



NCPT

NORTHERN CAPE PROVINCIAL TREASURY

Sec. 41 Report

CFO Forum – 20 July 2017
Upington

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1. Introduction

- Section 41 (1) (b) of the MFMA requires “The National Treasury to monitor payments made by municipalities and municipal entities for bulk resources”
- This report provides a status of amounts owed to Eskom by municipalities as at end of May 2017



2. Age Profile

Name of Municipality	Current	30 days	60 days	90 days+	Total
Dikgatlong	2,582,826	0	4,499,372	46,122,336	53,204,534
Emthanjeni	4,479,604	0	4,135,043	5,251,466	13,866,113
Gamagara	8,278,668	7,136,755	18,465,141	0	33,880,564
Ga - Segonyana	5,403,389	5,226,295	16,765,699	7,634,008	35,029,391
Hantam	1,558,025	0	0	0	1,558,025
Phokwane	5,176,212	6,200,198	11,199,598	14,566,124	37,142,132
Joe Morolong	352,902	0	1,986	0	354,888
Kai Garib	5,071,017	0	5,940,761	97,247,232	108,259,010
Kamiesberg	666,525	72,472	532,210	5,761,668	7,032,875
Kareeberg	876,344	0	0	0	876,344
Karoo Hoogland	693,747	0	33,401	0	727,148
Kgatelopele	1,612,540	1,408,879	1,538,776	5,918,269	10,478,464
Khai - Ma	3,685	33,622	7,186,135	0	7,223,442
Dawid Kruiper	13,819,162	0	0	0	13,819,162
!Kheis	98,860	0	45,413	0	144,273
Magareng	1,780,790	0	2,409,912	27,804,549	31,995,251
Nama Khoi	4,999,263	0	7,420,771	63,460,822	75,880,856
Renosterberg	-1,923	1,118,911	1,390,600	42,221,128	44,728,716
Richtersveld	1,064,314	0	796,193	0	1,860,507
Siyancuma	4,115,072	4,694,662	4,012,979	75,864,000	88,686,713
Siyathemba	1,522,512	0	18,065,819	1,495,228	21,083,559
Sol Plaatjie	36,038,369	0	0	0	36,038,369
Thembelihle	1,528,497	0	1,595,004	41,774,871	44,898,372
Tsantsabane	3,679,103	4,330,003	3,653,305	58,733,528	70,395,939
Ubuntu	1,695,571	0	1,612,045	29,803,277	33,110,893
Umsombomvu	1,973,622	0	0	0	1,973,622
Total	109,068,696	30,221,797	111,300,163	523,658,506	774,249,162

- The Province owes a total of R774,249 million to Eskom as at 31 May 2017
- R523,658 million or 68% is outstanding for more than 90 days
- The highest outstanding is Kai Garib at R118,259 million, followed by Siyancuma at R88,686 million
- Only 5 out of 26 municipalities accounts are up to date i.e Hantam, Kareeberg, Dawid Kruiper, Umsombomvu and Sol Plaatjie

3. Payment arrangements



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Name of Municipality	Arrears	Details of payment arrangements
Dikgatlong	50,621,708	Payment arrangement in place but not honoured.
Emthanjeni	9,386,509	Payment arrangement in place and honoured.
Gamagara	25,601,896	Payment arrangement in place and honoured.
Ga - Segonyana	29,626,002	No payment arrangement in place
Phokwane	44,880,605	No payment arrangement in place. The last payment was made on 4 April 2017
Joe Morolong	1,986	The municipality's account payments are up to date.
Kai Garib	103,187,993	No payment arrangement in place.
Kamiesberg	6,366,350	Payment arrangement in place but not honoured.
Karoo Hoogland	33,401	The municipality committed to settle the account by mid - June 2017
Kgatelopele	8,865,924	The proposed payment arrangement has not been approved by Eskom. The municipality continues to pay the current account.
Khai - Ma	7,219,757	Payment arrangement in place and honoured.
!Kheis	45,413	No payment arrangement in place. The last payment was received on 2 June 2017.
Magareng	30,214,461	Payment arrangement in place but not honoured.
Nama Khoi	70,881,593	The municipality has a payment arrangement in place, A meeting was held on 30 May 2017. The municipality will follow up on payments not reflecting on Eskom's system.
Renosterberg	44,730,639	No payment arrangement in place
Richtersveld	796,193	The municipality's account payments are up to date.
Siyancuma	84,571,641	No payment arrangement in place. The last payment was in March 2017.
Siyathemba	19,561,047	Payment arrangement in place but not honoured.
Thembelihle	43,369,875	No payment arrangement in place
Tsantsabane	66,716,836	Payment arrangement in place but not honoured.
Ubuntu	31,415,322	Payment arrangement in place and honoured.
Total	665,180,466	

- Of the total amount of R774,249 million outstanding, R665,180 million or 86% is in arrears
- 21 out of 26 municipalities are in arrears
- Of the 21 municipalities in arrears, only 9 have payment arrangements in place
- Of the 9 with payment arrangements, only 4 are adhering to the arrangements

4. Recommendations

- All municipalities with arrear amounts should conclude realistic/achievable payment arrangements with Eskom/waterboards and ensure that such arrangements are honoured.
- Municipalities should invite Provincial Treasury to meetings where payment arrangements are re - negotiated
- Municipalities should submit proof of payment to Provincial Treasury on a monthly basis
- Provincial Treasury should monitor implementation of payment arrangements and escalate non- implementation to relevant structures including the Provincial Executive with proposed actions



Thank you!!!