	10 291	9%	157 668
Water management		29 704	27 597	30 354	1 956	20 391	20 910	(519)	-2%	30 354
Waste water management		15 476	15 905	16 678	935	11 110	12 632	(1 522)	-12%	16 678
Waste management		30 714	30 220	30 765	1 424	15 431	21 183	(5 752)	-27%	30 765
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	418 379	454 206	465 147	30 495	321 174	337 742	(16 568)	-5%	465 147
Surplus/ (Deficit) for the year		(77 988)	18 093	21 398	7 820	38 883	39 536	(653)	-2%	21 398

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2022/23			Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - CORPORATE SERVICES DIRECTORATE		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION		42 040	43 732	43 732	9 623	42 167	42 598	(430)	-1.0%	43 732
Vote 3 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES & IT DIRECTORATE		110 783	119 382	117 071	6 577	90 925	94 718	(3 793)	-4.0%	117 071
Vote 5 - MANAGEMENT SERVICES DIRECTORATE		6 929	9 518	9 518	300	3 725	7 606	(3 880)	-51.0%	9 518
Vote 6 - MANAGEMENT SERVICES DIRECTORATE2		8 709	15 312	15 875	36	5 069	13 326	(8 257)	-62.0%	15 875
Vote 7 - MANAGEMENT SERVICES DIRECTORATE3		7 322	9 761	9 761	339	6 393	7 366	(973)	-13.2%	9 761
Vote 8 - INFRASTRUCTURE SERVICES DIRECTORATE		182 683	205 107	217 949	15 624	156 083	161 785	(5 703)	-3.5%	217 949
Vote 9 - INFRASTRUCUTRE SERVICES DIRECTORATE2		1 736	2 328	2 328	110	1 167	1 712	(544)	-31.8%	2 328
Vote 10 - INFRASTRUCTURE SERVICES DIRECTORATE3		49 525	47 140	50 079	4 143	39 347	32 907	6 440	19.6%	50 079
Vote 11 - INFRASTRUCTURE SERVICES DIRECTORATE4		18 548	20 019	20 231	1 563	15 179	15 260	(81)	-0.5%	20 231
Vote 12 - INFRASTRUCTURE SERVICES DIRECTORATE5		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	428 275	472 299	486 545	38 315	360 058	377 278	(17 221)	-4.6%	486 545
Expenditure by Vote	1									
Vote 1 - CORPORATE SERVICES DIRECTORATE		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION		39 601	65 203	66 067	4 515	39 661	50 101	(10 441)	-20.8%	66 067
Vote 3 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES & IT DIRECTORATE		72 793	73 183	71 997	4 560	51 223	53 670	(2 448)	-4.6%	71 997
Vote 5 - MANAGEMENT SERVICES DIRECTORATE		21 722	30 262	29 699	1 616	17 491	22 289	(4 797)	-21.5%	29 699
Vote 6 - MANAGEMENT SERVICES DIRECTORATE2		28 254	35 004	35 024	2 304	21 769	26 360	(4 591)	-17.4%	35 024
Vote 7 - MANAGEMENT SERVICES DIRECTORATE3		8 376	9 888	10 358	584	7 373	7 480	(107)	-1.4%	10 358
Vote 8 - INFRASTRUCTURE SERVICES DIRECTORATE		168 711	180 927	190 097	13 146	137 256	132 601	4 655	3.5%	190 097
Vote 9 - INFRASTRUCUTRE SERVICES DIRECTORATE2		33 742	16 236	14 873	879	14 901	11 699	3 202	27.4%	14 873
Vote 10 - INFRASTRUCTURE SERVICES DIRECTORATE3		29 704	27 597	30 354	1 956	20 391	20 910	(519)	-2.5%	30 354
Vote 11 - INFRASTRUCTURE SERVICES DIRECTORATE4		15 476	15 905	16 678	935	11 110	12 632	(1 522)	-12.0%	16 678
Vote 12 - INFRASTRUCTURE SERVICES DIRECTORATE5		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	418 379	454 206	465 147	30 495	321 174	337 742	(16 568)	-4.9%	465 147
Surplus / (Deficit) for the year	2	9 895	18 093	21 398	7 820	38 883	39 536	(653)	-1.7%	21 398

WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	Budget Year 2023/24								
		2022/23 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		142 668	161 815	169 965	12 995	124 179	127 428	(3 248)	-3%	169 965
Service charges - Water		36 690	38 168	41 358	3 935	35 963	29 014	6 949	22%	41 358
Service charges - Waste Water Management		18 462	15 042	15 134	1 239	11 984	11 462	521	5%	15 134
Service charges - Waste management		27 359	21 524	21 675	1 914	18 133	16 265	1 867	11%	21 675
Sale of Goods and Rendering of Services		9 814	12 901	12 901	537	8 018	9 647	(1 629)	-17%	12 901
Agency services		3 917	4 287	4 287	253	3 031	3 425	(394)	-12%	4 287
Interest									0%	
Interest earned from Receivables		1	1 385	1 385	2	211	1 039	(828)	-80%	1 385
Interest from Current and Non Current Assets		9 475	6 194	6 944	720	6 014	4 445	1 569	35%	6 944
Dividends									0%	
Rent on Land									0%	
Rental from Fixed Assets		2 345	2 788	2 588	(494)	1 809	1 677	132	8%	2 588
Licence and permits		4	44	44	-	-	43	(43)	-100%	44
Operational Revenue		2 086	1 617	2 437	126	1 776	1 021	755	74%	2 437
Non-Exchange Revenue										
Property rates		87 883	93 065	94 804	5 392	78 046	77 523	523	1%	94 804
Surcharges and Taxes									0%	
Fines, penalties and forfeits		3 182	6 014	6 019	48	1 615	4 620	(3 004)	-65%	6 019
Licence and permits									0%	
Transfers and subsidies - Operational		53 136	58 906	59 864	10 185	47 411	55 727	(8 316)	-15%	59 864
Interest		2 300	850	850	320	2 201	699	1 503	215%	850
Fuel Levy									0%	
Operational Revenue		-	16 077	15 627	1 121	10 160	12 271	(2 112)	-17%	15 627
Gains on disposal of Assets		6 361	15 000	10 000	23	1 563	9 250	(7 687)	-83%	10 000
Other Gains									0%	
Discontinued Operations									0%	
Total Revenue (excluding capital transfers and contributions)		405 684	455 677	465 881	38 315	351 514	365 557	(14 043)	-4%	465 881
Expenditure By Type										
Employee related costs		163 551	178 576	177 672	13 517	133 719	136 256	(2 537)	-2%	177 672
Remuneration of councillors		5 577	5 753	6 335	455	4 703	4 588	115	3%	6 335
Bulk purchases - electricity		109 792	125 894	125 894	9 217	99 355	87 619	11 735	13%	125 894
Inventory consumed		25 643	39 151	41 048	2 088	20 744	29 444	(8 700)	-30%	41 048
Debt impairment		12 906	6 085	5 720	-	-	4 418	(4 418)	-100%	5 720
Depreciation and amortisation		21 507	11 311	11 311	809	8 349	8 483	(134)	-2%	11 311
Interest		8 264	6 900	7 000	-	3 673	2 444	1 229	50%	7 000
Contracted services		26 696	33 427	32 522	1 663	16 658	21 164	(4 506)	-21%	32 522
Transfers and subsidies		1 999	2 292	2 080	134	1 203	1 468	(266)	-18%	2 080
Irrecoverable debts written off		3 403	3 750	4 115	-	217	2 959	(2 742)	-93%	4 115
Operational costs		39 040	40 720	51 104	2 611	32 553	38 638	(6 085)	-16%	51 104
Losses on Disposal of Assets									0%	
Other Losses		-	347	347	-	-	261	(261)	-100%	347
Total Expenditure		418 379	454 206	465 147	30 495	321 174	337 742	(16 568)	-5%	465 147
Surplus/(Deficit)		(12 695)	1 470	733	7 820	30 340	27 814	2 525	9%	733
Transfers and subsidies - capital (monetary allocations)										
		22 591	16 623	20 665	-	8 544	11 722	(3 178)	-27%	20 665
Transfers and subsidies - capital (in-kind)									0%	
Surplus/(Deficit) after capital transfers & contributions		9 895	18 093	21 398	7 820	38 883	39 536			21 398
Income Tax										
Surplus/(Deficit) after income tax		9 895	18 093	21 398	7 820	38 883	39 536			21 398
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		9 895	18 093	21 398	7 820	38 883	39 536			21 398
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		9 895	18 093	21 398	7 820	38 883	39 536			21 398

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES DIRECTORATE		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION		9	58	223	3	7	127	(119)	-94%	223
Vote 3 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES & IT DIRECTORATE		3 167	3 066	2 739	9	1 468	2 246	(778)	-35%	2 739
Vote 5 - MANAGEMENT SERVICES DIRECTORATE		(85)	1 870	2 223	3	1 708	2 191	(483)	-22%	2 223
Vote 6 - MANAGEMENT SERVICES DIRECTORATE2		662	3 934	3 801	34	741	3 835	(3 094)	-81%	3 801
Vote 7 - MANAGEMENT SERVICES DIRECTORATE3		303	550	550	2	71	675	(604)	-89%	550
Vote 8 - INFRASTRUCTURE SERVICES DIRECTORATE		11 304	15 593	15 156	420	3 589	14 235	(10 646)	-75%	15 156
Vote 9 - INFRASTRUCTURE SERVICES DIRECTORATE2		9 053	20 765	19 593	1 147	13 627	21 022	(7 395)	-35%	19 593
Vote 10 - INFRASTRUCTURE SERVICES DIRECTORATE3		4 539	12 486	11 640	91	3 528	4 282	(754)	-18%	11 640
Vote 11 - INFRASTRUCTURE SERVICES DIRECTORATE4		1 900	1 610	2 136	-	318	1 296	(978)	-75%	2 136
Vote 12 - INFRASTRUCTURE SERVICES DIRECTORATE5		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	30 852	59 933	58 060	1 709	25 058	49 910	(24 851)	-50%	58 060
Single Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES DIRECTORATE		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION		2 771	-	-	-	-	-	-	-	-
Vote 3 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES & IT DIRECTORATE		80	-	-	-	-	-	-	-	-
Vote 5 - MANAGEMENT SERVICES DIRECTORATE		524	-	-	-	-	-	-	-	-
Vote 6 - MANAGEMENT SERVICES DIRECTORATE2		3 403	-	-	-	-	-	-	-	-
Vote 7 - MANAGEMENT SERVICES DIRECTORATE3		173	-	-	-	-	-	-	-	-
Vote 8 - INFRASTRUCTURE SERVICES DIRECTORATE		8 622	-	-	-	-	-	-	-	-
Vote 9 - INFRASTRUCTURE SERVICES DIRECTORATE2		151	-	-	-	-	-	-	-	-
Vote 10 - INFRASTRUCTURE SERVICES DIRECTORATE3		14 628	-	-	-	-	-	-	-	-
Vote 11 - INFRASTRUCTURE SERVICES DIRECTORATE4		5 502	-	-	-	-	-	-	-	-
Vote 12 - INFRASTRUCTURE SERVICES DIRECTORATE5		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		34 389	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	70 244	-	-	-	-	-	-	-	-
Total Capital Expenditure		101 096	59 933	58 060	1 709	25 058	49 910	(24 851)	-50%	58 060
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		9 990	3 761	3 487	46	1 988	2 962	(974)	-33%	3 487
Executive and council		-	-	210	3	3	99	(96)	-97%	210
Finance and administration		9 990	3 761	3 277	43	1 985	2 863	(878)	-31%	3 277
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 612	5 258	5 209	5	1 669	5 327	(3 658)	-69%	5 209
Community and social services		624	2 524	2 502	-	1 017	2 449	(1 432)	-58%	2 502
Sport and recreation		1 967	2 324	2 282	2	247	2 453	(2 206)	-90%	2 282
Public safety		21	410	425	3	405	425	(20)	-5%	425
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		31 088	20 247	19 880	1 147	13 966	21 260	(7 294)	-34%	19 880
Planning and development		1 417	-	5	-	-	5	(5)	-100%	5
Road transport		29 281	19 842	19 185	1 147	13 671	20 565	(6 895)	-34%	19 185
Environmental protection		390	405	690	-	296	690	(394)	-57%	690
<i>Trading services</i>		57 406	30 668	29 484	511	7 435	20 361	(12 926)	-63%	29 484
Energy sources		15 428	7 836	4 257	420	1 947	4 073	(2 125)	-52%	4 257
Water management		11 354	12 486	11 640	91	3 528	4 282	(754)	-18%	11 640
Waste water management		19 254	1 610	2 136	-	318	1 296	(978)	-75%	2 136
Waste management		11 370	8 736	11 452	-	1 642	10 710	(9 068)	-85%	11 452
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	101 096	59 933	58 060	1 709	25 058	49 910	(24 851)	-50%	58 060
Funded by:										
National Government		15 756	15 123	19 165	790	9 857	18 708	(8 851)	-47%	19 165
Provincial Government		2 710	1 500	1 510	-	35	1 435	(1 400)	-98%	1 510
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educ institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		18 465	16 623	20 675	790	9 893	20 143	(10 250)	-51%	20 675
Borrowing	6	18 465	22 634	18 125	420	6 553	18 209	(11 656)	-64%	18 125
Internally generated funds		64 165	20 675	19 261	499	8 612	11 557	(2 945)	-25%	19 261
Total Capital Funding		101 096	59 933	58 060	1 709	25 058	49 910	(24 851)	-50%	58 060

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	Budget Year 2023/24				
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands						
ASSETS						
Current assets						
Cash and cash equivalents		119 575	163 998	143 512	117 140	143 512
Trade and other receivables from exchange transactions		38 607	102 004	67 230	28 751	67 230
Receivables from non-exchange transactions		7 345	10 071	13 745	38 263	13 745
Current portion of non-current receivables		5	2	4	6	4
Inventory		2 189	1 132	1 503	2 165	1 503
VAT		321	4 917	4 445	3 817	4 445
Other current assets		708	655	701	701	701
Total current assets		168 751	282 779	231 140	190 845	231 140
Non current assets						
Investments						
Investment property		39 782	40 107	39 588	39 590	39 588
Property, plant and equipment		565 383	627 440	605 429	575 013	605 429
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		3 792	3 095	2 756	3 129	2 756
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		144	147	136	135	136
Other non-current assets		-	-	-	-	-
Total non current assets		609 102	670 789	647 908	617 867	647 908
TOTAL ASSETS		777 852	953 568	879 048	808 712	879 048
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		(385)	12 047	11 662	5 926	11 662
Consumer deposits		6 245	5 903	6 245	7 285	6 245
Trade and other payables from exchange transactions		43 066	54 711	45 985	32 888	45 985
Trade and other payables from non-exchange transactions		18 772	5 448	9 891	17 131	9 891
Provision		14 339	15 965	15 813	14 551	15 813
VAT		3 937	5 363	5 866	9 562	5 866
Other current liabilities						
Total current liabilities		85 974	99 436	95 462	87 343	95 462
Non current liabilities						
Financial liabilities		70 015	91 586	68 978	57 982	68 978
Provision		79 967	82 182	89 136	83 330	89 136
Long term portion of trade payables						
Other non-current liabilities		36 527	42 503	41 171	38 319	41 171
Total non current liabilities		186 510	216 271	199 285	179 631	199 285
TOTAL LIABILITIES		272 484	315 707	294 747	266 975	294 747
NET ASSETS	2	505 369	637 860	584 302	541 737	584 302
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		449 780	598 360	526 713	488 698	526 713
Reserves and funds		55 589	39 500	57 589	53 039	57 589
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	505 369	637 860	584 302	541 737	584 302

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		73 127	93 147	94 704	4 763	57 212	77 659	(20 448)	-26%	94 704
Service charges		203 552	272 935	284 962	21 280	176 843	211 905	(35 062)	-17%	284 962
Other revenue		54 386	22 505	22 130	6 950	48 638	15 935	32 702	205%	22 130
Transfers and Subsidies - Operational		60 322	18 396	19 354	10 299	46 935	15 217	31 718	208%	19 354
Transfers and Subsidies - Capital		11 205	16 623	20 665	3 919	16 140	11 722	4 418	38%	20 665
Interest		-	5 002	4 902	-	-	3 438	(3 438)	-100%	4 902
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(769 018)	(411 707)	(420 334)	(31 207)	(156 036)	(307 456)	(151 420)	49%	(420 334)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(366 426)	16 900	26 382	16 003	189 731	28 420	(161 311)	-568%	26 382
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		13 528	15 000	10 000	23	1 563	9 250	(7 687)	-83%	10 000
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(55 034)	(59 933)	(58 060)	(2 657)	(39 814)	(49 910)	(10 096)	20%	(58 060)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(41 506)	(44 933)	(48 060)	(2 633)	(38 250)	(40 660)	(2 409)	6%	(48 060)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	19 088	19 088	-	-	-	-	-	19 088
Increase (decrease) in consumer deposits		6 245	5 903	6 245	10	1 039	-	1 039	#DIV/0!	6 245
Payments										
Repayment of borrowing		-	(6 229)	(6 194)	-	-	(1 839)	(1 839)	100%	(6 194)
NET CASH FROM/(USED) FINANCING ACTIVITIES		6 245	18 763	19 140	10	1 039	(1 839)	(2 879)	157%	19 140
NET INCREASE/ (DECREASE) IN CASH HELD										
		(401 687)	(9 270)	(2 538)	13 380	152 521	(14 079)			(2 538)
Cash/cash equivalents at beginning:		123 457	144 676	119 575	119 575	119 575	119 575			119 575
Cash/cash equivalents at month/year end:		(278 230)	135 406	117 037		272 095	105 496			117 037

WC033 Cape Agulhas - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 March

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.0%	4.0%	3.9%	1.1%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		18.3%	37.8%	31.2%	383.5%	72.3%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		33.2%	32.3%	30.4%	28.1%	30.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	196.3%	284.4%	242.1%	218.5%	242.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		139.1%	164.9%	150.3%	134.1%	150.3%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		11.5%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		40.3%	39.2%	38.1%	38.0%	38.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		20.4%	19.1%	19.1%	18.4%	19.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue		7.3%	4.0%	3.9%	1.0%	2.9%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

WC033 Cape Agulhas - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2023/24									Total over 90 days	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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	5 398	2 051	1 409	923	743	757	4 186	3 714	19 181	10 323	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	10 930	3 200	1 029	475	259	268	1 697	2 470	20 328	5 169	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	5 077	1 302	561	1 054	238	229	4 052	4 577	17 091	10 150	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 699	645	439	386	333	317	2 339	2 352	8 509	5 726	-	-
Receivables from Exchange Transactions - Waste Management	1600	2 699	909	564	495	438	415	3 041	3 352	11 913	7 740	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	80	20	151	15	11	9	476	783	1 545	1 294	-	-
Interest on Arrear Debtor Accounts	1810	383	322	266	247	207	191	1 019	1 803	4 438	3 467	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(3 147)	124	69	28	48	32	177	527	(2 140)	813	-	-
Total By Income Source	2000	23 119	8 573	4 489	3 623	2 275	2 219	16 987	19 578	80 863	44 683	-	-
2022/23 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(214)	241	116	95	98	94	451	1 595	2 476	2 333	-	-
Commercial	2300	6 228	2 429	635	234	144	176	1 341	2 353	13 540	4 249	-	-
Households	2400	16 208	5 896	3 733	3 290	2 029	1 945	15 162	15 556	63 819	37 981	-	-
Other	2500	897	6	5	4	4	4	33	74	1 028	119	-	-
Total By Customer Group	2600	23 119	8 573	4 489	3 623	2 275	2 219	16 987	19 578	80 863	44 683	-	-

16. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2023-24 (M09_S71/S52)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 09 April 2024



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

QUALITY CERTIFICATE

I, **EBEN PHILLIPS** the accounting officer / chief financial officer of **CAPE AGULHAS MUNICIPALITY WC033** (name of municipality), hereby certify that –

(mark as appropriate)

- The monthly budget statements.
- Quarterly report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment

For the month ended **31 March 2024** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: **EBEN OLIVER PHILLIPS**

Accounting Officer / Chief Financial Officer of **CAPE AGULHAS MUNICIPALITY WC033** (name and demarcation of municipality)

Signature: _____

Date: 09 April 2024