

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING

31 JULY 2024

Table of Contents

PART 1 – IN YEAR REPORT

1.1	MAYORS' REPORT	2
1.2	RESOLUTIONS	2
1.3	EXECUTIVE SUMMARY	2

PART 2 – SUPPORTING DOCUMENTATION

2.1	INVESTMENT PORTFOLIO ANALYSIS	03
2.2	COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS.....	04
2.3	ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE	05
2.4	DEBTOR'S ANALYSIS	05
2.5	CREDITOR'S ANALYSIS	06
2.6	SUPPLY CHAIN MANAGEMENT	07
2.7	COST CONTAINMENT MEASURES	09
2.8	MATERIAL VARIANCES TO SDBIP	10
2.9	MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	11

1.1. MAYORS' REPORT

This report represents the S71 MFMA monthly budget statement of Nquthu Local Municipality for the month ending 31 July 2024 and it reflects on the implementation of the budget and the financial state of affairs of the municipality. I hereby wish to submit a report to the Municipal Council on the implementation of the budget and the financial state of affairs of the Municipality as at the end of 31 July 2024. Further to the above, Section 54(1) of the MFMA determines that the Mayor must consider the Section 71 report submitted by the Accounting Officer thereafter check whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP) and if necessary, issue appropriate instructions to the Accounting Officer.

This report marks the first Section 71 reporting in the current year and represent the start of the financial year, the council adopted stricter financial management practices to ensure that service delivery projects are continued within budget and avoid unauthorized and wasteful expenditure. Continuously the council will enforce policies adopted to ensure that enough revenue is collected, expenditure is within the budget and capital projects are completed within the timeframes stipulated by legislative prescripts.

1.2. RESOLUTIONS

The resolutions enclosed hereto will be presented to Council when the In-Year Report (IYR) is tabled. Recommendations are detailed hereunder in terms of the Municipal Budget and Reporting Regulations Schedule-C (In Year Reporting) requirements for consideration by council:

- a) That council notes the section 71 monthly budget monitoring report and the supporting documentation.
- b) That Council notes the submission of section 71 monthly budget monitoring report for July 2024 to National Treasury, Provincial Treasury and Auditor General.
- c) That the council authorise the Accounting Officer to sign the quality certificate.
- d) That the council authorise the Accounting Officer to place the report on the municipal website, within five working days of council seating.

1.3. EXECUTIVE SUMMARY

The objective of reporting on the financial results of the municipality is to enhance sound financial management and promote transparency and accountability of officials and councillors. Monthly budget statement report of a municipality must be in the format specified as per Schedule C and include all the required tables, charts and explanatory information.

July month has been embraced by various challenges pertaining to generating C-schedule report for council reporting, the system challenges resulted in C-schedule having no budget figures therefore only manual reporting on Part 2 is contained in this report.

PART 2 – SUPPORTING DOCUMENTATION

2.1. INVESTMENT PORTFOLIO ANALYSIS

Table 1(a) Investment register for the month ending 31 July 2024

INVESTMENT REGISTER- JULY 2024							
SUMMARY OF INVESTMENT REGISTER 2024/2025							
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	DEPOSIT	WITHDRAWAL	BANK CHARGES	BALANCE
NEDBANK (000146)	R -	R 12 000 000,00	R -		R -	R -	R 12 000 000,00
ABSA (6276)	R -	R 12 000 000,00	R -		R -	R -	R 12 000 000,00
STANDARD BANK 064	R -	R 15 000 000,00	R -		R -	R -	R 15 000 000,00
NEDBANK (3)	R 1 225,39	R -	R 8,37		R -	R -	R 1 241,76
STANDARD BANK 014	R 7 280,65	R -	R 37,60		R -	R -	R 7 318,25
ABSA (4328)	R 23 517,08	R -	R 145,96		R -	R 50,00	R 23 613,04
ABSA (5014)	R 535 810,78	R -	R 3 208,26		R -	R -	R 539 019,04
ABSA CALL (5892)	R 1 722 180,52	R -	R 9 979,21		R -	R -	R 1 732 159,73
ABSA (1394) HOUSING A/C	R 1 889 796,08	R -	R 10 950,46		R -	R -	R 1 900 746,54
FNB (2166)	R 5 970 709,50	R -	R 43 811,80		R -	R -	R 6 014 521,30
FNB (0889)	R 8 453 186,16	R -	R -		R -	R -	R 8 453 186,16
FNB (2554)	R 9 996 448,72	R -	R -		R -	R -	R 9 996 448,72
FNB CALL (1408)	R 10 084 199,41	R -	R 68 544,10		R -	R 322,60	R 10 152 420,91
ABSA (9642)	R 21 261 123,17	R -	R 649 122,48		R -	R -	R 21 910 245,65
STANDARD BANK 063	R 25 362 238,16	R -	R 182 017,49		R -	R -	R 25 544 255,65
TOTAL	R 85 307 715,62	R 39 000 000,00	R 967 825,73		R -	R 372,60	R 125 275 176,75

The investment register on 31 July 2024 reflects investment status of the municipality, which shows the investment balance of R125 million, a significant increase of R39 million invested in the current month moves the investment balance from R85 million.

Withdrawal transaction taken place during the first month of the current financial year amounts to R15 million.

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

Withdrawals							
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	R 85 307 715,62	pay for normal operations

The municipality has a bank balance of R35 million, at the end of 31 July 2024, there are zero outstanding deposits or receipts at the reporting date, additionally the grant account shows a balance of R539 thousand. Table 1 (c) below show all transactions in the reconciliation.

Table 1 (c) Bank reconciliation of primary account month ending 31 July 2024

BANK RECONCILIATION (PRIMARY ACCOUNT)	4053562762
Details	Amount
Cash book balance as at 31 July 2024	R35 953 086,38
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 July 2024	R35 953 086,38

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	Amount
Cash book balance as at 31 July 2024	R539 019,04
Unknown deposits	R0
Outstanding cheques	R0
Bank charges	R0
Returned cheques	R0
Transfers	R0
Sundries	R0
Outstanding receipts	R0
Bank statement balance as at 31 July 2024	R539 019,04

2.2. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Nquthu municipality as at the end of the month has incurred employee costs in line with SALGABC collective agreement and the upper limits determinations by the Minister of COGTA. The municipality has revised the organogram during the approval of the budget. First month transactions are detailed in actual costs in comparison with the budget in the table below:

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

<i>Staff Benefits in terms of Section 66 of the MFMA</i>		
Detail breakdown of the actual staff benefits and Councillors allowances for the period ending 31 July 2024		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R90 900 174,00	R 5 839 258,39
Contributions to pension funds	R14 138 419,00	R 750 035,71
Contributions to medical aids	R2 285 865,00	R 275 393,94
Contributions to UIF	R645 865,00	R 47 338,15
Contributions to SDL	R926 451,00	R 70 443,56
Travel, motor car	R4 115 290,00	R 339 972,88
Salga	R42 565,00	R 3 405,75
Housing benefits and allowances	R739 759,00	R 9 597,69
Cellphone Allowance	R0,00	R 0,00
Overtime payments	R2 424 094,00	R 247 037,65
Bonuses	R6 201 475,00	R 519 348,23
Other leave & long service	R0,00	R 85 722,40
Allowances (Standby and Drivers Allowance)	R1 122 829,00	R 179 740,61
Totals	R 123 542 786,00	R 8 367 294,96
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R16 456 910,00	R 1 015 596,74
Cell phone/Data Allowance	R1 711 057,00	R 94 072,00
Contributions to SDL	R40 995,00	R 10 096,65
Totals	R18 208 962,00	R 1 119 765,39

2.3. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Table 3: Grant register – for month ending 31 July 2024

Summary of Grants received and expenditure 2024/25								
Grant Type	General Ledger Vote no.	Audited Balance as at 1-Jul-2024	Dora/Prov Allocation for year	Received 2024/25	Spent & transferred to income 2024/25	Balance as at 2024/25	Commitments 2024/25	Available funds/not committed 2024/25
Library support	IL00100700200200200800	-	(2 060 976,00)	-	213 077,27	213 077,27	-	213 077,27
Massification Electrification	IL00100700200100200800	(3 785 741,52)	-	-	-	(3 785 741,52)	-	(3 785 741,52)
Eletrification	IL00100700200100200500	(3 273 489,17)	(16 474 000,00)	(5 589 000,00)	-	(8 862 489,17)	-	(8 862 489,17)
Small Town rehabilitation	IL00100700200100200800	(843 394,83)	-	-	-	(843 394,83)	-	(843 394,83)
Cybercadet	IL00100700200200200800	-	(533 083,00)	-	44 513,75	44 513,75	-	44 513,75
MIG	IL00100700200100200500	-	(46 128 000,00)	(13 839 000,00)	2 581 076,07	(11 257 923,93)	-	(11 257 923,93)
Sportfield Maintance	IL00100700200100200800	(27 120,59)	-	-	-	(27 120,59)	-	(27 120,59)
Bornem Grant	IL00100700200200200303	-	-	-	-	-	-	-
FMG	IL00100700200200200500	-	(1 800 000,00)	-	-	-	-	-
Library Modular	IL00100700200200200800	-	(1 500 612,00)	-	170 612,88	170 612,88	-	170 612,88
EPWP	IL00100700200200200500	-	(1 478 004,00)	-	-	-	-	-
Library Volunteer	IL00100700200200200800	(271 941,24)	(113 333,00)	-	8 000,00	(263 941,24)	-	(263 941,24)
TOTALS		(8 201 687,35)	(70 088 008,00)	(19 428 000,00)	3 017 279,97	(24 612 407,38)	-	(24 612 407,38)

The grant register for the month of July reflects the following:

- MIG grant expenditure is allocated R46 million and R13 million is received. R2.5 million has been spent in July.
- INEP Electrification grant spending is allocated R16 million and R5.5 million has been received and there is no expenditure thus far.
- No other allocations has been transferred to the municipality or received in this month.

2.4. DEBTOR'S ANALYSIS

There are billing issues that lead to delays in finalising July 2024 billing including the property values confirmation by the Municipal Valuer. The debtors age report below reflects June 2024 information.

Table 4: Debtors' analysis for the month ending 31 July 2024

June 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	R -9 783 567,20	-R9 783 567,20	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
Adv-Pay Reverse	R 120,78	0	R 0,00	R 0,00	R 120,78	R 0,00	R 0,00	R 0,00
Clearance Fee	R4,38	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R4,38
Deposit: Electricity	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 652 436,64	R224 984,68	R 46 831,42	R 38 433,18	R 33 608,14	R 33 458,70	R 33 313,98	R 241 806,54
Electricity Metered	R 8 273 657,06	R6 429 681,65	R 275 029,26	R 139 610,58	R 78 953,73	R 101 786,52	R 76 491,04	R1 172 104,28
Market stalls	R 1 103 694,31	R40 350,29	R 19 241,02	R 17 855,08	R 18 139,02	R 17 343,50	R 17 095,47	R 973 669,93
OFFICE RENTAL	R 181 704,51	R31 954,39	R 15 856,50	R 15 834,95	R 15 735,00	R 15 814,95	R 15 714,99	R 70 793,73
Plaza Market Stalls	R 248 478,10	R19 477,97	R 8 628,47	R 8 186,21	R 7 714,84	R 7 379,22	R 7 217,22	R 189 874,17
Property Rates	R 78 074 289,09	R568 681,84	R2 895 834,24	R2 751 629,46	R2 711 700,65	R2 682 412,85	R2 662 499,30	R63 801 530,75
Rent (M001)	R 430 566,96	R33 790,27	R 15 523,63	R 13 200,30	R 26 961,30	R 20 261,30	R 9 361,30	R 311 468,86
Repay: Waste Disposal	R 25 014,43	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 25 014,43
Signs (M001)	R 3 509,62	R33,42	R 16,71	R 16,71	R 16,71	R 16,71	R 16,71	R 3 392,65
Stall rental	R 32 989,53	R6 989,18	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 25 344,25
Sundries (VAT)	R 19 863,60	R17 136,79	R 2 539,87	R 186,94	R 0,00	R 0,00	R 0,00	R 0,00
Tampering Fee	R 281 983,75	R11 467,00	R 0,00	R 0,00	R 0,00	R 31 335,96	R 11 924,67	R 227 256,12
Traffic Fines	R 3 661 000,00	R270 600,00	R 120 400,00	R 90 400,00	R 78 900,00	R 168 200,00	R 68 500,00	R2 864 000,00
Traffic Fines (M001)	R 2 083 921,78	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 450,00	R2 083 471,78
Waste Disposal	R 6 803 775,28	R298 209,68	R 100 787,14	R 93 626,49	R 91 974,77	R 84 428,21	R 81 207,08	R6 053 541,91
Total	R92 100 435,62	(R1 830 210,04)	R3 500 819,48	R3 169 111,12	R3 063 956,16	R3 162 569,14	R2 983 922,98	R78 050 266,78

2.5. CREDITOR'S ANALYSIS

The table below shows the summary of Top 10 creditors paid in July 2024. The municipality continues to pay creditors invoices in line with MFMA Section 65 and has formulated a Section 65 delay reason document for end users to enhance accountability and encourage attendance to invoices timely to avoid delays.

Table 7: Creditors report for the month ending 31 July 2024

CREDITORS REPORT FOR JULY 2024			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF JULY 2024			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	SEBATA MUNICIPAL SOLUTIONS	EMS HOSTED APRIL - JUNE 2024	R 191 427,60
	SEBATA MUNICIPAL SOLUTIONS	SEBATA EMS SUPPORT	R 4 312,50
	SEBATA MUNICIPAL SOLUTIONS	SEBATA EMS SUPPORT- PLANNING & LEDGER	R 61 591,70
	SEBATA MUNICIPAL SOLUTIONS	ANNUAL EMS LICENSE FEE 2024/2025	R 1 034 246,82
			R 1 291 578,62
2	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT JUNE 24	R 100 050,00
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JUNE 24	R 380 458,48
			R 480 508,48
3	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PROVISION OF FINANCIAL SUPPORT	R 392 454,75
			R 392 454,75
4	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JUNE 24	R 386 254,94
			R 386 254,94
5	TRADITIONAL HORSE RACING AND BREEDING NPC	PAYMENT FOR WINNING HORSE ON NQUTHU JUNE 24	R 272 000,00
			R 272 000,00
6	RVV INVESTMENTS (PTY)LTD	SUPPLY AND DELIVER 20 SET OF HORSE SADDLES FOR NQUTHU JUNE 24 EVENT	R 225 000,00
			R 225 000,00
7	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 197 779,97
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	R 1 340,00
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 12 125,30
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 3 587,03
			R 214 832,30
8	AMAGWAZELA TRADING ENTERPRISES	SUPPLY AND DELIVER SINGLE AND THREE PHASE PREPAID METER	R 186 775,00
			R 186 775,00
9	MANDELO TRADING AND PROJECTS	DELIVER 7 LAPTOPS AND 3 EXTERNAL HARD DRIVES	R 179 817,00
			R 179 817,00
10	TASC BUSINESS CONSULTING AND TRAINING	HANDLING OF HAZARDOUS MATERIAL TRAINING	R 40 250,00
	TASC BUSINESS CONSULTING AND TRAINING	PLUMBING SKILLS TRAINING	R 36 018,00
			R 76 268,00
	TOTALS		R 3 705 489,09

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.

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

Table 8: Creditor's ageing for the month ending 31 July 2024

This is due to year procedures that cause delays in finalising creditors and accruals.

OUTSTANDING CREDITORS FOR JUNE 2024			
UNPAID OPERATIONAL EXPENDITURE			R 6 207 873,50
SIBIYA NDABEZINHLE (DJ MDABULE)	ARTIST FOR NQUTHU JUNE24		R 2 500,00
CN MHLONGO	QUARTER 4 RISK MANAGEMENT COMMITTEE MEETING		R 7 455,00
FIVE STAR RIGGING SERVICES	NTU 4332 REPAIRS		R 236 160,00
AYANDA MBANGA	ADVERTISING		R 22 665,30
BELL EQUIPMENT	NTU 1644 REPAIRS		R 75 392,72
ESKOM 9426259616	BLOOD RIVER SPORTSFIELD		R 2 693,35
ESKOM 5140422473	LEKSAND RURAL COMMUNITY HALL		R 3 957,47
ESKOM 9063390800	NGEDLA COMMUNITY HALL		R 4 008,56
ESKOM 5742571184	LUVISI COMMUNITY HALL		R 4 551,68
ESKOM 5687352660	NQUTHU COMMUNITY MULTI-PURPOSE HALL		R 12 555,17
ESKOM 6126932137	POTSOANA LIBRARY		R 2 094,55
ESKOM 6916174790	TOWN BOARD LIBRARY NONDWENI		R 4 348,82
ESKOM 9253164668	NGOLOKODO LIBRARY		R 5 916,21
ESKOM 6642941367	NONDWENI RURAL COMMUNITY HALL		R 2 992,58
ESKOM 5649601339	NONDWENI OFFICE		R 3 456,01
ESKOM (BULK) 8848733513	BULK ELECTRICITY PURCHASES		R 5 774 474,43
ESKOM 8713502790	NKANDE SPORTSFIELD		R 1 410,52
ESKOM 8817457976	NONDWENI URBAN STREETLIGHT		R 6 292,58
ESKOM 8505522436	MASOTSHENI HALL		R 4 370,83
AYANDA MBANGA	ADVERTISING		R 24 683,97
NTT TOYOTA VRYHEID	BG 42 PW ZN REPAIRS		R 5 893,75
UNPAID CAPITAL EXPENDITURE			R 4 931 283,60
KHUSI PROJECTS	TLOKWENI CRECHE		R 164 170,01
EYAMALINDA CIVILS (PTY) LTD	INKOSI ELPHAS MOLEFE COMMUNITY HALL		R 685 030,41
SANOQWABE CONSULTANTS	MPUMELELWENI CEMETRY WARD 09		R 1 609 610,61
SIMAKADE HOLDINGS	MBEWUNYE HALL		R 564 375,15
KAMAWEWE DEVELOPMENT CONSULTANTS	NQUTHU TAXI RANK		R 633 327,96
NEAK (PTY) LTD	MPONDI HALL		R 409 701,76
MATHAWULA TRADING	BHEKUKHANYA CRECHE		R 226 383,00
SIM AND LUKHO PROPERTY DEVELOPMENT	TLOKWENI CRECHE		R 350 043,90
AMATAWUTAWU GENERAL TRADING	ELIHLIKHAYA CRECHE		R 288 640,80
TOTAL UNPAID CREDITORS			R 11 139 157,10

2.6. SUPPLY CHAIN MANAGEMENT

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, three transactions were concluded in the month of July.

a) Deviations

Table 9: Deviation register for the month ending 31 July 2024

For the month ending July 2024 – there are no deviations however the opening balances from June 2024 amounts to R1 815 417.

Auditor General documented findings on the management report (MR) that some of the deviations concluded by the municipality were not authorized, as a result the SCM office has a register of

deviations and the file for deviations to ensure all required signatures are acquired before concluding orders and incur expenditure.

b) Fruitless and Wasteful Expenditure Register

Fruitless and Wasteful Expenditure Register for the month ending 30 July 2024 reflects R162 650,19 at the end of the financial year emanating from Eskom, Telkom, uMzinyathi District Municipality, Licencing accounts and SARS.

Register for Fruitless and wasteful Expenditure					
		Financial Year		2024/ 2025	
		Nquthu Local Municipality		MONTH	
Month: 31 July 2024				31-Jul	
Description	Payment no./EFT no/ Cheque No.	Amount			
Telkom					5,56
Interest on overdue account	#66587		5,56		
Eskom					-
Interest on overdue account			-		
Interest on overdue account			-		
Interest on overdue account			-		
Interest on overdue account			-		
Interest on overdue account			-		
Car Licences					-
Penalty on late license renewal			-		
Other					-
Penalty			-		
Total				R	5,56

c) Auditor General Findings and Risk Management on SCM

NO.	ISSUE RAISED	ISSUE RAISED	PROPOSED ACTION TO ADDRESS ISSUE	DUE DATE	CURRENT STATUS
1.	Preferential points used is not stated in the tender document and request for quotation.	AG – 22/23	SCM and ORDER CHECKLIST is used for every Purchase order. BSC Checklist is in place to be used	On-going	In-progress
2.	Bidders failing to meet the specific goals points awarded bids.	AG – 22/23	Bid Committee checklist is used for every tender advertised.	On going	In-progress
3.	No evidence provided to confirm that quotation above R200 000 were approved.	AG – 22/23	Authorisation by Accounting Officer for deviation not following normal SCM process and purchase orders above R 200 000 is compulsory.	On going	In-progress
4.	Minimum thresholds for local content not specified	AG – 22/23	SCM and ORDER CHECKLIST is used for every Purchase order	DONE	DONE
5.	Possible splitting of orders to avoid competitive bidding process.	AG-22/23	Monitoring of procurement plan on a quarterly basis.	On going	In-progress

6.	Measures to monitor contract performance and delivery have not been defined and implemented.	AG – 22/23	Assessment of service provider form is used to monitor performance on a quarterly basis	On going	In-progress
7.	Deviations not approved by AO	AG – 22/23	Ensure authorisation by Accounting Officer and all other relevant HODs for deviation not following normal SCM process	On going	In-progress
8.	Contracts expired, but in use without approval of extension or variation order	AG – 22/23	Engage end user departments after sending notice of expiry. Consider extension of contract and acquire approval	On going	In-progress

d) **Contract management** – The register for all contracts is kept within the contract management unit. 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.

e) **Top 10 Issued Orders List – 31 July 2024**

NO.	SERVICE PROVIDER	CONTRACT AMOUNT	DATE OF AWARD	DESCRIPTION
1.	VEXOSCORE FIRE	R136 850.01	24/07/2024	REPAIRS ON MAJOR PUMPER NTU 3872
2.	VEXOSCORE FIRE	R127 650.00	24/07/2024	REPAIR AND SERVICE ON NTU 4806
3.	SIPHO AND GCINA	R44 500.00	18/07/2024	TRANSPORT FOR HORSES FROM DIFFERENT WARD
4.	KFC ENGINEERING & INDUSTRIAL	R42 262.50	31/07/2024	SUPPLY AND DELIVERY OF PHOTOCOPING PAPERS AND STAPLES
5.	ONE PANGAE	R37 375.00	01/07/2024	LANDFILLS ASSESSMENT FOR NONDWENI LANDFILLS
6.	ADVENTURE TRAVEL	R33 488.00	26/07/2024	ACCOMODATION FOR SBO, MASO, MLAMBO AND SYABONGA IN DURBAN 28-02 AUG 2024
7.	AYANDA MBANGA	R24 683.97	24/07/2024	ADVERT FOR VACANCIES AND PUBLIC NOTICE
8.	AYANDA MBANGA	R22 665.30	24/07/2024	TENDER ADVERT FOR PANELS
9.	ADVENTURE TRAVEL	R16 967.10	30/07/2024	ACCOMODATION FOR CFO, MAYOR MKHIZE AND NTSANGASE IN DURBAN
10	ADVENTURE TRAVEL	R13 248.00	11/07/2024	ACCOMODATION FOR MAYOR IN DURBAN 11-13 JULY

The municipality has complied with SCM Regulations in issuing the above orders.

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

2.7. COST CONTAINMENT MEASURES

MCCR quarterly report will be table for quarter one reporting. The management is committed to improving controls, engage in training and capacity building to avoid re-occurrence of similar UIFW cases. Accounting Officer will implement consequence management where appropriate.

2.8. MATERIAL VARIANCES

There are no material variances since there is no Cschedule report for the month of July.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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

Section 71 - for the month ending 31 July 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 : 05/08/2024