



PART IV of the agenda of the Council Meeting of the

CITY OF TSHWANE METROPOLITAN MUNICIPALITY (FIFTH TERM OF THE CITY OF TSHWANE)

to be held in the Council Chamber, Second Floor, Tshwane House, Madiba Street, Pretoria, on **THURSDAY, 25 APRIL 2024** at **10:00**, to consider the matters as set out in the agenda.

REPORT OF THE MAYORAL COMMITTEE

04/2024 report

17 APRIL 2024

Cllr M Ndzwana
The Speaker of Council

19 April 2024

**PLEASE RETAIN THIS PART IV OF COUNCIL FOR PURPOSE OF THE
COUNCIL MEETING OF 25 APRIL 2024**

AGENDA: COUNCIL: CITY OF TSHWANE METROPOLITAN MUNICIPALITY:
25 APRIL 2024

F. REPORT TO THE COUNCIL

PART IV: FROM THE MAYORAL COMMITTEE MEETING: 17 APRIL 2024

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7. OFFICE OF THE EXECUTIVE MAYOR
 REPORT ON THE RECRUITMENT AND APPOINTMENT OF HOUSING COMPANY
 (HCT) TSHWANE NON-EXECUTIVE DIRECTORS (NEDS)
(From the Mayoral Committee: 17 April 2024)

1. PURPOSE

The purpose of the report is to provide information regarding the outcome of the Selection Committee for the appointment of Housing Company Non-Executive Directors.

2. STRATEGIC PRIORITIES

- A professional public service that drives accountability and transparency.

3. BACKGROUND

The Municipal Systems Act of 200, Section 93E prescribes the appointment of directors by the parent municipality. The appointment of municipal entities Non-Executive Directors is affected in terms of the "Policy on the Appointment of Directors of City of Tshwane Municipal Entities"; approved by Council in 30 July 2015.

The term of current Board Members expires on 30 June 2024, and the entity has two (2) vacancies that should be filled with required skills to address skills shortage in the board.

BOARD COMPOSITION

The table below indicated the number of NEDs as per provided for in the Memorandum of Incorporation (MoI) and the status of the board

Municipal Entity	Memorandum of Incorporation Maximum No. of NEDs	Number of Current Board Members	Proposed No. of Member(s)
Housing Company Tshwane	10	5 2 vacancies	7 NEDs

Advertisement for the nomination of NEDs for HCT was placed on three local newspapers, namely Pretoria News, Sowetan and Dailly Sun, and were published on 29 June 2023. The closing date for submission of applications/nominations was 31 July 2023 and six (6) applications were received. Attached hereto are copies of CVs/resume.

4. DISCUSSION

4.1 SELECTION COMMITTEE/ INTERVIEW PANEL

The Selection committee comprised be of the relevant Member of Mayoral Committee and Senior Managers as follows:

Designation	Name
Chief of Staff	Mr Jordan Griffiths
MMC for Human Settlements	Cllr Ofentse Madzabatela
City Manager	Mr J Mettler (apology)
Group Head for Human Settlements	Ms N Memela (apology)
Divisional Head Human Settlements	Ms Petal Thring
SSS: MMC Human Settlements	Mr Thato Masemola
Shareholder Unit Representatives as Secretariat	Mr Pule Mmutlana
	Ms Fikile Rasmeni
	Ms Nthabiseng Lerole

SHORTLISTED CANDIDATES

The selection committee meeting was held on 22 August 2023. All six (6) received applications were selected to be interviewed. A summary of shortlisted candidates attached hereto as annexure a.

Evaluation of applications was performed in line with Clause 5(c) of the appointment policy which states that “after the closure of the period for the submission of applications/nominations as stated in the advertisement, the Shareholder Unit must compile a report to the Executive Mayor containing the names and a summary of the curriculum vitae of all the applicants.

The report must further include the following:

- A list/summary of all applicants/nominees who meet requirements attached hereto as annexure a;
- An assessment of each application/nomination received;
- Any appointment as a director of a municipal entity must be made from such a list; and
- The committee set the date of the interviews: 05 September 2023.

Below is the assessment of applications/nominations received:

No.	Name & Surname	Remarks/Comments
1.	Bushang Modipane	Member of Siyaxhubeka Forestry
2.	Innocent Thakadu	Previously Legal Advisor many entities
3.	Seneke Cynthia Sathekge-Latha	Chairperson of HOA
4.	Abram Thantsa	Chairperson of JHB Valuations Appeal Board and Alternate Chairperson in Tshwane.
5.	Rajendran Pillay	Consulting work in Engineering & Project Management
6.	Mandla Sithole	Advisor at ICASA

CONDUCTED INTERVIEWS:

The interviews were conducted on 05 September 2023 and panel consisted of the following:

Designation	Name
Chief of Staff	Mr Jordan Griffiths
MMC for Human Settlements	Cllr Ofentse Madzebatela
City Manager	Mr J Mettler (apology)
Group Head for Human Settlements	Ms N Memela
Divisional Head: GES & Shareholder Unit	Mr Pule Mmutlana
Shareholder Unit Representatives as Secretariat.	Ms Fikile Rasmeni
	Ms Nthabiseng Lerole

All 6 candidates were interviewed, and 2 candidates were recommended for appointment and as follows:

Interviewed Candidates

No.	Name and Surname	Recommended for Appointment	
		Yes	No
1.	Bushang Modipane		X
2.	Seneke Sathekge-Latha		X
3.	Abrahm Thantsa		X
4.	Mandla Sithole	X	
5.	Rajendran Pillay	X	
6.	Innocent thakadu		X

The 2 candidates, namely Mandla Sithole and Rajendran Pillay are recommended to Mayoral committee for appointment to serve at the Board of HCT for a period of one (1) year renewable at the discretion of the Shareholder.

VERIFICATION OF QUALIFICATIONS

The recommended candidates' highest qualifications were verified through the Group Human Capital Management department and the results are as follows:

Name & Surname	Qualifications	Verified Qualifications	
		Positive	Negative
Mandla Sithole	Master of Public Administration	Yes	
Rajendran Pillay	MBA, BSc Civil Engineering	Yes	

PUBLIC COMMENTS

The Shareholder Unit must place an advertisement requesting comments, objections and/or representatives from the public on the proposed list of recommended directors. The period for submission of comments, objections and/or representatives from the public must be for a period of ten (10) days as per policy provisions.

Mayoral Committee must consider any input received as a result of the advertisement and thereafter forward such input to Council for consideration and appointment. The advertisement was placed on 21 September 2023 with a closing date 01 October 2023 for submission of comments.

No comments were received from the public; therefore, the recommended candidate is hereby presented for consideration by the Mayoral Committee and for subsequent submission to Council.

FORMAL APPOINTMENT AND ANNOUNCEMENT OF THE BOARD OF DIRECTORS

As soon as Council approved the appointment of directors, each director should be given a written appointment letter; whereafter the Executive Mayor shall publicly announce the acceptance of the letters of appointment by the directors by placing the announcement in three local newspapers.

It should be noted that Mr Rajendran's appointment was subsequently withdrawn.

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

The purpose of this report is to inform the Mayoral Committee regarding the outcome of the Selection Committee for the appointment of Housing Company Non-Executive Director.

There are no financial implication emanating as a result of this report for City of Tshwane as remuneration of Non-Executive Directors is budgeted for by the municipal entity.

It should be noted that the upper limits of the salaries, allowances and benefits of nominated board members must be managed within the approved budgetary allocations of the municipal entity.

5.2 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of this report is to inform the Mayoral Committee regarding the outcome of the Selection Committee for the appointment of Housing Company Non-Executive Directors.

Section 51 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as the "MSA") places a duty on the Municipality within its administration and financial capacity to establish and organize its administration in a manner that would enable the Municipality to amongst others, be performance orientated and focused on the objects of local government as embodied in Section 152 of the Constitution of the Republic of South Africa.

In terms of section 93D (1) of the MSA, the council of a parent municipality must designate a councillor or an official of the parent municipality, or both, as the representative or representatives of the parent municipality-

- a. To represent the parent municipality as a non-participating observer at meetings of the board of directors of the municipal entity concerned; and
- b. To attend shareholder meetings and to exercise the parent municipality's rights and responsibilities as a shareholder, together with such other councillors or officials that the council may designate as representatives.

Section 93E (1) of the MSA, provides that, The Board of directors of municipal entity-

- a. Must have the requisite range of expertise to effectively manage and guide the activities of the municipal entity;
- b. Must consist of at least a third non-executive directors; and
- c. Must have a non-executive chairperson.

In accordance with section 93E (2) of the MSA, the parent municipality of a municipal entity must, before nominating or appointing a director, establish a process through which-

- a. Applications for nomination or appointment are widely solicited;
- b. A list of all applicants and any prescribed particulars concerning applicants is compiled; and
- c. The municipal council makes the appointment or nomination from such list.

Section 93G of the MSA outlines that, the parent municipality of a municipal entity may remove or recall a director appointed or nominated by that municipality-

- a. If the performance of the director is unsatisfactory;
- b. If the director, either through illness or for any other reason, is unable to perform the functions of office effectively; or
- c. if the director, whilst holding office-
 - i. Is convicted of fraud or theft or any offence involving fraudulent conduct; or
 - ii. Has failed to comply with or breached any legislation regulating the conduct of directors, including any applicable code of conduct.

Review of the Policy(Process) for the Appointment of Directors for Municipal Entities approved by Council on the 2015-07-30 was developed to ensure that transparent, fair, and open process is introduced to solicit, evaluate and appoint Board of Directors of municipal entities and that such appointments conform to the relevant legislation and also to ensure that the Board of Directors of municipal entities have the requisite range of expertise to effectively manage and guide the activities of the municipal entity in order for the municipal entity to execute its obligations towards the City of Tshwane.

Furthermore, Clause 5 of the Reviewed Policy states that:

- i. Non-Executive Directors (NEDs) are appointed for a period of one-year, which term is renewable at the discretion of the Shareholder;
- ii. The term of office of Non-Executives Directors may be renewed up to four times (i.e. serving a total term of five years);
- iii. Further renewal (beyond five years) may occur for good cause (e.g. scarce skills) but may not exceed a total term of office of more than eight years;
- iv. Effectiveness of Non-Executive Directors (including meeting attendance and contribution at meetings) should inform renewal of the term of office of any NED; and
- v. NEDs may be rotated to another ME Board instead of renewal of the term of office at the same ME, based on the skills requirements of the various ME Boards.

Note should be taken that, the appointment of such directors is made by the Municipal Council.

Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal and Secretariat Services Department supports the approval of the report and the recommendations and submits that the provisions of the above-mentioned legislation and policy should be complied with.

5.3 COMMENTS OF THE GROUP HEAD: HUMAN SETTLEMENT

The Department of Human Settlements takes cognisance of the Report on the Recruitment and Appointment of Housing Company Tshwane Non-Executive Directors and its recommendations. The appointment of the recommended candidate with his qualifications and experience will assist the Board in achieving its objectives and ensuring the sustainability of HCT. The report and its recommendations are supported.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

The report does not have any human resources implications at this stage.

6.2 FINANCES

Remuneration of directors is budgeted for by the municipal entities and has no direct impact for the City of Tshwane.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

The report is in compliance with the provisions of the Municipal Systems Act, Act 32 of 2000 and the Companies Act, Act 71 of 2008.

6.4 COMMUNICATION

Communication will be done in terms of the Policy. The Company Secretaries must register the Non-Executive Directors (NEDs), CEO and CFOs at the Companies and Intellectual Property Commission (CIPC) once they are appointed as non-executive directors and executive directors of the entity.

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

Council resolution 24 June 2021 and 30 November 2023.

7. CONCLUSION

The appointment of HCT non-executive directors is in accordance with Municipal Systems Act, Act 32 of 2000; Policy for the Appointment of City of Tshwane Directors Municipal Entity as well as the recommendations of King IV.

The report was submitted to the Council meeting of 30 November 2023 where concerns were raised on the recommended appointment of Mr R Pillay. As a result, the report was referred back by Council. In the intervening period, one board member resigned due to new commitments that would affect her participation in the board. As a result, the governance of the entity has become severely compromised. In view hereof, it was deemed necessary to alleviate the pressure on the entity while the concerns raised around the proposed appointment of Mr Pillay were being attended to. It is therefore recommended that Council proceeds with the appointment of Mr M Sithole.

The Mayoral Committee on 17 April 2024 resolved to recommend to Council as set out below:

ANNEXURES:

- A. Housing Company Tshwane - Summary of CVs
- B. Council Resolution 30 November 2023

RECOMMENDED:

That the recommended candidate, namely Mr. Mandla Sithole be considered by Mayoral Committee for recommendation to Council for appointment to the board of Housing Company Tshwane for a period of one (1) year.

SUMMARY OF CVs FOR THE APPOINTMENT OF NON-EXECUTIVE DIRECTORS FOR HOUSING COMPANY TSHWANE (HCT) 2023

Number	Name	Surname	Race	Gender	Qualifications / Skills	Board Membership	Key Skills
1	Bushang Jacques	Modipane	Black	Male	Qualifications: Post-graduate Diploma in Public Management/ Certificate in Public Management, Current Studies: Masters Degree in Public Management. Experience: CEO: Mpumalanga Tourism & Parks Agency, CEO: Mpumalanga House of Traditional Leaders, Dealer Principal: Nelspruit Peugeot (Malebo Motors Pty Ltd), and Member of Executive Council at Mpumalanga Provincial Government.	Currently: Member at Siyaxhubeka Forestry Previously: Mpumalanga Provincial House of Traditional Leaders, Mpumalanga Tourism & Parks Agency & Brand South Africa	Public Sector Management, served in various Public Sector Boards.
2	Seneke Cynthia	Sathekge-Latha	Black	Female	Qualifications: Masters in Public Administration/ MBA/ Post Grad in Business Administration/ BA/ Advanced Diploma in Management Certificates: Primary Teachers Certificate/ Professional Director. Current studies: PHDE Experience: Teaching, Public Sector Tutor- Tourism Development Specialist, Chief Operations Management, Public Policy Development, Banking, Head SME Credit Risk Currently: Owner of Sandwich Baron Franchise, MD of Thekganang Basadi Consulting	Currently: Chairperson of HOA Previously: Member at Absa Technology Finance Solution	Governance, Public Administration, Project Management, coaching & Mentoring SMEs.
3	Abram Nkemeleng	Thansa	Black	Male (Person with Disabilities)	Qualifications: Master of Laws/ B Juris/ BA(Hons) Labour Relations/ Bachelor of Laws/ LLB/ LLM Certificate: Labour Dispute Resolution Practice/ Mercantile Law Experience: Admitted Advocate/ Teaching/ Labour Law/ Labour Relations/Prosecuting Currently: Practicing Advocate at Gauteng Society of Advocates	Previously: Chairperson of Appeal board at Col/ Chairperson of Appeal Board at Department of Social Development Currently: Alternate Chairperson of Appeal Board at CoT/ Chairperson of Legal Practice Council DC Com.	Legal. Legal Analyst, State Prosecuting, Legal consultant, Labour Relations, Teaching

4	Mandla Patrick	Sithole	Black	Male	<p>Qualifications: Master of Public Administration/ BA/ BA Psychology & Education/ Post Diploma in Management</p> <p>Current Studies: PhD Certificates: Municipal financial Management/ Primary Teacher Certificate, Short Course: Management of Environment/ South Cooperation & Water Resource Management/ Trade Promotion for SA</p> <p>Experience: 32 years in Public Sector, Tourism & Economic Development, Research, Organizational Development, Team Building, Financial & Budgetary skills</p> <p>Previously: Director in the office of MMC for Transport in CoJ, Municipal Manager of Lekwa, COO at Destiny Village Pty Ltd, Strategic Executive Director Community Services Department at Newcastle Municipality, Project Manage/Consultant at PR Tsapa Trading cc, Executive Director Environment at Ekurhuleni Metropolitan Municipality, Deputy Executive Manager Economic and Tourism at Khyayalami Metro, Senior Tourism Development Officer</p> <p>Currently:</p>	None	Specialist in Environmental Sustainability, Public Policy Advisor, Project Management, Organizational Development, Specialist in Tourism & Economic Development. Governance and Performance Management
5	Rajendran Kenvin	Pillay	Indian	Male	<p>Qualifications: MBA/ BSc Civil Engineering/ BCom Hons/ Certificate: Construction Law/ Fellowship Admission Course. Experience: 33 years in multi-engineering, 12 years at eThekweni Municipality, 21 years in private consulting in large local company and large multi-national company. Governance in both public and private.</p> <p>Previously: MD at Glad Africa, COO at PDNA and CEO, Project Director, Engineer & Engineering Manager at Durban Water</p> <p>Currently: Senior Engineer & Project Manager at Freelance</p>	Previously: Chairperson of ECSA Advisory Committee, Chairperson of SAICE Water Engineering Division, Chairperson of CESA Legal Forum	Construction and Business Management Specialist, Engineering, Arbitrator, In-depth knowledge of construction disputes
6	Innocent Lebogang	Thakadu	Black	Male	<p>Qualifications: LLB/ Admitted Attorney/ Diploma in Fit & Turning</p> <p>Experience: Immigration Law, Deceased Estates, Wills & Trust, Commercial Litigation, MVA, Medical Negligence, Contracts, General Litigation Mining Law & Liquidation.</p> <p>Currently: Director at Thakadu (Lebo) Inc Attorneys</p>	None	Legal

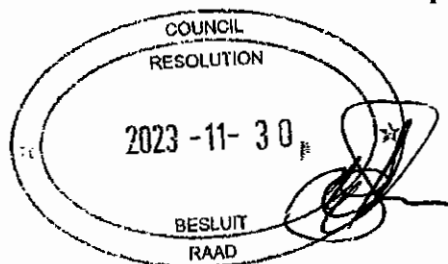
Reference no. 06351/1
Jordan Griffiths (1225)
COUNCIL: 30 November 2023

14. OFFICE OF THE EXECUTIVE MAYOR
FEEDBACK FROM THE SELECTION COMMITTEE FOR THE APPOINTMENT OF
HOUSING COMPANY TSHWANE NON-EXECUTIVE DIRECTORS
(From the Executive Committee: 15 November 2023 and the Mayoral
Committee: 22 November 2023)

The purpose of the report is to apprise the Mayoral Committee on the process followed by the Selection Committee and the outcomes thereof for the appointment of two additional Non-Executive Directors for Housing Company Tshwane.

(Remark:

At the Council meeting of 30 November 2023, the Executive Mayor in terms of Section 13(5) of the Rules and Orders withdrew this report from the agenda.)



Reference no. 73968/1
 Gareth Mnisi (1000)
 COUNCIL: 25 April 2024

8. GROUP FINANCIAL SERVICES DEPARTMENT
 DEVIATION FROM TENDER PROCESS FOR THE MONTH OF FEBRUARY 2024
 OF 2022/23 FYE
(From the Mayoral Committee: 17 April 2024)

1. PURPOSE

The purpose of the report is to provide information of deviations from procurement processes approved for February 2024 (2023/24 financial year).

2. STRATEGIC PRIORITIES

- A business-friendly city that promotes employment and economic growth;
- Modernisation and digitisation of city processes; and
- A professional public service that drives accountability and transparency.

3. BACKGROUND

Deviations from the official supply chain process are recommended by Bid Adjudication Committee and approved by the Accounting Officer.

In terms of Section 38 of the reviewed Supply Chain Management Policy approved by Council on 31 May 2023, the Accounting Officer dispense with the official procurement process established by this policy and procure any required goods or services through any convenient process which include direct negotiations. The policy reads as follows:

- (a) Dispense with the official procurement process established by this policy and procure any required goods or services through any convenient process which include direct negotiations-
 - i. In an emergency;
 - ii. Where it can be demonstrated that only one service provider can supply a particular service then a contract can be awarded by the accounting officer to that service provider subject to approval by the Bid Adjudication Committee;
 - iii. For the acquisition of special works or art or historical objects where specifications are difficult to compile;
 - iv. Acquisition of animals for zoos and/or nature; or
 - v. In any other exceptional case where it is impractical or impossible to follow the official procurement processes;
- (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers of duties, which are purely of a technical nature."

Delegations on deviations

By the directive of the City Manager, all deviations, irrespective of the amounts involved, are considered, and recommended by the Bid Adjudication Committee appointed by the Accounting Officer and approved by The Accounting Officer.

4. DISCUSSION

There were no deviations approved for the month of February 2024.

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

The purpose of this report is to inform the Executive Committee of deviations from procurement processes approved for February of 2023/24 financial year.

Note is taken that no deviations were approved for the month of February 2023.

5.2 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of this report is to inform the Executive Committee of deviations from procurement processes approved for February 2024 (2023/24 financial year).

In terms of Section 11(3) (a) (f) & (n) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as the “MSA”), a municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, providing municipal services to the local community, or appointing appropriate service providers in accordance with the criteria and process set out in Section 78 and doing anything else within its legislative and executive competence.

Regulation 6(1) of the Supply Chain Management Regulation published under the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter referred to as “MFMA”) provides that, the Council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy and the accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity as required by Regulation 6(3) of the Act.

In accordance with Regulation 36(1) of the Supply Chain Management Regulations published under the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter referred to as “MFMA”) read with Clause 38 of the Supply Chain Management Policy 2023 Incorporating 2022 Preferential Procurement approved by Council on 31 May 2023, The Accounting Officer is allowed to dispense with the official procurement processes established by the policy-

- (a) To procure any required goods or services through any convenient process, which may include direct negotiations, but only-
 - (i) In an emergency;
 - (ii) If such goods or services are produced or available from a single provider only;
 - (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) Acquisition for animals for zoos; or
 - (v) In any other exceptional cases where it is impractical or impossible to follow the official procurement processes;
- (b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

Regulation 36(2) the Supply Chain Management Regulation published under the MFMA further stipulates that, The Accounting Officer must record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity and include as a note to the annual financial statements.

Furthermore, note should be taken of Circular 34 of 2022 dated 14th September 2022 which provides that all requests for approval to deviate from normal supply chain management processes in terms of Regulation 36 of the MFMA, must be submitted to the Bid Adjudication Committee (BAC) for approval. Such an application must be accompanied by a report as contemplated in s32(2)(b) MFMA. The BAC will then submit the report together with the requested deviation to the City Manager for approval.

Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal and Secretariat Services Department support the approval of the report and the recommendations.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

Not applicable.

6.2 FINANCES

Not applicable.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

Not applicable.

6.4 COMMUNICATION

Not applicable.

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

Not applicable.

7. CONCLUSION

Not applicable.

The Mayoral Committee on 17 April 2024 resolved to recommend to Council as set out below:

RECOMMENDED:

That cognisance that there were no deviations approved for the month of February 2024 regarding deviations as a note to the financial statement be taken.

Reference no. 25873/1
 Gareth Mnisi (1000)
 COUNCIL: 25 April 2024

9. GROUP FINANCIAL SERVICES DEPARTMENT
 LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003) IN-YEAR FINANCIAL REPORT (MONTHLY AND QUARTERLY BUDGET STATEMENT) FOR THE PERIOD ENDING 31 MARCH 2024
(From the Mayoral Committee: 17 April 2024)

1. PURPOSE

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 March 2024, in compliance with Section 71 and 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

2. STRATEGIC PRIORITIES

- Provide stringent financial management and oversight.

3. BACKGROUND

Section 52(d) of the MFMA stipulates that “the mayor of a municipality – must, within 30 days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of the municipality.

Section 71 of the MFMA, as well as the Municipal Budget and Reporting Regulations, require that specific financial particulars on the implementation of the budget be reported in the format prescribed in order to meet legislative compliance.

Section 71(1) 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 provincial treasury a statement in the prescribed format on the state of the municipality’s budget”.

The ten working days for the reporting period ended 31 March 2024 end on 15 April 2024.

The City upgraded its core financial system, SAP ECC6 to SAP S/4Hana Light Digital Core. The planned go-live with the SAP S/4Hana Light Digital Core system was 17 July 2023. The SAP S/4Hana Light Digital Core system went live on 21 July 2023. This was, however, a soft go-live meaning the system was only available for the team of ICT consultants to run further tests and finetuning. With the challenges experienced, the system only became available for departments to process transactions from 3 August 2023.

The City is currently experiencing transitional challenges that are typical to a new system implementation ranging from the capturing of transactions to producing financial reports that also entails the cost containment measures. A change management process involving training and hands-on user support is ongoing.

Reporting requirements

Municipalities are required to submit budget, IDP projects, actual monthly financial transactions, debtors and creditors age analysis, borrowing and investments, and conditional grant expenditure information in the form of data strings that must contain six of the regulated seven mSCOA segments, to National Treasury.

A data string is a list of all budget items, projects and financial transactions classified in terms of mSCOA segments. National Treasury require these to be generated by an mSCOA compliant core financial system. The City does not have an mSCOA compliant system and therefore developed an interim solution to generate data strings for submission to National Treasury in compliance with the mSCOA regulation.

The interim solution was gradually developed but cannot produce data strings that are completely free of errors because it is a manual process that is trying to perform intricate operations that a financial system is supposed to perform. The challenge to generate a data string in this manner is further complicated whenever National Treasury introduces changes to the chart of accounts and additional measures to improve data quality.

In the absence of an mSCOA system, the City compiles the budget and transacts in only two of the mSCOA segments and convert these into the six required mSCOA segments for the generation of the data strings. The conversion is a complex process of combining systems generated information and manual alignment.

The process before the migration to SAP4hana involved extracting standard SAP reports (detailed budget performance reports per department). These are circulated to the departments to provide reasons for budget deviations. The reports are imported into the excel files and consolidated into the National Treasury schedule C format which is used for preparation of the section 71 reports. There should always be an alignment between datastrings and the section 71 report.

For the first nine months of the 2023/24 financial year, the City was not able to extract the basic reports from SAP4hana since the reports are still in process under development. Progress has been made and during April, reports were made available to departments for training and validation. Training will continue until 30 April 2024.

Work around for submission of datastring

The City is currently experiencing transitional challenges following the implementation of the SAP S4 Hana system and extracting financial transactions for reporting is proving to be a major challenge. In the old system various standard SAP reports existed to enable extraction of transactional data for analysis and reporting, however, the development of these standard performance against budgets reports are still being developed by SAP S/4Hana team of consultants.

The S4 Hana system has a functionality called Embedded Analytics that could be used to extract financial data. However, this functionality was tested, and it was found that it is still not able to provide financial information at the level required for in-depth analysis required for the Section 71 reporting as there is no structure and hierarchies. Group Financial Services and Shared Services together with the SAP S/4 Hana consultants identified a work-around mechanism.

This process involves manual extraction of data from the old system (revenue and payroll functionality still there) and combining it with data from the new system to produce reporting data. This process also has its challenges and the ICT consultants together with business are working on resolving the integration process daily to ensure that revenue and payroll information in both systems are properly synchronised.

Progress has been made to address the following gaps that were identified:

- Assets Migration;
- Hybrid Approach. (Revenue and Payroll still in the old SAP environment transactions updated on the S4hanna);
- Depreciation runs;
- Material issues and stores;
- Bank transactions; and
- VAT Runs.

It should also be noted that some of the corrective steps could only be processed on SAP in the period that the transactions should have been done in. Transactions such as Depreciation runs, and VAT finalisations cannot be done any other way and thus necessitated the reopening of the closed period.

Data strings were submitted on the 10th working day to comply with one of the criteria for the release of the Equitable share.

4. DISCUSSION

On May 23, 2023, Council approved the Medium-Term Revenue and Expenditure Framework for the 2023/24 financial year and on the 31 March 2024 approved the Adjustment budget.

The attached in-year report (Annexure A) provides a high-level analysis as of 31 March 2024 in the prescribed format. This report will make a brief mention of material deviations.

The following table summarises the financial performance as at 31 March 2024:

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: MARCH 2024						
Description	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance
	R'000	R'000	R'000	R'000	R'000	%
Total Revenue(Excluding Capital Transfers)	44,704,931	45,094,495	33,767,124	35,169,954	(1,402,831)	-4%
Total Expenditure	44,617,378	45,067,678	28,110,681	32,785,379	(4,674,698)	-14%
Surplus /Deficit	87,553	26,817	5,656,443	2,384,576		

The following table shows expenditure for the previous financial year, 2022/23:

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: MARCH 2023						
Description	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance
	R'000	R'000	R'000	R'000	R'000	%
Total Revenue(Excluding Capital Transfers)	42,151,840	-	31,059,579	32,227,098	(1,167,519)	-4%
Total Expenditure	42,148,532	-	26,937,049	32,293,401	(5,356,352)	-17%
Surplus /Deficit	3,308	-	4,122,530	(66,303)		

The actual operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R1,4 billion against the year-to-date (YTD) budget for the period ended 31 March 2024.

The operating expenditure is underspent by R4,7 billion, which is 14% less than the YTD budget. An accounting surplus of R5,7 billion is reflected.

Consolidated summary – Capital expenditure, 31 March 2024:

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 31 MARCH 2024							
Description	Adjusted Budget 2023/24	YTD Budget	YTD Actual	Commitments	YTD Actual + Committed	YTD Variance	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	%
Expenditure	2,112,614	1,122,345	791,676	278,279	1,069,955	(330,669)	37.5%
TOTAL Capital Financing	2,112,614	1,122,345	791,676	278,279	1,069,955	(330,669)	37.5%

The total capital expenditure for the period is R791,7 million.

The cash, cash equivalent and investments as at 31 March 2024 amounted to R2,1 billion including the unspent grant

INTERDEPARTMENTAL AND CLUSTER IMPACT

The Mayoral Committee will be provided with a monthly financial management report that contains comprehensive detail on the variance against the budget per cluster.

COMPLIANCE WITH THE MUNICIPAL STANDARD CHART OF ACCOUNTS

The primary objective of the Municipal Standard Chart of Accounts (mSCOA) regulation is to achieve uniformity across all local governments (municipalities and municipal entities).

The City is currently migrating from the old system to an mSCOA-compliant system for transacting. The migration from the old SAP ECC6 system to the new SAP S4 Hana system is in process and there are gaps in the transactional data because the automated reporting process is not yet fully functional.

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

There are no financial implications emanating as a result of this report for the City of Tshwane as the purpose of this report is to presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 March 2024, in compliance with Section 71 and 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

5.2 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 March 2024, in compliance with Section 71 and 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

Section 11 (3) (a) (k) & (n) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as the “MSA”) provides that, a municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, establishing and implementing performance management systems and also by doing anything else within its legislative and executive competence.

In terms of Section 52 (d) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter referred to as “MFMA”), the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

In accordance with section 71 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter referred to as “MFMA”), 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 provincial treasury a statement in the prescribed format on the state of the municipality’s budget reflecting all the required particulars for that month and for the financial year up to end of that month.

Section 72 (1) of the MFMA states that, the accounting officer of a municipality must by 25 January of each year- (a) assess the performance of the municipality during the first half of the financial year, taking into account—

- i. the monthly statements referred to in section 71 for the first half of the financial year;
- ii. the municipality’s service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- iii. the past year’s annual report, and progress on resolving problems identified in the annual report; and
- iv. the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to—

- (i) the mayor of the municipality;

- (ii) the National Treasury; and
- (iii) the relevant provincial treasury.

This report is in compliance with the provisions of Regulation 13 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 published in terms of the “MSA” and the Performance Management Policy and Procedure developed by the City of Tshwane (dated 28 August 2008), whereby the purpose of reporting or giving feedback is to assist in monitoring, which aims to provide Managers, decision makers and other stakeholders with a regular feedback on the progress made with implementation so that corrective measures may be put in place, where necessary.

Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal and Secretariat Services Department supports the approval of the report and the recommendations.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

There are no human resources implications for the purposes of this report.

6.2 FINANCES

This report outlines the financial performance against the approved budget of the City for the 2023/24 financial year for the period ended 31 March 2024. The report is tabled in compliance with Section 71 and 52(d) of the MFMA and has no additional financial implications for the City.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

This report must be approved in compliance with the legislative requirements of Section 71 and 52(d) of the MFMA and National Treasury Regulation GG 32141 of 17 April 2009.

6.4 COMMUNICATION

In compliance with the legislative requirements of Section 71 and 52(d) of the MFMA, this document is provided to all stakeholders by placing it on the City of Tshwane public website.

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

There are no previous Mayoral Committee resolutions relevant to this report.

7. CONCLUSION

This report meets the MFMA requirement for the Executive Mayor to receive a Section 71 “monthly budget statement” within ten working days after the end of the month and in compliance with Section 71 and 52(d) of the MFMA.

The operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R1,4 billion against the YTD budget for the period ended 31 March 2024.

- Cash flow
 - The cash and cash equivalent as at 31 March 2024 amounted to R1,3 billion.

Section 135 of the MFMA states the following:

1. *The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself.*
2. *A municipality must meet its financial commitments.*
3. *If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately–*
 - a. *seek solutions for the problem;*
 - b. *notify the MEC for local government and the MEC for finance in the province; and*
 - c. *notify organised local government.*

Section 54(2) of the MFMA states the following:

(2) If the municipality faces any serious financial problems, the mayor must–

- (a) *promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include–*
 - (i) *steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;*
 - (ii) *the tabling of an adjustments budget; or*
 - (iii) *steps in terms of Chapter 13; and*
- (b) *alert the council and MEC for local government in the province to those problems.*

In compliance with Section 54(2)(a), the following initiatives to improve the City's financial challenges are being implemented:

- Tshwane ya Tima campaign; and
- Financial Recovery Plan.

The City has a Financial Recovery Plan that was approved by the Council on 27 May 2021 and has been implemented since. Progress has been slow, and so far, had no great impact in ensuring that the City's financial position is driven to a positive liquidity status. This plan is currently being reviewed with emphasis on initiatives to enhance revenue collection and contain expenditure over the medium term and beyond.

- Funding Plan

In addition, the City also have a budget Funding Plan whose purpose is to provide a response/remedy to the City's unfunded budget position. This plan considers the 2023/24 budget year and the two outer years of the Medium-Term Revenue and Expenditure Framework (MTREF). The budget Funding Plan complement the Financial Recovery Plan and provide fiscal management tools to among other things rebase the budget and improve the City's cash position.

- Revenue Management strategy

The revenue management strategy recognizes that effective revenue management and the collection of outstanding debt requires a collective effort between various directorates in the City. The strategy focuses on improving coordination across the various departments within the revenue value chain. This includes the institutionalisation of the revenue war room which will monitor specific performance indicators that seeks to ensure completeness and improved collection of revenue.

The Mayoral Committee on 17 April 2024 resolved to recommend to Council as set out below:

ANNEXURE:

- A. In-year report dated 31 March 2024 in terms of *Government Gazette 32141* of 17 April 2009
- B. Comments of the Stakeholder Departments In-Year Financial Report 31 March 2024

RECOMMENDED:

1. That the report be noted, in compliance with Section 71 and 52(d) of the Municipal Finance Management Act (MFMA), as well as the municipal budget and reporting regulations;
2. That the financial performance for the period ended 31 March 2024, as contained in Annexure A, be noted and Council note reporting challenges due to implementation of the new system; and
3. That this report be submitted to the National Treasury and Gauteng Provincial Treasury.



IN-YEAR REPORT

BUDGET YEAR: 2023/24

REPORTING PERIOD: M09 MARCH 2024



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PART 1: IN-YEAR REPORT

1.1 City Manager's report

On May 23, 2023, Council approved the Medium-Term Revenue and Expenditure Framework for the 2023/24 financial year and on the 31 March 2024 approved the Adjustment budget. This gives effect to the financial plan of the City of Tshwane, including its two municipal entities.

The City of Tshwane aims to act in accordance with the principles of good governance, transparency and stewardship of public resources.

1.2 Recommended

That it be recommended:

1. That the report be noted, in compliance with Section 71 and 52(d) of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 31 March 2024, as contained in Annexure A, be noted and Council note reporting challenges due to implementation of the new system.
3. That this report be submitted to the National Treasury and Gauteng Provincial Treasury.

1.3 Executive summary

The financial results for the City of Tshwane for the period ended 31 March 2024 are summarised as follows:

Consolidated monthly budget statement – summary

The summary of the consolidated monthly budget statement as reflected in Table C4 provides the following information:

- Under recovery on revenue of R1,4 billion
- Underspending on expenditure of R4,7 billion

The total revenue excludes capital transfers and contributions.

Table C6 highlights the summary of capital expenditure.

Table C7 highlights the cash and cash equivalents.

Table C4: Consolidated monthly budget statement – financial performance (revenue and expenditure)

TSH City Of Tshwane - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March								
Description	Budget Year 2023/24							
	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	16,642,839	16,448,583	1,352,515	11,541,587	12,336,437	(794,851)	-6%	16,448,583
Service charges - Water	5,698,207	5,598,207	443,145	4,010,812	4,198,655	(187,844)	-4%	5,598,207
Service charges - Waste Water Management	1,714,501	1,814,501	134,457	1,305,188	1,360,876	(55,688)	-4%	1,814,501
Service charges - Waste management	1,810,370	1,910,381	155,534	1,512,516	1,432,786	79,730	6%	1,910,381
Sale of Goods and Rendering of Services	450,542	516,184	24,326	153,758	387,138	(233,380)	-60%	516,184
Interest earned from Receivables	558,059	857,636	102,385	833,212	643,227	189,985	30%	857,636
Interest from Current and Non Current Assets	55,048	58,370	80,819	91,875	43,777	48,098	110%	58,370
Rental from Fixed Assets	203,700	162,813	8,094	35,506	122,110	(86,604)	-71%	162,813
Licence and permits	43,619	39,400	3,641	29,539	29,550	(10)	0%	39,400
Operational Revenue	510,097	544,388	40,719	330,928	408,291	(77,363)	-19%	544,388
Non-Exchange Revenue								
Property rates	9,627,156	9,627,156	793,399	7,150,621	7,220,367	(69,746)	-1%	9,627,156
Fines, penalties and forfeits	291,997	292,024	196	102,164	219,018	(116,854)	-53%	292,024
Transfers and subsidies - Operational	5,112,620	5,038,676	1,072,955	4,437,047	4,721,006	(283,959)	-6%	5,038,676
Interest	357,835	557,835	73,101	604,033	418,376	185,656	44%	557,835
Fuel Levy	1,628,341	1,628,341	542,780	1,628,340	1,628,340	-	-	1,628,341
Total Revenue (excluding capital transfers and contributions)	44,704,931	45,094,495	4,828,065	33,767,124	35,169,954	(1,402,831)	-4%	45,094,495
Expenditure By Type								
Employee related costs	12,640,899	12,614,038	862,482	8,298,604	9,577,706	(1,279,102)	-13%	12,614,038
Remuneration of councillors	153,863	154,005	11,182	99,938	115,503	(15,565)	-13%	154,005
Bulk purchases - electricity	14,377,613	14,009,613	935,051	8,815,619	9,943,346	(1,127,728)	-11%	14,009,613
Inventory consumed	4,428,174	4,321,772	86,061	2,755,490	3,241,329	(485,839)	-15%	4,321,772
Debt impairment	3,073,621	3,073,621	626,270	2,617,389	2,617,389	-	-	3,073,621
Depreciation and amortisation	2,911,921	2,913,063	195,653	1,781,475	2,184,798	(403,323)	-18%	2,913,063
Interest	1,498,589	1,714,825	703,071	716,873	405,252	311,621	77%	1,714,825
Contracted services	3,776,939	4,409,882	104,832	2,385,750	3,307,412	(921,662)	-28%	4,409,882
Transfers and subsidies	9,683	9,433	-	84,176	7,075	77,101	1090%	9,433
Irrecoverable debts written off	1,563	8,599	-	-	6,449	(6,449)	-100%	8,599
Operational costs	1,744,464	1,838,778	105,132	555,368	1,379,084	(823,715)	-60%	1,838,778
Losses on Disposal of Assets	48	48	-	-	36	-	-	48
Total Expenditure	44,617,378	45,067,678	3,629,734	28,110,681	32,785,379	(4,674,661)	-14%	45,067,678
Surplus/(Deficit)	87,553	26,817	1,198,331	5,656,443	2,384,576	3,271,831		26,817
Transfers and subsidies - capital (monetary allocations)	2,010,940	1,763,718	137,246	651,451	1,322,788	(671,337)	-51%	1,763,718
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2,098,493	1,790,534	1,335,576	6,307,894	3,707,364	2,600,493		1,790,534
Income Tax	529	529	-	-	397	-	-	529
Surplus/(Deficit) after income tax	2,097,964	1,790,005	1,335,576	6,307,894	3,706,967	2,600,493		1,790,005
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	2,097,964	1,790,005	1,335,576	6,307,894	3,706,967	2,600,493		1,790,005
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2,097,964	1,790,005	1,335,576	6,307,894	3,706,967	2,600,493		1,790,005

The actual revenue amounts to R33,8 billion and reflects an unfavourable variance of R1,4 billion against the YTD budget.

The YTD variance on revenue is mainly due to:

- **Service Charges - Electricity (R795 million unfavourable):** The under recovery on revenue for electricity is partly due to a drop in consumption which contributed to R212,5 million of the variance.

- Service Charges - Water (R188 million unfavourable): Under recovery is mainly on Water Fees, Sanitation Charges and Cross-Border Bulk Water.
- Service Charges - Waste Management (80 million favourable): Over recovery is mainly on Landfill sites.
- Sale of good and rendering of services (R233,4 million unfavourable) The under recovery is mainly on Admission fees and Transport Fees.
- Interests earned from receivables (R190 million favourable): Due to interest earned on arrears debtors.
- Rental from fixed Assets (R86,6 million unfavourable): The under recovery is due to the delays in the allocation of revenue, through processing of journals on the SAP4HANA system.
- Property Rates (R69,7 million unfavourable): Due to supplementary valuations for category changes, rezonings, newly proclaimed sectional title units and new townships.
- Fines, penalties and forfeits (R117 million unfavourable): The under recovery is mainly on AARTO, due to the delays in the allocation of revenue, through processing of journals on the SAP4HANA system.
- Transfers and subsidies operational (R284 million unfavourable): Mainly on PTNG, NDPG and PPPSG funded projects.
- Other revenue streams are under the budget for the period. The trend will be closely monitored to establish the route cause. It is not possible to drill into each line item due to non-availability of reports on SAP4hanna.

The actual expenditure amounts to R28,1 billion and indicates an underspending variance of R4,7 billion or 14% against the YTD budget of R32,8 billion.

- Employee related cost (R1,3 billion under budget): The main items contributing to the variance are service bonus, pension and provident Fund and provision for leave payments.
- Bulk purchases (R1,1 billion under budget): Due to the 2,1 % decline on the demand which equates to 136 547 124 kWh when comparing the 2022/23 and 2023/24 financial years (period 1 to 9) respectively. Furthermore, invoice for March was not processed.
- Inventory Consumed (R486 million under budget): The underspending is mainly on Consumables, Bulk Water, Chemicals, Petrol and Diesel Fuel.
- Depreciation (R403 million under budget): Due to misalignment in projections and catchup depreciation posting processed from July 2023 to March 2024.
- Interest on loan expenditure reflects over performance of R311 million due to misalignment in projections on payments of long term loans
- Contracted Services (R921 million under budget): The underspending is mainly due to the following items:
 - Electricity Connections and Disconnections
 - Household Refuse Removal: Private Sector
 - Tanker Water Services Informal Settlements
 - Rudimentary Services
 - Project Management
 - Research and Advisory
 - Other Maintenance of Buildings and Facilities
 - Grounds
 - Waste Water Purifications

- Operational Costs (R824 million): The underspending is mainly due to the following items:
 - Machinery and Equipment
 - Leased Vehicle VAT
 - Building Rentals
 - Management Fee
 - Uniform and Protective Clothing
 - Compensation Commissioner (IOD)

Summary of capital expenditure

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 31 MARCH 2024							
Description	Adjusted Budget 2023/24	YTD Budget	YTD Actual	Commitments	YTD Actual + Committed	YTD Variance	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	%
Expenditure	2,112,614	1,122,345	791,676	278,279	1,069,955	(330,669)	37.5%
TOTAL Capital Financing	2,112,614	1,122,345	791,676	278,279	1,069,955	(330,669)	37.5%

The total capital expenditure for the period is R791,7 million.

Chart C1: 2023/24 Capital expenditure (monthly trend: actual versus target)

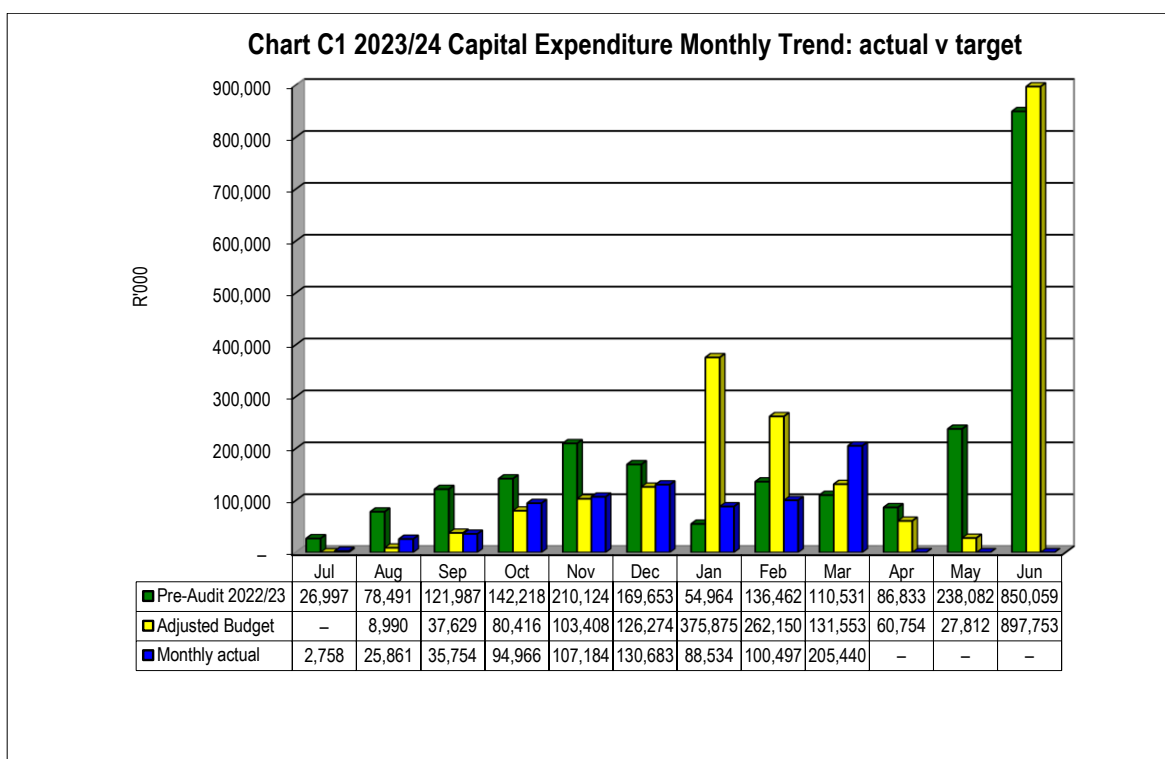
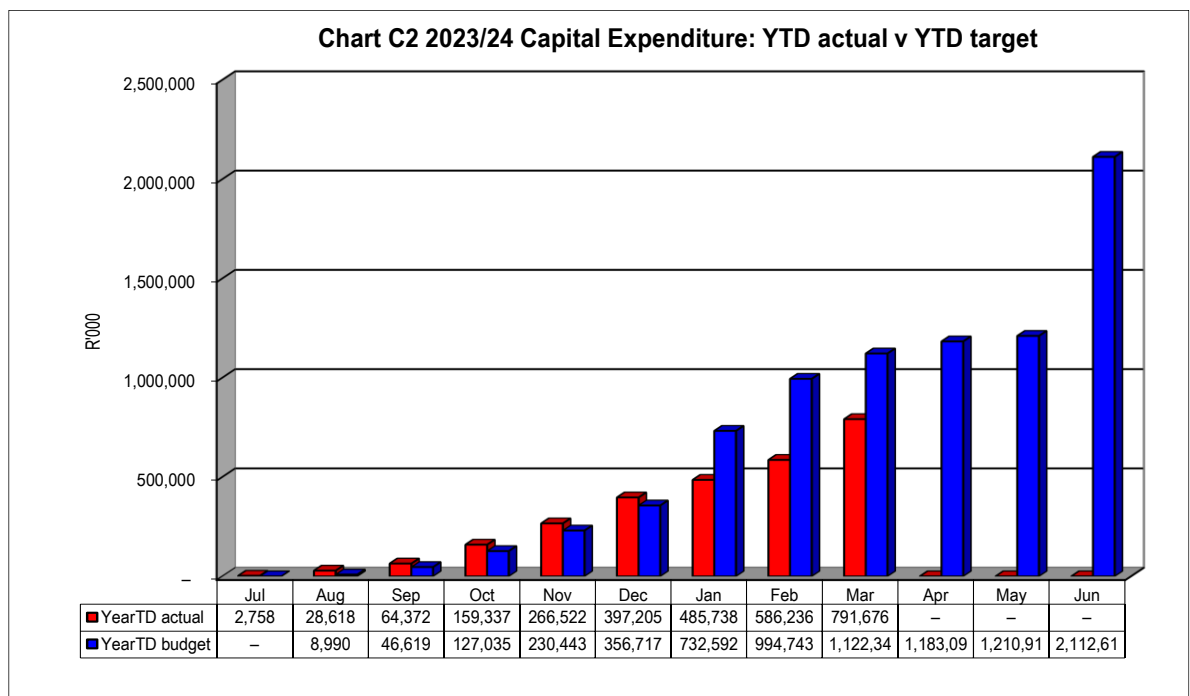


Chart C2: 2023/24 Capital expenditure (YTD actual versus YTD target)



Cash flow

Table C1 show the cash flow of the City of Tshwane, which shows the following:

- Cash and cash equivalents total R1,3 billion as of 31 March 2024.
- The cash flow from operating activities is R2,2 billion positive.
- The cash flow from investing activities is R872 million.
- The cash flow from financing activities is R279 million.

Outstanding Debtors

Debtors' age analysis

The debtors' report, as shown in Tables C1 and SC3, was prepared in accordance with the format required for electronic filing with the National Treasury. This format includes both an extended age analysis and an age analysis by debtor type.

It also compares the results of this month to the same period in the previous financial year.

Chart C3 depicts the aged consumer debtors and reflects a collection problem pertaining to debtors older than one year.

An amount of R16,3 billion is outstanding in this category, compared to R12,8 billion in the 2022/23 financial year. The total debtors are at R25,2 billion.

Chart C3: Aged consumer debtors' analysis

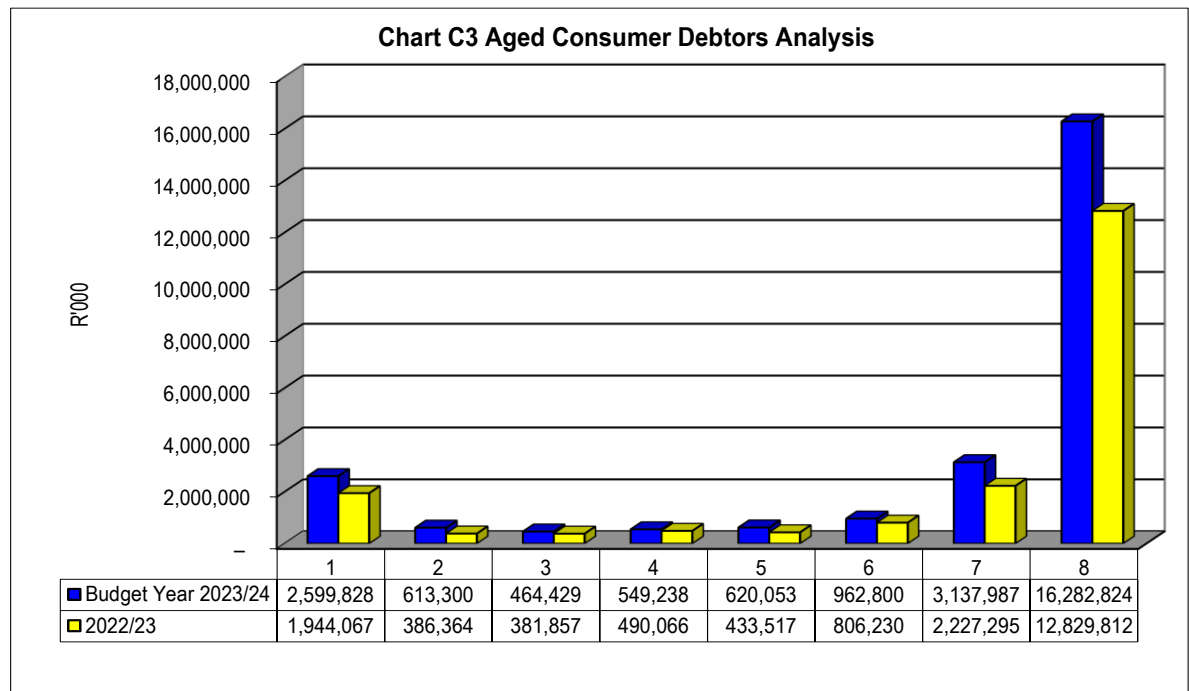
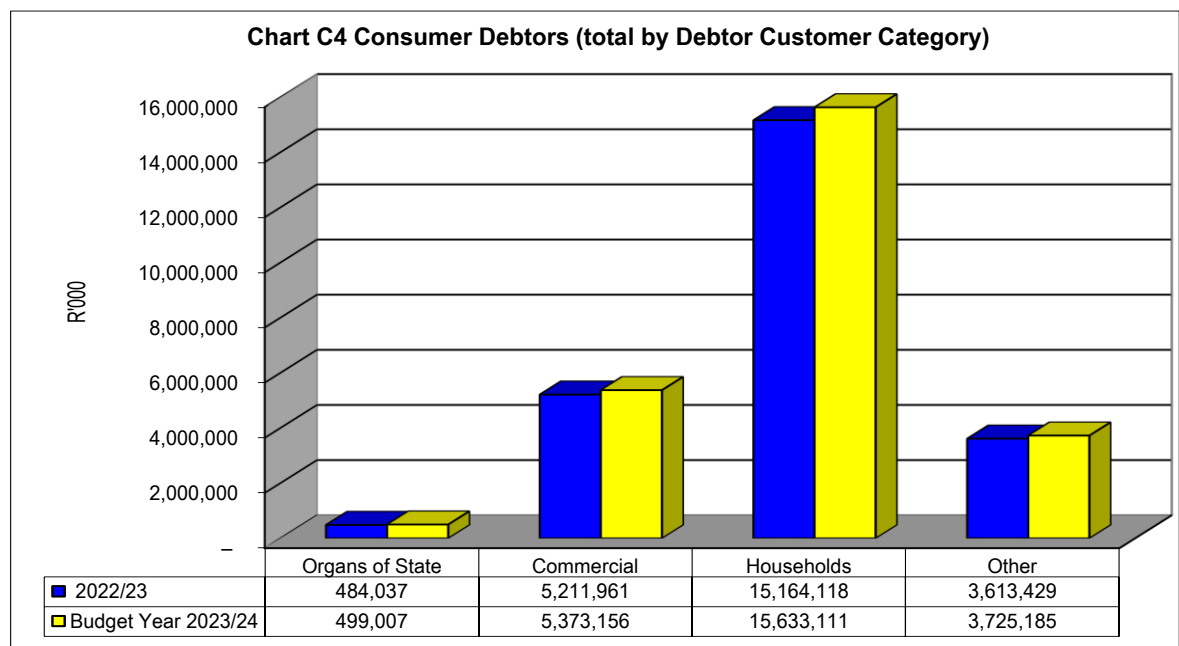


Chart C4 shows that the increase in the customer category is attributable to households, which reflects an increase of R469 million compared to the previous financial year.

Chart C4: Consumer debtors by customer category

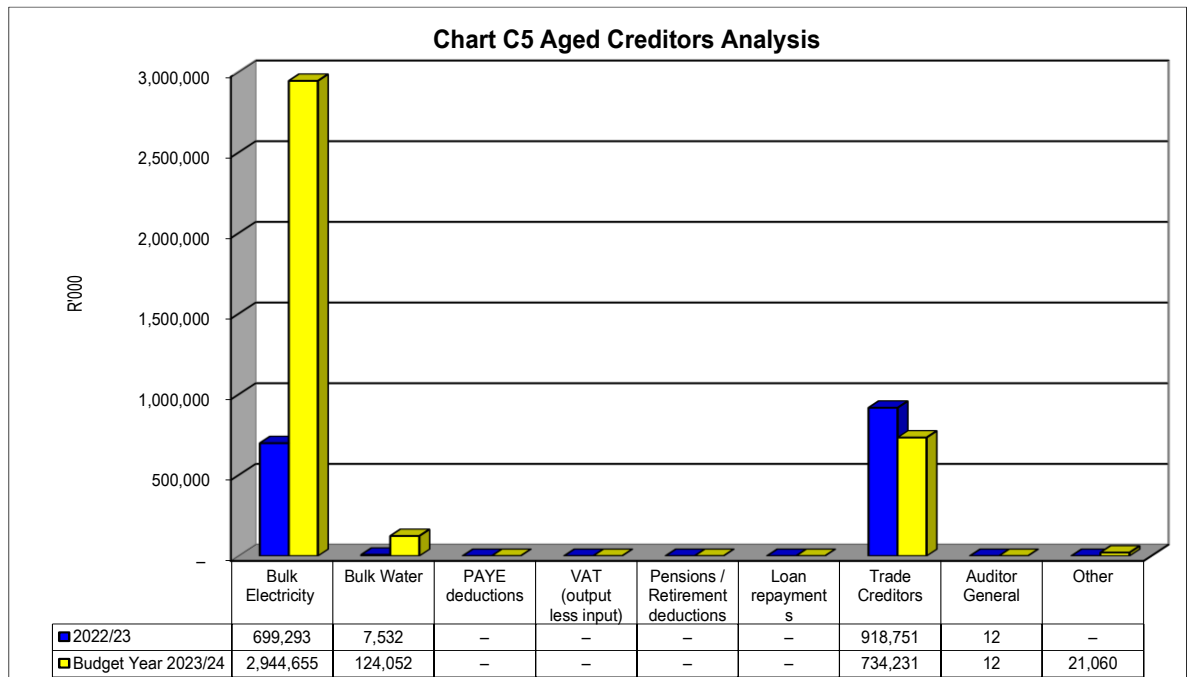


Creditors' age analysis

Tables C1 and SC4 provide a more detailed age breakdown by creditor type.

The chart compares this month's results to the same month the previous financial year, and it shows the aged creditors by category.

Chart C5: Aged creditors' analysis



Investment portfolio analysis (Table SC5)

Table SC5 displays an investment portfolio analysis that includes the institution where funds are invested, the period of investment, the type of investment, and the accrued interest for the month. At the end of the month, the market value was R2,1 billion.

Allocation of grant receipts, expenditure and approved rollovers (Tables SC6, SC7(1) and SC7(2))

Table SC6 contains information on transfers and grant receipts for operating and capital expenditure. Receipts from national, provincial and other grant providers are also shown.

The total adjusted budget is R6,8 billion, with R6,6 billion received during the period. A variance of R98 million is reflected, mainly due to outstanding transfers on the National Grants.

Grant spending for the period amounts to R5,2 billion against a year to date budget of R5,7 billion.

The approved rollovers amount to R13,5 million and spending amounts to R1,4 million as at 31 March 2024.

Summary of municipal entities (Table SC11)

The City of Tshwane has two municipal entities, as indicated in Table SC11:

- Housing Company Tshwane (HCT)
- Tshwane Economic Development Agency (TEDA)

This table summarises the revenue, operating expenditure and capital expenditure of these entities.

1.4 In-year budget statement tables

Tables below show the financial results for the period ended 31 March 2024.

(a) Table C1: Consolidated monthly budget statement – Summary

TSH City Of Tshwane - Table C1 Consolidated Monthly Budget Statement Summary - M09 March

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	9,627,156	9,627,156	793,399	7,150,621	7,220,367	(69,746)	-1%	9,627,156
Service charges	25,865,917	25,771,672	2,085,652	18,370,101	19,328,754	(958,653)	-5%	25,771,672
Investment revenue	55,048	58,370	80,819	91,875	43,777	48,098	110%	55,048
Transfers and subsidies - Operational	5,112,620	5,038,676	1,072,955	4,437,047	4,721,006	(283,959)	-6%	5,112,620
Other own revenue	4,044,190	4,598,621	795,241	3,717,480	3,856,050	(138,570)	-4%	4,044,190
Total Revenue (excluding capital transfers and contributions)	44,704,931	45,094,495	4,828,065	33,767,124	35,169,954	(1,402,831)	-4%	45,094,495
Employee costs	12,640,899	12,614,038	862,482	8,298,604	9,577,706	(1,279,102)	-13%	12,614,038
Remuneration of Councillors	153,863	154,005	11,182	99,938	115,503	(15,565)	-13%	154,005
Depreciation and amortisation	2,911,921	2,913,063	195,653	1,781,475	2,184,798	(403,323)	-18%	2,913,063
Interest	1,498,589	1,714,825	703,071	716,873	405,252	311,621	77%	1,714,825
Inventory consumed and bulk purchases	18,805,787	18,331,386	1,021,112	11,571,108	13,184,676	(1,613,567)	-12%	18,331,386
Transfers and subsidies	9,683	9,433	–	84,176	7,075	77,101	1090%	9,433
Other expenditure	8,596,636	9,330,928	836,235	5,558,507	7,310,370	(1,751,862)	-24%	9,330,928
Total Expenditure	44,617,378	45,067,678	3,629,734	28,110,681	32,785,379	(4,674,698)	-14%	45,067,678
Surplus/(Deficit)	87,553	26,817	1,198,331	5,656,443	2,384,576	3,271,867	137%	26,817
Transfers and subsidies - capital (monetary allocations)	2,010,940	1,763,718	137,246	651,451	1,322,788	(671,337)	-51%	1,763,718
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2,098,493	1,790,534	1,335,576	6,307,894	3,707,364	2,600,530	70%	1,790,534
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	2,098,493	1,790,534	1,335,576	6,307,894	3,707,364	2,600,530	70%	1,790,534
Capital expenditure & funds sources								
Capital expenditure	2,347,687	2,112,614	205,440	791,676	1,122,345	(330,669)	-29%	2,112,614
Capital transfers recognised	2,010,940	1,765,718	157,333	708,308	973,935	(265,626)	-27%	1,765,718
Borrowing	–	–	–	–	–	–	–	–
Internally generated funds	336,746	346,896	48,107	83,368	148,411	(65,043)	-44%	346,896
Total sources of capital funds	2,347,687	2,112,614	205,440	791,676	1,122,345	(330,669)	-29%	2,112,614
Financial position								
Total current assets	10,628,318	9,582,030		12,866,729				9,582,030
Total non current assets	57,778,710	58,979,471		56,430,517				58,979,471
Total current liabilities	14,244,890	16,784,666		16,532,776				16,784,666
Total non current liabilities	14,341,413	16,287,141		14,738,036				16,287,141
Community wealth/Equity	39,820,724	35,489,693		38,026,434				35,489,693
Cash flows								
Net cash from (used) operating	3,179,623	2,793,436	–	2,174,671	1,726,233	(448,438)	-26%	2,793,436
Net cash from (used) investing	(2,712,607)	(2,112,713)	–	(872,034)	(1,284,535)	(412,501)	32%	(2,112,713)
Net cash from (used) financing	(382,913)	(382,898)	–	(278,698)	(287,174)	(8,475)	–	(382,898)
Cash/cash equivalents at the month/year end	695,581	909,303	–	1,345,140	778,436	(566,704)	-73%	909,303
Debtors & creditors analysis	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	613,300	464,429	549,238	620,053	962,800	3,137,987	16,282,824	25,230,459
Creditors Age Analysis								
Total Creditors	774,467	102,644	1,066,058	351,769	–	–	–	3,824,010

(b) **Table C4: Consolidated monthly budget statement – Financial performance (revenue and expenditure)**

TSH City Of Tshwane - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March								
Description	Budget Year 2023/24							
	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	16,642,839	16,448,583	1,352,515	11,541,587	12,336,437	(794,851)	-6%	16,448,583
Service charges - Water	5,698,207	5,598,207	443,145	4,010,812	4,198,655	(187,844)	-4%	5,598,207
Service charges - Waste Water Management	1,714,501	1,814,501	134,457	1,305,188	1,360,876	(55,688)	-4%	1,814,501
Service charges - Waste management	1,810,370	1,910,381	155,534	1,512,516	1,432,786	79,730	6%	1,910,381
Sale of Goods and Rendering of Services	450,542	516,184	24,326	153,758	387,138	(233,380)	-60%	516,184
Interest earned from Receivables	558,059	857,636	102,385	833,212	643,227	189,985	30%	857,636
Interest from Current and Non Current Assets	55,048	58,370	80,819	91,875	43,777	48,098	110%	58,370
Rental from Fixed Assets	203,700	162,813	8,094	35,506	122,110	(86,604)	-71%	162,813
Licence and permits	43,619	39,400	3,641	29,539	29,550	(10)	0%	39,400
Operational Revenue	510,097	544,388	40,719	330,928	408,291	(77,363)	-19%	544,388
Non-Exchange Revenue								
Property rates	9,627,156	9,627,156	793,399	7,150,621	7,220,367	(69,746)	-1%	9,627,156
Fines, penalties and forfeits	291,997	292,024	196	102,164	219,018	(116,854)	-53%	292,024
Transfers and subsidies - Operational	5,112,620	5,038,676	1,072,955	4,437,047	4,721,006	(283,959)	-6%	5,038,676
Interest	357,835	557,835	73,101	604,033	418,376	185,656	44%	557,835
Fuel Levy	1,628,341	1,628,341	542,780	1,628,340	1,628,340	-		1,628,341
Total Revenue (excluding capital transfers and contributions)	44,704,931	45,094,495	4,828,065	33,767,124	35,169,954	(1,402,831)	-4%	45,094,495
Expenditure By Type								
Employee related costs	12,640,899	12,614,038	862,482	8,298,604	9,577,706	(1,279,102)	-13%	12,614,038
Remuneration of councillors	153,863	154,005	11,182	99,938	115,503	(15,565)	-13%	154,005
Bulk purchases - electricity	14,377,613	14,009,613	935,051	8,815,619	9,943,346	(1,127,728)	-11%	14,009,613
Inventory consumed	4,428,174	4,321,772	86,061	2,755,490	3,241,329	(485,839)	-15%	4,321,772
Debt impairment	3,073,621	3,073,621	626,270	2,617,389	2,617,389	-		3,073,621
Depreciation and amortisation	2,911,921	2,913,063	195,653	1,781,475	2,184,798	(403,323)	-18%	2,913,063
Interest	1,498,589	1,714,825	703,071	716,873	405,252	311,621	77%	1,714,825
Contracted services	3,776,939	4,409,882	104,832	2,385,750	3,307,412	(921,662)	-28%	4,409,882
Transfers and subsidies	9,683	9,433	-	84,176	7,075	77,101	1090%	9,433
Irrecoverable debts written off	1,563	8,599	-	-	6,449	(6,449)	-100%	8,599
Operational costs	1,744,464	1,838,778	105,132	555,368	1,379,084	(823,715)	-60%	1,838,778
Losses on Disposal of Assets	48	48	-	-	36	-		48
Total Expenditure	44,617,378	45,067,678	3,629,734	28,110,681	32,785,379	(4,674,661)	-14%	45,067,678
Surplus/(Deficit)	87,553	26,817	1,198,331	5,656,443	2,384,576	3,271,831		26,817
Transfers and subsidies - capital (monetary allocations)	2,010,940	1,763,718	137,246	651,451	1,322,788	(671,337)	-51%	1,763,718
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	2,098,493	1,790,534	1,335,576	6,307,894	3,707,364	2,600,493		1,790,534
Income Tax	529	529	-	-	397	-		529
Surplus/(Deficit) after income tax	2,097,964	1,790,005	1,335,576	6,307,894	3,706,967	2,600,493		1,790,005
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality	2,097,964	1,790,005	1,335,576	6,307,894	3,706,967	2,600,493		1,790,005
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-		-
Intercompany /Parent subsidiary transactions	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	2,097,964	1,790,005	1,335,576	6,307,894	3,706,967	2,600,493		1,790,005

Note: Total revenue excludes capital transfers and contributions. These are indicated separately in this table as "Transfers recognised – capital."

(c) Table C5: Consolidated monthly budget statement – Capital expenditure by vote, standard classification and funding

TSH City Of Tshwane - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M09 March)								
Vote Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Community & Social Development Services Department	14,294	15,003	353	8,280	8,734	(454)	-5%	12,403
Vote 2 - Economic Development & Spatial Planning Department	—	—	—	—	—	—	—	—
Vote 3 - Emergency Services Department	—	—	—	—	—	—	—	—
Vote 4 - Environment & Agriculture Management Department	17,500	17,500	4,778	4,778	5,311	(534)	-10%	17,500
Vote 5 - Group Financial Services Department	48,274	48,274	1,263	1,356	18,457	(17,101)	-93%	48,274
Vote 6 - Group Property Management Department	—	—	—	—	—	—	—	—
Vote 7 - Health Department	7,500	16,000	—	5,481	7,500	(2,019)	-27%	16,000
Vote 8 - Human Settlement Department	422,448	364,880	35,895	195,518	152,950	42,568	28%	367,880
Vote 9 - Tshwane Metro Police Department	—	—	—	—	850	(850)	-100%	2,000
Vote 10 - Regional Operations & Coordination Department	—	—	1,796	2,342	4,546	(2,204)	-48%	10,700
Vote 11 - Roads & Transport Department	433,875	316,275	59,310	167,224	208,313	(41,089)	-20%	316,275
Vote 12 - Shared Services Department	197,000	197,000	1,909	35,994	90,634	(54,639)	-60%	197,000
Vote 13 - Electricity Department	629,761	592,355	67,315	200,100	299,295	(99,195)	-33%	581,655
Vote 14 - Water and Sanitation Department	522,097	474,440	27,544	162,557	301,289	(138,732)	-46%	474,440
Vote 15 - Other Departments	11,465	11,865	233	2,607	5,966	(3,359)	-57%	9,465
Total Capital Multi-year expenditure	2,304,214	2,053,592	200,396	786,237	1,103,874	(317,638)	-29%	2,053,592
Single Year expenditure appropriation								
Vote 1 - Community & Social Development Services Department	—	—	—	—	—	—	—	—
Vote 2 - Economic Development & Spatial Planning Department	6,452	3,952	925	925	2,741	(1,816)	-66%	3,952
Vote 3 - Emergency Services Department	—	—	—	—	—	—	—	—
Vote 4 - Environment & Agriculture Management Department	—	—	—	—	—	—	—	—
Vote 5 - Group Financial Services Department	3,185	3,185	—	—	1,353	(1,353)	-100%	3,185
Vote 6 - Group Property Management Department	25,100	25,100	—	—	10,665	(10,665)	-100%	25,100
Vote 7 - Health Department	—	—	—	—	—	—	—	—
Vote 8 - Human Settlement Department	3,370	2,250	—	395	1,432	(1,037)	—	2,250
Vote 9 - Tshwane Metro Police Department	—	—	—	—	—	—	—	—
Vote 10 - Regional Operations & Coordination Department	5,366	15,666	4,119	4,119	2,280	1,840	81%	15,666
Vote 11 - Roads & Transport Department	—	—	—	—	—	—	—	—
Vote 12 - Shared Services Department	—	—	—	—	—	—	—	—
Vote 13 - Electricity Department	—	—	—	—	—	—	—	—
Vote 14 - Water and Sanitation Department	—	—	—	—	—	—	—	—
Vote 15 - Other Departments	—	8,870	—	—	—	—	—	8,870
Total Capital single-year expenditure	43,473	59,023	5,045	5,440	18,471	(13,032)	-71%	59,023
Total Capital Expenditure	2,347,687	2,112,614	205,440	791,676	1,122,345	(330,669)	-29%	2,112,614
Capital Expenditure - Functional Classification								
Governance and administration	316,211	304,781	4,097	43,540	129,403	(85,863)	-66%	304,781
Executive and council	26,200	—	—	—	—	—	—	—
Finance and administration	290,011	304,781	4,097	43,540	129,403	(85,863)	-66%	304,781
Internal audit	—	—	—	—	—	—	—	—
Community and public safety	319,746	308,353	30,564	176,840	128,411	48,429	38%	308,353
Community and social services	12,294	11,903	353	8,280	8,734	(454)	-5%	11,903
Sport and recreation	2,000	3,100	—	1,962	1,606	356	22%	3,100
Public safety	2,000	2,000	—	—	850	(850)	-100%	2,000
Housing	295,952	275,350	30,211	161,116	109,721	51,395	47%	275,350
Health	7,500	16,000	—	5,481	7,500	(2,019)	-27%	16,000
Economic and environmental services	448,920	338,820	59,543	169,831	213,067	(43,236)	-20%	338,820
Planning and development	—	—	—	—	—	—	—	—
Road transport	448,920	338,820	59,543	169,831	213,067	(43,236)	-20%	338,820
Environmental protection	—	—	—	—	—	—	—	—
Trading services	1,262,810	1,160,661	111,236	401,465	651,465	(249,999)	-38%	1,160,661
Energy sources	628,127	580,021	73,230	201,297	301,872	(100,575)	-33%	580,021
Water management	297,423	280,791	27,094	138,678	194,787	(56,109)	-29%	280,791
Waste water management	319,760	282,350	6,134	56,713	149,494	(92,782)	-62%	282,350
Waste management	17,500	17,500	4,778	4,778	5,311	(534)	-10%	17,500
Other	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	2,347,687	2,112,614	205,440	791,676	1,122,345	(330,669)	#VALUE!	2,112,614
Funded by:								
National Government	1,919,824	1,677,388	131,599	628,819	943,595	(314,777)	-33%	1,677,388
Provincial Government	12,294	11,903	25,734	77,528	28,734	48,794	170%	85,730
District Municipality	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov	—	—	—	—	—	—	—	—
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,	—	—	—	—	—	—	—	—
Public Corporatons, Higher Educ Institutions)	78,823	76,426	—	1,962	1,606	356	22%	2,600
Transfers recognised - capital	2,010,940	1,765,718	157,333	708,308	973,935	(265,626)	-27%	1,765,718
Borrowing	—	—	—	—	—	—	—	—
Internally generated funds	336,746	346,896	48,107	83,368	148,411	(65,043)	-44%	346,896
Total Capital Funding	2,347,687	2,112,614	205,440	791,676	1,122,345	(330,669)	-29%	2,112,614

(d) Table C6: Consolidated Monthly Budget Statement – Financial Position

TSH City Of Tshwane - Table C6 Consolidated Monthly Budget Statement - Financial Position - M09 March				
Description	Budget Year 2023/24			
	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands				
ASSETS				
Current assets				
Cash, cash equivalents and Investments	654,687	878,621	2,056,187	878,621
Trade and other receivables from exchange transactions	4,751,556	3,651,529	8,107,206	3,651,529
Receivables from non-exchange transactions	3,793,753	3,552,529	320,297	3,552,529
Current portion of non-current receivables	117,208	85,531	177,873	85,531
Inventory	1,311,114	1,413,820	1,932,191	1,413,820
Other current assets		–	272,974	–
Total current assets	10,628,318	9,582,030	12,866,729	9,582,030
Non current assets				
Investments	877,838	401,168	69,077	401,168
Investment property	1,196,449	1,089,638	1,034,220	1,089,638
Property, plant and equipment	51,219,091	52,054,163	49,614,424	52,054,163
Biological assets		302		302
Living and non-living resources	–	–	302	–
Heritage assets	3,079,965	3,079,965	3,371,582	3,079,965
Intangible assets	1,066,172	1,146,866	1,099,005	1,146,866
Trade and other receivables from exchange transactions	47,678	90,777		90,777
Non-current receivables from non-exchange transactions		825,075	168,892	825,075
Other non-current assets	291,516	291,516	1,073,016	291,516
Total non current assets	57,778,710	58,979,471	56,430,517	58,979,471
TOTAL ASSETS	68,407,027	68,561,501	69,297,246	68,561,501
LIABILITIES				
Current liabilities				
Bank overdraft			624,432	
Financial liabilities	782,153	424,505	169,782	424,505
Consumer deposits	813,829	779,415	773,927	779,415
Trade and other payables	12,648,908	12,830,656	11,125,783	12,830,656
Trade and other payables from non-exchange transactions		20,224		20,224
Provision		1,448,910	1,731,925	1,448,910
VAT		1,280,957	2,106,927	1,280,957
Total current liabilities	14,244,890	16,784,666	16,532,776	16,784,666
Non current liabilities				
Financial liabilities	10,747,106	12,916,052	11,663,998	12,916,052
Provision	3,594,306	3,371,089	3,074,038	3,371,089
Total non current liabilities	14,341,413	16,287,141	14,738,036	16,287,141
TOTAL LIABILITIES	28,586,303	33,071,808	31,270,812	33,071,808
NET ASSETS	39,820,724	35,489,693	38,026,434	35,489,693
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)	39,518,162	35,184,214	38,026,434	35,184,214
Reserves and funds	302,562	305,479	–	305,479
TOTAL COMMUNITY WEALTH/EQUITY	39,820,724	35,489,693	38,026,434	35,489,693

(e) Table C7: Consolidated monthly budget statement – Cash flow

TSH City Of Tshwane - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M09 March							
Description	Budget Year						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	9,145,798	9,145,798	7,096,968	6,859,349	237,619	3%	9,145,798
Service charges	24,572,269	25,847,702	19,894,338	19,385,776	508,561	3%	25,847,702
Other revenue	3,128,665	3,183,519	1,628,340	2,387,640	(759,300)		3,183,519
Transfers and Subsidies - Operational	5,081,769	5,038,676	4,665,357	5,001,562	(336,205)	-7%	5,038,676
Transfers and Subsidies - Capital	2,022,392	1,763,718	1,622,692	1,731,389	(108,698)	-6%	1,763,718
Interest	970,943	58,370	109,649	43,777	65,872	150%	58,370
Dividends	-	-	-	-	-		-
Payments							
Suppliers and employees	(40,234,931)	(40,520,089)	(31,933,516)	(32,390,067)	(456,551)	1%	(40,520,089)
Interest	(1,476,589)	(1,714,825)	(824,979)	(1,286,119)	(461,139)	36%	(1,714,825)
Transfers and Subsidies	(30,695)	(9,433)	(84,176)	(7,075)	77,101	-1090%	(9,433)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,179,623	2,793,436	2,174,671	1,726,233	(448,438)	-26%	2,793,436
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	-	-	-	-		-
Decrease (increase) in non-current receivables	(3,468)	94	-	71	71	100%	94
Decrease (increase) in non-current investments	(350,000)	(193)	(150,000)	(145)	149,855		(193)
Payments							
Capital assets	(2,359,139)	(2,112,614)	(722,034)	(1,284,461)	(562,427)	44%	(2,112,614)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,712,607)	(2,112,713)	(872,034)	(1,284,535)	(412,501)	32%	(2,112,713)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-		-
Borrowing long term/refinancing	-	-	-	-	-		-
Increase (decrease) in consumer deposits	-	15	-	11	11	100%	15
Payments							
Repayment of borrowing	(382,913)	(382,913)	(278,698)	(287,185)	(8,487)		(382,913)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(382,913)	(382,898)	(278,698)	(287,174)	(8,475)		(382,898)
NET INCREASE/ (DECREASE) IN CASH HELD	84,103	297,825	1,320,296	154,524			297,825
Cash/cash equivalents at beginning:	611,479	611,479	24,844	623,912			611,479
Cash/cash equivalents at month/year end:	695,581	909,303	1,345,140	778,436			909,303

Note: The cash and equivalents as at 31 March 2024 are at R1,3 billion, which only include highly liquid investments.

PART 2: SUPPORTING DOCUMENTATION

(f) Table SC3: Monthly budget statement – Aged debtors

TSH City Of Tshwane - 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
		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	657,633	192,024	134,059	148,039	168,595	132,499	826,568	3,733,548	5,992,963	5,009,248	2,643	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	470,252	60,250	47,602	50,742	68,021	43,089	293,318	1,907,948	2,941,223	2,363,118	1,286	
Receivables from Non-exchange Transactions - Property Rates	1400	808,075	105,343	93,443	95,334	87,000	78,053	448,300	2,908,402	4,623,950	3,617,089	760	
Receivables from Exchange Transactions - Waste Water Management	1500	182,704	40,006	27,968	30,159	35,007	28,116	155,811	718,952	1,218,723	968,046	971	
Receivables from Exchange Transactions - Waste Management	1600	178,132	36,929	29,251	33,150	33,700	28,184	164,224	1,065,734	1,569,304	1,324,992	981	
Receivables from Exchange Transactions - Property Rental Debtors	1700	14,594	2,085	1,653	3,201	8,382	440,301	100,874	4,850	575,941	557,609	7,372	
Interest on Arrear Debtor Accounts	1810	463,865	193,217	145,644	162,446	172,844	157,041	717,615	3,860,993	5,873,664	5,070,938	2,087	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(175,426)	(16,555)	(15,192)	26,168	46,504	55,517	431,277	2,082,397	2,434,689	2,641,862	382	
Total By Income Source	2000	2,599,828	613,300	464,429	549,238	620,053	962,800	3,137,987	16,282,824	25,230,459	21,552,902	16,482	
2022/23 - totals only		1,944,067	386,364	381,857	490,066	433,517	806,230	2,227,295	12,829,812	19,499,207	16,786,920	7,667	
Debtors Age Analysis By Customer Group													
Organs of State	2200	103,391	19,131	5,869	250	28,929	(5,822)	63,374	283,884	499,007	370,615	-	
Commercial	2300	856,545	103,717	106,686	117,073	104,742	97,798	592,466	3,394,129	5,373,156	4,306,207	19,716	
Households	2400	1,557,361	470,285	341,003	396,871	439,056	360,561	2,039,579	10,028,395	15,633,111	13,264,463	36,636	
Other	2500	82,531	20,166	10,871	35,044	47,327	510,264	442,567	2,576,415	3,725,185	3,611,617	(39,871)	
Total By Customer Group	2600	2,599,828	613,300	464,429	549,238	620,053	962,800	3,137,987	16,282,824	25,230,459	21,552,902	16,482	

Table SC3 indicates that the total debtors amount to R25,2 billion.

(g) Table SC4: Monthly budget statement – Aged creditors

TSH City Of Tshwane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March											
Description	NT Code	Budget Year 2023/24									Prior year
		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	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	1,041,081	608,611	-	1,063,608	231,354	-			2,944,655	699,293
Bulk Water	0200	124,052	-	-	-	-	-			124,052	7,532
PAYE deductions	0300	-	-	-	-	-	-			-	-
VAT (output less input)	0400	-	-	-	-	-	-			-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-			-	-
Loan repayments	0600	-	-	-	-	-	-			-	-
Trade Creditors	0700	342,879	165,855	102,644	2,450	120,403	-			734,231	918,751
Auditor General	0800	-	-	-	-	12	-			12	12
Other	0900	21,060	-	-	-	-	-			21,060	-
Total By Customer Type	1000	1,529,072	774,467	102,644	1,066,058	351,769	-	-	-	3,824,010	1,625,588

(h) Table SC5: Monthly budget statement – Investment portfolio**TSH City Of Tshwane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March**

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month March 2024
R thousands	Yrs/Months							
Call Investment deposits < 90 days								
Knysna Stocks	15y	Stock	31.12.2018	–		–	–	–
Sanlam	14y	Insurance policy	07.12.2015	–	3.0%	–	–	–
Sanlam	14y	Insurance policy	01.01.2016	–	3.0%	–	–	–
Capital Alliance	8y	Insurance policy	On selling date	52	2.0%	788	–	840
Capital Alliance	9y	Insurance policy	On selling date	213	3.0%	2,470	–	2,683
ABSA	On Call	Money Market	On call	1,577	7.3%	44,472	–	46,049
ABSA	On Call	Money Market	On call	1,017	7.3%	15,159	–	16,176
ABSA	On Call	Money Market	On call	724	7.3%	11,926	–	12,650
ABSA	On Call	Money Market	On call	30	7.3%	234	–	263
Investec Bank	On Call	Money Market	On call	243	7.3%	38,545	–	38,788
Investec Bank	On Call	Money Market	On call	1,123	7.3%	11,846	–	12,969
Investec Bank	On Call	Money Market	On call	328	7.3%	1,563	–	1,890
Standard Bank	On Call	Money Market	On call	6,744	7.8%	145,156	–	151,900
Standard Bank	On Call	Money Market	On call	655	7.8%	4,026	–	4,681
Investec Bank	On Call	Money Market	On call	2,926	6.8%	43,179	–	46,106
RMB	On Call	Money Market	31.10.2011	–	0.0%	–	–	–
STANLIB	On Call	Money Market	On call	–	0.4%	–	–	–
ABSA	On Call	Short Term	On call	–	6.7%	–	298,000	298,000
Nedbank	On Call	Short Term	On call	–	6.7%	–	–	–
Standard Bank	On Call	Short Term	On call	–	6.6%	252,020	210,000	462,020
First National Bank	On Call	Short Term	On call	–	8.1%	465	3	468
Nedbank	On Call	Short Term	On call	–	8.15%	157,197	220,000	377,197
ABSA	On Call	Short Term	On call	–	8.2%	329,807	13,997	343,804
Standard Bank	On Call	Sinking Fund	On call	–	0.0%	–	–	–
Nedbank	On Call	Short Term	On call	–	0.0%	140,031	–	140,031
ABSA	On Call	Short Term	On call	–	0.0%	–	–	–
Standard Bank	On Call	Short Term	On call	1,090	7.8%	98,582	–	99,672
Municipality sub-total				16,723		1,297,464	742,000	2,056,187
Entities								
24033863.57	Call account		Call account	36	8.1%	2,989	–	3,025
Entities sub-total				36		2,989	–	3,025
TOTAL INVESTMENTS AND INTEREST	–			16,758		1,300,453	742,000	2,059,211

(i) Table SC6: Monthly budget statement – Transfers and grant receipts

TSH City Of Tshwane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	2022/23	Budget Year 2023/24							
	Pre-audit outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	4,382,230	4,858,212	4,816,650	1,204,381	4,801,000	4,816,650	(15,650)	-0.3%	4,816,650
Local Government Equitable Share	3,551,250	3,993,570	3,993,570	998,392	3,993,570	3,993,570	-		3,993,570
Local Government Finance Management Grant	2,200	2,200	2,200	-	2,200	2,200	-		2,200
Urban Settlement Development Grant	31,323	32,704	29,354	-	28,454	29,354	(900)	-3.1%	29,354
Expanded Public Works Programme Incentive Grant	15,496	16,502	15,580	-	15,580	15,580	-		15,580
Public Transport Network Grant	563,235	579,744	568,744	139,116	568,744	568,744	-		568,744
Programme and Project Preparation Support Grant	51,532	62,000	47,000	16,050	47,000	47,000	-		47,000
Energy Efficiency and Demand Side Management	720	500	-	-	-	-	-		-
Neighbourhood Development Partnership Grant (PEP)	136,789	140,000	132,200	50,823	118,700	132,200	(13,500)	-10.2%	132,200
Informal Settlements Upgrading Partnership Grant	29,684	30,993	28,002	-	26,752	28,002	(1,250)	-4.5%	28,002
Provincial Government:	163,844	254,407	184,912	39,061	183,932	184,912	(980)	-0.5%	184,912
Primary Health Care	61,258	64,015	64,015	38,409	64,015	64,015	-		64,015
HIV and Aids Grant	25,612	26,765	26,765	-	26,765	26,765	-		26,765
Human Settlement Development Grant	22,574	12,045	-	-	-	-	-		-
Libraries Plan	10,666	10,152	10,152	652	10,152	10,152	-		10,152
Mamelodi Bus Operations Subsidy	43,734	57,450	-	-	-	-	-		-
Informal Settlements Upgrading Partnership Grant (Province)	-	83,980	83,980	-	83,000	83,980	(980)	-1.2%	83,980
Total Operating Transfers and Grants	4,546,073	5,112,620	5,001,562	1,243,442	4,984,932	5,001,562	(16,630)	-0.3%	5,001,562
Capital Transfers and Grants									
National Government:	1,788,940	1,919,824	1,677,988	497,581	1,623,638	1,677,988	(54,350)	-3.2%	1,677,988
Urban Settlement Development Grant	1,012,788	1,057,425	949,108	396,333	920,008	949,108	(29,100)	-3.1%	949,108
Public Transport Network Grant	190,446	250,575	171,575	-	171,575	171,575	-		171,575
Neighbourhood Development Partnership Grant	13,426	15,465	23,265	6,300	21,765	23,265	(1,500)	-6.4%	23,265
Energy Efficiency and Demand Side Management	8,280	7,500	2,000	-	2,000	2,000	-		2,000
Informal Settlements Upgrading Partnership Grant	564,001	588,858	532,040	94,948	508,290	532,040	(23,750)	-4.5%	532,040
Provincial Government:	11,084	12,294	10,494	137	10,494	10,494	-		10,494
Recapitalisation of Community Libraries Grant	11,084	12,294	10,494	137	10,494	10,494	-		10,494
Other grant providers:	72,618	78,823	73,826	-	15,779	42,907	(27,128)	-63.2%	73,826
RCG - SHRA	72,618	78,823	73,826	-	15,779	42,907	(27,128)	-63.2%	73,826
Total Capital Transfers and Grants	1,872,642	2,010,940	1,762,309	497,718	1,649,911	1,731,389	(81,478)	-4.7%	1,762,309
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,418,715	7,123,560	6,763,870	1,741,160	6,634,843	6,732,951	(98,108)	-1.5%	6,763,870

The total adjusted budget is R6,8 billion, with R6,6 billion received during the period. A variance of R98 million is reflected, mainly due to outstanding transfers on the National Grants.

(j) Table SC7: Monthly budget statement – Transfers and grant expenditure

TSH City Of Tshwane - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	4,858,212	4,816,650	1,022,004	4,370,074	4,588,906	(218,833)	-4.8%	4,801,000
Local Government Equitable Share	3,993,570	3,993,570	998,392	3,993,570	3,993,570	-		3,993,570
Local Government Finance Management Grant	2,200	2,200	50	807	1,175	(368)	-31.3%	2,200
Urban Settlement Development Grant	32,704	29,354	(900)	28,454	29,354	(900)	-3.1%	28,454
Expanded Public Works Programme Incentive Grant	16,502	15,580		15,580	15,580	-		15,580
Public Transport Network Grant	579,744	568,744	22,897	306,867	388,154	(81,287)	-20.9%	568,744
Programme and Project Preparation Support Grant	62,000	47,000	1,564	5,313	35,700	(30,387)		47,000
Energy Efficiency and Demand Side Management	500	-		-	-	-		-
Neighbourhood Development Partnership Grant (PEP)	140,000	132,200		8,353	106,250	(97,897)	-92.1%	118,700
Informal Settlements Upgrading Partnership Grant	30,993	28,002		11,130	19,124	(7,993)	-41.8%	26,752
Provincial Government:	254,407	184,912	40,038	101,431	132,100	(30,668)	-23%	184,912
Primary Health Care	64,015	64,015	38,409	64,015	64,015	-		64,015
HIV and Aids Grant	26,765	26,765	1,629	6,237	24,616	(18,379)	-74.7%	26,765
Human Settlement Development Grant	12,045	-				-		-
Libraries Plan	10,152	10,152		5,064	5,387	(324)	-6.0%	10,152
Mamelodi Bus Operations Subsidy	57,450	-		-	-	-		-
Informal Settlements Upgrading Partnership Grant (Province)	83,980	83,980	-	26,115	38,081	(11,966)	-31.4%	83,980
Total operating expenditure of Transfers and Grants:	5,112,620	5,001,562	1,062,042	4,471,505	4,721,006	(249,501)	-5.3%	4,985,912
Capital expenditure of Transfers and Grants								
National Government:	1,919,824	1,677,988	131,599	628,819	942,100	(313,282)	-33.3%	1,623,638
Urban Settlement Development Grant	1,057,425	949,108	98,313	383,460	550,523	(167,063)	-30.3%	920,008
Public Transport Network Grant	250,575	171,575	19,637	88,776	126,029	(37,253)	-29.6%	171,575
Neighbourhood Development Partnership Grant	15,465	23,265	1,158	3,533	7,241	(3,709)	-51.2%	21,765
Energy Efficiency and Demand Side Management	7,500	2,000	6	3,607	2,000	1,607	80.4%	2,000
Informal Settlements Upgrading Partnership Grant	588,858	532,040	12,485	149,442	256,307	(106,865)	-41.7%	508,290
Provincial Government:	12,294	10,494	353	8,280	8,734	(454)	-5.2%	10,494
Recapitalisation of Community Libraries Grant	12,294	10,494	353	8,280	8,734	(454)	-5.2%	10,494
RCG - SHRA	-							-
District Municipality:	-					-		-
Other grant providers:	78,823	73,826	11,360	55,227	20,000	35,227	176.1%	73,826
RCG - SHRA	78,823	73,826	11,360	55,227	20,000	35,227	176.1%	73,826
Total capital expenditure of Transfers and Grants	2,010,940	1,762,309	143,312	692,325	970,834	(278,509)	-28.7%	1,707,959
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7,123,560	6,763,870	1,205,354	5,163,830	5,691,840	(528,010)	-9.3%	6,693,870

Grant spending for the period amounts to R5,2 billion against a year to date budget of R5,7 billion.

(k) Table SC7: Monthly budget statement – Expenditure against approved

TSH City Of Tshwane - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M08 February					
Description	Budget Year 2023/24				
	Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					
EXPENDITURE					
<u>Operating expenditure of Approved Roll-overs</u>					
National Government:	-	-	-	-	
Local Government Equitable Share				-	
Local Government Finance Management Grant				-	
Urban Settlement Development Grant				-	
Expanded Public Works Programme Incentive Grant				-	
Provincial Government:	12,114	1,388	1,388	10,726	88.5%
Primary Health Care				-	
Libraries Plan	365	365	365	-	
TRT Bus Operations Subsidy				-	
Human Settlement Development Grant	11,749	1,023	1,023	10,726	91.3%
				-	
District Municipality:	-	-	-	-	
<i>[insert description]</i>				-	
Other grant providers:	-	-	-	-	
				-	
DBSA				-	
Total operating expenditure of Approved Roll-overs	12,114	1,388	1,388	10,726	88.5%
<u>Capital expenditure of Approved Roll-overs</u>					
National Government:	-	-	-	-	
Urban Settlement Development Grant				-	
Energy Efficiency and Demand Side Management				-	
Informal Settlements Upgrading Partnership Grant				-	
Provincial Government:	1,409	-	-	1,409	100.0%
Recapitalisation of Community Libraries Grant	1,409			1,409	100.0%
				-	
Other grant providers:	-	-	-	-	
				-	
Total capital expenditure of Approved Roll-overs	1,409	-	-	1,409	100.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	13,524	1,388	1,388	12,135	89.7%

The approved rollovers amount to R13,5 million and spending amounts to R1,4 million as at 31 March 2024.

(I) Table SC11: Monthly budget statement – Summary of municipal entities

TSH City Of Tshwane - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M09 March								
Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Revenue By Municipal Entity</u>								
<i>Housing Company Tshwane</i>	121,926	75,562	3,068	64,698	56,671	8,027	14%	75,562
<i>Tshwane Economic Development Agency</i>	63,731	66,931	88	47,529	50,198	(2,669)	-5%	66,931
Total Operating Revenue	185,658	142,493	3,155	112,227	106,870	5,358	5%	142,493
<u>Expenditure By Municipal Entity</u>								
<i>Housing Company Tshwane</i>	121,926	125,727	19,015	82,353	94,295	(11,942)	-13%	125,727
<i>Tshwane Economic Development Agency</i>	63,202	66,402	3,369	45,455	49,801	(4,347)	-9%	66,402
Total Operating Expenditure	185,128	192,128	22,384	127,807	144,096	(16,289)	-11%	192,128
Surplus/ (Deficit) for the yr/period	529	(49,635)	(19,229)	(15,580)	(37,227)	(10,931)	29%	(49,635)
<u>Capital Expenditure By Municipal Entity</u>								
<i>Housing Company Tshwane</i>	82,193	96,077	25,381	69,642	72,057	(2,415)	-3%	96,077
<i>Tshwane Economic Development Agency</i>	452	3,452	-	-	-	-	-	3,452
Total Capital Expenditure	82,645	99,528	25,381	69,642	72,057	(2,415)	-3%	99,528

(m) **Table SC12: Consolidated monthly budget statement – Capital expenditure trend**

TSH City Of Tshwane - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M09 March								
Month	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
Monthly expenditure performance trend								
July	50,826	–	2,758	2,758	–	(2,758)		0.1%
August	110,060	8,990	25,861	28,618	8,990	(19,628)	-218.3%	1.4%
September	145,034	37,629	35,754	64,372	46,619	(17,753)	-38.1%	3.0%
October	215,034	80,416	94,966	159,337	127,035	(32,302)	-25.4%	7.5%
November	194,143	103,408	107,184	266,522	230,443	(36,079)	-15.7%	12.6%
December	161,154	126,274	130,683	397,205	356,717	(40,488)	-11.4%	18.8%
January	126,173	375,875	88,534	485,738	732,592	246,854	33.7%	23.0%
February	183,281	262,150	100,497	586,236	994,743	408,507	41.1%	27.7%
March	195,693	127,603	205,440	791,676	1,122,345	330,669	29.5%	37.5%
April	252,095	60,754			1,183,099	–		
May	342,438	27,812			1,210,911	–		
June	371,757	901,704			2,112,614	–		
Total Capital expenditure	2,347,687	2,112,614	791,676					

(n) Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class

TSH City Of Tshwane - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M09 March

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	1,095,266	987,644	116,047	441,920	542,039	100,119	18.5%	987,644
Roads Infrastructure	370,570	289,087	55,043	175,555	170,655	(4,899)	-2.9%	289,087
Roads	344,330	264,178	54,809	172,211	163,203	(9,008)	-5.5%	264,178
Road Structures	17,740	22,209	233	2,756	5,903	3,147	53.3%	22,209
Road Furniture	8,500	2,700	—	588	1,550	962	62.1%	2,700
Capital Spares	—	—	—	—	—	—	—	—
Storm water Infrastructure	14,000	4,500	—	1,389	4,200	2,810	66.9%	4,500
Drainage Collection	—	—	—	—	—	—	—	—
Storm water Conveyance	14,000	4,500	—	1,389	4,200	2,810	66.9%	4,500
Attenuation	—	—	—	—	—	—	—	—
Electrical Infrastructure	330,366	356,760	27,128	121,260	177,638	56,378	31.7%	356,760
Power Plants	3,000	24,394	—	—	—	—	—	300
HV Substations	70,000	53,000	2,932	10,312	24,644	14,331	58.2%	77,094
HV Switching Station	—	—	—	—	—	—	—	—
HV Transmission Conductors	20,000	15,000	—	—	8,498	8,498	100.0%	15,000
MV Substations	44,000	41,501	9,061	20,904	17,521	(3,382)	-19.3%	41,500
MV Switching Stations	—	—	—	—	—	—	—	—
MV Networks	101,866	131,366	6,093	65,184	80,119	14,935	18.6%	131,366
LV Networks	91,500	91,500	9,042	24,860	46,857	21,996	46.9%	91,500
Capital Spares	—	—	—	—	—	—	—	—
Water Supply Infrastructure	266,384	246,599	24,889	120,188	159,574	39,386	24.7%	246,599
Dams and Weirs	—	—	—	—	—	—	—	—
Boreholes	—	—	—	—	—	—	—	—
Reservoirs	76,128	84,545	7,397	27,709	46,470	18,761	40.4%	84,545
Pump Stations	300	300	—	—	127	127	100.0%	300
Water Treatment Works	—	—	—	—	—	—	—	—
Bulk Mains	39,274	37,474	3,161	10,706	16,037	5,332	33.2%	37,474
Distribution	70,682	39,280	4,044	17,238	24,818	7,580	30.5%	39,280
Distribution Points	80,000	85,000	10,287	64,536	72,121	7,585	10.5%	85,000
PRV Stations	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—
Sanitation Infrastructure	93,545	70,298	4,209	18,749	23,428	4,679	20.0%	70,298
Pump Station	3,000	—	—	—	—	—	—	—
Reticulation	87,314	69,398	4,209	18,749	22,812	4,062	17.8%	69,398
Waste Water Treatment Works	1,031	300	—	—	31	31	100.0%	300
Outfall Sewers	2,200	600	—	—	585	585	100.0%	600
Toilet Facilities	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—
Solid Waste Infrastructure	17,500	17,500	4,778	4,778	5,311	534	10.0%	17,500
Landfill Sites	—	—	—	—	—	—	—	—
Capital Spares	17,500	17,500	4,778	4,778	5,311	534	10.0%	17,500
Rail Infrastructure	—	—	—	—	—	—	—	—
Information and Communication Infrastructure	2,900	2,900	—	—	1,232	1,232	100.0%	2,900
Data Centres	—	—	—	—	—	—	—	—
Core Layers	—	—	—	—	—	—	—	—
Distribution Layers	2,900	2,900	—	—	1,232	1,232	100.0%	2,900
Capital Spares	—	—	—	—	—	—	—	—
Community Assets	43,794	47,003	2,152	20,354	31,225	10,871	34.8%	47,003
Community Facilities	43,794	47,003	2,152	20,354	31,225	10,871	34.8%	47,003
Halls	—	—	—	—	—	—	—	—
Centres	—	—	—	—	—	—	—	—
Crèches	—	—	—	—	—	—	—	—
Clinics/Care Centres	7,500	16,000	—	5,481	7,500	2,019	26.9%	16,000
Libraries	12,294	11,903	353	8,280	8,734	454	5.2%	11,903
Cemeteries/Crematoria	—	—	—	—	—	—	—	—
Police	—	—	—	—	—	—	—	—
Public Ablution Facilities	—	—	—	—	—	—	—	—
Markets	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals	24,000	19,100	1,799	6,593	14,991	8,399	56.0%	19,100
Heritage assets	—	—	—	—	—	—	—	—
Monuments	—	—	—	—	—	—	—	—
Investment properties	25,100	25,100	—	—	10,665	10,665	100.0%	25,100
Revenue Generating	—	25,100	—	—	—	—	—	—
Improved Property	—	25,100	—	—	—	—	—	—
Unimproved Property	—	—	—	—	—	—	—	—
Non-revenue Generating	25,100	—	—	—	10,665	10,665	100.0%	25,100
Improved Property	25,100	—	—	—	10,665	10,665	100.0%	25,100
Unimproved Property	—	—	—	—	—	—	—	—
Other assets	79,983	93,826	25,381	69,248	20,000	(49,248)	-246.2%	93,826
Capital Spares	—	—	—	—	—	—	—	—
Housing	79,983	93,826	25,381	69,248	20,000	(49,248)	-246.2%	93,826
Staff Housing	—	—	—	—	—	—	—	—
Social Housing	79,983	93,826	25,381	69,248	20,000	(49,248)	-246.2%	93,826
Capital Spares	—	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Intangible Assets	—	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—	—
Computer Equipment	10,000	2,200	—	—	2,200	2,200	100.0%	2,200
Computer Equipment	10,000	2,200	—	—	2,200	2,200	100.0%	2,200
Furniture and Office Equipment	13,007	28,957	925	1,320	5,526	4,206	76.1%	28,957
Furniture and Office Equipment	13,007	28,957	925	1,320	5,526	4,206	76.1%	28,957
Machinery and Equipment	14,866	13,366	4,125	7,727	6,624	(1,102)	-16.6%	13,366
Machinery and Equipment	14,866	13,366	4,125	7,727	6,624	(1,102)	-16.6%	13,366
Transport Assets	50,000	50,000	—	—	21,245	21,245	100.0%	50,000
Transport Assets	50,000	50,000	—	—	21,245	21,245	100.0%	50,000
Land	26,200	24,200	—	15,171	24,179	9,008	—	24,200
Land	26,200	24,200	—	15,171	24,179	9,008	—	24,200
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—
Zoological plants and animals	—	—	—	—	—	—	—	—
Total Capital Expenditure on new assets	1,358,215	1,272,296	148,631	555,739	663,703	107,964	16.3%	1,272,296

(o) Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class

TSH City Of Tshwane - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M09 March

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Infrastructure	305,195	265,545	7,166	59,954	151,222	91,269	60.4%	265,545
Roads Infrastructure	67,300	45,000	–	11,644	25,324	13,679	54.0%	45,000
Roads	67,300	45,000	–	11,644	25,324	13,679	54.0%	45,000
Electrical Infrastructure	118,395	118,395	3,438	19,835	61,470	41,634	67.7%	118,395
Power Plants	–	–	–	–	–	–	–	–
HV Substations	58,000	58,000	–	–	27,854	27,854	100.0%	58,000
MV Networks	5,000	5,000	–	546	2,124	1,578	74.3%	5,000
LV Networks	49,695	49,695	1,642	17,493	29,069	11,576	39.8%	49,695
Capital Spares	5,700	5,700	1,796	1,796	2,422	626	25.8%	5,700
Water Supply Infrastructure	98,500	83,600	3,727	27,805	57,389	29,583	51.5%	83,600
Dams and Weirs	–	–	–	–	–	–	–	–
Boreholes	–	–	–	–	–	–	–	–
Reservoirs	19,000	6,500	–	–	5,425	5,425	100.0%	6,500
Pump Stations	–	–	–	–	–	–	–	–
Water Treatment Works	500	1,200	–	–	212	212	100.0%	1,200
Bulk Mains	–	–	–	–	–	–	–	–
Distribution	79,000	75,900	3,727	27,805	51,752	23,946	46.3%	75,900
Distribution Points	–	–	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–
Sanitation Infrastructure	21,000	18,550	2	669	7,040	6,372	90.5%	18,550
Pump Station	–	–	–	–	–	–	–	–
Reticulation	15,000	18,000	(260)	407	7,040	6,633	94.2%	18,000
Waste Water Treatment Works	6,000	550	262	262	–	(262)	#DIV/0!	550
Community Assets	–	–	–	–	–	–	–	–
Community Facilities	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–
Other assets	33,500	10,556	2,421	9,583	8,466	(1,117)	-13.2%	10,556
Operational Buildings	33,500	10,556	2,421	9,583	8,466	(1,117)	-13.2%	10,556
Municipal Offices	–	–	–	–	–	–	–	–
Depots	33,500	10,556	2,421	9,583	7,162	(2,421)	-33.8%	10,556
Capital Spares	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Intangible Assets	7,000	7,000	–	–	2,974	2,974	100.0%	7,000
Servitudes	–	–	–	–	–	–	–	–
Licences and Rights	7,000	7,000	–	–	2,974	2,974	100.0%	7,000
Water Rights	–	–	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–	–	–
Computer Software and Applications	7,000	7,000	–	–	2,974	2,974	100.0%	7,000
Load Settlement Software Applications	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–
Machinery and Equipment	25,000	25,000	–	92	8,568	8,475	98.9%	25,000
Machinery and Equipment	25,000	25,000	–	92	8,568	8,475	98.9%	25,000
Transport Assets	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	370,695	308,101	9,587	69,629	171,231	101,602	59.3%	308,101

(p) Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class

TSH City Of Tshwane - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M09 March

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
Infrastructure	516,777	429,117	45,314	130,460	236,386	105,926	44.8%	429,117
Roads Infrastructure	42,000	39,600	500	22,199	27,617	5,418	19.6%	39,600
Roads	40,000	37,600	500	20,279	25,617	5,338	20.8%	37,600
Road Structures	2,000	2,000	—	1,920	2,000	80	4.0%	2,000
Road Furniture	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—
Storm water Infrastructure	7,000	6,000	—	—	2,974	2,974	100.0%	6,000
Drainage Collection	5,000	5,000	—	—	2,124	2,124	100.0%	5,000
Storm water Conveyance	2,000	1,000	—	—	850	850	100.0%	1,000
Attenuation	—	—	—	—	—	—	—	—
Electrical Infrastructure	166,500	93,500	38,539	52,475	56,990	4,515	7.9%	93,500
Power Plants	—	—	—	—	—	—	—	—
HV Substations	83,000	48,000	13,607	13,607	20,395	6,788	33.3%	48,000
HV Switching Station	—	—	—	—	—	—	—	—
HV Transmission Conductors	—	—	—	—	—	—	—	—
MV Substations	—	—	—	—	—	—	—	—
MV Switching Stations	—	—	—	—	—	—	—	—
MV Networks	—	—	—	—	—	—	—	—
LV Networks	83,500	45,500	24,932	38,868	36,595	(2,273)	-6.2%	45,500
Sanitation Infrastructure	251,277	232,017	6,276	48,413	127,561	79,148	62.0%	232,017
Pump Station	—	—	—	—	—	—	—	—
Reticulation	—	—	—	—	—	—	—	—
Waste Water Treatment Works	251,277	232,017	6,276	48,413	127,561	79,148	62.0%	232,017
Information and Communication Infrastructure	50,000	58,000	—	7,373	21,245	13,871	65.3%	58,000
Data Centres	30,000	30,000	—	—	12,747	12,747	100.0%	30,000
Core Layers	20,000	28,000	—	7,373	8,498	1,124	13.2%	28,000
Distribution Layers	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—
Community Assets	2,000	3,100	—	1,962	1,606	(356)	-22.2%	3,100
Community Facilities	—	—	—	—	—	—	—	—
Markets	—	—	—	—	—	—	—	—
Stalls	—	—	—	—	—	—	—	—
Abattoirs	—	—	—	—	—	—	—	—
Airports	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—
Sport and Recreation Facilities	2,000	3,100	—	1,962	1,606	(356)	-22.2%	3,100
Indoor Facilities	—	—	—	—	—	—	—	—
Outdoor Facilities	2,000	3,100	—	1,962	1,606	(356)	-22.2%	3,100
Capital Spares	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—
Operational Buildings	—	—	—	—	—	—	—	—
Municipal Offices	—	—	—	—	—	—	—	—
Manufacturing Plant	—	—	—	—	—	—	—	—
Depots	—	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—	—
Intangible Assets	100,000	100,000	1,909	33,885	49,419	15,534	31.4%	100,000
Servitudes	—	—	—	—	—	—	—	—
Licences and Rights	100,000	100,000	1,909	33,885	49,419	15,534	31.4%	100,000
Water Rights	—	—	—	—	—	—	—	—
Effluent Licenses	—	—	—	—	—	—	—	—
Solid Waste Licenses	—	—	—	—	—	—	—	—
Computer Software and Applications	100,000	100,000	1,909	33,885	49,419	15,534	31.4%	100,000
Load Settlement Software Applications	—	—	—	—	—	—	—	—
Unspecified	—	—	—	—	—	—	—	—
Computer Equipment	—	—	—	—	—	—	—	—
Computer Equipment	—	—	—	—	—	—	—	—
Furniture and Office Equipment	—	—	—	—	—	—	—	—
Furniture and Office Equipment	—	—	—	—	—	—	—	—
Machinery and Equipment	—	—	—	—	—	—	—	—
Machinery and Equipment	—	—	—	—	—	—	—	—
Total Capital Expenditure on upgrading of existing assets	618,777	532,217	47,223	166,307	287,411	121,104	42.1%	532,217

(q) Municipal Manager's quality certification**QUALITY CERTIFICATE**

I, Johann Mettler, the City Manager of the City of Tshwane, hereby certify that the monthly budget statement for **March 2024** has been prepared in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and regulations made under this act.

Please note that the City migrated from SAP ECC6 system to the new SAP S4 Hana system and the process resulted in gaps in the data, however the City is working towards development of automated reporting on SAP, which will see improvement in the following months.

J Mettler
CITY MANAGER
CITY OF TSHWANE

Signature: _____

Date: _____

ANNEXURE B**COMMENTS OF THE STAKEHOLDER DEPARTMENTS****6.3 COMMENTS OF THE COMMUNICATION, MARKETING AND EVENTS DEPARTMENT**

(Unaltered)

Communication, Marketing and Events Department takes cognisance of the contents of the report. The Department will ensure to upload all legislated financial related reports on the City's website. CME will continue to spearhead PR efforts around the accelerated revenue collection campaign in order to create awareness of the consumers' obligation to pay for the services they consumed.

6.4 COMMENTS OF OFFICE OF THE CHIEF OPERATIONS OFFICER

(Unaltered)

The purpose of the report is to present the in-year financial report (monthly and quarterly budget statement) for the period ending 31 March 2024 in compliance with Section 71 of MFMA. The report indicates that there are currently transactional challenges following the implementation of the SAP4 Hana system and extracting financial transaction for reporting is proving to be a major challenge. With difficulty in extracting financial transactions per department, the management of budget becomes very cumbersome particularly for the COO cluster that consumes most of the budget of the City. Group Financial Services and Shared Services departments together with the SAP 4 Hana consultants should put more effort in addressing the system challenges as it negatively impacts the various Heads of Departments in managing their budgets. The report is scanty in terms of details for operational budget and therefore making it difficult for the COO to comment adequately on the expenditure levels of the cluster. However, efforts are being made in the cluster to ensure that budgets are being managed prudently despite system challenges.

6.5 COMMENTS OF THE CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT (CSOP)

(Unaltered)

The City Strategy and Organisational Performance Department take cognisance of the Section 71 in-year report for 31 March 2024.

The department notes that there are still matters pertaining to the extract of quality and accurate information from the SAP4 Hana system and its subsequent impact on the quality of Data strings which must be submitted to National Treasury as part of financial mSCOA compliance.

Furthermore, the delay in the go-live of the system has placed the expenditure under severe constraints which had a delay on the customer facing services.

The report is noted.

6.6 COMMENTS OF THE EMERGENCY SERVICES DEPARTMENT (ESD)

(Unaltered)

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 March 2024, in compliance with Section 71 and 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

The Emergency Services Department (ESD) take note of the contents of the report and in support of the recommendations in the report.