

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 31 AUGUST 2024

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1.1. MAYORS' REPORT

This report represents the S71 MFMA monthly budget statement of Nquthu Local Municipality for the month ending 31 August 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 August 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 outlines the content of Section 71 report for the period ending 31 August 2024. The first quarter of the financial year is about to end, it is therefore crucial to monitor all deliverables that are aligned to this quarter in terms of budget implementation. The council will 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 August 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.

August 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 this report entails only manual reporting on Part 2.

PART 2 – SUPPORTING DOCUMENTATION

2.1. INVESTMENT PORTFOLIO ANALYSIS

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

INVESTMENT REGISTER- AUGUST 2024							
INSTITUTION	BALANCE	INVESTED	INTEREST	WITHDRAWAL	BANK	BALANCE	
		IN CURRENT YEAR	RECEIVED		CHARGES		
ABSA (1394) HOUSING A/C	R 1 889 796,08	R -	R 22 331,51	R -	R -	R	1 912 127,59
ABSA (4328)	R 23 517,08	R -	R 297,37	R -	R 100,00	R	23 714,45
ABSA (5014)	R 535 810,78	R -	R 6 435,73	R -	R -	R	542 246,51
ABSA (6276)	R -	R 12 000 000,00	R -	R -	R -	R	12 000 000,00
ABSA (9642)	R 21 261 123,17	R -	R 810 670,02	R -	R -	R	22 071 793,19
ABSA CALL (5892)	R 1 722 180,52	R -	R 20 350,81	R -	R -	R	1 742 531,33
FNB (0889)	R 8 453 186,16	R -	R 317 133,43	R -	R -	R	8 770 319,59
FNB (2166)	R 5 970 709,50	R -	R 88 253,35	R -	R -	R	6 058 962,85
FNB (2554)	R 9 996 448,72	R -	R 375 031,15	R -	R -	R	10 371 479,87
FNB CALL (1408)	R 10 084 199,41	R -	R 135 369,28	R -	R 322,60	R	10 219 246,09
NEDBANK (000146)	R -	R 12 000 000,00	R 96 016,44	R 12 096 016,44	R -	R	-
NEDBANK (3)	R 1 225,39	R -	R 16,74	R -	R -	R	1 250,13
STANDARD BANK 014	R 7 280,65	R -	R 78,00	R -	R -	R	7 358,65
STANDARD BANK 063	R 25 362 238,16	R -	R 359 427,59	R -	R -	R	25 721 665,75
STANDARD BANK 064	R -	R 15 000 000,00	R -	R -	R -	R	15 000 000,00
TOTAL	R 85 307 715,62	R 39 000 000,00	R 2 231 411,42	R 12 096 016,44	R 422,60	R	114 442 696,00

The investment register on 31 August 2024 reflects investment status of the municipality, which shows the investment balance of R114 million compared to previous months’ reported balance of R125 million. An amount of R39 million has been invested in the first quarter of the current financial year.

One withdrawal transaction has taken place during the second month of the current financial year amounting to R12 million. There was no withdrawal transaction from investment in the month of July 2024, therefore the withdrawal reported for the period ending 31 July 2024 should have been zero.

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

Withdrawals						
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO	ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
26-Aug-24	NEDBANK (000146)	12 096 016,44	ABSA 2762	PRIMARY	17 066 127,00	Insufficient funds to pay for normal operations

The municipality has a primary bank balance of R13 million at the end of 31 August 2024, there are zero outstanding deposits or receipts at the reporting date, additionally the grant account shows a balance of R542 thousand. Table 1 (c) below show all transactions in the reconciliation.

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

BANK RECONCILIATION (PRIMARY ACCOUNT)		4053562762
Details	Amount	
Cash book balance as at 31 August 2024	R13 034 013,02	
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 August 2024	R13 034 013,02	
BANK RECONCILIATION (GRANTS ACCOUNT)		
Details	Amount	
Cash book balance as at 31 August 2024	R542 246,51	
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 August 2024	R542 246,51	

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. August payroll transactions are detailed in table 2 below, it shows actual costs in comparison with the budget. Shortfalls in the budget as has been identified for cell phone allowances line item and long service items.

The municipality is striving to ensure the completeness of payroll transactions in the financial system. In the previous financial year, the municipality struggled to correlate payroll system transactions with Inzalo financial system up until towards year end which creates delays for the financial statement preparation, hence the early start of transacting of payroll system transactions and reconciliation of the suspense account.

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

Staff Benefits in terms of Section 66 of the MFMA		
Actual staff benefits and Councillors allowances for the period ending 31 August 2024		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 90 900 174,00	R 11 851 923,31
Contributions to pension funds	R 14 138 419,00	R 1 520 772,02
Contributions to medical aids	R 2 285 865,00	R 554 507,88
Contributions to UIF	R 645 865,00	R 96 053,95
Contributions to SDL	R 926 451,00	R 139 758,03
Travel, motor car	R 4 115 290,00	R 679 945,76
Salga	R 42 565,00	R 6 954,90
Housing benefits and allowances	R 739 759,00	R 19 195,38
Cellphone Allowance	R -	R -
Overtime payments	R 2 424 094,00	R 330 087,60
Bonuses	R 6 201 475,00	R 849 425,43
Other leave & long service	R -	R 85 722,40
Allowances (Standby and Drivers Allowance)	R 1 122 829,00	R 519 054,17
Totals	R 123 542 786,00	R 16 653 400,83
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 16 456 910,00	R 2 054 577,06
Cellphone/Data Allowance	R 1 711 057,00	R 191 544,00
Contributions to SDL	R 40 995,00	R 20 461,14
Totals	R 18 208 962,00	R 2 266 582,20

2.3. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

Summary of Grants received and expenditure to date								
Grant Type	General Ledger Vote no.	Audited Balance as at	Dora/Prov Allocation for year	Received	Spent & transferred to income	Balance as at	Commitments	Available funds/not committed
		1-Jul-2024		2024/25	2024/25	2024/25	2024/25	2024/25
Library support	IL00100700200200200800401	-	(2 060 976,00)	-	401 084,82	401 084,82		401 084,82
Massification Eletrification	IL00100700200100200800401	(3 797 041,52)	-	-	-	(3 797 041,52)		(3 797 041,52)
Eletrification	IL00100700200100200500100	(2 670 000,82)	(16 474 000,00)	(5 589 000,00)	-	(8 259 000,82)		(8 259 000,82)
Small Town rehabilitation	IL00100700200100200800401	-	-	-	-	-		-
Cybercadet	IL00100700200200200800401	-	(533 083,00)	-	89 027,50	89 027,50		89 027,50
MIG	IL00100700200100200500200	-	(46 128 000,00)	(13 839 000,00)	2 618 374,49	(11 220 625,51)		(11 220 625,51)
Sportfield Maintance	IL00100700200100200800401	(27 120,59)	-	-	-	(27 120,59)		(27 120,59)
Bornem Grant	IL00100700200200200303400	-	-	-	-	-		-
FMG	IL00100700200200200500400	-	(1 800 000,00)	(1 800 000,00)	66 809,70	(1 733 190,30)		(1 733 190,30)
Library Modular	IL00100700200200200800401	-	(1 500 612,00)	-	316 156,04	316 156,04		316 156,04
EPWP	IL00100700200200200500200	-	(1 478 004,00)	(370 000,00)	253 400,00	(116 600,00)		(116 600,00)
Library Volunteer	IL00100700200200200800401	-	(113 333,00)	-	16 000,00	16 000,00		16 000,00
TOTALS		(6 494 162,93)	(70 088 008,00)	(21 598 000,00)	3 760 852,55	(24 331 310,38)	-	(24 331 310,38)

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

- MIG grant expenditure is allocated R46.1 million and R13.8 million is received. R2.6 million has been spent in August.
- INEP Electrification grant spending is allocated R16.4 million and R5.5 million has been received and there is no expenditure thus far.
- FMG grant has been allocated R1.8 million and it has been received in August, the expenditure to date is R66 thousand.
- EPWP has been allocated R1.4 million, and R370 000 has been received in August, the expenditure is R253 thousand.
- No other allocations has been transferred to the municipality in this month.

2.4. DEBTOR'S ANALYSIS

The July and August debtors age analysis reports are shown in the tables below. Due to delays to finalise July billing the report was not reported in the S71 report of July. Total debtors balance in July amount to R97 million. In August the total debtors balance amount to R102 million.

There is an increase in debtors' book, however the municipality is prioritising the collection of debt by government departments in the first quarter, therefore engagements are continuous between the municipality and the Department of Public Works to finalise rates payments.

Table 4.1: Debtors' analysis for the month ending 31 July 2024

July 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 -9 054 424,04	-R9 054 424,04	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
Adv-Pay Reverse	R 181 578,52	181457,74	R 0,00	R 0,00	R 0,00	R 120,78	R 0,00	R 0,00
Clearance Fee	R2,92	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R2,92
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 670 322,29	R239 189,59	R 38 760,68	R 34 964,63	R 34 812,86	R 32 331,54	R 32 189,89	R 258 073,10
Electricity Metered	R 4 432 923,59	R2 759 928,80	R 146 922,53	R 107 585,17	R 114 144,69	R 69 544,38	R 92 287,82	R1 142 510,20
Market stalls	R 1 112 756,65	R39 961,89	R 19 599,80	R 18 851,54	R 17 629,88	R 17 640,06	R 16 867,79	R 982 205,69
OFFICE RENTAL	R 193 362,68	R32 128,91	R 15 927,22	R 15 856,50	R 15 834,95	R 15 735,00	R 15 814,95	R 82 065,15
Plaza Market Stalls	R 251 298,58	R19 338,33	R 8 724,34	R 8 072,41	R 7 538,19	R 7 431,02	R 7 249,05	R 192 945,24
Property Rates	R 86 134 171,64	R9 645 886,85	R 271 181,37	R2 787 903,53	R2 627 730,43	R2 589 596,07	R2 562 362,79	R65 649 510,60
Rent (M001)	R 444 531,59	R33 942,93	R 13 811,97	R 15 523,63	R 13 200,30	R 26 961,30	R 20 261,30	R 320 830,16
Repay: Waste Disposal	R 25 201,66	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 25 201,66
Signs (M001)	R 3 526,33	R33,42	R 16,71	R 16,71	R 16,71	R 16,71	R 16,71	R 3 409,36
Stall rental	R 28 467,27	R2 335,70	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 25 475,47
Sundries (VAT)	R 11 078,73	R11 078,73	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
Tampering Fee	R 355 134,77	R94 528,02	R 0,00	R 0,00	R 0,00	R 0,00	R 30 135,96	R 230 470,79
Traffic Fines	R 3 732 900,00	R149 500,00	R 193 000,00	R 120 400,00	R 90 400,00	R 78 900,00	R 168 200,00	R2 932 500,00
Traffic Fines (M001)	R 2 083 921,78	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R2 083 921,78
Waste Disposal	R 6 866 993,66	R333 298,19	R 101 856,88	R 93 128,00	R 88 741,04	R 88 831,62	R 81 856,21	R6 079 281,72
Total	R97 475 748,62	R4 488 185,06	R 809 932,72	R3 202 433,34	R3 010 180,27	R2 927 239,70	R3 027 373,69	R80 010 403,84

Table 4.2: Debtors' analysis for the month ending 31 August 2024

August 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 -8 893 182,40	-R8 893 182,40	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 0,00	R 0,00	R 120,78	R 0,00
Deposit: Waste Disposal	R2 000,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R2 000,00
Electricity Basic	R 723 439,30	R256 962,37	R 38 297,15	R 37 568,71	R 34 683,57	R 33 644,89	R 32 331,54	R 289 951,07
Electricity Metered	R 4 968 840,77	R3 219 264,85	R 134 505,21	R 108 879,45	R 107 060,68	R 98 144,03	R 69 544,38	R1 231 442,17
Market stalls	R 1 121 417,16	R39 970,70	R 19 226,56	R 19 157,17	R 18 553,43	R 17 458,82	R 17 525,85	R 989 524,63
OFFICE RENTAL	R 205 095,63	R32 278,26	R 16 027,17	R 15 927,22	R 15 856,50	R 15 834,95	R 15 735,00	R 93 436,53
Plaza Market Stalls	R 254 354,52	R18 951,12	R 9 291,08	R 8 274,42	R 7 845,72	R 7 246,47	R 7 091,76	R 195 653,95
Property Rates	R 90 591 170,85	R14 077 428,30	R 282 595,21	R 268 099,31	R2 771 616,66	R2 613 367,95	R2 584 399,48	R67 993 663,94
Rent (M001)	R 458 572,56	R34 095,60	R 13 888,30	R 13 811,97	R 15 523,63	R 13 200,30	R 26 961,30	R 341 091,46
Repay: Waste Disposal	R 25 388,89	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 25 388,89
Signs (M001)	R 3 543,04	R33,42	R 16,71	R 16,71	R 16,71	R 16,71	R 16,71	R 3 426,07
Stall rental	R 27 945,01	R1 682,22	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 25 606,69
Sundries (VAT)	R 7 634,29	R5 094,30	R 2 539,99	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
Tampering Fee	R 386 718,20	R122 784,45	R 10 567,00	R 0,00	R 0,00	R 0,00	R 0,00	R 253 366,75
Traffic Fines	R 3 844 000,00	R183 000,00	R 77 600,00	R 193 000,00	R 120 400,00	R 90 400,00	R 78 900,00	R3 100 700,00
Traffic Fines (M001)	R 2 083 921,78	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R2 083 921,78
Waste Disposal	R 6 939 267,49	R353 031,95	R 104 773,55	R 95 523,56	R 88 832,98	R 85 720,09	R 86 112,74	R6 125 272,62
Total	R102 750 247,87	R9 451 395,14	R 709 459,15	R 760 389,74	R3 180 521,10	R2 975 165,43	R2 918 870,76	R82 754 446,55

2.5. CREDITOR'S ANALYSIS

The table below shows the summary of Top 10 creditors paid in August 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 5: Creditors report for the month ending 31 August 2024

CREDITORS REPORT FOR AUGUST 2024			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF AUGUST 2024			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 3 957,47
	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 4 968,00
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	R 3 456,01
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	R 5 014,60
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 12 555,17
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 15 236,28
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 4 551,68
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 5 525,98
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 230 908,66
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 094,55
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 3 039,04
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 2 992,58
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 4 343,71
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 4 348,82
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 6 309,76
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	R 4 370,83
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	R 6 346,80
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	R 1 410,52
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	R 1 718,76
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	R 6 292,58
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	R 9 130,92
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 4 008,56
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 4 867,98
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 5 916,21
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 7 208,66
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	R 1 688,34
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 2 693,35
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 3 924,41
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 5 774 474,43
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 6 303 585,43
			R 12 446 940,09
2	COMPENSATION FUND	PROVISIONAL AND FINAL ASSESSMENT FOR 2015, 2016,2021,2022 & 2023	R 2 164 978,71
3	MICROSOFT IRELAND OPERATIONS LIMITED	MICROSOFTWARE AND LICENCE	R 1 060 494,44
4	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 24	R 375 629,12
	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 24	R 375 629,12
			R 751 258,24
5	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT JULY 24	R 100 050,00
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 24	R 380 458,48
			R 480 508,48

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6	BIKWAYO TRADING	FENCING MATERIAL	R	421 015,00
			R	421 015,00
7	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 24	R	386 254,94
8	MXETSHYLWA	SUPPLY AND DELIVER UNIFORM FOR NEWLY APPOINTED DISASTER EMPLOYEES	R	261 400,00
9	5 STAR RIGGING SERVICES	REPAIRS FOR REFUSE TRUCK NTU 4332	R	236 160,00
10	ADVENTURE TRAVEL	ACCOMMODATION FOR S XABA, S HADEBE, M MBATHA & S MLAMBO (28 JULY - 02 AGU 2024)	R	33 488,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYOR & HER VIP BODY GUARDS (08- 09 JULY 2024)	R	4 215,90
	ADVENTURE TRAVEL	ACCOMMODATION FOR MAYOR AND HIS BODY GUARDS & SPEAKER AND HIS BODY GUARDS (08 - 09 AUG 2024)	R	13 248,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYOR & HER VIP BODY GUARDS (06- 08 AUGUST 2024)	R	8 086,80
	ADVENTURE TRAVEL	ACCOMMODATION FOR 11 DELEGATES ATTENDING UMKHOSI WESIVIVANE (15-17 AUGUST 2024)	R	35 502,80
	ADVENTURE TRAVEL	ACCOMMODATION FOR MAYOR AND HIS BODY GUARDS & SPEAKER AND HIS BODY GUARDS (06 - 08 AUG 2024)	R	24 633,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR MAYOR & HIS VIP BODY GUARDS (11-13 JULY 2024)	R	13 248,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYOR & HER VIP BODY GUARDS (08- 09 JULY 2024)	R	6 796,50
	ADVENTURE TRAVEL	ACCOMMODATION FOR MAYOR AND HIS BODY GUARDS, & CFO BH BHENGU (31JULY - 02 AUG 2024)	R	15 272,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR MUNICIPAL MANAGER (06 - 08 AUG2024)	R	3 659,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR FINANCE PORTFOLIO MEMBERS (11-13 AUGUST 2024)	R	39 054,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYOR & HER VIP BODY GUARDS (08- 09 JULY 2024)	R	6 151,35
	ADVENTURE TRAVEL	ACCOMMODATION FOR MUNICIPAL MANAGER(01- 02 JULY 2024)	R	2 280,00
			R	205 635,65
TOTALS			R	18 414 645,55

Creditors ageing has been prepared since the month of August. Creditors reconciliation report on table 6 show an outstanding creditors balance of R4.5 million and the listing of these creditors are contained in table 8.1.

Table 6: Outstanding creditor's listing for the month ending 31 August 2024

Creditors Age Analysis Report - August 2024													
Creditor Vendor Name	Vendor ID	Invoice Number	Invoice Date	Financial Year	Outstanding Invoice Amount Incl VAT	30 Days	60 Days	90 Days	Days 90-120	Days 120-150	Days 150-180	Days 180- Yr1	Yr1
LONDOLOZA SOLUTIONS	5907	I22/8/00010082/2024-2025	2024/08/21	2024/2025	R 1 411 571,92	R 1 411 571,92	00,00	00,00	00,00	00,00	00,00	00,00	00,00
TAP TAP TRADING	4651	SP129/7/0007988/2023-2024	2024/06/30	2023/2024	R 872 857,57	00,00	00,00	R 872 857,57	00,00	00,00	00,00	00,00	00,00
FEZILE SECURITY SERVICES	4608	I16/8/00010059/2023-2024	2024/06/25	2023/2024	R 64 239,00	00,00	00,00	R 64 239,00	00,00	00,00	00,00	00,00	00,00
FEZILE SECURITY SERVICES	4608	I19/8/00010071/2024-2025	2024/06/30	2024/2025	R 375 629,12	00,00	00,00	R 375 629,12	00,00	00,00	00,00	00,00	00,00
NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	4336	I22/8/00010083/2024-2025	2024/08/22	2024/2025	R 390 051,25	00,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
VANGISA TRADING AND CONSTRUCTION PROJECTS	2480	SP130/7/0007991/2023-2024	2024/06/28	2023/2024	R 247 231,26	00,00	00,00	R 247 231,26	00,00	00,00	00,00	00,00	00,00
INZALO ENTERPRISE MANAGEMENT SYSTEMS	1916	I26/8/00010096/2024-2025	2024/08/26	2024/2025	R 227 701,71	R 227 701,71	00,00	00,00	00,00	00,00	00,00	00,00	00,00
INZALO ENTERPRISE MANAGEMENT SYSTEMS	1916	SP126/8/0008071/2024-2025	2024/08/26	2024/2025	R 4 312,50	R 4 312,50	00,00	00,00	00,00	00,00	00,00	00,00	00,00
ADVENTURE TRAVEL	4054	G21/8/00005508/2024-2025	2024/08/21	2024/2025	R 133 804,80	R 133 804,80	00,00	00,00	00,00	00,00	00,00	00,00	00,00
ADVENTURE TRAVEL	4054	G30/8/00005523/2024-2025	2024/08/28	2024/2025	R 53 171,40	R 53 171,40	00,00	00,00	00,00	00,00	00,00	00,00	00,00
MAJIKI CONSTRUCTION AND PLANT HIRE	2477	SP122/8/0008068/2023-2024	2024/06/28	2023/2024	R 160 277,81	00,00	00,00	R 160 277,81	00,00	00,00	00,00	00,00	00,00
VEXOSCORE FIRE	4004	G22/8/00005514/2024-2025	2024/08/22	2024/2025	R 136 850,00	R 136 850,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
IGATSHA CONSULTING	6036	I24/7/00010019/2023-2024	2024/06/30	2023/2024	R 121 300,00	00,00	00,00	R 121 300,00	00,00	00,00	00,00	00,00	00,00
MTHOTHUVANE TRADING (PTY) LTD	6609	SP130/7/0007990/2023-2024	2024/06/30	2023/2024	R 75 000,00	00,00	00,00	R 75 000,00	00,00	00,00	00,00	00,00	00,00
KOMATSU SOUTH AFRICA (PTY) LTD	2975	G29/8/00005522/2024-2025	2024/08/29	2024/2025	R 62 334,12	R 62 334,12	00,00	00,00	00,00	00,00	00,00	00,00	00,00
MZOLO CONSULTING ENGINEERS	6178	I14/8/00010052/2023-2024	2024/06/28	2023/2024	R 59 335,25	00,00	00,00	R 59 335,25	00,00	00,00	00,00	00,00	00,00
MOBILE TELEPHONE NETWORKS	2532	I28/8/00010109/2024-2025	2024/07/25	2024/2025	R 52 549,54	00,00	R 52 549,54	00,00	00,00	00,00	00,00	00,00	00,00
SANZAH INVESTMENTS	1958	SP121/8/0008060/2024-2025	2024/08/21	2024/2025	R 19 937,50	R 19 937,50	00,00	00,00	00,00	00,00	00,00	00,00	00,00
FIT & GO DUNDEE T/A YTRESTO GO	1918	G22/8/00005512/2024-2025	2024/08/22	2024/2025	R 2 900,00	R 2 900,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
FIT & GO DUNDEE T/A YTRESTO GO	1918	G27/8/00005518/2024-2025	2024/08/27	2024/2025	R 14 000,00	R 14 000,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
SERVE YOU RITE	6557	G28/8/00005520/2024-2025	2024/08/28	2024/2025	R 9 000,00	R 9 000,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
CCG SYSTEMS	4446	SP128/8/0008077/2024-2025	2024/08/01	2024/2025	R 9 500,00	00,00	R 9 500,00	00,00	00,00	00,00	00,00	00,00	00,00
KUNENE MAKOPO RISK SOLUTIONS	2741	SP121/8/0008056/2024-2025	2024/08/20	2024/2025	R 7 800,00	R 7 800,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
NOSIPHO MCHUNU	6545	SP130/8/0008088/2024-2025	2024/08/28	2024/2025	R 6 882,00	R 6 882,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
CTRACK MZANSI	2777	I23/8/00010085/2024-2025	2024/07/01	2024/2025	R 7 175,07	00,00	00,00	R 7 175,07	00,00	00,00	00,00	00,00	00,00
MOHAU NHLEBELA	6418	SP130/8/0008087/2024-2025	2024/08/23	2024/2025	R 3 883,11	R 3 883,11	00,00	00,00	00,00	00,00	00,00	00,00	00,00
UJIBHA PROJECTS (PTY) LTD	4653	G29/8/00005521/2024-2025	2024/08/29	2024/2025	R 2 000,00	R 2 000,00	00,00	00,00	00,00	00,00	00,00	00,00	00,00
UMZINYATHI DISTRICT MUNICIPALITY (Traffic)-005001	1898	SP122/8/0008061/2024-2025	2024/08/13	2024/2025	R 394,38	R 394,38	00,00	00,00	00,00	00,00	00,00	00,00	00,00
TOTAL					R 4 531 689,31	R 2 486 594,69	R 62 049,54	R 1 983 045,08	R -	R -	R -	R -	R -

Table 7: Creditor's ageing for the month ending 31 August 2024

CREDITORS ACCOUNT RECONCILIATION REPORT
MONTH ENDING AUGUST 2024

Total Balances as per EMS INVOICE AGE ANALYSIS REPORT: R 4 531 689,31

AGE ANALYSIS TOTAL AMOUNT: R 4 531 689,31

CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT R 4 531 689,31

AGED ANALYSIS

	✔ R 4 531 689,31
Current (Transactions below 30 days)	R - R 0,00
<30 Days	R - ✔ R 2 486 594,69
<60 Days	R - ✔ R 62 049,54
<90 Days	R - ✔ R 1 983 045,08
<120 Days	R - R 0,00
<150 Days	R - R 0,00
<180 Days	R - R 0,00
>180 Days	R - R 0,00

Unpaid creditors as @ 31 August 2024

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 August.

a) Deviations

Deviations report for the month of August shows a balance of R506 thousand, all the deviations are approved and the details of the reasons for deviations are included in the in the deviation documents.

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.

Table 8: Deviation register for the month ending 31 August 2024

Date identified	Date reported to Mayor	Description	Supplier	Services Rendered	End User Department	Amount
2024/07/19	2024/08/14	MAINTENANCE VEHICLE EMERGENCY REPAIR OF BG42PW ZN WHICH ITD STARTER STOP WORKING	NTT TOYOTA VRYHEID	VEHICLE EMERGENCY REPAIR	CORPORATE SERVICES	R5 893,75
2024/07/19	2024/08/14	REPAIR AND SERVICE FIRE FIGHTING EQUIPMENT FOR RIPID INTERVENTION VEHICLE NTU 4806	VEXOSCORE FIRE	MAINTENANCE VEHICLE EMERGENCY	CORPORATE SERVICES	R127 650,00
2024/07/24	2024/08/14	REPAIR MAJOR PUMPER FOR NTU 3872 FIRE FIGHTER MACHINERY AND PERIPHERALS	VEXOSCORE FIRE	MAINTENANCE VEHICLE EMERGENCY	CORPORATE SERVICES	R136 580,00
2024/08/05	2024/09/13	MAINTENANCE VEHICLE CONDITION BASED (CHANGING TYRES) SUPPLY, FITTING, BALANCING AND WHEEL	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R2 900,00
2024/08/05	2024/09/13	REPLACEMENT OF BATTERY FOR LAND CRUISER NTU 4677	FARMTRAC DUNDEE	MAINTENANCE VEHICLE EMERGENCY	CORPORATE SERVICES	R2 046,20
2024/08/08	2024/09/13	SERVICE FOR BJ 59 RL -ZN WHICH IS ON 200 000KM	NTT TOYOTA VRYHEID	MAINTENANCE VEHICLE	CORPORATE SERVICES	R10 471,80
2024/08/05	2024/09/13	SUPPLY AND FIT 5 TYRES FOR NISSAN NAVARA WITH WHEEL ALGNMENT PLUS BALANCING	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R13 999,97
2024/08/22	2024/09/13	REQUEST TO PURCHASE AND FIT 04 TYRES USED AS SPARE WHEELS FOR FIRE ENGINE AND SUPPORT VEHICLE	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	EXECUTIVE & COUNCIL	R12 300,00
2024/08/22	2024/09/13	REQUEST TO PURCHASE 05 TYRES FOR LANDCRUISER NTU 4677	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R14 000,00
2024/08/27	2024/09/13	SERVICE AND REPAIRS FOR NTU 7346	KOMATSU SOUTH AFRICA	MAITENANCE VEHICLE	CORPORATE SERVICES	R62 334,12
2024/08/29	2024/09/13	REQUEST FOR SERVICE AND REPAIRS FOR TNT MINI MAJOR RESCUE SETS	VEXOSCORE FIRE	MECHINERY EQUIPMENT PLANNER	CORPORATE SERVICES	R99 000,05
2024/08/22	2024/09/13	REGISTRATION FOR S XABA AND S HADEBE	CIGFARO	REGISTRATION	FINANCE	R19 006,00
TOTAL						R506 181,89

b) Fruitless and Wasteful Expenditure Register

Fruitless and Wasteful Expenditure Register for the month ending 30 August 2024 reflects R184 519,66 emanating from Telkom and COIDA penalties respectively. The municipality is engaging Telkom to stop billing the municipality and refund the municipality the invoices paid after sending termination letters.

Table 9: Fruitless and Wasteful Expenditure Register – August 2024

Annexure C Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Month: 31 Aug 2024		Financial Year 2024/2025 Nquthu Local Municipality MONTH 31-Aug			
Description	Payment no./EFT no/ Cheque No.	Amount			
Telkom					5,56
Interest on overdue account	#66587	-	5,56		
Interest on overdue account		-			
Eskom					-
Interest on overdue account		-			
Interest on overdue account		-			
Car Licences					-
Penalty on late license renewal		-			
Other					184 514,10
Penalties/interest		-			
Employment & Labour Sec83(6) Penalty - 2015	#67839	27 992,25			
Employment & Labour Sec83(6) Penalty - 2020	#67839	50 430,34			
Employment & Labour Sec83(6) Penalty - 2021	#67839	49 617,96			
Employment & Labour Sec83(6) Penalty - 2022	#67839	56 473,55			
Total					R 184 519,66

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 August 2024

NO	SERVICE PROVIDER	CONTRACT AMOUNT	DATE OF AWARD	DESCRIPTION

Nquthu Municipality Monthly Budget Statement

1.	BARLOWORLD EQUIPMENT	R312,515,01	15/08/2024	REPAIRS FOR GRADER NTU 1236
2.	N11 CORMMERCIALS	R236,413,71	06/08/2024	RAPAIRS ON NTU 3903
3.	KWANONGOMA TRADING	R199,500.00	29/08/2024	133 VOUCHERS FOR PAUPER BURIAL
4.	ADVENTURE TRAVEL	R178,406,40	19/08/2024	ACCOMODATION FOR 23 DELEGATS IN DURBAN
5.	SGEMFU TRADING	R135,000,00	22/08/2024	SUPPLY AND DELIVERY OF 1000 X25KG COLD MIX BAGS
6.	BELL EQUIPMENT	R124,692,33	19/08/2024	REPAIRS ON GRADER NTU 1644
7.	EMONDLO BUS SERVICE	R120,000,00	27/08/2024	HIRE OF BUSES FOR UMKHOSI WOMHLANGA
8.	NII CORMMECIALS	R97,579,11	06/08/2024	REPAIRS ON NTU 1616
9.	MKHAKHA ACCOUNTANTS	R84,200,00	01/08/2024	SERVICE OF FIRE EXTINGUISHER
10.	ADVENTURE TRAVEL	80145.54	27/08/2024	ACCOMODATION FOR GOLDEN GAMES IN ILEMBE

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

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

g) INVENTORY MANAGEMENT – inventory reconciliation report shows no movements since June, the municipality will hold an inventory count at the end of September 2024 to verify accuracy of the stock on shelf.

Table 10: Inventory Reconciliation for the month ending 31 August 2024

AUGUST 2024		
Inventory Reconciliation		
INVENTORY MODULE		
	OPENING BALANCE AS PER INVENTORY REPORT	R 1 278 888,08
	ADD: TOTAL RECEIPTS	R 0,00
	Inventory purchases for the month	R 0,00
	LESS: TOTAL ISSUES	R 0,00
	Inventory issued from stores during the month	R 0,00
	ADJUSTMENTS	R 0,00
	Add: stock surplus identified during the month	R 0,00
	Less: Stock losses identified during the month	R 0,00
	CLOSING BALANCE AS PER INVENTORY REPORT	R 1 278 888,08

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 are challenges in downloading C-schedule report that contain budget figures for the month of August.

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 August 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 : 05/09/2024

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 August 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 : 05/09/2024