



NQUTHU MUNICIPALITY
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TO : COUNCIL

FROM : CFO

DATE : 08 APRIL 2024

SUBJECT : S52(d) THIRD QUARTERLY REPORT FOR 2023/24 FINANCIAL YEAR

1. PURPOSE

The purpose of this report is to comply with Sections 52(d) and 53 of the Municipal Finance Management Act (MFMA), which requires that the tabling of the quarterly report to the Council within 30 days and specific financial particulars be reported on and in the formats prescribed.

2. BACKGROUND

The Municipal Finance Management Act (MFMA) requires 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,

and mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan;

3. DISCUSSION

The third quarterly report for the municipality has been prepared and is used to assess and evaluate the performance of the municipality against planned targets. This assists the municipality to monitor its performance and affords it an opportunity to take corrective action in time.

4. IMPLICATIONS

- (1) FINANCIAL – MFMA
- (2) LEGAL – Compliance with legislated timelines.
- (3) MEDIA – None
- (4) COMMUNITY – Notices as prescribed by the Act.

5. ATTACHMENTS

Section 52(d) Third Quarterly report
C-Schedule as at 31 March 2024.

6. RECOMMENDATION

IT IS RECOMMENDED THAT:

The Council of Nquthu Local Municipality considers to;

- Note third Quarterly report as required in terms of S (52d) MFMA.
- Note that the third quarterly report must be placed on the municipal website by the Accounting Officer not later than five days after tabling in Council.

7. SUBMITTED BY

Mr. Bafana Bhengu
The CFO
Tel: (034) 271 6100 (Ext. 6103)
E-mail: cfo@nguthu.gov.za

Signature:  _____

8. APPROVAL OF SUBMISSION

Mr. Mpumelelo Jiyane
The Municipal Manager
Tel: (034) 271 6100 (Ext. 6103)
E-mail: pamm@nguthu.gov.za

Signature:  _____

NQUTHU MUNICIPALITY (KZN 242)



SECTION 52(d) QUARTELY REPORT – Q3 2023/24 FINANCIAL YEAR

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PART1

IN-YEAR REPORT

1.1. Mayors Report

In this spirit of good governance, the special council adopted a funded adjustment budget on 23 February 2024, taking into cognisance the two outer years as well as the published gazette for capital grants which reflected a decrease in the MIG grant. The SDBIDP and OPMS scorecard has been revised in line with the adjusted budget to ensure attainable performance indicators. It is a widely know fact that government fiscus are depleting and due care must be applied in managing expenditures at all government spheres, as a result the municipality continuously ensure proper grant spending to avoid withholding of funds, furthermore the municipality strives to complete allocated grant funds in time to be eligible for additional grant funding. In the current year the municipality has been allocated additional funding for INEP (R4 million) and MIG (R5 million), as published in the DORA dated 20 March 2024.

The Council held its' Strategic Planning session on 19 to 23 February 2024 in Durban to deeply engage on current matters and craft a way forward in resolving matters at hand whilst planning future council activities and responsibilities. Strategic plannings resolutions thereto has since been tabled to council on 26 March 2024. Strategic planning resolutions include inter alia the improvement of internal capacity to avoid unnecessary and costly utilisation of consultants, assessment of the effectiveness of plant hire expenditure, improve revenue collection, curb electricity losses through implementation of NERSA recommendations and losses report, increase investment on local economic development programmes, intensify consequence management measures to enforce discipline on employees and to improvement in the planning processes as approved by the council on Spatial development, land use, housing sector, precinct planning and SPLUMA.

Quarter three marks the approval of the draft budget of the municipal council, budgeting is a crucial step in the financial management planning and sets the tone for the entire financial year in terms of expenditure management, achievement of key performance indicators, revenue collection, grant allocation approval, procurement planning and implementation of budget related policies. The approved draft budget was funded, which gives confidence that the final budget will be without a doubt funded, as I always put emphasis in ensuring proper budgeting that results in a funded budget position.

Lastly the council is risk alert, taking into consideration the set actions on approved risk registers, this quarter should give indication whether the municipality is reactive to targets set, if not further measures to mitigate risks should be formulated for the coming financial year, and the level of risk appetite that the municipality has on certain areas should be reviewed. It is a worrying concern that some mitigation measures for risks such as health and safety, IT security, etc., require financial support, and the council will work towards channelling funding to these areas to ensure compliance and safety of employees.



Cllr I.L. Shabalala
Honourable Mayor

1.2. Resolutions

Section 52d quarterly report resolutions for period ending 31 March 2024

Section 52d quarterly report is tabled before council for consideration by Council. Hereunder are the resolutions in terms of the Municipal Budget and Reporting Regulations Schedule-C (In Year Reporting) requirements for consideration by council:

- THAT the Council note the quarterly report on implementing of the budget and the financial affairs for the municipality referred to in Section (52d) MFMA.
- THAT the Council note the review by the Honourable Mayor as detailed in Mayors’ report be considered as the financial status of the municipality.
- THAT the Council note the mayor’s quarterly report in terms of Section 30 MFMA Regulations, be placed on the municipality’s website within five days of tabling of the report in the council.
- THAT the Council note the mayor’s quarterly report in terms of Section 31(c) MFMA Regulations, be submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

1.3. Executive Summary

Purpose

The fundamental purpose of this report is to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Council on the implementation of the budget. The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which is part of the service delivery and budget implementation plan.

The report in alignment with each table as extracted from C-Schedule is providing corrective measures taken to ensure that budget is aligned to expenditure and revenue projection. All adjustments made to original budget were a result of Mid-year assessment review, consequently adjusting items during the adjustment budget process period.

In terms of S6 of MBRR, the Statement of Financial Performance shown in Table C4 for Month 09 March serves as a consolidated municipality’s performance in relation to both approved annual budget and the latest approved adjustment budget, highlighting sound financial management considering total revenue and total expenditure year to date figures (YTD). Critical revenue sources such as property rates had a relatively low collection rate in the first six months of this year, however an increase has been experienced since January and YTD figure for property rates is R42 million, electricity revenue source (R18 million) is below the bulk expenditure (R27 million) giving a clear indication that electricity losses within the municipality is still a challenge. Employee related costs accurate expenditure will be shown in Part 2 of this document due to incomplete data transfer between the two different systems used by the municipality for financial management and payroll management, however the process is ongoing to update the financial system accordingly.

The consolidated summary of the financial performance is indicated in Table C4 below:

Choose name from list - Table C4 Monthly Budget Performance (revenue and expenditure) - M09 March								
Description	Ref	Budget Year 2023/24						
		Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variane	YTD variane %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity		35 801	492	18 415	27 177	(8 762)	-32%	35 801
Service charges - Water		-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-
Service charges - Waste management		1410	-	1142	1058	84	8%	1410
Sale of Goods and Rendering of Services		274	8	144	203	(59)	-29%	274
Agency services		-	-	-	-	-	-	-
Interest		35	-	45	35	10	28%	35
Interest earned from Receivables		555	(1)	458	469	(12)	-2%	555
Interest from Current and Non Current Assets		7 619	147	6 770	3 470	-	-	7 619
Dividends		-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-
Rental from Fixed Assets		1008	(33)	705	653	52	8%	1008
Licence and permits		-	-	-	-	-	-	-
Operational Revenue		200	32	158	80	78	97%	200
Non-Exchange Revenue								
Property rates		51009	-	42 240	42 739	(558)	-1%	51009
Surcharges and Taxes		-	-	-	-	-	-	-
Fines, penalties and forfeits		2 622	79	1096	2 057	(960)	-	2 622
Licence and permits		939	76	773	704	69	-	939
Transfers and subsidies - Operational		186 803	44 881	184 650	140 205	44 444	-	186 803
Interest		1520	-	1837	1520	317	-	1520
Fuel Levy		-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		289 794	45 682	258 432	220 431	###	17%	289 794
Expenditure By Type								
Employee related costs		106 389	-	1140	49 564	(48 424)	-98%	106 389
Remuneration of councillors		16 899	-	-	12 674	(12 674)	-100%	16 899
Bulk purchases - electricity		34 783	4 705	27 682	26 087	1595	-	34 783
Inventory consumed		15 809	917	12 739	10 995	1744	-	15 809
Debt impairment		-	-	-	-	-	-	-
Depreciation and amortisation		32 775	-	15 068	13 110	1958	15%	32 775
Interest		0	-	-	-	-	-	0
Contracted services		35 611	4 148	26 251	25 448	803	3%	35 611
Transfers and subsidies		4 476	36	2 744	3 344	(600)	-18%	4 476
Irrecoverable debts written off		6 900	-	371	5 175	(4 804)	-	6 900
Operational costs		59 061	5 592	47 967	36 054	11913	33%	59 061
Losses on Disposal of Assets		-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-
Total Expenditure		312 703	15 399	133 961	182 451	###	-27%	312 703

1.4. Legal Requirement

In terms of section 52(d) of the 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 affairs of the municipality.

1.5. IN-YEAR BUDGET STATEMENT TABLES – TABLE C1

Choose name from list - Table C1 Monthly Budget Statement Summary - M09 March									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	36 645	52 033	51 009	-	42 240	42 799	(558)	-1%	51 009
Service charges	23 572	36 142	37 212	492	19 557	28 235	(8 678)	-31%	37 212
Investment revenue	10 349	-	35	-	45	35	10	28%	35
Transfers and subsidies - Operational	10 349	2 379	7 619	147	6 770	3 470	3 300	95%	7 619
Other own revenue	174 084	191 449	193 921	45 042	189 820	145 892	43 928	30%	-
Total Revenue (excluding capital transfers and contributions)	254 997	282 002	289 794	45 682	258 432	220 431	38 001	17%	289 794
Employee costs	87 296	114 465	106 389	-	1 140	49 564	(48 424)		106 389
Remuneration of Councillors	13 462	16 899	16 899	-	-	12 674	(12 674)		16 899
Depreciation and amortisation	30 722	23 890	32 775	-	15 068	13 110	1 958		32 775
Interest	-	0	0	-	-	-	-		0
Inventory consumed and bulk purchases	32 839	47 634	50 592	5 622	40 421	37 082	3 339		50 592
Transfers and subsidies	4 453	3 719	4 476	36	2 744	3 344	(600)	-18%	4 476
Other expenditure	106 617	77 512	101 572	9 741	74 589	66 677	7 911	12%	101 572
Total Expenditure	275 389	284 119	312 703	15 399	133 961	182 451	(48 490)	-27%	312 703
Surplus/(Deficit)	(20 392)	(2 116)	(22 909)	30 283	124 471	37 980	86 491	228%	(22 909)
Transfers and subsidies - capital (monetary allocations)	41 026	46 675	78 412	-	35 102	56 771	###	-38%	78 412
Transfers and subsidies - capital (in-kind)	2 005	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	22 639	44 559	55 504	30 283	159 573	94 750	64 823	68%	55 504
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	22 639	44 559	55 504	30 283	159 573	94 750	64 823	68%	55 504
Capital expenditure & funds sources									
Capital expenditure	(47 841)	60 608	102 859	8 360	18 922	73 698	(54 776)	-74%	102 859
Capital transfers recognised	(6 537)	31 891	57 228	4 158	29 006	40 418	(11 412)	-28%	57 228
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	(41 906)	28 716	46 350	4 419	(21 702)	33 999	(55 701)	-164%	46 350
Total sources of capital funds	(48 443)	60 608	103 579	8 578	7 304	74 416	(67 113)	-90%	103 579
Financial position									
Total current assets	150 840	208 877	207 091		266 073				207 091
Total non current assets	674 049	654 154	755 949		720 488				755 949
Total current liabilities	109 076	249 213	112 882		91 163				112 882
Total non current liabilities	875	2 779	3 363		875				3 363
Community wealth/Equity	734 929	881 916	846 775		894 502				846 775
Cash flows									
Net cash from (used) operating	(98 050)	8 771	57 772	51 719	228 527	59 358	(169 169)	-285%	57 772
Net cash from (used) investing	(66 207)	(69 319)	(96 285)	(9 616)	(14 382)	(40 798)	(26 416)	65%	(96 285)
Net cash from (used) financing	-	-	-	-	1 140	-	(1 140)	#DIV/0!	-
Cash/cash equivalents at the month/year end	(33 762)	(104 084)	70 340	-	324 138	127 414	(196 725)	-154%	70 340
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	825	968	614	878	472	296	300	13 130	17 484
Creditors Age Analysis									
Total Creditors	4 873	496	-	5	27	30	154	4 864	10 448

The YTD actual revenue is R258 million compared to R190 million on the same reporting date in the previous year, which shows that the revenue streams of the municipality is growing. YTD Budget comparison for revenue shows movement from original budget of R 282 million to R289 million adjusted budget, further comparison to similar period in the previous year shows R135 million budget figures.

Operating expenditure YTD is R133 million, the expenditure budget has been adjusted upwards to R312 million from R284 million, therefore the YTD expenditure figure is supported by PART 2 document on employee costs that is understated on C-schedule due to information being not available on the system.

Capital expenditure budget due to DORA adjustment publication as well as COGTA grant approval has been moved upwards from R31 million to R57 million. MIG expenditure has depleted allocation as approved, and the additional grants published in March for MIG and INEP are yet to be approved for adjustment budget capturing.

Table C2 provides the statement of financial performance by standard classification.

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		257 980	274 390	280 169	45 028	263 210	212 809	50 400	24%	280 169
Executive and council		35 231	36 675	36 675	-	31 620	27 506	4 114	15%	36 675
Finance and administration		222 749	237 715	243 494	45 028	231 590	185 303	46 287	25%	243 494
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5 191	6 071	6 344	161	4 938	4 791	147	3%	6 344
Community and social services		3 371	4 229	4 499	6	3 468	3 407	60	2%	4 499
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 820	1 842	1 845	155	1 471	1 384	87	6%	1 845
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3 350	528	696	1	273	426	(153)	-36%	696
Planning and development		1 345	528	696	1	273	426	(153)	-36%	696
Road transport		2 005	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		31 507	47 689	80 998	492	25 113	59 176	(34 062)	-58%	80 998
Energy sources		29 960	46 235	79 388	492	23 628	57 918	(34 290)	-59%	79 388
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 547	1 454	1 610	-	1 485	1 257	228	18%	1 610
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	298 028	328 677	368 207	45 682	293 534	277 201	16 333	6%	368 207
Expenditure - Functional										
<i>Governance and administration</i>		147 724	147 823	162 312	3 745	53 892	93 650	(39 758)	-42%	162 312
Executive and council		36 895	35 919	36 577	774	6 000	24 552	(18 552)	-76%	36 577
Finance and administration		106 660	108 875	121 112	2 927	45 195	65 723	(20 529)	-31%	121 112
Internal audit		4 169	3 030	4 623	44	2 697	3 374	(677)	-20%	4 623
<i>Community and public safety</i>		34 361	36 420	36 638	678	9 431	20 596	(11 165)	-54%	36 638
Community and social services		19 663	18 109	18 535	536	6 639	12 116	(5 477)	-45%	18 535
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		14 698	18 311	18 102	142	2 792	8 480	(5 688)	-67%	18 102
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		33 739	40 891	55 419	5 651	40 691	31 164	9 526	31%	55 419
Planning and development		11 558	24 136	21 945	1 456	13 113	13 376	(263)	-2%	21 945
Road transport		22 181	16 755	33 473	4 195	27 577	17 788	9 789	55%	33 473
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		59 566	58 984	58 335	5 326	29 948	37 042	(7 094)	-19%	58 335
Energy sources		45 123	45 414	44 435	5 326	29 594	31 206	(1 613)	-5%	44 435
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 190	1 937	1 852	-	100	806	(705)	-88%	1 852
Waste management		12 253	11 633	12 048	-	254	5 030	(4 776)	-95%	12 048
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	275 389	284 119	312 703	15 399	133 961	182 451	(48 490)	-27%	312 703
Surplus/ (Deficit) for the year		22 639	44 559	55 504	30 283	159 573	94 750	64 823	68%	55 504

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget		Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March								
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		35 231	36 675	36 675	-	31 620	27 506	4 114	15,0%	36 675
Vote 2 - Planning and Economic Development		1 345	528	696	1	273	426	(153)	-35,9%	696
Vote 3 - Budget and Treasury		222 548	237 835	243 591	44 994	231 402	185 303	46 100	24,9%	243 591
Vote 4 - Corporate and Community Service		5 343	5 931	6 227	193	5 100	4 776	324	6,8%	6 227
Vote 5 - Technical Services		33 561	47 709	81 017	494	25 139	59 190	(34 052)	-57,5%	81 017
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	298 028	328 677	368 207	45 682	293 534	277 201	16 333	5,9%	368 207
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		27 607	19 382	21 429	731	7 720	13 831	(6 111)	-44,2%	21 429
Vote 2 - Planning and Economic Development		11 558	24 107	21 917	1 456	13 113	13 365	(251)	-1,9%	21 917
Vote 3 - Budget and Treasury		55 055	61 069	67 582	508	23 444	33 725	(10 281)	-30,5%	67 582
Vote 4 - Corporate and Community Service		75 236	78 761	84 911	3 071	30 577	49 972	(19 395)	-38,8%	84 911
Vote 5 - Technical Services		84 528	82 881	98 717	9 545	57 964	57 975	(11)	0,0%	98 717
Vote 6 - Council And General		15 159	17 918	18 147	87	1 033	13 584	(12 551)	-92,4%	18 147
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	269 143	284 119	312 703	15 398	133 852	182 451	(48 599)	-26,6%	312 703
Surplus/ (Deficit) for the year	2	28 886	44 559	55 504	30 284	159 682	94 750	64 932	68,5%	55 504

Table C4 Municipality Financial Performance

Table C4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 March 2024

This report analyses each major component under following headings.

- Revenue by Source
- Operational Expenditure by Type

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March										
Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD varian	YTD varian %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		22 456	34 732	35 801	492	18 415	27 177	(8 762)	-32%	35 801
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 115	1 410	1 410	-	1 142	1 058	84	8%	1 410
Sale of Goods and Rendering of Services		185	246	274	8	144	203	(59)	-29%	274
Agency services		-	-	-	-	-	-	-	-	-
Interest		66	-	35	-	45	35	10	28%	35
Interest earned from Receivables		534	377	555	(1)	458	469	(12)	-2%	555
Interest from Current and Non Current Assets		10 349	2 379	7 619	147	6 770	3 470	-	-	7 619
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		792	885	1 008	(33)	705	653	52	8%	1 008
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		321	190	200	32	158	80	78	97%	200
Non-Exchange Revenue										
Property rates		36 645	52 033	51 009	-	42 240	42 799	(558)	-1%	51 009
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		894	2 277	2 622	79	1 096	2 057	(960)	-	2 622
Licence and permits		957	931	939	76	773	704	69	-	939
Transfers and subsidies - Operational		177 394	186 543	186 803	44 881	184 650	140 205	44 444	-	186 803
Interest		1 886	-	1 520	-	1 837	1 520	317	-	1 520
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 403	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		254 997	282 002	289 794	45 682	258 432	220 431	####	17%	289 794
Expenditure By Type										
Employee related costs		87 296	114 465	106 389	-	1 140	49 564	#####	-98%	106 389
Remuneration of councillors		13 462	16 899	16 899	-	-	12 674	(12 674)	-100%	16 899
Bulk purchases - electricity		31 384	34 783	34 783	4 705	27 682	26 087	1 595	-	34 783
Inventory consumed		1 456	12 851	15 809	917	12 739	10 995	1 744	-	15 809
Debt impairment		(4 871)	-	-	-	-	-	-	-	-
Depreciation and amortisation		30 722	23 890	32 775	-	15 068	13 110	1 958	15%	32 775
Interest		-	0	0	-	-	-	-	-	0
Contracted services		55 184	32 464	35 611	4 148	26 251	25 448	803	3%	35 611
Transfers and subsidies		4 453	3 719	4 476	36	2 744	3 344	(600)	-18%	4 476
Irrecoverable debts written off		152	6 900	6 900	-	371	5 175	(4 804)	-	6 900
Operational costs		54 802	38 148	59 061	5 592	47 967	36 054	11 913	33%	59 061
Losses on Disposal of Assets		1 350	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		275 389	284 119	312 703	15 399	133 961	182 451	#####	-27%	312 703
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary)		41 026	46 675	78 412	-	35 102	56 771	(21 668)	(0)	78 412
Transfers and subsidies - capital (in-kind)		2 005	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Income Tax		22 639	44 559	55 504	30 283	159 573	94 750			55 504
Surplus/(Deficit) after income tax		22 639	44 559	55 504	30 283	159 573	94 750			55 504
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
municipality		22 639	44 559	55 504	30 283	159 573	94 750			55 504
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		22 639	44 559	55 504	30 283	159 573	94 750			55 504

REVENUE BY SOURCE

Property rates

Property rates YTD Actual stands at R 42 million compared to R 32 million on the same reporting date in the previous year, significant increase in property rates revenue is noted, which is due to

implementation of the new GV Roll. Original budget has been moved downwards by R1 million during adjustment budget period. Action plan has been formulated to track collection of revenue challenges and policy enforcement is monitored closely.

Service charges electricity

The actual revenue from Service Charges Electricity is R18million indicating an increase from R13 million however electricity losses are experienced, and cost of supply study has been conducted indicating a 40% increase for electricity that will enable the municipality to recover all electricity costs.

Interest from Current and Non-Current Assets

YTD Actual of R6.7 million compared to R1.2 million in the previous year shows a significant improvement on current and non-current assets investments. YTD budget stands at R3.4 million, the budget in this regard has been adjusted accordingly to R7.6 million from R2.3 million original budget.

Transfers and subsidies

Transfers and subsidies as allocated in the DoRA has been received, furthermore the additional funding has been allocated to the municipality in March.

EXPENDITURE BY TYPE

Employment related costs

The YTD Actual for employee relates costs reflects budget underspending, however the municipality is aware of journal file issue with payroll ledger update, the challenge is being attended to with the service providers, the timeline set to resolve the said problem will be the last day of the third quarter. The manual update on monthly payroll is attached on Part 2 hereto, which reflects accurately the YTD figures.

Remuneration of Councillor's

The YTD Actual for employee relates costs will only reflect in PART 2 of this report, c-schedule has no data for payroll for quarter 3, the municipality uses two distinct systems to capture employee costs, therefore there are numerous challenges regarding seamless transmission of journal files from CCG System to Inzalo System. The manual table has been appended on Part 2 of this report reflecting all items relating to employee costs and councillor benefits.

Debt impairment

The YTD actuals and budget reflects R0 amounts, the actuals will be captured once reviewed as final during the interim AFS preparation.

Depreciation & asset impairment

Depreciation and Asset impairment YTD Actual has been calculated for the first six months of the financial year at R13 million, asset verification process is underway. There are WIP assets that has been completed and transferred to asset class which will be considered in the final asset register.

Bulk purchases

YTD Actual for electricity bulk purchase is R27.6 million compared to R18 for the same reporting date. The municipality is engaged in processes to convert community hall conventional meters to prepaid meters in an effort to reduce electricity bill. Eskom bulk statement meter reading will be verified against meter readings taken by the municipality once the capacitation of electricity department officials has been finalised.

Monthly Budget Statement_ Capital Expenditure Table 5

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD varian	YTD varian %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Economic Development		1 715	-	310	-	1 583	310	1 273	411%	310
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate and Community Service		628	-	0	-	-	0	(0)	-100%	0
Vote 5 - Technical Services		(51 278)	55 060	82 319	5 068	4 000	57 520	#####	-93%	82 319
Vote 6 - Council And General		-	-	608	-	608	560	48	8%	608
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	(48 935)	55 060	83 237	5 068	6 191	58 390	#####	-89%	83 237
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate and Community Service		74	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		1 020	5 548	19 622	3 292	12 731	15 308	(2 577)	-17%	19 622
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	1 094	5 548	19 622	3 292	12 731	15 308	#####	-17%	19 622
Total Capital Expenditure		(47 841)	60 608	102 859	8 360	18 922	73 698	#####	-74%	102 859
Capital Expenditure - Functional Classification										
Governance and administration		684	-	608	-	608	560	48	8%	608
Executive and council		-	-	608	-	608	560	48	8%	608
Finance and administration		684	-	0	-	-	0	(0)	-100%	0
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(26 406)	53 321	62 914	2 585	40 151	45 075	(4 923)	-11%	62 914
Community and social services		(26 640)	53 321	62 914	2 585	40 151	45 075	(4 923)	-11%	62 914
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		233	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(30 960)	7 287	21 033	5 022	(35 629)	16 021	(51 650)	-322%	21 033
Planning and development		(32 818)	0	2 269	95	3 636	2 269	1 368	60%	2 269
Road transport		1 858	7 287	18 764	4 927	(39 265)	13 753	(53 018)	-386%	18 764
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		8 240	0	19 024	970	2 173	12 760	(10 587)	-83%	19 024
Energy sources		-	0	18 790	970	1 940	12 527	(10 587)	-85%	18 790
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		8 240	0	234	-	233	234	(0)	0%	234
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(48 443)	60 608	103 579	8 578	7 304	74 416	#####	-90%	103 579
Funded by:										
National Government		(6 537)	31 891	29 630	1 007	22 915	22 010	905	4%	29 630
Provincial Government		-	-	27 598	3 151	6 091	18 408	(12 317)	-67%	27 598
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		(6 537)	31 891	57 228	4 158	29 006	40 418	#####	-28%	57 228
Borrowing	6									
Internally generated funds		(41 906)	28 716	46 350	4 419	(21 702)	33 999	(55 701)	-164%	46 350
Total Capital Funding		(48 443)	60 608	103 579	8 578	7 304	74 416	#####	-90%	103 579

Total capital expenditure by function classification stands at 90%, however the grant expenditure register will reflect that MIG allocation has been exhausted already, the difference is caused by claims not approved on MISA. The table reflects that the technical department is the custodian of capital projects, with the original budget of R55 million increased to R82 million.

Table C6 – Monthly Budget Statement – Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M09 March						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		108 854	(43 230)	108 649	184 408	108 649
Trade and other receivables from exchange transactions		7 909	9 051	8 228	7 317	8 228
Receivables from non-exchange transactions		2 185	31 527	25 945	42 450	25 945
Current portion of non-current receivables		–	–	–	–	–
Inventory		1 528	2 087	1 528	1 523	1 528
VAT		30 256	209 576	62 633	30 208	62 633
Other current assets		108	(133)	108	168	108
Total current assets		150 840	208 877	207 091	266 073	207 091
Non current assets						
Investments		–	–	–	–	–
Investment property		41 405	19 371	41 405	41 372	41 405
Property, plant and equipment		632 548	634 533	714 449	679 024	714 449
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		79	79	79	79	79
Intangible assets		16	24	16	14	16
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	146	0	–	0
Total non current assets		674 049	654 154	755 949	720 488	755 949
TOTAL ASSETS		824 889	863 031	963 040	986 561	963 040
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		2 169	3 639	2 124	2 164	2 124
Trade and other payables from exchange transactions		65 589	49 140	64 497	15 748	64 497
Trade and other payables from non-exchange transactions		4 143	1 557	4 014	30 488	4 014
Provision		10 074	10 899	10 074	12 562	10 074
VAT		27 101	179 899	32 172	30 201	32 172
Other current liabilities		–	4 080	–	–	–
Total current liabilities		109 076	249 213	112 882	91 163	112 882
Non current liabilities						
Financial liabilities		(20)	(20)	(20)	(20)	(20)
Provision		896	2 800	3 384	896	3 384
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		875	2 779	3 363	875	3 363
TOTAL LIABILITIES		109 951	251 993	116 245	92 039	116 245
NET ASSETS	2	714 938	611 038	846 795	894 522	846 795
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		734 788	881 782	846 633	894 361	846 633
Reserves and funds		141	134	141	141	141
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	734 929	881 916	846 775	894 502	846 775

The table C6 reflects R894 million YTD actual accumulated surplus against R436 million in the same reporting period last year. Total assets (R986 million) exceed total liabilities (R92 million), resulting in net assets of R894 million.

Table C7 – Monthly Budget Statement – Cash Flow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		16 364	39 839	39 839	866	26 690	29 879	(3 189)	-11%	39 839
Service charges		26 245	36 691	36 691	1 918	22 788	27 518	(4 730)	-17%	36 691
Other revenue		3 854	2 648	2 734	189	3 432	1 695	1 738	103%	2 734
Transfers and Subsidies - Operational		177 406	186 543	186 543	44 881	186 543	139 907	46 636	33%	186 543
Transfers and Subsidies - Capital		44 780	46 376	97 568	14 522	74 831	58 137	16 694	29%	97 568
Interest		613	4 280	6 530	0	2 340	3 142	(802)	-26%	6 530
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(367 312)	(307 606)	(312 133)	(10 658)	(88 097)	(200 919)	(112 822)	56%	(312 133)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(98 050)	8 771	57 772	51 719	228 527	59 358	(169 169)	-285%	57 772
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(66 207)	(69 319)	(96 285)	(9 616)	(14 382)	(40 798)	(26 416)	65%	(96 285)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(66 207)	(69 319)	(96 285)	(9 616)	(14 382)	(40 798)	(26 416)	65%	(96 285)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	1 140	-	1 140	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	1 140	-	(1 140)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(164 258)	(60 548)	(38 514)	42 103	215 285	18 560			(38 514)
Cash/cash equivalents at beginning:		130 495	(43 536)	108 854		108 854	108 854			108 854
Cash/cash equivalents at month/year end:		(33 762)	(104 084)	70 340		324 138	127 414			70 340

The tables C7 cash flow statement reflects that cash and cash equivalents has a favourable balance at the end of the third quarter. Cash flow from operating activities year to date actual is R228 million. Cash flow from investing activities is channelled to capital expenditure investment with a YTD figure of R14.3 million. Only the consumer deposits increase is reflected under financing activities, the municipality has not financed its activities through short-term or long-term loans. No receipts have been received on proceeds from disposal of PPE or increase in receivables or increase in investments.

PART 2 – SUPPORTING DOCUMENTATION

2.1 INVESTMENT PORTFOLIO ANALYSIS

The investment register on 31 March 2024 reflects investment status of the municipality, which reflects the investment balance of R95 million, to date an amount of R86 million has been withdrawn. Additional investments made in the current year amounts to R81 million, with the opening balance of R108 million.

Table: 1(a) Investment Register for the month ending 31 March 2024.

SUMMARY OF INVESTMENT REGISTER 2023/2024						
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE
ABSA (0646)	R 18 381 815,73	R -	R 228 398,17	R 15 000 000,00	R -	R 3 610 213,90
ABSA (1394) HOUSING A/C	R 1 765 600,89	R -	R 91 007,73	R -	R -	R 1 856 608,62
ABSA (1868)	R -	R 20 000 000,00	R 923 703,63	R 20 923 703,63	R -	R 0,00
ABSA (2142)	R 5 646 508,86	R -	R 382 376,56	R -	R -	R 6 028 885,42
ABSA (2765)	R 1 424 715,30	R -	R 87 538,54	R -	R -	R 1 512 253,84
ABSA (4328)	R 22 375,62	R -	R 1 147,63	R -	R 300,00	R 23 223,25
ABSA (5014)	R 281 892,07	R 21 400 000,00	R 244 610,21	R 21 400 000,00	R -	R 526 502,28
ABSA (5617)	R 15 521 247,38	R 15 521 247,38	R 486 108,46	R 16 007 355,84	R -	R 0,00
ABSA (7106)	R 34 490,25	R -	R 2 076,42	R -	R -	R 36 566,67
ABSA (9642)	R -	R 20 000 000,00	R 1 261 123,17	R -	R -	R 21 261 123,17
ABSA CALL (5892)	R 59 116,10	R 4 996 649,10	R 136 171,42	R 3 500 000,00	R -	R 1 691 936,62
FNB (0889)	R 7 929 878,71	R -	R 598 422,66	R -	R -	R 8 453 186,16
FNB (2166)	R 15 199 555,53	R -	R 643 605,00	R 10 000 000,00	R -	R 5 843 160,53
FNB (2554)	R 9 377 603,24	R -	R 707 674,16	R -	R -	R 9 996 448,72
FNB CALL (1408)	R 9 334 532,89	R -	R 553 132,37	R -	R -	R 9 887 665,26
NEDBANK (3)	R 1 138,71	R -	R 70,16	R -	R -	R 1 208,87
STANDARD BANK 014	R 6 856,48	R -	R 304,91	R -	R -	R 7 161,39
STANDARD BANK 063	R 23 438 341,72	R -	R 1 391 298,85	R -	R -	R 24 829 640,57
TOTAL	R 108 425 669,48	R 81 917 896,48	R 7 738 770,04	R 86 831 059,47	R 300,00	R 95 565 785,26

Withdrawal history provide indication of all withdrawal activities that has taken place during the 9 months (July to March) of the current financial year.

Table: 1(b) withdrawal register for the month ending 31 March 2024

Investment withdrawals register for the month ending 31 March 2024							
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO		ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
07-Jul-23	ABSA (0646)	R 15 000 000,00	ABSA 2762		PRIMARY	65 551 110,36	Insufficient funds to pay for normal operations
01-Sep-23	ABSA (5014)	R 10 700 000,00	ABSA 2762		PRIMARY	2 970 284,58	Insufficient funds to pay for normal operations
22-Sep-23	ABSA (5014)	R 10 700 000,00	ABSA 2762		PRIMARY	4 976 430,03	Insufficient funds to pay for normal operations
19-Oct-23	ABSA (5892)	R 3 500 000,00	ABSA 2762		PRIMARY	4 490 995,62	Insufficient funds to pay for normal operations
26-Oct-23	FNB (2166)	R 10 000 000,00	ABSA 2762		PRIMARY	4 602 293,89	Insufficient funds to pay for normal operations
31-Oct-23	ABSA (5617)	R 16 007 355,84	ABSA 2762		PRIMARY	11 056 712,84	Insufficient funds to pay for normal operations
24-Mar-24	ABSA (1868)	R 20 923 703,63	ABSA 2762		PRIMARY	511 056,25	Insufficient funds to pay for normal operations
		R 86 831 059,47					

The municipality has a bank balance of R52 million, at the end of 31 March 2024, there are zero outstanding deposits or receipts at the reporting date.

Table 1 (c) Bank reconciliation of primary account month ending 31 March 24

PRIMARY ACCOUNT BANK RECON FOR THE MONTH ENDING 31 MARCH 2024	
PRIMARY ACCOUNT -4053562762	
Details	Amount
Cash book balance as at 31 March 2024	R52 508 021,73
Outstanding deposits	R0,00
Unknown deposits	R0,00
Bank charges	R0,00
Outstanding cheques	R0,00
Transfers	R0,00
Sundries	R0,00
Outstanding receipts	R0,00
Bank statement balance as at 31 March 2024	R52 508 021,73

2.2 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on councillors and employee benefits

The municipality has revised the organogram during the mid-year assessment period to accommodate changes in the positions and addition of employees to organogram structure of the municipality. To date the detailed actual costs in comparison with the budget are as per below table.

Table 2: Councillors allowances and employee benefits for the month ending 31 March 2024

Staff Benefits in terms of Section 66 of the MFMA		
The detail breakdown of the actual staff benefits and Councillors allowances for the period ending 31 December 2023		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R78 349 863,00	R 33 203 968,29
Contributions to pension funds	R12 900 247,00	R 4 291 357,71
Contributions to medical aids	R2 742 197,00	R 1 513 948,96
Contributions to UIF	R597 625,00	R 269 111,57
Contributions to SDL	R957 098,00	R 392 313,82
Travel, motor car	R3 982 310,00	R 1 753 751,28
Salga	R40 576,00	R 18 342,38
Housing benefits and allowances	R109 200,00	R 47 988,45
Cellphone Allowance	R0,00	R 0,00
Overtime payments	R2 113 290,00	R 1 021 877,15
Bonuses	R6 005 879,00	R 2 837 074,67
Other leave & long service	R2 273 403,00	R 297 059,59
Allowances (Standby and Drivers Allowance)	R1 061 146,00	R 1 145 586,14
Totals	R 111 132 834,00	R 46 792 380,01
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R14 606 745,00	R 6 645 466,36
Cellphone/Data Allowance	R1 591 117,00	R 604 740,00
Contributions to SDL	R24 298,00	R 66 589,92
Totals	R16 222 160,00	R 7 316 796,28

2.3 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE - Grants register - 31 March 2024

The municipality continuously ensures that all grant allocations are spent timeously to avoid withholding and rolling over of unspent grants as this process is tedious, to date the unspent grants amounts to R25 million compared to total allocations of R91 million received.

Table 3: Grant register – for month ending March 2024

Summary of Grants received and expenditure						
Grant Type	Audited Balance as at	Dora/Prov Allocation for year	Received	Spent & transferred to income	Balance as at	Available funds/not committed
	1-Jul-2023		2023/24	2023/24	2023/24	2023/24
MIG	-	(39 222 000,00)	(39 222 000,00)	42 739 014,00	3 517 014,00	3 517 014,00
Massification Eletrification	-	(21 608 500,00)	(21 608 500,00)	5 856 897,59	(15 751 602,41)	(15 751 602,41)
Eletrification	(3 753 798,81)	(14 000 000,00)	(14 000 000,00)	9 419 146,11	(8 334 652,70)	(8 334 652,70)
Small Town rehabilitation		(10 000 000,00)	(10 000 000,00)	7 004 509,52	(2 995 490,48)	(2 995 490,48)
Library support	-	(1 964 000,00)	(1 964 000,00)	1 890 635,82	(73 364,18)	(73 364,18)
FMG	-	(1 850 000,00)	(1 850 000,00)	681 117,89	(1 168 882,11)	(1 168 882,11)
Library Modular	-	(1 430 000,00)	(1 430 000,00)	1 347 864,60	(82 135,40)	(82 135,40)
EPWP	-	(1 162 000,00)	(1 162 000,00)	1 162 000,00	-	-
Cybercadet	-	(508 000,00)	(508 000,00)	443 792,12	(64 207,88)	(64 207,88)
Library Volunteer	(259 941,24)	(108 000,00)	(108 000,00)	72 000,00	(295 941,24)	(295 941,24)
Sportfield Maintenance	(128 895,59)	-	-	101 775,00	(27 120,59)	(27 120,59)
Bornem Grant	-	-	-	-	-	-
TOTALS	(4 142 635,64)	(91 852 500,00)	(91 852 500,00)	70 718 752,65	(25 276 382,99)	(25 276 382,99)

The grant register includes the additional grants that were approved and published in the DoRA on 20 March 2024. The comments on spending are as follows:

- a) MIG grant expenditure has exhausted allocated funds and is overspent by R3.5 million. Additional grant funding for MIG was R5 million.
- b) Mass electrification has spent R5.8 million out of R21.6 million allocation, the remaining funds are R15.7 million.
- c) Electrification grant has spent R9.4 million and R8.3 million remains unspent. The additional funding allocation was R4 million for INEP.
- d) Small town grant rehabilitation has spent R7 million and R2.9 remains unspent.
- e) Library support grant has only R73 thousand remaining, R1.8 million has been spent.
- f) Financial Management grant (FMG) has R1.1 million remaining and has spent R681 thousand.
- g) Library Modular has spent R1.3 million, only R82 thousand remains.
- h) EPWP has spent all the allocation.
- i) Cybercadet grant has spent R443 thousand, the remaining balance is R64 thousand.
- j) Library Volunteer grant has only spent R72 thousand, the balance remaining is R295 thousand.
- k) Sportfield maintenance gran has not received new allocation, the balance was rolled over from the previous year amounting to R128 thousand, the remaining unspent amount is R27 thousand.

2.4 Debtors' analysis – Age analysis 31 March 2024

Table 4: Debtors' analysis for the month ending March 2024

March 2024 Age Analysis								
Totals per Service Type	Total Balance	Current Amount	30 Days Amount	60 Days Amount	90 Days Amount	120 Days Amount	150 Days Amount	180+ Days Amount
Advance Payment	(R10 371 932,38)	-R10 371 932,38	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
Adv-Pay Reverse	120,78	120,78	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
Clearance Fee	R8,03	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R8,03
Deposit: Electricity Metered	R 4 993,00	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 4 993,00
Deposit: Waste Disposal	R 2 000,00	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 2 000,00
Electricity Basic	R 553 093,43	R210 432,80	R 46 031,08	R 40 620,38	R 40 430,97	R 24 887,06	R 24 554,73	R 166 136,41
Electricity Metered	R5 115 200,78	R2 500 445,37	R 557 060,54	R 374 104,81	R 501 396,52	R 132 909,67	R 86 408,71	R 962 875,16
Market stalls	R1 085 364,09	R40 452,77	R 18 449,78	R 17 907,54	R 17 180,30	R 17 085,89	R 16 763,98	R 957 523,83
OFFICE RENTAL	R 151 719,27	R31 569,95	R 15 814,95	R 15 714,99	R 15 615,05	R 15 515,09	R 5 481,80	R 52 007,44
Plaza Market Stalls	R 241 864,90	R18 619,96	R 8 346,23	R 8 287,57	R 7 986,32	R 7 486,48	R 7 016,45	R 184 121,89
Property Rates	R80 462 684,11	R6 555 251,00	R3 007 518,44	R2 971 308,17	R2 858 856,01	R2 817 121,51	R2 767 371,64	R59 485 257,34
Rent (M001)	R 386 977,36	R45 885,90	R 20 261,30	R 9 361,30	R 9 311,30	R 9 261,30	R 9 211,30	R 283 684,96
Repay: Waste Disposal	R 25 252,57	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 25 252,57
Signs (M001)	R 4 426,95	R1 000,88	R 16,71	R 16,71	R 16,71	R 16,71	R 16,71	R 3 342,52
Stall rental	R 26 326,52	R719,83	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 24 950,59
Sundries (VAT)	R 11 248,74	R11 079,62	R 169,12	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
Tampering Fee	R 298 964,46	R0,00	R 32 535,96	R 13 424,67	R 160 421,31	R 92 582,52	R 0,00	R 0,00
Traffic Fines	R3 270 000,00	R169 300,00	R 168 200,00	R 68 500,00	R 67 000,00	R 101 100,00	R 0,00	R2 695 900,00
Traffic Fines (M001)	R2 223 721,78	R0,00	R 0,00	R 450,00	R 0,00	R 0,00	R 90 000,00	R2 133 271,78
Waste Disposal	R6 616 586,66	R262 714,49	R 100 384,28	R 91 880,37	R 86 248,55	R 81 185,70	R 78 654,24	R5 915 519,03
Total	R90 108 621,05	(R 524 339,03)	R3 974 919,61	R3 611 707,73	R3 764 594,26	R3 299 283,15	R3 085 610,78	R72 896 844,55

Debtors book is growing immensely, given that the large portion of outstanding debtors come from property rates. The municipality is engaging in amicable resolution that will enable the properties that has been significantly increased during the last valuation period to be revised, which will encourage the affected customers to pay their accounts. Policy enforcement is being tightened and indigent debtors' registration window has been opened since 01 March 2024 and will close on 31 May 2024, relevant public notices has been issued to ensure all eligible customers do partake in the process.

Debt collection rates - Cash collection Table

Table 5: Revenue vs billing collection rate – for the month ending March 2024

Cash Collected for each Revenue Source via Billing (March 2024)				
	Cash collection	Ageing - March 2024	Collection rate per BT	Billed revenue - March 2024
Rates	R -597 128,80	R 80 462 684,11	-1%	R 5 061 477,13
Electricity	R -1 205 201,52	R 5 673 287,21	-21%	R 2 197 340,41
Refuse	R -96 102,89	R 6 643 839,23	-1%	R 178 296,29
Stalls Rental , Traffic fines & T	R -37 228,83	R 7 146 241,75	-1%	R 69 419,04
Other Rentals	R -	R 554 372,32	0%	R -
Advance payments	R -71 794,57	R -10 371 803,57	0%	R -
S - Unallocated Receipt Journa	R -			R -
TOTAL CASH RECEIVED (BILL	R -2 007 456,61	R 90 108 621,05		R 7 506 532,87
Total Ageing	R 90 108 621,05		February 2024 billing	R 7 185 259,51
Total debtors' payments	R 2 007 456,61		March 2024 payments	R 2 007 456,61
		2%		28%

Table 6: Debtors' ratios for month ending March

MARCH 2024 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	31	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	2969,96	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	4,47	Revenue Growth (%)

Cash collected on 31 March 2024 amounts to R 2 million resulting in 31% collection rate which is below the norm for revenue collection. The municipality is tracing purchasing patterns to follow through on possible electricity tampering. There will be meter audit in the June month to verify data and checking of indicators for meter tampering. Ageing information on C-schedule is yet to be rectified, as it does not reflect accurate outstanding debtors age and amounts, reference to be made to Table C1 excerpt below.

Table C1 debtors ageing extract from C-schedule.

Choose name from list - Table C1 Monthly Budget Statement Summary - M09 March									
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									
Total By Income Source	825	968	614	878	472	296	300	13 130	17 484
<u>Creditors Age Analysis</u>									
Total Creditors	4 873	496	-	5	27	30	154	4 864	10 448

2.5 Creditor's analysis – Creditors outstanding on 31 March 2024

The municipality continues to pay creditors invoices in line with the requirements of S65 of the MFMA. The municipality formulated a delay reason documentation that seeks to put emphasis on adherence to 30 days payment and holding of responsible officials accountable, outstanding creditors are <30 days old.

Table 7 : Top 10 paid creditors for month ending March 2024

CREDITORS REPORT FOR MARCH 2024			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF MARCH 2024			
NO.	VENDOR NAME	DESCRIPTION	AMOUNT
1	MULTI SOLUTION TRADING	PLANT HIRE	R 2 020 745,50
	MULTI SOLUTION TRADING	PLANT HIRE	R 1 491 837,50
	MULTI SOLUTION TRADING	PLANT HIRE	R 1 822 060,00
	MULTI SOLUTION TRADING	PLANT HIRE	R 1 555 720,00
			R 6 890 363,00
2	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 190 183,00
	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 4 776,15
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	R 4 231,36
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 7 344,97
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 2 236,88
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 450,88
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 4 322,31
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 3 707,84
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	R 17 419,52
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	R 1 524,83
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	R 6 286,53
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 1 394,72
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 7 806,81
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 3 059,53
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 2 783 482,47
3	ASIZIQALELE CONTRACTORS	PLANT HIRE	R 2 370 771,00
	ASIZIQALELE CONTRACTORS	PLANT HIRE	R 563 643,75
			R 2 934 414,75
4	DLV PROJECT MANAGERS AND ENGINEERS	SUPPLY AND INSTALL 315 KVA MINI SUBSTATION	R 688 758,00
			R 688 758,00
5	BRAND PARTNERS (PTY) LTD	DESIGN AND SUPPLY CALENDERS & DIARIES FOR 2024	R 628 471,21
			R 628 471,21
6	LONDOLOZA SOLUTIONS (PTY) LTD	PLANT HIRE	R 599 679,00
			R 599 679,00
7	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT FEB 24	R 100 050,00
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEB 24	R 372 657,39
			R 472 707,39
8	FEZILE SECURITY SERVICES	PROVISION OF VVIP AND VIP PROTECTION	R 113 850,00
	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEB 24	R 352 703,50
			R 466 553,50
9	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PREPARATION OF INTERIM AFS FOR DECEMBER 2023	R 432 024,24
			R 432 024,24
10	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEB 24	R 386 254,94
			R 386 254,94

Creditors ageing from the C-schedule Table extract does not reflect true ageing of the creditors. The issue of creditors ageing with the system has been logged, and the case has since been pending with no solution.

Table C1 creditors ageing extract from C-schedule.

Choose name from list - Table C1 Monthly Budget Statement Summary - M09 March									
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	825	968	614	878	472	296	300	13 130	17 484
Creditors Age Analysis									
Total Creditors	4 873	496	-	5	27	30	154	4 864	10 448

Manual ageing of creditors is prepared using invoice date, for the month ending March 2024, the outstanding creditors are less than 30 days old amounting to R4 million and will be paid in the next pay run provided that the invoices/voucher do meet all the payment requirements.

Table 8: Manual outstanding creditors for March 2024

OUTSTANDING CREDITORS FOR MARCH 2024 (30 days Ageing)		
UNPAID OPERATIONAL EXPENDITURE		R 3 070 799,51
AYANDA MBANGA	Public notice (2023/2024 Adjustment Budget)	R 3 762,66
UD TRUCKS	Replace cab cylinder and cab pump	R 13 122,48
TYRES 2 GO DUNDEE	Purchase 06 tyres of NTU 3439	R 20 639,97
MUWAZENI CONSTRUCTION & PROJECTS	Catering for 150 people on mayoral cup at the stadium	R 26 700,00
ESKOM (BULK) 8848733513	Bulk Electricity Purchases	R 2 627 412,40
GANEPI TRADING CC	Supply and deliver 3 weeks chicks (Poverty Alleviation Program)	R 80 204,00
AMAGWAZELA TRADING ENTERPRISES	Repairs for TLB NTU 4439	R 298 958,00
UNPAID CAPITAL EXPENDITURE		R 1 884 611,24
AFRILECTRICAL CONSULTING ENGINEERS	Malanga Electrification Project for 50 households	R 1 884 611,24
TOTAL UNPAID CREDITORS		R 4 955 410,75

2.6 SCM IMPLEMENTATION

SCM unit has put in place measures to improve performance, enhance sound internal controls and curb unnecessary deviations from SCM processes and to ensure sound SCM management. Due to some services being rendered by only specific providers, the practicality to apply competitive is defeated, deviations are inevitable, however any unnecessary deviations are rejected.

1) Contract management.

Contract management unit maintains the register for all contracts that the municipality has. Notices are issued to all user departments accordingly to ensure that all contracts are advertised in time to ensure that irregular expenditure is avoided at all times. Where necessary contracts are renewed following the applicable legislation. The contract register is enclosed as

Annexure A, reflecting a list of all active contracts, extended contracts, and contracts that will expire within the current financial year.

2) Deviations Register – 31 March 2024

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to “dispense with the official procurement processes established by the policy and to procure any required goods or service through any convenient process”. This would typically include urgent and emergency cases, single source goods, and any other cases where it is impractical to follow normal SCM processes. In the event of such decision, the Accounting Officer is required to report this to the next Council meeting.

Table 9: Deviations Register for the period ending 31 March 2024

Date identified	Date reported to Mayor	Description	SCM Regulation Applicable	Reasons for Deviation	Supplier	Services Rendered	End User Department	Amount
24/07/2022	08/08/2023	HIRE OF MINIBUSES FROM NQUTHU	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR ISIBAYA SAMADODA	CORPORATE SERVICES	R 53 500,00
01/08/2023	08/09/2023	HIRE OF 19 MINIBUSES- TO NQUTHU STADIUM	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF 19 MINIBUSES- TO NQUTHU STADIUM	CORPORATE SERVICES	R 53 500,00
14/08/2023	08/09/2023	HIRE OF MINIBUSES FROM NQUTHU TO GLENCOE	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FROM NQUTHU TO GLENCOE	CORPORATE SERVICES	R 49 000,00
28/08/2023	08/09/2023	HIRE OF MIBUSES -DISABILITY FESTIVAL	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MIBUSES -DISABILITY FESTIVAL	CORPORATE SERVICES	R 53 500,00
29/08/2023	08/09/2023	HIRE OF MINIBUSES FOR WOMEN'S DAY CELEBRATION	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR WOMEN'S DAY CELEBRATION	CORPORATE SERVICES	R 50 500,00
2023/10/10	2023/10/10	HIRE OF MINIBUSES FOR SALGA SELECTION	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR SALGA SELECTION	CORPORATE SERVICES	R 70 000,00
2023/10/10	2023/11/10	HIRE OF MINIBUSES FOR SALGA SELECTION	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR SALGA SELECTION	CORPORATE SERVICES	R 298 000,00
24/10/2023	24/10/2023	PROMO FOR MASKADI FESTIVAL	S36(1)(a)(i)	SOLE SERVICE PROVIDER	SABC	PROMO FOR MASKADI FESTIVAL	EXECUTIVE & COUNCIL	R 158 182,00
2023/08/11	15/11/2023	HIRE 18 MINIBUSES FOR SALGA PRACTICE	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR SALGA PRACTISE	CORPORATE SERVICES	R 70 000,00
13/11/2023	15/11/2023	PROMO FOR MAYORAL EVENTS	S36(1)(a)(i)	SOLE SERVICE PROVIDER	SABC	PROMO	EXECUTIVE & COUNCIL	R 155 595,00
27/11/2023	2023/01/12	HIRE OF 19 MINIBUSES FOR SENIOR CITIZEN	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR SENIOR CITIZEN	CORPORATE SERVICES	R 70 000,00
27/11/2023	2023/01/12	HIRE OF 17 MINIBUSES FOR WORLD AIDS DAY	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR WORLD AIDS DAY	CORPORATE SERVICES	R 67 000,00
14/03/2024	18/03/2024	HIRE OF MINIBUSES FOR MAYORAL CUP MARCH 2024	S36(1)(a)(i)	SOLE SERVICE PROVIDER	NQUTHU PIONEER TAXI ASSOCIATION	HIRE OF MINIBUSES FOR MAYORAL CUP	CORPORATE SERVICES	R 169 500,00

3) Top 10 Issued Orders List – 31 March 2024

NO.	SERVICE PROVIDER	CONTRACT AMOUNT	DATE OF AWARD	DESCRIPTION
1.	COASTLAND HOTELS AND RESORTS	R709 890.00	02/02/2024	ACCOMODATION AND CONFERENCE FOR STRATEGIC PLAN IN DBN
2.	DLV PROJECT MANAGERS	R688,758,40	14/03/2024	SUPPLY AND DELIVER OF 315 KVA MINI -SUB
3.	AMAGWAZELA TRADING	R298 958.00	22/02/2024	REPAIR AND SERVICE FOR TLB
4.	FANA MANUFACTURING	R295,500,00	26/03/2024	SPORTS ATTIRE FOR DISTRICT SELECTION
5.	VLK TRADING	R277,767,00	20/03/2024	SUPPLY AND DELIVER OF 22 SETS SOCCER KITS
6.	AMEVANA CONSULTING	R217,630,00	20/03/2024	SUPPLY AND DELIVER OF MAYORAL CUP SOCCER KITS PRICES
7.	S & M KUHLE TRADING	R199 904.50	22/02/2024	SPORT ATTIRE FOR PROV. GAMES
8.	NQUTHU PIONEER TAXI ASS	R169,500,00	18/03/2024	HIRE MINIBUSES FOR MAYORAL CUP
9.	GOBISA TRADING	R162,500,00	14/03/2024	SUPPLY AND DELIVERY OF A4 PAPER 250 BOXES
10.	ZASE- SPHAML A	R149,120,00	08/03/2024	BAKERY EQUIPMENT PROJECTS

Order checklist has been revised and implemented as from 18 March 2024 to tighten controls in ensuring that all core SCM Regulations requirements are met and complied with.

4) Inventory management.

Table 10: inventory reconciliation – for the month ending 31 March 2024

Inventory Reconciliation		
INVENTORY MODULE		
OPENING BALANCE AS PER INVENTORY REPORT		R 1 542 252,87
ADD: TOTAL RECEIPTS		R 0,00
Inventory purchases for the month		R 0,00
LESS: TOTAL ISSUES		(R 15 388,47)
Inventory issued from stores during the month		(R 15 388,47)
ADJUSTMENTS		R 0,00
Add: stock surplus identified during the month		R 0,00
Less: Stock losses identified during the month		
CLOSING BALANCE AS PER INVENTORY REPORT		R 1 526 864,40
GENERAL LEDGER VOTE BALANCE:		R 1 526 864,00
VARIANCE: INVENTORY MODULE VS. GENERAL LEDGER		R 0,40
		R 0,00

2.7 COST CONTAINMENT MEASURES

Cost Containment Measures Policy was adopted by council in light of compliance with the regulations to curb procurement of unnecessary items by the council and ensure municipal funds are channelled to areas of need to accelerate service delivery. The council ensures compliance at all times, furthermore the UIFW register is maintained monthly to ensure proper recording of transactions deemed to have not fully complied with all relevant prescript whilst procuring the goods and services.

a) IRREGULAR EXPENDITURE (CAPITAL EXPENDITURE) – 31 MARCH 2024
The register is enclosed as **Annexure B**.

b) IRREGULAR EXPENDITURE (OPERATIONAL EXPENDITURE) – 31 MARCH 2024
The register is enclosed as **Annexure C**.

The council on 26 March 2024 has considered the items submitted for council consideration on UIFW register for the period 01 July 2023 to 28 February 2024. The management committed to improve controls, engage in training and capacity building to avoid re-occurrence of similar cases. Accounting Officer will implement consequence management where appropriate. The excerpt of expenditure considered by council to be investigated by MPAC is contained in summary below:

SUMMARY OF IRREGULAR EXPENDITURE

No.	Category of expenditure	Number of instances	Award Amount
1	Non tax compliance	6	R319 877.98
2	Contract expired	17	R567 328.38
3	Bid composition in contravention of regulation 29(2)	48	R7 675 120.71
4	Local content threshold not stipulated on the advert	5	R1 852 763.05
5	SCM processes not followed on appointment	1	R1 500 360.15
6	Appointment contravenes CIDB regulations	5	R2 351 704.86
7	Adverts for goods and services were less than 7 days	104	R2 403 929.55
Total			R16 671 084.68

SUMMARY OF FRUITLESS AND WASTEFULL

No.	Category of expenditure	Number of instances	Award Amount
1.	Current year (late vehicle licenses, Eskom interest due to late payment of invoices)	10	386.97
Total			R386.97

FRUITLESS REGISTER for the month ending 31 March 2024 reflects R962.64 emanating from interest from Eskom, Telkom, Umzinyathi District Municipality, Licencing accounts. Register is enclosed below:

Table 11: fruitless and wasteful expenditure register for the month ending 31 March 2024

Register for Fruitless and wasteful Expenditure - 31 March 2024				
Nquthu Local Municipality		Financial Year 2023/ 2024		
Demarcation Board Code: KZN242				
Year Ended 30 June 2024				
Description	EFT Number	Amount		
Telkom				R 92,10
Interest on overdue account	Aug-23	R	70,97	
Interest on overdue account	Nov-23	R	22,59	
Interest on overdue reversal	Dec-23	-R	1,46	
Eskom				R 843,54
Interest on overdue account	Jul-23	R	245,78	
Interest on overdue account	Aug-23	R	49,09	
Interest on overdue account	Sep-23	R	-	
Interest on overdue account	Oct-23	R	-	
Interest on overdue account	Nov-23	R	-	
Interest on overdue account	Dec-23	R	-	
Interest on overdue account	Jan-24	R	-	
Interest on overdue account	Feb-24	R	-	
Interest on overdue account	Mar-24	R	548,67	
Umzinyathi Municipality				R 27,00
Interest on overdue account	Mar-24	R	27,00	
		R	-	
Other				
Transport Driving Licence		R	-	R -
Total				R 962,64

2.8. MATERIAL VARIANCES

Material variances to SDBIP is provided by the PMS unit, after detailed consideration of all POEs and actuals as submitted by officials based on their scorecards.

Material variances on Table C4 based on actuals against budget the following has been noted:

- Operational revenue – entails skills development levy refunds and early settlement discounts from organisation that offer such discounts, 97% is the variance which requires that the municipality study the current trend of this revenue source and budget accordingly in the coming year.
- Sale of goods and rendering of service – this is the revenue from building plans, burial fees, photocopies, advertising, and tender documents. There is 29% variance from original budget. These services are much dependent on consumer needs (i.e. building plans) as well as the tender notices issued by the municipality, e-tender portal is used by some bidders as a result there is a decrease in the number of tender documents sold.
- Employee related costs – 98% variance is noted due to data that has not been captured on the financial system from the payroll system. Processes are ongoing to finalise journal transmission / import that will update Inzalo EMS system.

- Remuneration of councillors -100% variance is noted due to data that has not been captured on the financial system from the payroll system. Processes are ongoing to finalise journal transmission / import.
- Operational costs – entails variety of expenditure items such as accommodation, fuel, events, etc., the 33% variance noted at month end can be covered by the end of year given the nature of the items covered under operational costs. It is probable that the budget will be spent accordingly and exhausted by the end of the year.
- Service charges (electricity) – variance of 32% is noted, due to change in consumer spending on electricity, which may be caused by alternative energy sources or loadshedding whereby there is no electricity available for consumption, hence the consumption will decrease accordingly.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE


I Mpumelelo. B. Jiyane, the municipal manager of Nquthu Municipality, hereby certify that the:

Section 52(d) 3rd Quarter Report – 31 March 2024

has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act,

Name : Mr Mpumelelo B. Jiyane

Designation : Municipal Manager of Nquthu Municipality (KZN 242)

Signature: :  _____

Date : 08/04/2024