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## BUDGET AND TREASURY REPORT

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Report as of October 31 2024

OCTOBER 31, 2024  
MOPANI DISTRICT MUNICIPALITY  
Section 71 Report

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## **1. Executive Summary**

### **1.1.1 Introduction**

Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report in a prescribed format to the mayor and respective provincial treasury within 10 working days after the end of each month on the state of the municipality's budget for that month and for the financial year up to the end of that month.

## Budget and Treasury Reporting Section-71

### 1.1.1 Consolidated Performance

#### Statement of financial performance (Table, c4)

Limpopo: Mopani (DC33) - Table C4 Monthly Budgeted Financial Performance ( All ) for period ending (M04) 31 October 2024

Description	Ref	2023/24	2024/25	Budget year 2024/25						
		Audited Outcome	Audited Outcome	Original Budget	M04 Oct Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		174,501		306,370	10,267	33,323	102,123	(68,800)	(67.37)	306,370
Service charges - Waste Water Management		45,253		469	3,234	9,149	156	8,993	5,753.22	469
Service charges - Waste Management										
Sale of Goods and Rendering of Services		1,827		2,000	114	441	667	(226)	(33.89)	2,000
Agency services										
Interest										
Interest earned from Receivables		112,148		73,416	6,016	12,147	24,472	(12,325)	(50.36)	73,416
Interest earned from Current and Non Current Assets		28,439		18,000	2,123	11,039	6,000	5,039	83.98	18,000
Dividends										
Rent on Land										
Rental from Fixed Assets										
Licence and permits										
Operational Revenue		13,300			5	482		482		
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits										
Licences or permits										
Transfer and subsidies - Operational		1,295,465		1,353,289	199	543,822	451,096	92,726	20.56	1,353,289
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		(65)								
Discontinued Operations										
Total Revenue (excluding capital transfers and contrib		1,670,866	-	1,753,544	21,958	610,404	584,515	25,889	4.43	1,753,544
Expenditure										
Employee related costs	-	498,527		526,096	9,431	128,171	175,365	(47,194)	(26.91)	526,096
Remuneration of councillors		16,256		23,761	1,413	5,805	7,920	(2,115)	(26.70)	23,761
Bulk purchases - electricity										
Inventory consumed		346,409		413,496	19,367	92,802	137,832	(45,029)	(32.67)	413,496
Debt impairment		297,636		65,251			21,750	(21,750)	(100.00)	65,251
Depreciation and amortisation		321,688		300,018	17,508	69,485	100,006	(30,521)	(30.52)	300,018
Interest		73,831		30,734	17	29	10,245	(10,216)	(99.72)	30,734
Contracted services		268,452		194,359	31,609	124,441	64,786	59,655	92.08	194,359
Transfers and subsidies										
Irrecoverable debts written off	(225)									
Operational costs		179,696		124,406	4,825	34,681	41,469	(6,788)	(16.37)	124,406
Losses on disposal of Assets										
Other Losses		(438)		860			287	(287)	(100.00)	860
Total Expenditure		2,001,831	-	1,678,982	84,171	455,415	559,661	(104,245)	(18.63)	1,678,982
Surplus/(Deficit)		(330,965)	-	74,562	(62,214)	154,989	24,854	130,135	523.60	74,562
Transfers and subsidies - capital (monetary allocations)		1,026,347		575,141	14,529	51,402	191,714	(140,312)	(73.19)	575,141
Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers and contributions		695,382	-	649,703	(47,685)	206,390	216,568	(10,178)	(4.70)	649,703
Income Tax										
Surplus/(Deficit) after income tax		695,382	-	649,703	(47,685)	206,390	216,568	(10,178)	(4.70)	649,703
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		695,382	-	649,703	(47,685)	206,390	216,568	(10,178)	(4.70)	649,703
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/(Deficit) for the year		695,382	-	649,703	(47,685)	206,390	216,568	(10,178)	(4.70)	649,703

## REVENUE

The municipal Revenue budget for the year was approved at **R1.753 billion**, allocating funds for operational activities and **R575,1 million vat inclusive** for capital expenditure. As of 31 October 2024, total amount of **R763.1 million** was received which includes the **R526 million** for equitable

shares received from National Treasury. However out of the total amount received for capital expenditure **R381.9 million** received for capital, only **R313 million** has been recognized as income for meeting the condition of the grant, WSIG B being included.

The total revenue received YTD from VDM amounts to 7.7 million, while YTD, Vat refundable amount totals 136.1 million. Together these revenues amount to 142.8 million as to 31 October 2024.

The municipality is currently recognizing conditional grant such as Municipal Infrastructure Grant as liability which is the requirements with generally Accepted Accounting Practice (GRAP 23). This grant will only be recognized as revenue once they have meet conditions of those grants.

## 2. Financial Overview

Figure 1: Statement of Financial Performance

### 2.1 Statement of financial Performance

#### a). Operating Revenue

##### i. Service charges (GRAP 9)

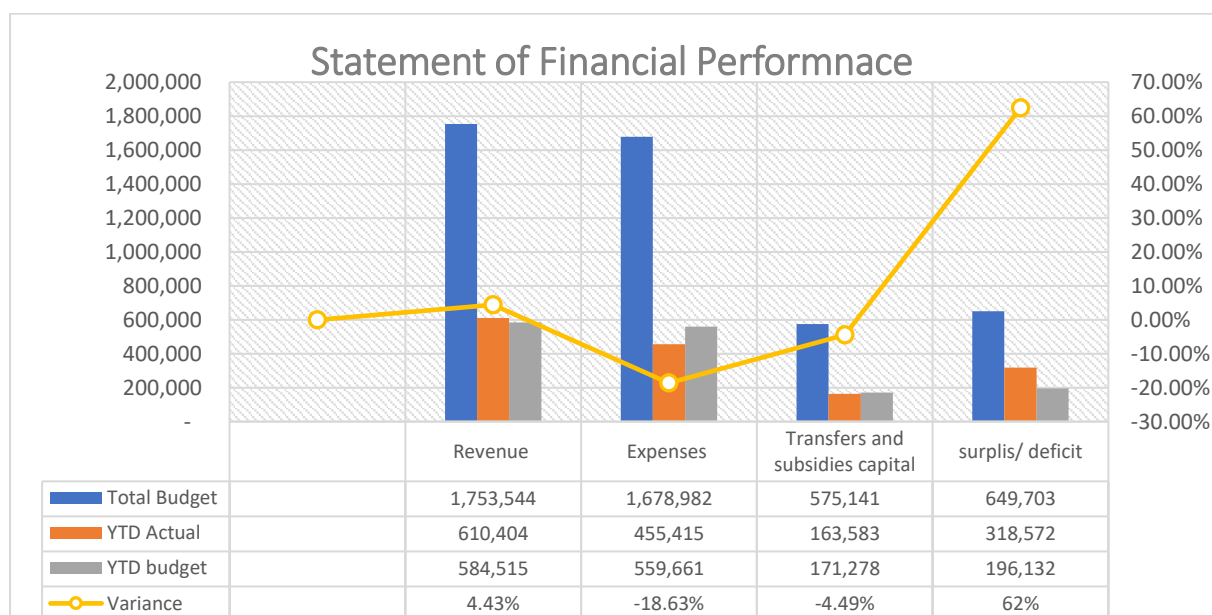
The services charges for water charged to consumers is at **R81.3 million** of the YTD Actual when compared to the YTD Budget of **R102.1 million** and the variances **-20.3%**. The service charges for sanitation is at **R12 million** of the YTD Actual when compared to the YTD Budget of **R156 thousand** and the variance is **-98.7%** as at the period ending 31 October 2024.

The system vendor is in the process of uploading customer information on the system the process of consolidating billing from local municipalities is in progress and remains slow due to lack of agreements with local municipalities and shall be automated on the system.

- i. **Transfers and Subsidies Operational**– the municipalities is at **R543.8 million** of the YTD Actual when compared to the YTD Budget of **R451.0 million**, the variance is 20.56% on operating grants and subsidies as at the end of the period ended the 31 October 2024. The variance is due to straight line budgeting.
- ii. **Transfers and Subsidies Capital**– the municipalities is at **R163.5 million** of the YTD Actual when compared to the YTD Budget of **R171.2 million**, the variance is -4.4% on capital grants and subsidies as at the end of the period ended the 31 October 2024. The variance is due to straight line budgeting and WSIG is not included in the monthly movement. The YTD actual for WSIG 6B is at **R149.5 million** and delays in project implementation and procurement.
- iii. **Interest earned on Current and Non-Current Assets** –Interest earned on current and non-current asset is **R11 million** of the YTD Actual when compared to the YTD Budget of **R6 million**. The variance is 83.9% the higher favourable variance is due to under budgeted interest income or not forecasted accurately.
- iv. **Sale of Goods and rendering services (Tenders)**- Sale of goods and other services including sales from Tenders is **R441 thousands** of the YTD Actual when compared to the YTD Budget

of **R667 thousand**, the variance of **-33.8%**, The cost of tender documents has been reduced due to historic data analysis.

- v. **Interest Earned from Receivables-** Interest earned on receivables is at **R12.1** of the YTD Actual when compared to the YTD budget of **R24.4 million**, the variance **-50.3%** the variance is due to the performance of the non-payment of historical debts. The debtor's information is not being calculated as result of the Municipality is not able to account for the interest on debtors.



## b) Operating Expenditure

- i. **Employee Related Costs** (Salaries and Wages & Social contribution) – Employee related costs expenditure it at **R128.1 million** of YTD Actual when compared to the YTD Budget of **R175.3 million** and the variance is **-26.9%** for the period ended 31 October 2024, which is lower than the expected budget.

This variance is due to vacant posts not yet filled. Overtime and leave encashment have been reduced significantly and as per Mscoa recommendation Subsistence and Travel is classified under operational cost.

- ii. **Councillors Remuneration** – The councillors' remuneration is at **R5.8 million** of the YTD Actual when compared to the YTD Budget of **R7.9 million** the variance is **-26.7%**. Lower travel claims most of meetings are attended virtually.
- iii. **Depreciation** – The depreciation is at **R69.4** of the YTD Actual when compared to the YTD Budget of **R100 million** and the variance is **-30.52%** for the period ended 31 October 2024. The Asset module has been recently converted and is now operational, although it has not yet reached its full potential and optimal level of functionality. More user training is recommended.  
.
- iv. **Debt Impairment-** Currently the municipality is accounting for debt impairment at year end. The municipality is planning to put revenue collection strategies to optimize the collection of debt owned by consumers through its local such as the use debt collectors, improved meter reading and other initiatives. The Municipality has a council approved Debt write-off policy which does not intend to promote the culture of non-payment and compromise the municipality future cash position, the policy is expected to assist in reducing irrecoverable debt.
- v. **Contracted services** – includes the payments for water tankers, security services, Legal Services, PMU Support, consultants assisting in preparation of AFS and mSCOA. Expenditure is at **R124.4 million** of the YTD Actual compared to the YTD Budget of **R64.7 million**, the variance is **92.08%** for the period ending 31 October 2024. Reason for higher variance is due to under budgeting and increased scope of work leading to higher costs.
- vi. **Inventory Consumed** - This figure includes repairs and maintenance of infrastructure and movable assets on an ad hoc basis and the purchase of bulk water purchases from Lepelle Northern Water and Department of Water and Sanitation is at **R92.8 million** of the YTD Actual compared to the YTD Budget of **R137.8million**, the variance is **-32.67%** for the period ending 31 October 2024. The figure includes repairs and maintenance of infrastructure and movable asset on an ad hoc basis and the purchase of bulk water purchases from Lepelle Northern Water and Department of Water and Sanitation.
- vii. **Operational Costs** – Operational Costs is at **R34.6** of the YTD Actual compared to the YTD Budget of **R41.4 million** the variance is **-16.37%** as at the period ended 31 October 2024. Cost cutting initiatives successfully implemented of cost reduction strategies included in Cost containment policy.
- viii. **Interest Paid** – Interest paid is at **R29 thousands** of the YTD Actual compared to the YTD Budget of **R10.2 million** the variance is at **-99.72%** as the period ended 31 October 2024. The high variance is due to interest written off by the creditors.

## Budget and Treasury Reporting Section-71

The overall operating expenditure as on the 31 October 2024 is at **R455.4 million** of the YTD Actual compared to the YTD Budget of **R559.6 million** and the variance is **-22.4%**. The reason for low spending on operational expenditure is non-calculations of the debt impairment, and the receiving and issuing of the water inventory and other stores not using the financial system (stores module)



Detailed statement of Financial Performance

2.1 Staff benefits expenditure.

The Municipality staff and councillors benefits to date amount to **R133.9 million** as compared to the budget of **R183.2 million**. The overall salary variance is reported at -53.6% as of 31 October 2024

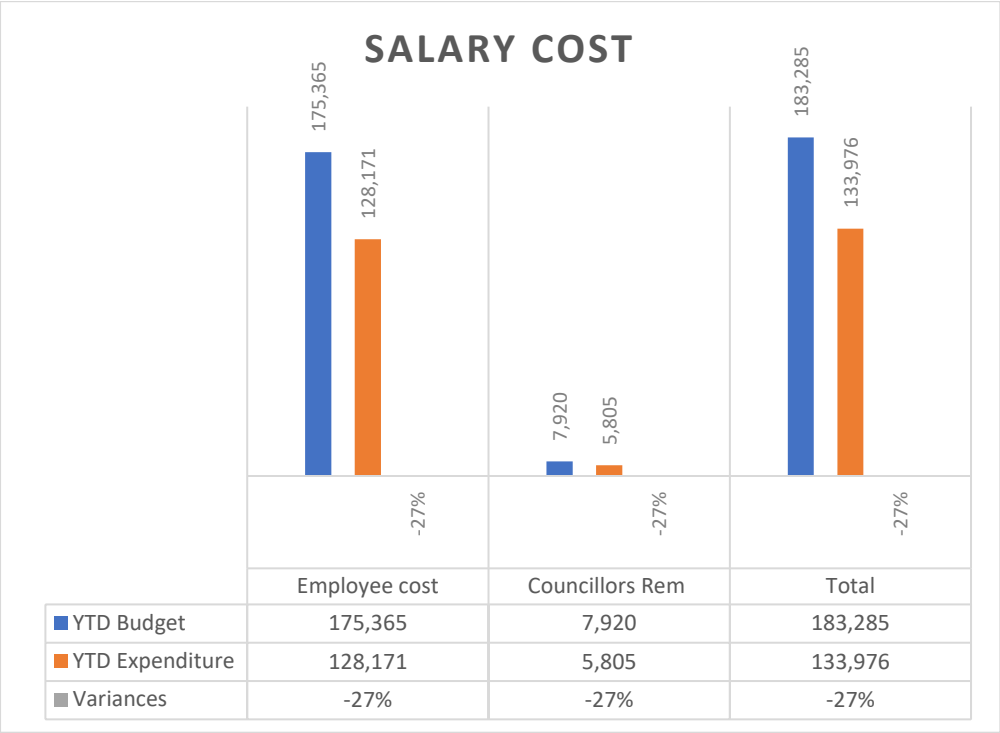


Figure Remuneration Cost

## 2.2 Capital expenditure

The overall capital expenditure as of 31 October 2024 is at **R163.5 million** of the YTD Actual compared to the YTD Budget of **R171.2 million** and the variance is **–4.49%**. The reason is due to low spending of MIG projects. There is no provision for emergency maintenance and the municipality will provide repairs and maintenance for all categories of asst register during adjustment budget.

**Limpopo: Mopani (DC33) - Table C5 Monthly Budgeted Capital Expenditure by Functional Classification and Funding for period e**

Description	Ref						
		M04 Oct Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Capital Expenditure - Functional</b>							
<i><b>Municipal governance and administration</b></i>		10,714	12,899	5,594	7,305	130.58	16,783
Executive and council							
Finance and administration		10,714	12,899	5,594	7,305	130.58	16,783
Internal audit							
<i><b>Community and public safety</b></i>		-	-	1,449	(1,449)	(100.00)	4,348
Community and social services							
Sport and recreation							
Public safety				1,449	(1,449)	(100.00)	4,348
Housing							
Health							
<i><b>Economic and environmental services</b></i>		-	-	1,066	(1,066)	(100.00)	3,197
Planning and development				1,066	(1,066)	(100.00)	3,197
Road transport							
Environmental protection							
<i><b>Trading services</b></i>		105,880	150,685	163,169	(12,484)	(7.65)	489,506
Energy sources							
Water management		105,880	150,685	163,169	(12,484)	(7.65)	489,506
Waste water management							
Waste management							
<i><b>Other</b></i>							
<b>Total Capital Expenditure - Functional</b>	3	116,594	163,583	171,278	(7,694)	(4.49)	513,833
<b>Funded by</b>							
National Government	-	60,242	105,046	159,451	(54,405)	(34.12)	478,354
Provincial Government							
District Municipality		45,638	45,638		45,638		
Transfers and subsidies - capital (monetary allocations)							
<b>Transfers recognised - capital</b>		105,880	150,685	159,451	(8,767)	(5.50)	478,354
<b>Borrowing</b>	6						
<b>Internally generated funds</b>		10,714	12,899	11,826	1,073	9.07	35,478
<b>Total Capital Funding</b>		116,594	163,583	171,278	(7,694)	(4.49)	513,833

## 2.3 Cash Flow statement

The Municipality is having engagements with local municipalities to intensify the implementation of the WS

Limpopo: Mopani (DC33) - Table C7 Monthly Budgeted Cash Flows ( All ) for period ending (M04) 31 October 2024

Description	Ref	2023/24	Budget year 2024/25						
		Audited Outcome	Original Budget	M04 Oct Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates									
Service charges		4,614	145,924	4,938	8,837	48,641	(39,804)	(81.83)	145,924
Other revenue		25,817	145,613	136	1,061	48,538	(47,476)	(97.81)	145,613
Transfers and Subsidies - Operational	1	1,261,956	1,353,289	174	531,713	451,096	80,616	17.87	1,353,289
Transfers and Subsidies - Capital	1	477,669	575,141	125,000	232,400	191,714	40,686	21.22	575,141
Interest		24,560	18,000	2,123	11,039	6,000	5,039	83.98	18,000
Dividends									
<b>Payments</b>									
Suppliers and employees		(495,081)	(1,286,003)	(74,209)	(353,542)	(428,668)	75,125	(17.53)	(1,286,003)
Finance charges			(30,734)			(10,245)	10,245	(100.00)	(30,734)
Transfers and Subsidies	1								
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1,299,535</b>	<b>921,230</b>	<b>58,162</b>	<b>431,508</b>	<b>307,077</b>	<b>124,431</b>	<b>40.52</b>	<b>921,230</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE									
Decrease (increase) in non-current receivables									
Decrease (increase) in non-current investments									
<b>Payments</b>									
Capital assets		(440,590)	(510,808)	(90,001)	(206,253)	(170,269)	(35,983)	21.13	(510,808)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(440,590)</b>	<b>(510,808)</b>	<b>(90,001)</b>	<b>(206,253)</b>	<b>(170,269)</b>	<b>(35,983)</b>	<b>21.13</b>	<b>(510,808)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans									
Borrowing long term/refinancing									
Increase (decrease) in consumer deposits									
<b>Payments</b>									
Repayment of borrowing									
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>858,945</b>	<b>410,422</b>	<b>(31,839)</b>	<b>225,255</b>	<b>136,807</b>	<b>88,448</b>	<b>64.65</b>	<b>410,422</b>
Cash/cash equivalents at the year begin:		18,477	18,477	438,743	181,649	18,477	163,172	883.09	18,477
Cash/cash equivalents at the year end:	2	877,422	428,899	406,904	379,374	155,285	251,619	162.04	428,899

## 2.4 Cash and Cash equivalents

MOPANI DISTRICT MUNICIPALITY			
CONSOLIDATED BTS FOR OCTOBER 2024			
Month	4		
Statement Description	MAIN ACCOUNT 62854372093	CALL ACCOUNTS	TOTAL
Opening balance	10,020,177.72	331,317,029.08	341,337,206.80
Interest capitalised	349,993.15	1,773,383.52	2,123,376.67
Transfer from Main to Call	(71,000,000.00)	71,000,000.00	-
Transfer to Main Account from call	32,000,000.00	(32,000,000.00)	-
Current - Refunds SARS	88,945,768.69	-	88,945,768.69
Current - Unallocated deposits		-	-
Current - ACB (GRANT)	159,748,028.42	-	159,748,028.42
Current - Deposits	136,013.08	-	136,013.08
Current - Insurance Refund			-
Current - Collection from Locals	4,937,903.10	-	4,937,903.10
Current - ACB	(180,696,451.09)		(180,696,451.09)
Current - debit orders	(229,265.26)	-	(229,265.26)
Current - ESKOM	(7,731,440.02)	-	(7,731,440.02)
Current - Refund Medical aid		-	-
Current - Bank Charges	(3,727.91)	-	(3,727.91)
Current - (Salaries)	(41,216,277.74)	-	(41,216,277.74)
Current - S & T Refund		-	-
Current - Salaries - Unpaid	3,760.15	-	3,760.15
Current ACB - Unpaid	12,019,000.00	-	12,019,000.00
Current ACB - Refund	-	-	-
Closing balance	7,283,482.29	372,090,412.60	379,373,894.89

## 3. Grant Management



### 3.1 Grant Payment Allocation

The table below depicts the amount and the date that the payments were made into the municipality's bank account.

MOPANI DISTRICT MUNICIPALITY											
GRANTS 2024/2025											
Oct-24											
	EQUITABLE SHARES	MIG	FMG	EXP PUBLIC WORKS	RURAL ROADS ASSETS MANAGEMENT GRANT	WSIG_SCHEDULE 6B	VDM REPAYMENT	LGWSETA	LOCAL MUNICIPALITIE S	VAT REFUND	TOTAL
BUDGET	1,343,490,000.00	524,667,000.00	3,000,000.00	6,799,000.00	2,476,000.00	-	-			-	1,880,432,000.00
% RECEIVED	39%	44%	100%	25%	70%	#DIV/0!	#DIV/0!			#DIV/0!	
GRANT INCOME	526,072,000.00	230,667,000.00	3,000,000.00	1,699,000.00	1,733,000.00	149,523,168.19	7,733,333.34			136,131,909.65	1,056,559,411.18
Jul-24	526,072,000.00	105,667,000.00				33,902,369.30	3,866,666.67			27,760,720.90	697,268,756.87
Aug-24			3,000,000.00	1,699,000.00	1,733,000.00	26,034,610.03		402,400.00		19,425,420.06	52,294,430.09
Sep-24						55,012,287.31					55,012,287.31
Oct-24		125,000,000.00				34,573,901.55	3,866,666.67		1,071,236.43	88,945,768.69	253,457,573.34
Nov-24											-
Dec-24											-
Jan-25											-
Feb-25											-
Mar-25											-
Apr-25											-
May-25											-
Jun-25											-
TOTAL	526,072,000.00	230,667,000.00	3,000,000.00	1,699,000.00	1,733,000.00	149,523,168.19	7,733,333.34			136,131,909.65	1,056,559,411.18

### 3.2 Creditors aging analysis.

The total due to creditors above 30 days' amounts to **R808.4 million** as of 31 October 2024

	0days	30days	60days	90days	120days	Total
Other Creditors	59,237,709.92	1,248.90	773,350.00	-	10,258,561.68	70,270,870.50
DWS	-	-	-	-	410,997,835.26	410,997,835.26
Lepelle	18,533,675.08	-	-	-	308,609,282.45	327,142,957.53
	77,771,385.00	1,248.90	773,350.00	-	729,865,679.39	808,411,663.29
NB! Creditors above 30 days						
 Creditors above 90 and 120 days consists of invoices relating to WSIG which were accrued in June 2024, still awaiting for payment from DWS						
 Lepelle and DWS only the current invoice was not paid, the 719607117.71 is on arrangement						

4.

### Revenue Management

The Municipality's revenue sources are as follows: -

- Water and sewer service charges
- Fire services charges.
- Environmental Health service charges
- Air Quality services charges
- Sale of tenders

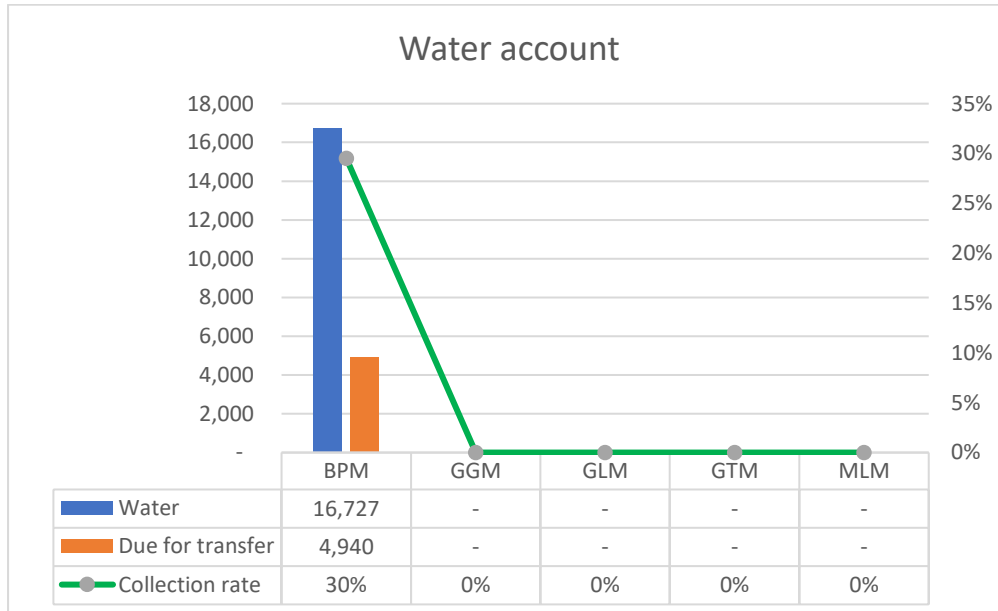
The main own revenue is water and sewer transaction that are done at the local municipalities on behalf of the District Municipality

#### 4.1. Billing on Water and Sewer Services

YEAR TO DATE							
Municipality	Water Budget	Sewer Budget	YTD Water Billing	YTD Sewer Billing	YTD Water Collection	YTD Sewer Collection	& YTD Receipts vs Billing
BPM	264,939,648	-	49,275,032	7,108,103	13,539,368	3,211,587	0
GGM	26,055,552	-	1,871,687	729,287	589,046	599,611	0
GLM	18,508,884	-	2,175,804	1,815,351	682,390	130,246	0
GTM	65,795,808	-	13,950,798	2,234,765	7,738,374	1,377,517	0
MLM	4,385,832	468,936	1,085,213	152,844	1,723,760	126,991	0
MDM	-	-	12,991,202	-	3,899,133	-	-
<b>TOTAL</b>	<b>379,685,724</b>	<b>468,936</b>	<b>81,349,735</b>	<b>12,040,351</b>	<b>28,172,072</b>	<b>5,445,952</b>	<b>0</b>
MONTHLY							
Municipality	Water Budget	Sewer Budget	Water Billing	Sewer Billing	Water Collection	Sewer Collection	Receipts vs Billing
BPM	22,078,304	-	16,727,091	2,086,151	4,939,966	863,842	0
GGM	2,171,296	-	-	-	-	-	0
GLM	1,542,407	-	-	-	-	-	0
GTM	5,482,984	-	-	-	-	-	0
MLM	365,486	39,078	-	-	-	-	0
MDM	-	-	3,418,798	-	3,866,667	-	0%
<b>TOTAL</b>	<b>31,640,477</b>	<b>39,078</b>	<b>20,145,889</b>	<b>2,086,151</b>	<b>8,806,632</b>	<b>863,842</b>	<b>0</b>

a) Local Municipalities invoiced as of 31 October 2024

Figure 2: Water account



b) **Sewer Billing**

The following graph illustrate the performance of the sewer services.

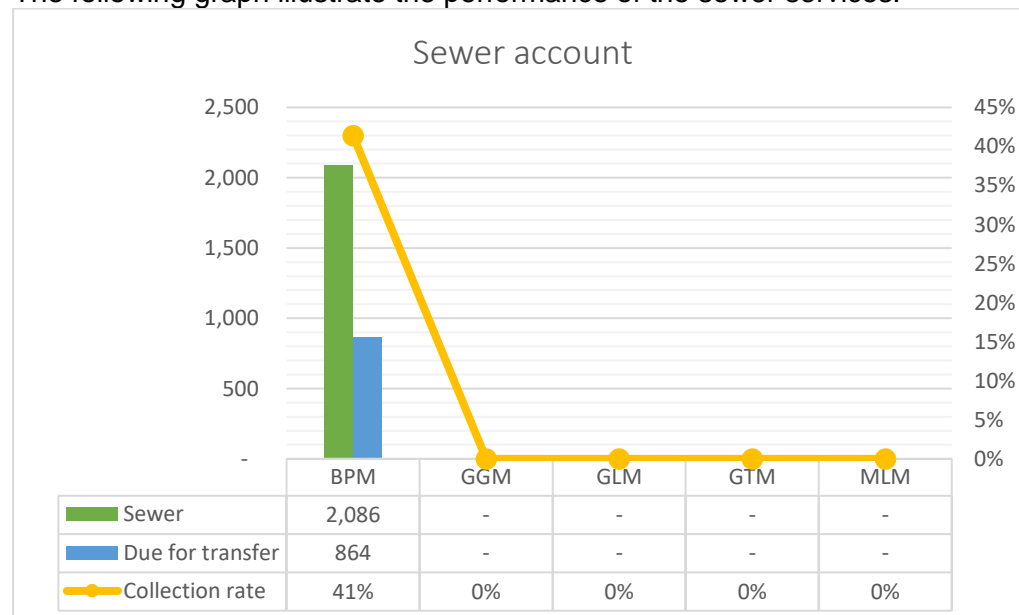


Figure 3: Sewer Account

c) **Local Municipalities Costs Recovery Report (Expenditures)**

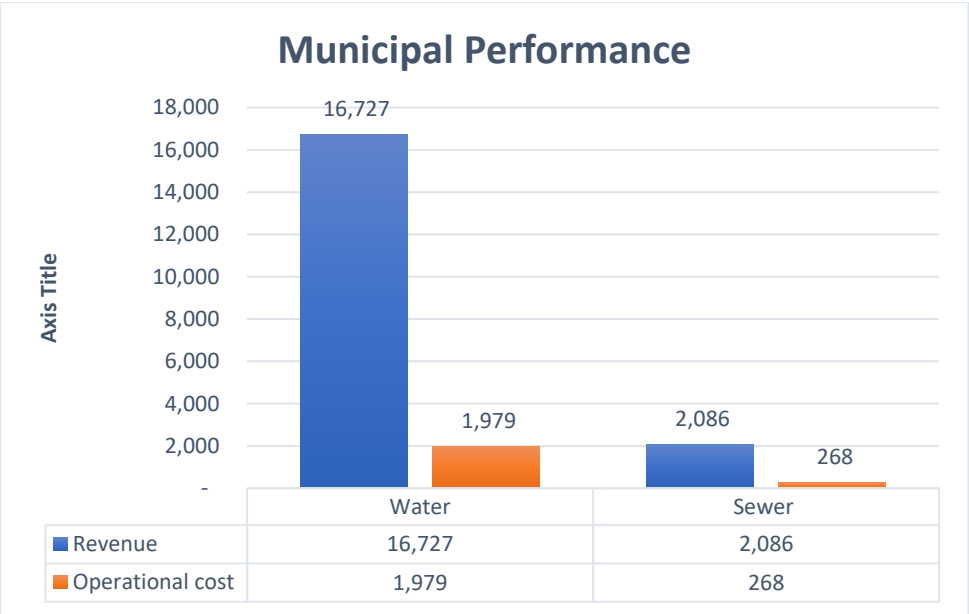


Figure 4: Cost recovery.

The revenue invoiced on water and sewer for functions performed by local municipalities as per the above two tables. Municipalities has not yet transferred the money to the district municipality. As such further engagements with the local municipalities is critical. The local municipalities need to invoice the district on the total expenditures incurred on the water and sewer transactions.

**4.2. DEBTORS AGE ANALYSIS**

The Municipality aims to effectively implement credit control and debt collection policy specifically on businesses, currently the municipality is in the process of uploading customer information on the system.

**b) Debt age analysis.**

<b>Debtors Aging Analysis October 2024</b>			
<b>Age Analysis</b>	<b>Sewerage</b>	<b>Water</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Current	4,614,310	26,289,179	30,903,489
30 days	3,764,796	20,095,059	23,859,855
60 days	2,869,781	14,562,220	17,432,001
90 days	2,781,851	14,265,694	17,047,544
120 days	2,630,390	11,377,664	14,008,054
150 days plus	246,839,483	1,247,851,052	1,494,690,535
<b>TOTAL</b>	<b>263,500,611</b>	<b>1,334,440,868</b>	<b>1,597,941,478</b>
<b>AGEING PER LOCAL MUNICIPALITY</b>			
<b>WATER</b>		<b>SEWER</b>	
<b>MUNICIPALITY</b>	<b>AMOUNT</b>	<b>MUNICIPALITY</b>	<b>AMOUNT</b>
	<b>R'000</b>		<b>R'000</b>
BPM	1,060,886,732	BPM	181,819,964
GGM	9,179,559	GGM	3,882,981
GLM	34,128,696	GLM	36,528,899
GTM	180,368,574	GTM	40,502,794
MLM	4,907,700	MLM	765,972
MDM	44,969,607	MDM	-
<b>TOTAL</b>	<b>1,334,440,868</b>	<b>TOTAL</b>	<b>263,500,611</b>



**Sale Of Goods**

Month	Tender	Fire Services	EHS	Water Connection	Total
Jul-24	44,183.49	14,482.05	20,152.20	-	78,817.74
Aug-24	63,565.22	96,716.63	12,843.48	28,231.78	201,357.11
Sep-24	17,947.82	29,094.54	19,399.55	-	66,441.91
Oct-24	64,347.87	25,059.96	24,239.34	-	113,647.17
Nov-24					-
Dec-24					-
Jan-25					-
Feb-25					-
Mar-25					-
Apr-25					-
May-25					-
Jun-25					-
<b>Total</b>	<b>190,044.40</b>	<b>165,353.18</b>	<b>76,634.57</b>	<b>28,231.78</b>	<b>460,263.93</b>

5. **Assets and Fleet Management****5.1. FINANCIAL****Asset Management (MFMA section 63)**

- a) Significant movable / immovable assets under the control of the municipality.
- b) Continuous updates of the asset register. Depreciation for the year

No	Class Of Assets	Accumulated Depreciation	Monthly Depreciation October 2024
1	Building	2 654 122.76	663 530.69
2	Water	55 795 372.64	13 948 843.16
3	Sanitation	12 536 414.88	3 134 103.72
4	Computer Equipment	319 280.20	79 820.05
5	Furniture and Office Equipment	851 452.84	212 863.21
6	Machinery and Equipment	1 101 182.60	275 295.65
7	Motor Vehicle	3 943 717.80	985 929.45
	<b>Total</b>	<b>77 201 543.72</b>	<b>19 300 385.93</b>

This section of the report relates to the asset spend analysis (quantum and rand value) during the past quarter for all asset transactions.

Threshold– Other Asset Purchases	Quantity	Value
Transactions Exceeding R 1 000	2	6 908 586.20

No	Date	Cheque Number	Description Of Works	Amount
1	Oct-24	EF019178-0001	Purchase of laptops and desktops	4 765 215
2	Oct-24	2416	Purchase and supply laboratory test equipment 10x hatch colorimeters (d	214 3371.2

**Total**

**6 908 586.20**

Threshold– Other Asset Purchases	Quantity	Value
Transactions not Exceeding R 1 000	N/A	0

Threshold– Other Asset Purchases	Quantity	Value
Transactions not Exceeding R 1 000	N/A	0

The various threshold values in the table above determines the nature of the asset as well as the appropriate accounting treatment as follows:

Threshold– Infrastructure Asset Purchases	Quantity	Value
Transactions Exceeding R 1 000	65	107 102 190.90

No	Date	Cheque Number	Description Of Service	Amount
1	Oct-24	EF019181-0001	Claim 16 Makhushane Water Scheme Phase 5a	166 728.82
2	Oct-24	EF019153-0001	Claim 15 Makhushane Water Scheme Phase 5c	989 991.18
3	Oct-24	EF019153-0002	Claim 06 Sekgosese Regional Ground Water Phase 3d	284 644.81
4	Oct-24	EF019156-0001	Claim 07 Sekgosese Regional Ground Water Phase 3d	253 562.4
5	Oct-24	8007/3D-008	Claim 08 Sekgosese Regional Ground Water Scheme Phase 3d	270 625.39
6	Oct-24	INA106030	Claim 11 Sekgosese Regional Ground Water Scheme Phase 3a	1 300 143.37
7	Oct-24	29269	Sekgosese Regional Ground Water Phase3d	801 335.1
8	Oct-24	08/2024/CAROFINJV/25	Claim 08 Lephephane Water Reticulation	664 200
9	Oct-24	EF019153-0005	Claim 07 Lephephane Water Scheme	2 653 149.23
10	Oct-24	EF019153-0003	Claim 06 Lephephane Water Reticulation Phase C	3 220 263
11	Oct-24	EF019205-0002	Claim 8 Lephephane Water Reticulation Phase 3c	206 482.44
12	Oct-24	EF019202-0002	Claim 08 Lephephane Water Reticulation Phase 3a	301 439.8
13	Oct-24	INV20241101-001	Claim 08 Lephephane Water Reticulation	889 784.83
14	Oct-24	CAO-MDM-008	Claim 08 Lephephane Water Reticulation	1 741 727.3
15	Oct-24	9	Claim 09 Lulekani Water Scheme Phase 2c Kurhula	1 409 582.81
16	Oct-24	EF019202-0003	Claim 11 Ritavi 2 Regional Water Works Phase 04-D	218 118.72
17	Oct-24	MDM/2024/25-08-02	Claim 2 Ritavi 2 Regional Water Scheme Phase 5	1 811 740.43
18	Oct-24	EF019206-0001	Claim 11 Ritavi 2 Regional Water Scheme Phase 3	14 745

19	Oct-24	EF019206-0002	Claim 11 Ritavi 2 Regional Water Scheme Phase 3	187 755
20	Oct-24	FM-INV000243	Claim 11 Ritavi 2 Regional Water Scheme Phase 4d	1 795 385.97
21	Oct-24	FM-INV000242	Claim 10 Ritavi 2 Regional Water Scheme Phase4d	2 937 904.32
22	Oct-24	INV/MDM/01	Claim 15 Tours Water Scheme Bulk Water Refur	2 569 142.55
23	Oct-24	MDM016	Claim 16 Tours Water Scheme	2 018 567.69
24	Oct-24	EF019153-0004	Claim 03 Tours Water Reticulation 25 Vill Phase 3	5 781 396.9
25	Oct-24	TOU2024001	Claim 12 Tours Water Scheme	353 258.79
26	Oct-24	INV0229	Claim 02 Tours Water Reticulation Phase 3	3 133 938.51
27	Oct-24	EF019202-0004	Claim 04 Tours Water Reticulation 25 Villages Phase 3	11 869 385.94
28	Oct-24	TOURS PHASE3/05	Claim 05 Tours Water Reticulation 25 Villages Phase 3	12 396 520.48
29	Oct-24	EF019194-0001	Claim 07 Sikhunyani Water Reticulation Contract B	226 420
30	Oct-24	EF019169-0001	Claim 07 Bode Water Reticulation	614 807.59
31	Oct-24	EF019149-0006	Claim 10 Risinga View Water Reticulation Contract A	1 033 609.76
32	Oct-24	INV20240701182-001	Claim 05 Mapayeni Water Reticulation Contract B	608 165.04
33	Oct-24	EF019151-0003	Claim 09 Makoxa Water Reticulation Contract A	129 800
34	Oct-24	EF019151-0001	Claim 09 Makoxa Water Reticulations Contract A	240 000
35	Oct-24	EF019151-0002	Claim 09 Makoxa Water Reticulations Contract A	1 084 072.43
36	Oct-24	EF019149-0001	Claim 05 Makoxa Water Reticulation Contract B	2 874 000
37	Oct-24	EF019149-0002	Claim 05 Makoxa Water Reticulation Contract B	2 874 000
38	Oct-24	EF019152-0002	Claim 08 Xikukwani Water Reticulations Contract A	3 273 448
39	Oct-24	EF019169-0002	Claim 07 Bode Water Reticulation	1 993 644.73

40	Oct-24	EF019152-0001	Claim 08 Xikukwani Water Reticulation Contract A	480 333.33
41	Oct-24	EF019194-0002	Claim 07 Sikhunyani Water Reticulation Contract B	200 000
42	Oct-24	EF019149-0003	Claim 15 Refurb Of Giyani Water Works	1 908 900
43	Oct-24	EF019152-0003	Claim 08 Xikukwani Water Reticulation Contract A	2 558 331.73
44	Oct-24	19082024	Claim 05 Mapayeni Water Reticulation Contract B	100 000
45	Oct-24	EF019150-0001	Claim 16 Refurb Of Giyani Water Works	3 024 803.25
46	Oct-24	EF019168-0003	Claim 08 Sikhunyani Water Reticulation Contract A	851 078.58
47	Oct-24	EF019168-0004	Claim 08 Sikhunyani Water Reticulation Contract A	240 769.3
48	Oct-24	EF019168-0001	Claim 08 Sikhunyani Water Reticulation Contract A	105 166.67
49	Oct-24	EF019149-0004	Claim 09 Xikukwani Water Reticulation Contract C	70 000
50	Oct-24	EF019192-0004	Claim 07 Maswanganyi Water Reticulation Contract A	3 925 615.53
51	Oct-24	EF019149-0005	Claim 09 Xikukwani Water Reticulation Contract C	1 050 784.66
52	Oct-24	EF019168-0002	Claim 08 Sikhunyani Water Reticulation Contract A	386 841.8
53	Oct-24	LIINV39611	Claim 08 Maphata Water Reticulation	63 216
54	Oct-24	EF019203-0001	Claim 09 Mageva Water Reticulation Contract B Retention Paid Out	835 582.03
55	Oct-24	EF019159-0001	Claim 06 Thomo Water Reticulation Contract A	4 525 334.63
56	Oct-24	EF019192-0002	Claim 07 Ngove Water Reticulation Contract A	256 166.66
57	Oct-24	MBE-MDM2023/0005	Claim 05 Mapayeni Water Reticulation Contract B	2 329 244.36
58	Oct-24	EF019192-0001	Claim 07 Mhlaba Willem Water Reticulation	408 882.72
59	Oct-24	EF019192-0003	Claim 07 Ngove Water Reticulation Contract A	2623505.69
60	Oct-24	1586	Claim 08 Maphata Water Reticulation	1 636 362.36
61	Oct-24	EF019169-0004	Claim 07 Bode Water Reticulation	436 340.55



## FLEET MANAGEMENT

### MONTHLY REPORT

OCT -2024

#### 1. Summary Expenditure on fleet.

Period	Fuel Expenditure On Fleet	Fuel Expenditure On Borehole And Generators	Repairs And Maintenance Expenditure	Licensing Of Fleet Expenditure	Total Expenditure
Aug-24	R 593 88.00	R 162 774.00	R 923 886.00	R 126 036.00	<b>R1 806 586.00</b>
Sept-24	R 457 093000	R160 229,00	R 445 093.00	R0	<b>R1 062 415.00</b>
Oct-24	R576 210.00	R 231 894.00	R 194 247.00	R 120 947.00	<b>R1 123 298.00</b>
<b>Total</b>	<b>R1 627 192.00</b>	<b>R 554 897.00</b>	<b>R 1 563 226.00</b>	<b>R 246 983.00</b>	<b>R3 992 299.00</b>

#### Summary listing on fleet status.

Location	Number Of Vehicles & Plant	Operational	Non-Operational	Recommended Disposal	Accident/ Written Off
Tzaneen	41	18	20	4	0
Ba-Phalaborwa	25	09	05	8	1
Letaba	25	13	08	2	2
Giyani	62	26	25	8	3
Maruleng	24	13	09	2	0
<b>Total</b>	<b>177</b>	<b>79</b>	<b>67</b>	<b>24</b>	<b>6</b>

#### Factors on non-operational fleet.

- 11 - Vehicles are at the dealership for repairs and maintenance.
- 30- Request been processed have been issued.
- 18- Requests not yet processed but in progress.
- 09 - Memo not submitted by Satellite managers/Supervisors.
- 05 - Vehicles involved in an accident, awaiting feedback from insurance.
- 03 - Vehicles which were previously involved in an accident are at the panel-beaters for repairs

g) 24- Vehicles and Plant were auctioned

Reg Num	Make	Fuel	Opening Odo	Closing Odo	Span	Litres	Total
FDZ823L	FUSO	D	112851	115235	2384	2964	R 66,050

The vehicles/plant listed above are being utilized for service delivery programs at locals and district level, all activities outside the programs are requested by the satellite managers, logbooks are submitted as a support for travelled trips.

The truck in Giyani had to travel more than usual, due to the fact that less vehicles were traveling in the month because they are taken to dealerships for repairs and maintenance

**Fleet with Zero/inaccurate readings on Odometers**

Cost Name	Reg Num	Make	Fuel	Opening Odo	Closing Odo	Span	Litres	Fuel Value	Grand Total
-	-	-	-	-	-	-	-	-	-

**Factors on inaccurate readings**

There are no vehicles with zero or inaccurate readings for the month of October 2024.



**SUPPLY CHAIN MANAGEMENT UNIT****6. Major achievements for October 2024**

<b>6.1 Demand Management: Supply Chain Management process</b>	<b>October 2024</b>
<b>Description</b>	<b>No</b>
Bids considered / approved by BSC (SCM reg. 27)	00
Bids approved by MM for advertisement from BSC	00
New bids advertised on MDM website/notice board	00
Bids closed / opening register place on MDM website/notice board	0

<b>6.2 Acquisition Management: Supply Chain Management process</b>	<b>October 2024</b>
<b>Description</b>	<b>No</b>
Total orders below R100 000 for October 2024	99
Total orders above R100 000 for October 2024	14
Total deviation orders processed for October 2024	04
Bid awarded / approved / appointed by MM (No. Service Providers)	0
SCM Reg. 32 Bid approved / appointed by MM	0
SCM Reg. 36 Bid approved / appointed by MM	0
Bids Awards place on Notice/website	0
Bids Awards reported to Treasury	0
Bids reported to External e.g. CIDB	0
Irregular Expenditure for October 2024	0

**6.3 Orders per supplier below and Above R100 000 for October 2024**

Period	Description	Number 99
October 2024	Order below R100 000	
Category		Number
Travel and accommodation		44
Repairs and maintenance		12
Event Management		15
Training and conferencing		8
Professional services		0
General		20

Period	Description	Number 13
October 2024	Order above R100 000	
Category		Number
Travel and accommodation		2
Repairs and maintenance		2
Event Management		0
Training and conferencing		1
Professional services		0
General goods and services		8

**Total deviation orders processed for October 2024.**

A detailed deviation register is attached to this report.

DEVIATION TYPE	
1. In case of an emergency	0
2. Sole supplier or single provider only or	3
3. Acquisition of special works of art or	0
4. historical objects (spec are difficult to compile)	0
5. Acquisition of animals for zoos; or	0
6. In any other exceptional case where it is impractical or impossible to follow the official procurement processes	0
<b>Total</b>	<b>3</b>

**6.5 Publication of bids for October 2024**

No	Bid number	Bid description	Bid advert date	Bid closing date
None	None	None	None	None

**6.6 Progress on advertised bids**

Bid No.	Description	User Dept.	Advert date	Closing Date	Evaluation date	Adjudication date	Status
<b>MDM 2023/24-023</b>	Panel of Engineering Consultants for Water and Sanitation Infrastructure Projects for Mopani District Municipality for a Period of 36 Months	.Technical Services	04 Jul 2024	04 Jul 2024	02 Sep 2024	TBC	Awaiting finalization of evaluation by BEC
<b>MDM 2023/24-024</b>	Provision of fuel and Oil to Mopani District Municipality	Budget and Treasury Office	28 Jun 2024	29 Jul 2024	23 Sep 2024	TBC	Awaiting BAC
<b>MDM 2024/25-01</b>	Panel of Attorneys for Mopani District Municipality for a period of 36 Months.	Corporate Services	01 Aug 2024	02 Sept2024	25 Sep 2024	TBC	Under evaluation
<b>MDM 2024/25-02</b>	Supply and delivery of fire and rescue equipment	Community Services	21 Aug 2024	03 Sept2024	TBC	TBC	Appointment of BEC members
<b>MDM 2024/25-03</b>	Supply and installation of 16 KVA emergency backup system for Tzaneen Disaster Management Centre.	Community Services	21 Aug 2024	05 Sept2024	TBC	TBC	Appointment of BEC members
<b>MDM 2024/25-04</b>	Request for Proposal- Upgrading of emergency communication system	Community Services	21 Aug 2024	06 Sep 2024	TBC	TBC	Appointment of BEC members

<b>MDM 2024/25-05</b>	Managed printing services for Mopani District Municipality for a period of 36 Months	Corporate Services	21 Aug 2024	18 Sept 2024	TBC	TBC	Appointment of BEC members
<b>MDM 2024/25-06</b>	Rural Road Asset Management System for Mopani District Municipality for a period of 36 Months	Technical Services	21 Aug 2024	18 Sept 2024	10 Oct 2024	TBC	Awaiting Evaluation

#### 6.7 Irregular expenditure.

\*See attached register.

Description	Addition
Irregular expenditure	0.00

#### 6.8 Commitments.

\*A detailed commitment register is attached for ease of reference.

Description	Opening Balance as at 01 July 2024	Closing balance as at 31 October 2024
Capital commitments	1,154,811,078.67	1,154,811,078.67
Operational Commitments	149,877,021.14	149,877,021.14

#### 6.9 Contract Management

##### Contract Register

Please see attached the 2024-25 Contract register.

#### 6.10 LIST OF TERMINATED CONTRACTS

MDM has not terminated any contract during October 2024.

#### 6.11 INVENTORY MANAGEMENT

Inventory summaries: stock on hand, movements and non-moving stock.

STORE	Stock On Hand (R )	Issues (R )	Received Goods (R )	Non Moving Stock (R )	Narration
	STOCK ON HAND	ISSUES	RECEIVED GOODS	NON MOVING STOCK	N/A
NSAMI	28,764,177.25	1,990,000.50	-	472,596.06	N/A
PHALABORWA	1,543,602.52	380,550.50	-	826,534.54	N/A
TZANEEN	862,444.20	425,000.00	600,000.00	380,870.73	N/A
MARULENG	1,100,001.00	140,000.00	550,000.50	27,244.60	N/A
LETABA	485,000.00	120,000.00	420,000.00	-	N/A
STATIONERY	1,059,464.84	406,397.10	262,444.20	2,295.00	N/A
GIYANI	-	420,000.00	420,000.00	0	N/A
TOTALS	33,814,689.81	3,881,948.10	2,252,444.70	1,709,540.93	N/A

## Departmental administration progress reporting

Matter	Progress	Challenges
Take over of key accounts from BPM	<ul style="list-style-type: none"> <li>- The Billing system has been implemented, tested and ready for issuing the first billing invoices.</li> <li>- Customer details were received and capture into the billing system.</li> <li>- Meter readings were received and verify</li> </ul>	The Ba Phalaborwa municipality is objecting to the take-over process
Vhembe District Municipality	<ul style="list-style-type: none"> <li>- The Contract has been signed by both the district.</li> <li>- VDM is paying as agreed in the contract</li> </ul>	None
Audit and AFS process	<ul style="list-style-type: none"> <li>- The AFS were submitted by end of August 2023, with a qualified audit opinion.</li> <li>- 2023/2024 AFS were successfully submitted on the 31 August 2024 to AGSA, Audit in process</li> </ul>	None
DWS	<ul style="list-style-type: none"> <li>- The Repayment agreement was signed by the District Municipality awaiting the DWS.</li> <li>- An interest amounting to R167m has been written off.</li> </ul>	None

	<ul style="list-style-type: none"> <li>- A down payment amounting to R28m which equals to 10% of the Capital amount owe will be paid to the DWS soon after the repayment agreement is signed</li> </ul>	
LNW	<ul style="list-style-type: none"> <li>- The repayment agreement was signed with Lepelle northern water</li> </ul>	None
Access to Munsoft	<ul style="list-style-type: none"> <li>- The assets configuration is successfully Implemented.</li> <li>- Delay in accounting processes.</li> <li>- Non- Implementation of project management module</li> <li>- Challenges with integration of Payday and Munsoft which it has a significant impact in an unauthorised expenditure.</li> </ul> <p>System Analysis</p> <p>AGSA also noted a deficiency in the system which impact a significant control deficiency. The system currently reconciles payment using payment dates, supplier name and dates. This method of reconciliation exposes the municipality to possible financial losses.</p>	<p>High level of downtime on the system that affect the efficiency.</p> <p>Project expenditure report not aligned.</p>
MSCOA Road Map	<ul style="list-style-type: none"> <li>• Asset register is on the system as the assets module functional.</li> <li>• Debtors' module activated.</li> <li>• Currently busy with accounts data cleansing from prior years starting from 2021 to date.</li> <li>• Challenges with Payday and munsoft integration which report uncredible actual amount for employee related costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Training on project management will be processed.</li> </ul>

	<ul style="list-style-type: none"><li>• Inventory module still unutilised, waiting for SCM to procure laptops to the officials.</li><li>• System is closed at month-end before monthly data strings are submitted.</li><li>• Budget is locked and amended through adjustment and virement only.</li></ul>	
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Submitted by

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Mathevula SP