

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 31 OCTOBER 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 October 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 October 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 fundamental requirements of the MBRR regulations, in that S71 report provide the summary of budget implementation in line with the SDBIP as well as a summary of financial problems and risks facing the municipality and any other matter considered relevant by the mayor. The first quarter performance of the set targets has been concluded and audited by the internal audit unit, there are areas that need close attention in order to ensure that SDBIP is fully aligned with the budget and to provide guidance going to the adjustment budget. It is therefore crucial to monitor all deliverables that are aligned to this second 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.

The municipality has approved risk registers for the current financial year, the Risk Management Committee has been convened in the first quarter, areas of concern has been noted and relevant officials will ensure improvement in this regard. Emerging risks will be documented as identified including the payroll glitches that result in late payment of salaries.

This report contains C-schedule tables that outline the budget status for the end of October 2024 and paints a clear picture on the budget implementation in line with the council adopted final budget on 17 May 2024. Budget related policies were also approved with the annual budget; therefore, enforcement should be measured quarterly to ensure sound financial management.

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 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.

In terms of S6 of MBRR, the Statement of Financial Performance shown in Table C4 for Month serves as a consolidated municipality's performance in relation to both approved annual budget and the actual expenditure for the first quarter. The municipality is striving to maintain health financial status through ensuring sufficient revenue is collected and available for operational and capital expenditures.

Revenue sources such as property rates YTD show an actual figure is R20.8 million rands compared to original budget of R52.7 million rands , electricity revenue source year to date actual figure of R9.2 million rands results in -13% variance whilst the bulk expenditure year to date figure is R17 million rands . Accurate employee related costs expenditure is 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, so far only expenditure amounting to R28 million rands has been captured to the financial system instead of R38 million rands.

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

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		27 499	32 108	-	678	9 272	10 703	(1 430)	-13%	32 108
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 467	1 962	-	-	511	654	(143)	-22%	1 962
Sale of Goods and Rendering of Services		178	259	-	23	58	86	(28)	-33%	259
Agency services		-	-	-	-	-	-	-	-	-
Interest		69	0	-	-	19	0	19	478325%	0
Interest earned from Receivables		665	681	-	-	165	227	(62)	-27%	681
Interest from Current and Non Current Assets		11 420	5 995	-	50	2 278	1 998	279	14%	5 995
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		972	871	-	4	192	290	(99)	-34%	871
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		396	216	-	16	1 588	72	1 516	2105%	216
Non-Exchange Revenue										
Property rates		51 452	52 750	-	-	20 869	17 583	3 285	19%	52 750
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 547	1 009	-	166	603	336	266	79%	1 009
Licence and permits		1 010	1 010	-	71	300	337	(36)	-11%	1 010
Transfers and subsidies - Operational		186 803	212 836	-	-	84 295	70 945	13 350	19%	212 836
Interest		2 657	1 335	-	-	825	445	380	86%	1 335
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		286 134	311 031	-	1 007	120 974	103 677	17 297	17%	311 031
Expenditure By Type										
Employee related costs		100 570	118 969	-	518	28 035	39 656	(11 621)	-29%	118 969
Remuneration of councillors		14 046	17 155	-	-	3 384	5 718	(2 335)	-41%	17 155
Bulk purchases - electricity		31 026	40 970	-	3 081	17 497	13 657	3 841	28%	40 970
Inventory consumed		2 315	1 618	-	42	180	540	(359)	-67%	1 618
Debt impairment		12 634	-	-	-	-	-	-	-	-
Depreciation and amortisation		36 021	36 000	-	-	-	12 000	(12 000)	-100%	36 000
Interest		-	0	-	-	-	0	(0)	-100%	0
Contracted services		72 835	49 983	-	2 491	12 905	16 662	(3 757)	-23%	49 983
Transfers and subsidies		3 985	2 854	-	250	250	952	(702)	-74%	2 854
Irrecoverable debts written off		3 163	12 999	-	-	150	4 333	(4 183)	-97%	12 999
Operational costs		45 718	41 523	-	2 715	14 475	13 842	633	5%	41 523
Losses on Disposal of Assets		2 507	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		324 820	322 072	-	9 097	76 877	107 359	(30 482)	-28%	322 072
Surplus/(Deficit)		(38 686)	(11 042)	-	(8 090)	44 097	(3 682)	47 779	(0)	(11 042)
Transfers and subsidies - capital (monetary allocations)		82 219	46 155	-	-	7 183	15 385	(8 202)	(0)	46 155
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113

1.4. IN-YEAR BUDGET STATEMENT TABLES
IN-YEAR BUDGET STATEMENT TABLES – TABLE C1

Choose name from list - Table C1 Monthly Budget Statement Summary - M04 October

Description	Budget Year 2024/25									
	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		51 452	52 750	-	-	20 869	17 583	3 285	19%	52 750
Service charges		28 965	34 070	-	678	9 783	11 357	(1 573)	-14%	34 070
Investment revenue		11 420	5 995	-	50	2 278	1 998	279	14%	5 995
Transfers and subsidies - Operational		186 803	212 836	-	-	84 295	70 945	13 350	0	212 836
Other own revenue		7 494	5 380	-	279	3 750	1 793	1 957	109%	-
Total Revenue (excluding capital transfers and contributions)		286 134	311 031	-	1 007	120 974	103 677	17 297	17%	311 031
Employee costs		100 570	118 969	-	518	28 035	39 656	(11 621)	-29%	118 969
Remuneration of Councilors		14 046	17 155	-	-	3 384	5 718	(2 335)	-41%	17 155
Depreciation and amortisation		36 021	36 000	-	-	-	12 000	(12 000)	-100%	36 000
Interest		-	0	-	-	-	0	(0)	-100%	0
Inventory consumed and bulk purchases		33 341	42 588	-	3 122	17 678	14 196	3 482	25%	42 588
Transfers and subsidies		3 985	2 854	-	250	952	(702)	(702)	-74%	2 854
Other expenditure		136 856	104 505	-	5 207	27 530	34 836	(7 306)	-21%	104 505
Total Expenditure		324 820	322 072	-	9 097	76 877	107 359	(30 482)	-28%	322 072
Surplus/(Deficit)		(38 686)	(11 042)	-	(8 090)	44 097	(3 682)	47 779	-1298%	(11 042)
Transfers and subsidies - capital (monetary allocations)		82 219	46 155	-	-	7 183	15 385	(8 202)	-53%	46 155
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		43 533	35 113	-	(8 090)	51 281	11 703	39 577	338%	35 113
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		43 533	35 113	-	(8 090)	51 281	11 703	39 577	338%	35 113
Capital expenditure & funds sources										
Capital expenditure		(14 116)	76 322	-	11 723	28 876	25 441	3 435	14%	76 322
Capital transfers recognised		36 312	41 272	-	5 973	12 362	13 757	(1 396)	-10%	41 272
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		(67 031)	38 963	-	5 751	16 514	12 988	3 526	27%	38 963
Total sources of capital funds		(30 719)	80 235	-	11 723	28 876	26 745	2 131	8%	80 235
Financial position										
Total current assets		169 788	132 617	-	-	185 590	-	-	-	132 617
Total non current assets		734 213	754 284	-	-	763 089	-	-	-	754 284
Total current liabilities		137 068	103 485	-	-	131 247	-	-	-	103 485
Total non current liabilities		875	3 364	-	-	875	-	-	-	3 364
Community wealth/Equity		766 057	807 388	-	-	816 557	-	-	-	807 388
Cash flows										
Net cash from (used) operating		(113 820)	40 886	-	(507)	74 400	29 334	(45 067)	-154%	40 886
Net cash from (used) investing		(95 168)	(90 933)	-	(13 278)	(32 846)	(30 311)	2 535	-8%	(90 933)
Net cash from (used) financing		-	-	-	(518)	(28 035)	-	28 035	#DIV/0!	-
Cash/cash equivalents at the month/year end		(100 164)	22 421	-	(14 303)	106 052	71 490	(34 561)	-48%	42 486
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		1 265	1 072	1 026	340	414	339	302	14 289	19 047
Creditors Age Analysis										
Total Creditors		13 184	3 243	78	43	1 855	-	-	-	18 403

The YTD actual revenue is R120 million rands compared to R311 million rands approved original budget and this results to 17% variance.

Operating expenditure YTD is R76 million rands compared to R322 million rands approved original budget which results to -28% variance. The negative variance is caused by the items that has zero YTD actual figures as per the following: a) debt impairment b) depreciation and amortisation c) interest d) transfers and subsidies.

YTD expenditure figure for employee costs is supported by PART 2 payroll because the amount on the C-schedule is understated due to information being not fully integrated with the financial system as the C-schedule have a YTD figure of R28 million rands compared to PART 2 R39.8 million rands.

Capital expenditure allocation in this quarter has been received as per the grant register attached in Part 2 of this report.

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

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		287 059	297 997	-	87	110 358	99 332	11 025	11%	297 997
Executive and council		39 222	46 128	-	-	7 183	15 376	(8 193)	-53%	46 128
Finance and administration		247 837	251 869	-	87	103 174	83 956	19 218	23%	251 869
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6 696	6 287	-	228	2 194	2 096	98	5%	6 287
Community and social services		4 558	4 454	-	4	1 354	1 485	(130)	-9%	4 454
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 138	1 833	-	223	840	611	229	37%	1 833
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		305	185	-	14	1 598	62	1 536	2490%	185
Planning and development		305	185	-	14	1 598	62	1 536	2490%	185
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		74 293	52 717	-	678	14 008	17 572	(3 564)	-20%	52 717
Energy sources		72 312	50 682	-	678	13 399	16 894	(3 495)	-21%	50 682
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 981	2 035	-	-	609	678	(69)	-10%	2 035
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	368 353	357 186	-	1 007	128 158	119 062	9 096	8%	357 186
Expenditure - Functional										
Governance and administration		167 114	172 773	-	3 830	35 301	57 592	(22 290)	-39%	172 773
Executive and council		33 068	36 913	-	736	6 680	12 305	(5 624)	-46%	36 913
Finance and administration		129 789	132 533	-	2 247	27 421	44 178	(16 756)	-38%	132 533
Internal audit		4 257	3 327	-	847	1 200	1 109	91	8%	3 327
Community and public safety		24 121	33 066	-	1 032	8 544	11 022	(2 478)	-22%	33 066
Community and social services		5 483	15 470	-	817	3 797	5 157	(1 360)	-26%	15 470
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		18 638	17 596	-	215	4 747	5 865	(1 118)	-19%	17 596
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		65 385	27 566	-	621	5 690	9 189	(3 499)	-38%	27 566
Planning and development		17 019	16 443	-	598	3 002	5 481	(2 479)	-45%	16 443
Road transport		48 366	11 123	-	23	2 688	3 708	(1 020)	-27%	11 123
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		68 201	88 667	-	3 615	27 341	29 556	(2 215)	-7%	88 667
Energy sources		53 423	70 871	-	3 561	23 466	23 624	(158)	-1%	70 871
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 281	1 959	-	24	569	653	(84)	-13%	1 959
Waste management		12 498	15 837	-	30	3 306	5 279	(1 973)	-37%	15 837
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	324 820	322 072	-	9 097	76 877	107 359	(30 482)	-28%	322 072
Surplus/ (Deficit) for the year		43 533	35 113	-	(8 090)	51 281	11 703	39 577	3,3817219	35 113

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

Vote Description	Ref	Budget Year 2024/25								
		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		39 222	46 128	-	-	7 183	15 376	(8 193)	-53,3%	46 128
Vote 2 - Planning and Economic Development		305	551	-	1	1 538	184	1 355	737,8%	551
Vote 3 - Budget and Treasury		247 800	251 524	-	66	103 062	83 841	19 221	22,9%	251 524
Vote 4 - Corporate and Community Service		6 700	6 156	-	206	2 149	2 052	97	4,7%	6 156
Vote 5 - Technical Services		74 327	52 827	-	734	14 225	17 609	(3 384)	-19,2%	52 827
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	368 353	357 186	-	1 007	128 158	119 062	9 096	7,6%	357 186
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		21 263	20 068	-	1 481	4 251	6 689	(2 438)	-36,4%	20 068
Vote 2 - Planning and Economic Development		17 019	16 546	-	598	3 002	5 516	(2 514)	-45,6%	16 546
Vote 3 - Budget and Treasury		81 253	75 532	-	929	7 377	25 177	(17 800)	-70,7%	75 532
Vote 4 - Corporate and Community Service		67 619	81 921	-	1 973	27 070	27 307	(237)	-0,9%	81 921
Vote 5 - Technical Services		120 952	92 105	-	3 651	27 736	30 702	(2 965)	-9,7%	92 105
Vote 6 - Council And General		16 524	18 412	-	102	3 721	6 137	(2 417)	-39,4%	18 412
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	324 629	304 584	-	8 734	73 158	101 529	(28 371)	-27,9%	304 584
Surplus/ (Deficit) for the year	2	43 724	52 602	-	(7 726)	55 000	17 533	37 467	213,7%	52 602

Table C3 provides information by vote, dividing the overall municipality administration into departments. BTO office reflects much higher revenue by vote allocation with an amount of R251 million rands and YTD figure is R103 million rands . Expenditure by vote shows that technical unit has expenditure of R14 million rands followed by the corporate services with R2.1 million rands.

Table C4 Municipality Financial Performance

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		27 499	32 108	-	678	9 272	10 703	(1 430)	-13%	32 108
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 467	1 962	-	-	511	654	(143)	-22%	1 962
Sale of Goods and Rendering of Services		178	259	-	23	58	86	(28)	-33%	259
Agency services		-	-	-	-	-	-	-	-	-
Interest		69	0	-	-	19	0	19	478325%	0
Interest earned from Receivables		665	681	-	-	165	227	(62)	-27%	681
Interest from Current and Non Current Assets		11 420	5 995	-	50	2 278	1 998	279	14%	5 995
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		972	871	-	4	192	290	(99)	-34%	871
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		396	216	-	16	1 588	72	1 516	2105%	216
Non-Exchange Revenue										
Property rates		51 452	52 750	-	-	20 869	17 583	3 285	19%	52 750
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 547	1 009	-	166	603	336	266	79%	1 009
Licence and permits		1 010	1 010	-	71	300	337	(36)	-11%	1 010
Transfers and subsidies - Operational		186 803	212 836	-	-	84 295	70 945	13 350	19%	212 836
Interest		2 657	1 335	-	-	825	445	380	86%	1 335
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		286 134	311 031	-	1 007	120 974	103 677	17 297	17%	311 031
Expenditure By Type										
Employee related costs		100 570	118 969	-	518	28 035	39 656	(11 621)	-29%	118 969
Remuneration of councillors		14 046	17 155	-	-	3 384	5 718	(2 335)	-41%	17 155
Bulk purchases - electricity		31 026	40 970	-	3 081	17 497	13 657	3 841	28%	40 970
Inventory consumed		2 315	1 618	-	42	180	540	(359)	-67%	1 618
Debt impairment		12 634	-	-	-	-	-	-	-	-
Depreciation and amortisation		36 021	36 000	-	-	-	12 000	(12 000)	-100%	36 000
Interest		-	0	-	-	-	0	(0)	-100%	0
Contracted services		72 835	49 983	-	2 491	12 905	16 662	(3 757)	-23%	49 983
Transfers and subsidies		3 985	2 854	-	250	250	952	(702)	-74%	2 854
Irrecoverable debts written off		3 163	12 999	-	-	150	4 333	(4 183)	-97%	12 999
Operational costs		45 718	41 523	-	2 715	14 475	13 842	633	5%	41 523
Losses on Disposal of Assets		2 507	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		324 820	322 072	-	9 097	76 877	107 359	(30 482)	-28%	322 072
Surplus/(Deficit)		(38 686)	(11 042)	-	(8 090)	44 097	(3 682)	47 779	(0)	(11 042)
Transfers and subsidies - capital (monetary allocations)		82 219	46 155	-	-	7 183	15 385	(8 202)	(0)	46 155
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		43 533	35 113	-	(8 090)	51 281	11 703	39 577	0	35 113

TABLE C4: REVENUE BY SOURCE

Property rates

Property rates YTD Actual for this quarter stands at R 20.8 million rands , the approved original budget is R 51.4 million rands, yielding a variance of 19% .

Service charges electricity.

The actual revenue from Service Charges Electricity is R9.2 million rands . The approved original budget figure is R32.1 million rands , the variance of -13% is noted.

Interest from Current and Non-Current Assets

Interest from current and non-current assets show the YTD actual figure of R2.2 million rands compared to R5.9 million rands original budget, resulting in a variance of 14%.

Transfers and subsidies

Transfers and subsidies as allocated in the DoRA for the current year has been received and reflected in the grant register on Part 2 of this report. Approved budget figure for transfers and subsidies is R212 million rands and the YTD actual figure is R84 million rands .

TABLE C4: EXPENDITURE BY TYPE

Employment related costs

The employee related costs reflects budget underspending as per the C schedule report, to date the employee costs data has been captured on the system for July and August, the YTD actual figure on the C-schedule amounts to R28 million rands whereas the manual report shows R35 million rands expenditure at the end of this quarter. The manual update on monthly payroll is attached on Part 2 hereto, which reflects accurate YTD figures.

Remuneration of Councillor's

The YTD Actual for remuneration of councillors reflect R3.3 million rands on the C-schedule whereas PART 2 of this report shows R4.5 million rands expenditure for councillors. 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.

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 shows zero depreciation calculations in this quarter, however the municipality has initiated the monthly update and calculation of depreciation, therefore as from October 2024 there will be YTD actual figures for the depreciation.

Bulk purchases

YTD Actual for electricity bulk purchase figure is at R17.4 million rands , the municipality has billed each month for bulk account and has paid in full consistently, no interest has accrued for bulk.

Monthly Budget Statement_ Capital Expenditure Table 5

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	0	-	-	-	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		(10 678)	2 609	-	-	-	870	(870)	-100%	2 609
Vote 3 - Budget and Treasury		-	0	-	-	-	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		287	957	-	520	520	319	201	63%	957
Vote 5 - Technical Services		24 343	56 202	-	9 605	25 106	18 734	6 372	34%	56 202
Vote 6 - Council And General		608	700	-	-	-	233	(233)	-100%	700
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	14 560	60 467	-	10 125	25 626	20 156	5 470	27%	60 467
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	0	-	-	-	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		-	0	-	-	-	0	(0)	-100%	0
Vote 3 - Budget and Treasury		-	0	-	-	-	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		(3 287)	0	-	-	2	0	2	1565%	0
Vote 5 - Technical Services		(25 388)	15 854	-	1 598	3 247	5 285	(2 038)	-39%	15 854
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	(28 676)	15 854	-	1 598	3 250	5 285	(2 035)	-39%	15 854
Total Capital Expenditure		(14 116)	76 322	-	11 723	28 876	25 441	3 435	14%	76 322
Capital Expenditure - Functional Classification										
Governance and administration		895	2 266	-	520	520	755	(235)	-31%	2 266
Executive and council		608	700	-	-	-	233	(233)	-100%	700
Finance and administration		287	1 565	-	520	520	522	(2)	0%	1 565
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(2 529)	53 516	-	4 714	16 548	17 839	(1 290)	-7%	53 516
Community and social services		758	43 602	-	3 116	13 406	14 534	(1 128)	-8%	43 602
Sport and recreation		(3 413)	8 696	-	1 598	3 140	2 899	242	8%	8 696
Public safety		126	1 218	-	-	2	406	(403)	-99%	1 218
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(55 360)	22 541	-	4 362	8 452	7 514	938	12%	22 541
Planning and development		(7 408)	4 696	-	-	360	1 565	(1 205)	-77%	4 696
Road transport		(47 951)	17 845	-	4 362	8 092	5 948	2 143	36%	17 845
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		26 275	1 913	-	2 128	3 355	638	2 718	426%	1 913
Energy sources		18 880	1 478	-	1 105	1 105	493	613	124%	1 478
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 395	435	-	1 023	2 250	145	2 105	1452%	435
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(30 719)	80 235	-	11 723	28 876	26 745	2 131	8%	80 235
Funded by:										
National Government		19 301	41 245	-	4 867	11 256	13 748	(2 492)	-18%	41 245
Provincial Government		17 012	27	-	1 105	1 105	9	1 096	12106%	27
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		36 312	41 272	-	5 973	12 362	13 757	(1 396)	-10%	41 272
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	(67 031)	38 963	-	5 751	16 514	12 988	3 526	27%	38 963
Total Capital Funding		(30 719)	80 235	-	11 723	28 876	26 745	2 131	8%	80 235

Total capital expenditure by function classification stands at 8% from 13 % at the end of October 2024. Internally funded projects is budgeted R38.9 million rands and the YTD actual amount is R16.5 million rands .

Table C6 – Monthly Budget Statement – Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		92 533	16 996	-	90 874	16 996
Trade and other receivables from exchange transactions		7 424	11 208	-	6 886	11 208
Receivables from non-exchange transactions		34 888	44 149	-	49 028	44 149
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 279	139	-	1 413	139
VAT		33 598	60 017	-	37 283	60 017
Other current assets		66	108	-	107	108
Total current assets		169 788	132 617	-	185 590	132 617
Non current assets						
Investments		-	-	-	-	-
Investment property		41 339	42 923	-	41 339	42 923
Property, plant and equipment		692 785	711 266	-	721 661	711 266
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		79	79	-	79	79
Intangible assets		11	16	-	11	16
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	0	-	-	0
Total non current assets		734 213	754 284	-	763 089	754 284
TOTAL ASSETS		904 001	886 902	-	948 679	886 902
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		20	20	-	20	20
Consumer deposits		2 312	2 170	-	2 356	2 170
Trade and other payables from exchange transactions		83 555	64 120	-	60 371	64 120
Trade and other payables from non-exchange transactions		6 494	0	-	22 302	0
Provision		13 034	10 074	-	13 034	10 074
VAT		31 653	27 101	-	33 164	27 101
Other current liabilities		-	-	-	-	-
Total current liabilities		137 068	103 485	-	131 247	103 485
Non current liabilities						
Financial liabilities		(20)	(20)	-	(20)	(20)
Provision		896	3 384	-	896	3 384
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	0	-	-	0
Total non current liabilities		875	3 364	-	875	3 364
TOTAL LIABILITIES		137 944	106 848	-	132 122	106 848
NET ASSETS	2	766 057	780 053	-	816 557	780 053
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		765 906	807 247	-	816 405	807 247
Reserves and funds		152	141	-	152	141
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	766 057	807 388	-	816 557	807 388

The table C6 reflects R816 million rands YTD actual against the budgeted figure of R807 million rands for accumulated surplus.

Total assets (R948 million rands) exceed total liabilities (R132 million rands), resulting in net assets of R816 million rands .

Table C7 – Monthly Budget Statement – Cash Flow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	Budget Year 2024/25								
		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		36 245	43 374	-	1 640	6 829	14 458	(7 629)	-53%	43 374
Service charges		31 067	23 338	-	3 150	11 141	7 779	3 362	43%	23 338
Other revenue		6 337	2 767	-	424	3 234	922	2 312	251%	2 767
Transfers and Subsidies - Operational		186 543	212 835	-	-	80 868	70 945	9 923	14%	212 835
Transfers and Subsidies - Capital		84 831	46 128	-	-	26 418	15 376	11 042	72%	46 128
Interest		3 589	6 054	-	-	1 009	2 018	(1 009)	-50%	6 054
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(462 432)	(293 609)	-	(5 720)	(55 099)	(82 165)	(27 066)	33%	(293 609)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(113 820)	40 886	-	(507)	74 400	29 334	(45 067)	-154%	40 886
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		(95 168)	(90 933)	-	(13 278)	(32 846)	(30 311)	2 535	-8%	(90 933)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(95 168)	(90 933)	-	(13 278)	(32 846)	(30 311)	2 535	-8%	(90 933)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	(518)	(28 035)	-	(28 035)	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	(518)	(28 035)	-	28 035	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(208 989)	(50 047)	-	(14 303)	13 519	(977)			(50 047)
Cash/cash equivalents at beginning:		108 825	72 468	-	-	92 533	72 468			92 533
Cash/cash equivalents at month/year end:		(100 164)	22 421	-	(14 303)	106 052	71 490			42 486

The tables C7 cash flow statement reflects that cash and cash equivalents has a favourable balance at the end of the this quarter. Cash flow from operating activities year to date actual amount is R74.4 million rands . Cash flow from investing activities is channelled to capital expenditure investment with a YTD figure of R32.8 million rands . Only the consumer deposits decrease is reflected under financing activities, the municipality has not financed its activities through short-term or long-term loans by the end of October 2024.

PART 2 – SUPPORTING DOCUMENTATION

2.1. INVESTMENT PORTFOLIO ANALYSIS

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

External Investment Report 31 October 2024							
Financial Institution/Bank		Date invested/ Type of Account	Amount invested	Interest rate	Interest	Balance	Maturity date
ABSA HOUSING A/C	9277851394	CALL A/C	R1 923 576,78	7,05%	R10 777,30	R1 934 354,08	CALL A/C
ABSA CALL	9307695892	CALL A/C	R1 752 965,03	6,95%	R9 857,43	R1 762 822,46	CALL A/C
ABSA BANK	2081696276	24-Jul-24	R12 000 000,00	8,96%	R271 009,32	R12 271 009,32	24-Oct-24
ABSA BANK	9365964328	CALL A/C	R23 816,51	7,53%	R146,01	R23 912,52	CALL A/C
ABSA BANK NOTICE SELECT	9142845014	CALL A/C	R545 351,43	7,05%	R3 149,59	R548 501,02	NOTICE SELECT
NEDBANK 1	037165014039	CALL A/C	R1 258,42	8,05%	R8,37	R1 266,79	CALL A/C
FIRST NATIONAL BANK	71848462554	23-Jul-22	R10 371 479,87	8,42%	R0,00	R10 371 479,87	23-Dec-24
FIRST NATIONAL BANK	62372311408	CALL A/C	R10 283 571,35	7,5%	R65 504,94	R10 349 076,29	CALL A/C
FIRST NATIONAL BANK	74429052166	21-Oct-22	R6 102 288,58	8,70%	R45 090,06	R6 147 378,64	06-Nov-24
FIRST NATIONAL BANK	71848460889	23-Jul-22	R8 770 319,59	8,42%	R0,00	R8 770 319,59	23-Dec-24
STANDARD BANK	308585569	CALL A/C	R7 399,27	6,25%	R38,92	R7 438,20	CALL A/C
STANDARD BANK	308585569	32 DAYS NOTICE DEPOSIT	R25 906 262,75	8,20%	R176 907,84	R26 083 170,59	32 DAYS NOTICE
STANDARD BANK	308585569	25-Jul-24	R15 000 000,00	9,15%	R0,00	R15 000 000,00	23-Nov-24
TOTAL			R92 688 289,58		R582 489,78	R93 270 729,37	

The investment register on 31 October 2024 reflects investment status of the municipality, which shows the investment balance of R93.2 million rands which is decreased from R114 million rands from the previous month. An amount of R39 million rands has been invested in this current financial year.

Two withdrawal transaction has been made in this current financial year amounting to R20.9 million rands .

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

Investment withdrawals - October 2024						
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO	ACCOUNT TYPE	PRIMARY A/C BAL BEFORE WITHDRAWAL	WITHDRAWAL REASON
26-Aug-24	NEDBANK (000146)	R 12 096 016,44	ABSA 2762	PRIMARY	R 17 066 127,00	Insufficient funds to pay for normal operations
03-Oct-24	ABSA (9642)	R 22 244 703,01	ABSA 2762	PRIMARY	R 3 904 911,22	Insufficient funds to pay for normal operations

R 20 971 038,22

The municipality has a primary bank balance of R2 million rands at the end of 31 October 2024, there are zero outstanding deposits or receipts at the reporting date, additionally the grant account shows a balance of R545 thousand. Table 1 (c) below show primary bank reconciliation.

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

BANK RECONCILIATION (PRIMARY ACCOUNT)

4053562762

Details	Amount
Cash book balance as at 31 October 2024	R2 042 256,06
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 October 2024	R2 042 256,06

Table 1 (d) below show grant account reconciliation.

BANK RECONCILIATION (GRANTS ACCOUNT)

Details	Amount
Cash book balance as at 31 October 2024	R548 501,02
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 October 2024	R548 501,02

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. October 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.

Table 2: Councillors allowances and employee benefits - 31 October 2024

<i>Staff Benefits in terms of Section 66 of the MFMA</i>		
Actual staff benefits and Councillors allowances for the period ending 31 October 2024		
Staff Benefits		
Item	Budget	YTD actuals
Salaries & Wages	R 90 900 174,00	R 24 814 855,57
Contributions to pension funds	R 14 138 419,00	R 3 203 349,26
Contributions to medical aids	R 2 285 865,00	R 1 123 593,06
Contributions to UIF	R 645 865,00	R 195 094,86
Contributions to SDL	R 926 451,00	R 296 481,09
Travel, motor car	R 4 115 290,00	R 1 456 308,87
Salga	R 42 565,00	R 14 029,30
Housing benefits and allowances	R 739 759,00	R 40 118,40
Cellphone Allowance	R -	R -
Overtime payments	R 2 424 094,00	R 666 419,87
Bonuses	R 6 201 475,00	R 2 186 494,70
Other leave & long service	R 2 223 140,00	R 216 825,35
Allowances (Standby and Drivers Allowance)	R 1 122 829,00	R 1 071 233,58
Totals	R 125 765 926,00	R 35 284 803,91
Councillors Allowances		
Item	Budget	YTD actuals
Councillors Allowances	R 16 456 910,00	R 4 132 537,70
Cellphone/Data Allowance	R 1 711 057,00	R 387 295,72
Contributions to SDL	R 40 995,00	R 41 190,12
Totals	R 18 208 962,00	R 4 561 023,54

2.3. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

Summary of Grants received and expenditure to date - 30 October 2024								
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	IL0010070020020020	R -	-R 2 060 976,00	-R 2 060 972,00	R 910 635,09	-R 1 150 336,91		-R 1 150 336,91
Massification Electrification	IL0010070020010020	-R 3 797 041,52	R -	R -	R 1 271 273,99	-R 2 525 767,53		-R 2 525 767,53
Eletrification	IL0010070020010020	-R 2 670 000,82	-R 16 474 000,00	-R 5 589 000,00	R 3 542 160,13	-R 4 716 840,69		-R 4 716 840,69
Small Town rehabilitation	IL0010070020010020	R -	R -	R -	R -	R -		R -
Cybercadet	IL0010070020020020	R -	-R 533 083,00	-R 533 083,00	R 206 125,34	-R 326 957,66		-R 326 957,66
MIG	IL0010070020010020	R -	-R 46 128 000,00	-R 20 829 000,00	R 12 334 739,17	-R 8 494 260,83		-R 8 494 260,83
Sportfield Maintance	IL0010070020010020	-R 27 120,59	R -	R -	R -	-R 27 120,59		-R 27 120,59
Bornem Grant	IL0010070020020020	R -	R -	R -	R -	R -		R -
FMG	IL0010070020020020	R -	-R 1 800 000,00	-R 1 800 000,00	R 498 577,48	-R 1 301 422,52		-R 1 301 422,52
Library Modular	IL0010070020020020	R -	-R 1 500 612,00	-R 1 500 612,00	R 787 803,74	-R 712 808,26		-R 712 808,26
EPWP	IL0010070020020020	R -	-R 1 478 004,00	-R 370 000,00	R 792 120,00	R 422 120,00		R 422 120,00
Library Volunteer	IL0010070020020020	R -	-R 113 333,00	-R 113 333,00	R 32 000,00	-R 81 333,00		-R 81 333,00
TOTALS		(6 494 162,93)	(70 088 008,00)	(32 796 000,00)	20 375 434,94	(18 914 727,99)	-	(18 914 727,99)

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

- MIG grant expenditure is allocated R46.1 million rands and 20.8 million rands is received. R12.3 million rands has been spent in September.
- INEP Electrification grant spending is allocated R16.4 million rands and R5.5 million rands has been received and there is R3.5 million rands expenditure to date, no change from previous month expenditure.
- FMG grant has been allocated R1.8 million rands and it has been received in September, the expenditure to date is R498 thousand.
- EPWP has been allocated R1.4 million rands , and R370 000 has been received in September, the expenditure is R792 thousand.
- Library volunteer is allocated R113 thousand, the amount spent by October 2024 is R32 thousand.
- Library support is allocated R2 million rands , which was received in October the amount spent to date R910 thousand.
- Library Modular grant is allocated R1.5 million rands which was received in October, the amount spent to date is R787 thousand.
- Cybercadet grant is allocated R533 thousand and has been received in October. The expenditure amount to R206 thousand.

2.4. DEBTOR'S ANALYSIS

The October debtors age analysis reports are showing September figures, due to glitches in the financial system the Debtors reports will be reported in November report. Total debtors balance in September amount to R106 million rands which is a significant increase from August debtors balance amount of R102 million rands . The increase in municipal debtors' book is worrying and the enforcement of credit control will be strengthened further to ensure disconnections are done as well as writing off indigent debtors that qualify for the relief. The indigent application status for the current year is as follows: a) Received Indigent applications : 272 b) Rejected indigent applicants : in progress c) Reasons for verification : in progress, d) Approved indigent application : 66 written off in Q1. The application approval process is ongoing and will be completed in quarter two.

Table 4.1: Debtors' analysis for the month ending 30 September 2024

September 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 -9 960 768,56	-R9 960 768,56	R 0,00	R 0,00	R 0,00	R 0,00	0,00	R 0,00
Adv-Pay Reverse	R 120,78	0	R 0,00	R 0,00	R 0,00	R 0,00	0,00	R 120,78
Deposit: Waste Disposal	R2 000,00	R0,00	R0,00	R0,00	R0,00	R0,00	0,00	R2 000,00
Electricity Basic	R 775 783,35	R265 897,79	R 52 420,69	R 35 528,84	R 36 009,83	R 34 683,57	33644,89	R 317 597,74
Electricity Metered	R 5 965 109,08	R3 573 939,26	R 728 401,42	R 117 527,53	R 98 737,37	R 100 402,28	98144,03	R1 247 957,19
Market stalls	R 1 129 404,23	R40 321,70	R 19 465,69	R 19 028,12	R 19 045,99	R 18 553,43	17381,63	R 995 607,67
OFFICE RENTAL	R 221 372,09	R32 452,98	R 16 101,74	R 16 027,17	R 15 927,22	R 15 856,50	15834,95	R 109 171,53
Plaza Market Stalls	R 259 647,16	R19 127,87	R 8 700,26	R 8 615,45	R 7 953,55	R 7 610,11	7082,02	R 200 557,90
Property Rates	R 94 248 274,93	R10 697 295,68	R8 433 087,31	R 280 660,06	R 266 093,48	R2 726 920,20	2581754,08	R69 262 464,12
Rent (M001)	R 461 767,53	R34 175,94	R 13 964,63	R 13 888,30	R 13 811,97	R 15 523,63	13200,30	R 357 202,76
Repay: Waste Disposal	R 27 233,38	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	0,00	R 27 233,38
Signs (M001)	R 3 559,75	R33,42	R 16,71	R 16,71	R 16,71	R 16,71	16,71	R 3 442,78
Stall rental	R 27 422,75	R1 028,74	R 131,22	R 131,22	R 131,22	R 131,22	131,22	R 25 737,91
Sundries (VAT)	R 7 634,29	R5 111,12	R 2 523,17	R 0,00	R 0,00	R 0,00	0,00	R 0,00
Tampering Fee	R 378 578,20	R38 823,43	R 83 961,02	R 10 567,00	R 0,00	R 0,00	0,00	R 245 226,75
Traffic Fines	R 3 949 600,00	R216 700,00	R 71 900,00	R 77 600,00	R 193 000,00	R 120 400,00	90400,00	R3 179 600,00
Traffic Fines (M001)	R 2 066 721,78	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	0,00	R2 066 721,78
Waste Disposal	R 6 878 475,88	R387 960,59	R 111 236,66	R 95 309,98	R 86 469,59	R 82 722,57	79936,62	R6 034 839,87
Total	R106 441 936,62	R5 352 099,96	R9 541 910,52	R 674 900,38	R 737 196,93	R3 122 820,22	R2 937 526,45	R84 075 482,16

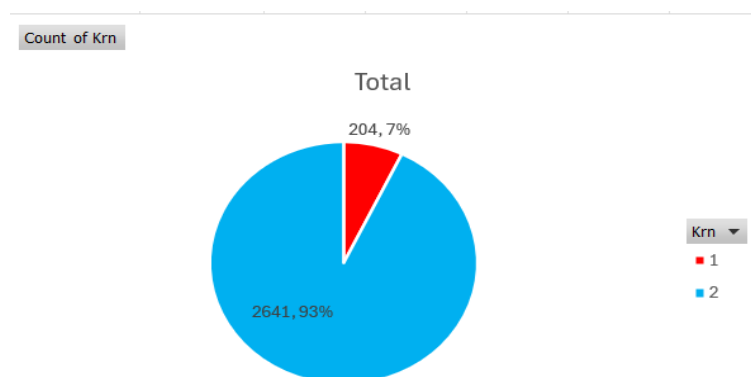
ELECTRICITY TID ROLLOVER STATUS UPDATE

The Token Identifier is a 24-bit field, contained in STS compliant tokens, that identifies the date and time of the token generation. It is used to determine if a token has already been used in a payment meter. The incrementing of the 24-bit field means that at some point in time, the TID value will roll over to a zero value.

All STS prepayment meters will be affected by TID roll over on the 24/11/2024. Any tokens generated after this date and utilizing the 24-bit TID, calculated on base date 1993, will be rejected by the meters as being old tokens as the TID value encoded in the token will have reset back to 0.

The municipality has rolled over 93% of its meters to KRN2 and the remaining 7% meters is subject to data cleansing to ensure that these are indeed active meters that can be verified on site. The meter audit was conducted, and the disconnection of electricity is underway for the meters that were found tempered with.

Table 4.2. below shows the totals and percentage progress of the municipality in issuing STS compliant tokens.



2.5. CREDITOR'S ANALYSIS

The table below shows the summary of Top 10 creditors paid in October 2024. There is a growing trend of creditors ageing above 30 days. 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 below shows top ten creditors paid in October 2024 in terms of rand values.

Table 5: Creditors report for the month ending 31 October 2024

CREDITORS REPORT FOR OCTOBER 2024			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF OCTOBER 2024			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 4 515,98
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 210 369,96
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 762,76
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	R 1 718,76
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 6 212,84
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 8 477,73
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 3 567,65
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 4 501 082,62
			R 4 738 708,30
2	KUNENE MAKOPO RISK SOLUTIONS	INSURANCE RENEWAL FOR 2024/2025	R 2 443 461,36
			R 2 443 461,36
3	AUDITOR GENERAL - SA	AUDIT FEES 30 OCT 24	R 804 497,81
			R 804 497,81
4	ADVENTURE TRAVEL	ACCOMMODATION FOR M NKALA, N HLONGWANE & S MEMELA IN PMB (16-20 SEPT2024)	R 22 482,50
	ADVENTURE TRAVEL	ACCOMMODATION FOR 06 FINANCE DELEGATES IN MIDRAND (30 SEPT24- 04 OCT24)	R 64 256,25
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYO(PT24)R'S BODY GUARDS AND CLLR GAN BUTHELEZI (10-11 SEPT24)	R 6 189,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR TC NYANDENI IN DURBAN (18-20 SEPT24)	R 3 659,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR TC NYANDENI AND SK SHABALALA IN PRETORIA (01-03 OCT24)	R 7 783,20
	ADVENTURE TRAVEL	ACCOMMODATION FOR 05 DELEGATES IN DURBAN ATTENDING UMKHOSI WELEMBE (24-25 SEPT24)	R 10 022,25
	ADVENTURE TRAVEL	ACCOMMODATION FOR JJ MASONDO, B MKHIZE AND BP SIBIYA IN DURBAN (15-16 SEPT24)	R 6 151,35
	ADVENTURE TRAVEL	ACCOMMODATION FOR 05 ASSET DELEGATES IN DURBAN (25-27 SEPT24)	R 17 473,10
	ADVENTURE TRAVEL	ACCOMMODATION FOR M MAHLANGU, L SHABALALA AND I TUMELENG IN DBN (25-28 SEPT24)	R 11 502,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR 03 SCM DELEGATES IN DURBAN (26-27 SEPT24)	R 5 923,65
	ADVENTURE TRAVEL	ACCOMMODATION FOR KC SHABALALA AND ME SIBIYA IN RICHARDS BAY (18-19 SEPT24)	R 3 659,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR 08 DELEGATES IN VRYHEID (13-15 SEPT24)	R 31 312,20
	ADVENTURE TRAVEL	ACCOMMODATION, FLIGHT AND SHUTTLE FOR G.A.N BUTHELEZI FROM DBN TO CPT (25-28 SEPT24)	R 21 389,97
ADVENTURE TRAVEL	ACCOMMODATION FOR 03 DELEGATES IN PMB (15-20 SEPT24)	R 32 602,50	

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	ADVENTURE TRAVEL	ACCOMMODATION FOR BH BHENGU IN DURBAN (18-20 SEPT 24)	R	4 671,68
	ADVENTURE TRAVEL	ACCOMMODATION FOR 07 DELEGATES IN DURBAN (25-27 SEPT24)	R	27 542,50
	ADVENTURE TRAVEL	ACCOMMODATION FOR 06 FINANCE DELEGATES IN BLOEMFONTEIN (13-18 OCT24)	R	62 962,49
	ADVENTURE TRAVEL	FLIGHTS FOR 09 DELEGATES FROM JHB TO CPT (18-23 SEPT24)	R	77 362,80
	ADVENTURE TRAVEL	ACCOMMODATION FOR 06 FINANCE DELEGATES IN MIDRAND (03-08 NOV24)	R	58 313,66
	ADVENTURE TRAVEL	ACCOMMODATION FOR 05 REVENUE DELEGATES IN BLOEMFONTEIN (27 OCT24-01 NOV24)	R	52 526,26
			R	527 786,56
5	SEBATA MUNICIPAL SOLUTIONS	EMS SUPPORT	R	220 453,26
	SEBATA MUNICIPAL SOLUTIONS	EMS SUPPORT	R	286 452,28
			R	506 905,54
6	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT SEPT 24	R	100 050,00
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR SEPT 24	R	380 458,48
			R	480 508,48
7	SIYEBABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR SEPT 24	R	386 254,94
			R	386 254,94
8	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR SEPT 24	R	375 629,12
			R	375 629,12
9	COMCO INTERLECTUAL SOLUTIONS	SUPPLY AND DELIVER 02 LAPTOPS AND 01 CANON PLOTTER	R	259 900,00
			R	259 900,00
10	KWANONGOMA TRADING	250 SPAR SHOPPING VOUCHERS @ R1000.00 EACH PERSON	R	250 000,00
			R	250 000,00

Creditors ageing and creditors reconciliation report on table 6 show an outstanding creditors balance of R18 million rands and the listing of the October 2024 creditors. The creditors for this month are slightly decreased from R21 million rands reported in the previous month. There are creditors outstanding between the range of 90- 120 days amounting to R1.8 million rands . The summary or legends for the October listing shows that accruals has a balance of R776 thousand, actual invoices and GRN invoices amount to R17.4 million rands .

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

Invoice Age Analysis Report - October 2024									
Creditor/VendorName	VendorID	Invoice Number	Outstanding Invoice Amount Incl VAT	Interest Amount	Days 0-30	Days 30-60	Days 60-90	Days 90-120	Days 120-365
ESKOM HOLDINGS BULK 8848733513	1895	SP125/10/0	R 3 542 783,14	R -	R 3 542 783,14	R -	R -	R -	R -
ASIZIQALELE CONTRACTORS	1896	I16/10/000	R 3 046 116,65	R -	R 3 046 116,65	R -	R -	R -	R -
S SR SECURITY	2256	SP114/10/0	R 1 090 358,32	R -	R 1 090 358,32	R -	R -	R -	R -
NTSHIDI AND ASSOCIATES CC	1882	SP114/10/0	R 946 682,75	R -	R 946 682,75	R -	R -	R -	R -
INZALO ENTERPRISE MANAGEMENT SYSTEMS	1916	SP113/9/00	R 826 967,22	R -	R -	R -	R -	R -	R 826 967,22
KHANS CONCRETE PRODUCTS	1721	SP110/10/0	R 729 675,00	R -	R 729 675,00	R -	R -	R -	R -
LONDOLOZA SOLUTIONS	5907	I10/10/000	R 713 347,94	R -	R 713 347,94	R -	R -	R -	R -
SANOQWABE CONSULTANTS	2253	I7/10/0000	R 675 133,40	R -	R -	R 675 133,40	R -	R -	R -
ABAZINGELI CIVILS	6183	I25/10/000	R 485 202,62	R -	R 485 202,62	R -	R -	R -	R -
THOKOMELA ENGINEERING (PTY) LTD	2945	SP110/10/0	R 421 697,41	R -	R 421 697,41	R -	R -	R -	R -
NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	4336	I24/10/000	R 404 746,58	R -	R 404 746,58	R -	R -	R -	R -
FEZILE SECURITY SERVICES	4608	I19/8/0001	R 375 629,12	R -	R -	R -	R -	R -	R 375 629,12
UMZWEMPI TRADING (PTY) LTD	2102	I28/10/000	R 312 075,00	R -	R 312 075,00	R -	R -	R -	R -
SIM AND LUKHO PROPERTY DEVELOPMENT AND CONSTR	2955	I15/10/000	R 321 264,00	R -	R 321 264,00	R -	R -	R -	R -
NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERATIVE	1915	I29/10/000	R 263 500,00	R -	R 263 500,00	R -	R -	R -	R -
QUANTUM LEAP INVESTMENTS 88	6236	SP116/10/0	R 272 788,94	R -	R 272 788,94	R -	R -	R -	R -
VANGISA TRADING AND CONSTRUCTION PROJECTS	2460	SP130/7/00	R 247 231,26	R -	R -	R -	R -	R -	R 247 231,26
QHUMAHA TRADING AND PROJECT	6747	I25/10/000	R 205 900,00	R -	R 205 900,00	R -	R -	R -	R -
ISKHONYANE CIVILS	4198	SP124/10/0	R 229 842,86	R -	R 229 842,86	R -	R -	R -	R -
MATHAWULA TRADING	1747	I15/10/000	R 198 172,63	R -	R 198 172,63	R -	R -	R -	R -
INGQONDO CONSULTING	1702	SP125/10/0	R 205 596,44	R -	R 205 596,44	R -	R -	R -	R -
SASALETHU FUNERAL SERVICES	4177	I17/10/000	R 178 000,00	R -	R 178 000,00	R -	R -	R -	R -
NEBO SOLUTION	4163	SP110/10/0	R 179 998,87	R -	R 179 998,87	R -	R -	R -	R -
SDM ASSET MANAGEMENT AND CONSULTING (PTY) LTD	4335	I23/9/0001	R 175 052,97	R -	R -	R 175 052,97	R -	R -	R -
FACHS BUSINESS CONSULTING AND TRAINING	1680	I16/10/000	R 161 040,00	R -	R -	R 161 040,00	R -	R -	R -
MAJIKI CONSTRUCTION AND PLANT HIRE	2477	SP122/8/00	R 160 277,81	R -	R -	R -	R -	R -	R 160 277,81
SYAMKELA PTY LTD	1828	I16/10/000	R 131 805,00	R -	R -	R 131 805,00	R -	R -	R -
IGATSHA CONSULTING	6036	I24/7/0001	R 121 300,00	R -	R -	R -	R -	R -	R 121 300,00
ADVENTURE TRAVEL	4054	G31/10/00	R 108 091,38	R -	R 108 091,38	R -	R -	R -	R -
SILUTSHANA CONSTRUCTION	2913	G18/10/00	R 74 850,00	R -	R 74 850,00	R -	R -	R -	R -
QATHUZILE TRADING	6769	G30/10/00	R 73 864,00	R -	R 73 864,00	R -	R -	R -	R -
NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERATIVE	1915	I25/10/000	R 70 000,00	R -	R 70 000,00	R -	R -	R -	R -
FEZILE SECURITY SERVICES	4608	I16/8/0001	R 64 239,00	R -	R -	R -	R -	R -	R 64 239,00
MZOLO CONSULTING ENGINEERS	6178	I14/8/0001	R 59 335,25	R -	R -	R -	R -	R -	R 59 335,25
NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERATIVE	1915	I26/9/0001	R 47 500,00	R -	R -	R 47 500,00	R -	R -	R -
MOBILE TELEPHONE NETWORKS	2532	I30/10/000	R 52 549,54	R -	R 52 549,54	R -	R -	R -	R -
BIDVEST STEINER NEWCASTLE	1939	I8/10/0001	R 43 831,65	R -	R -	R 43 831,65	R -	R -	R -
EMALANGENI TECHNOLOGIES	4413	I4/9/00010	R 43 067,50	R -	R -	R -	R -	R 43 067,50	R -
EMALANGENI TECHNOLOGIES	4413	I12/9/0001	R 43 067,50	R -	R -	R -	R 43 067,50	R -	R -
EMALANGENI TECHNOLOGIES	4413	I1/10/0001	R 43 067,50	R -	R -	R 43 067,50	R -	R -	R -
INZALO ENTERPRISE MANAGEMENT SYSTEMS	1916	I10/10/000	R 35 248,65	R -	R 35 248,65	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G29/10/00	R 29 376,75	R -	R 29 376,75	R -	R -	R -	R -
ALFRED DUMA LOCAL MUNICIPALITY	2305	SP111/9/00	R 25 000,00	R -	R -	R 25 000,00	R -	R -	R -
MO MTWANA TRADING	2281	I24/10/000	R 22 800,00	R -	R 22 800,00	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G10/10/00	R 22 885,58	R -	R 22 885,58	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G21/10/00	R 22 885,58	R -	R 22 885,58	R -	R -	R -	R -
CABHANE PROJECTS	6196	G31/10/00	R 19 600,00	R -	R 19 600,00	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G21/10/00	R 18 927,72	R -	R 18 927,72	R -	R -	R -	R -
INZALO ENTERPRISE MANAGEMENT SYSTEMS	1916	SP110/10/0	R 17 250,00	R -	R 17 250,00	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G29/10/00	R 16 916,50	R -	R 16 916,50	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	I25/10/000	R 16 021,82	R -	R 16 021,82	R -	R -	R -	R -
FIT & GO DUNDEE T/A YTRES TO GO	1918	G24/10/00	R 15 525,00	R -	R 15 525,00	R -	R -	R -	R -
FIT & GO DUNDEE T/A YTRES TO GO	1918	G24/10/00	R 15 525,00	R -	R 15 525,00	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G21/10/00	R 15 142,18	R -	R 15 142,18	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G29/10/00	R 13 248,00	R -	R 13 248,00	R -	R -	R -	R -
SILUTSHANA CONSTRUCTION	2913	G28/10/00	R 10 625,00	R -	R 10 625,00	R -	R -	R -	R -
AUTO HOUSE VRYHEID	1908	G24/10/00	R 12 167,33	R -	R 12 167,33	R -	R -	R -	R -
FIT & GO DUNDEE T/A YTRES TO GO	1918	I25/10/000	R 11 887,50	R -	R 11 887,50	R -	R -	R -	R -
THEMBALAMAMBISA CATERING AND PROJECTS	6351	G19/9/0001	R 10 000,00	R -	R -	R 10 000,00	R -	R -	R -
ADVENTURE TRAVEL	4054	G29/10/00	R 11 122,80	R -	R 11 122,80	R -	R -	R -	R -
EZABAWELI TRADING	1678	I25/10/000	R 9 600,00	R -	R 9 600,00	R -	R -	R -	R -
LULWANDLE ALUWELWA TRADING	2498	G29/10/00	R 9 500,00	R -	R 9 500,00	R -	R -	R -	R -
ESKOM HOLDINGS 8817457976	4772	SP114/10/0	R 10 850,20	R -	R 10 850,20	R -	R -	R -	R -
TIN CLIP TRADING (PTY) LTD	1833	G29/10/00	R 9 375,00	R -	R 9 375,00	R -	R -	R -	R -
KAJOHNI TRADING	1716	G31/10/00	R 9 375,00	R -	R 9 375,00	R -	R -	R -	R -
AMOR MAZI TRADING	6407	G29/10/00	R 9 375,00	R -	R 9 375,00	R -	R -	R -	R -
NTOKOMALO	4202	I25/10/000	R 9 375,00	R -	R 9 375,00	R -	R -	R -	R -
MPUMESHI	1758	I25/10/000	R 9 375,00	R -	R 9 375,00	R -	R -	R -	R -
AHN SOTHOLE TRADING	6767	G29/10/00	R 9 375,00	R -	R 9 375,00	R -	R -	R -	R -
LWANDES TRADING	1739	G29/10/00	R 9 250,00	R -	R 9 250,00	R -	R -	R -	R -
SIPHE MZILANKATHA TRADING	6744	G24/10/00	R 9 200,00	R -	R 9 200,00	R -	R -	R -	R -
SINENKAZIMULO (PTY) LTD	6748	G28/10/00	R 8 875,00	R -	R 8 875,00	R -	R -	R -	R -
SINENKAZIMULO (PTY) LTD	6748	I25/10/000	R 8 750,00	R -	R 8 750,00	R -	R -	R -	R -
TWINNY TRADING ENTERPRISE	6516	G29/10/00	R 8 750,00	R -	R 8 750,00	R -	R -	R -	R -
MAKHOPA MULTI PURPOSE	6555	I24/10/000	R 8 700,00	R -	R 8 700,00	R -	R -	R -	R -
MMG TOYOTA DUNDEE	4345	G31/10/00	R 9 657,30	R -	R 9 657,30	R -	R -	R -	R -
ADVENTURE TRAVEL	4054	G29/10/00	R 9 642,75	R -	R 9 642,75	R -	R -	R -	R -
KASOMPISI HOLDINGS	4654	G29/10/00	R 8 382,00	R -	R 8 382,00	R -	R -	R -	R -
LWANDES TRADING	1739	G22/10/00	R 8 050,00	R -	R 8 050,00	R -	R -	R -	R -
NONSIPHO	6197	G29/10/00	R 8 000,00	R -	R 8 000,00	R -	R -	R -	R -
WENZILEOVAYO TRADING ENTERPRISE	1871	G29/10/00	R 8 000,00	R -	R 8 000,00	R -	R -	R -	R -
AYINAMNGCELE TRADING	2232	G29/10/00	R 7 900,00	R -	R 7 900,00	R -	R -	R -	R -

Nquthu Municipality Monthly Budget Statement

SYAMKELA PTY LTD	1828	G24/10/00	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
TIN CLIP TRADING (PTY) LTD	1833	I25/10/000	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
KAJOHNI TRADING	1716	I25/10/000	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
TWINNY TRADING ENTERPRISE	6516	I28/10/000	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
NONSIPOHO	6197	I25/10/000	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
THULE B TRADING	4757	G29/10/00	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
LETHUBUHLEH PTY LTD	6768	G28/10/00	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
GUBE PRINTING AND DESIGNS	1688	I25/10/000	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
LILJUNGILE TRADING ENTERPRISE	4377	G24/10/00	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
MASAWUZANA ADVERTISING AGENCY (PTY) LTD	6562	G29/10/00	R	7 500,00	R	-	R	7 500,00	R	-	R	-	R	-	R	-
THULE B TRADING	4757	G29/10/00	R	7 400,00	R	-	R	7 400,00	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 5687352660	4777	SP122/10/0	R	8 491,16	R	-	R	8 491,16	R	-	R	-	R	-	R	-
LETHUBUHLEH PTY LTD	6768	G29/10/00	R	7 100,00	R	-	R	7 100,00	R	-	R	-	R	-	R	-
MMG TOYOTA DUNDEE	4345	I30/10/000	R	7 882,53	R	-	R	7 882,53	R	-	R	-	R	-	R	-
AMOR MAZI TRADING	6407	I25/10/000	R	6 800,00	R	-	R	-	R	6 800,00	R	-	R	-	R	-
NTOKOMALO	4202	G22/10/00	R	6 500,00	R	-	R	6 500,00	R	-	R	-	R	-	R	-
CTRACK MZANSI	2777	I28/10/000	R	7 175,07	R	-	R	7 175,07	R	-	R	-	R	-	R	-
CTRACK MZANSI	2777	I1/10/0001	R	7 175,05	R	-	R	-	R	7 175,05	R	-	R	-	R	-
SAGE SOUTH AFRICA	1917	G27/9/000	R	7 150,01	R	-	R	-	R	7 150,01	R	-	R	-	R	-
ADVENTURE TRAVEL	4054	G29/10/00	R	6 988,15	R	-	R	6 988,15	R	-	R	-	R	-	R	-
ADVENTURE TRAVEL	4054	G29/10/00	R	6 796,50	R	-	R	6 796,50	R	-	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	5 824,03	R	-	R	-	R	5 824,03	R	-	R	-	R	-
IMBOKODO YASEMBO CLUB	2219	SP130/10/0	R	5 750,00	R	-	R	5 750,00	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 9253164668	4774	SP128/10/0	R	6 497,22	R	-	R	6 497,22	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 8505522436	4770	SP111/10/0	R	6 461,78	R	-	R	6 461,78	R	-	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	5 508,84	R	-	R	-	R	5 508,84	R	-	R	-	R	-
ADVENTURE TRAVEL	4054	G29/10/00	R	6 151,35	R	-	R	6 151,35	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 6916174790	4768	SP114/10/0	R	5 929,04	R	-	R	5 929,04	R	-	R	-	R	-	R	-
ISIZWESINOTILE (PTY) LTD	2625	G22/10/00	R	5 000,00	R	-	R	5 000,00	R	-	R	-	R	-	R	-
ICENET CLOTHING MANUFACTURING	1690	G31/10/00	R	5 000,00	R	-	R	5 000,00	R	-	R	-	R	-	R	-
NOBUHLE NTSHINGILE	6192	SP129/10/0	R	4 907,93	R	-	R	-	R	4 907,93	R	-	R	-	R	-
NOZIPHO J. MAGUBANE	2654	SP129/10/0	R	4 907,93	R	-	R	-	R	4 907,93	R	-	R	-	R	-
SIPHE MZILANKATHA TRADING	6744	I25/10/000	R	4 900,00	R	-	R	4 900,00	R	-	R	-	R	-	R	-
SIPHE MZILANKATHA TRADING	6744	G29/10/00	R	4 900,00	R	-	R	4 900,00	R	-	R	-	R	-	R	-
THEMBALAMAMBISA CATERING AND PROJECTS	6351	I29/10/000	R	4 900,00	R	-	R	4 900,00	R	-	R	-	R	-	R	-
LIFASTHE (PTY)LTD	6398	G30/10/00	R	4 750,00	R	-	R	4 750,00	R	-	R	-	R	-	R	-
BP SIBIYA	6322	SP128/10/0	R	4 516,00	R	-	R	4 516,00	R	-	R	-	R	-	R	-
NOYANDA EVENTS	4035	G22/10/00	R	4 500,00	R	-	R	4 500,00	R	-	R	-	R	-	R	-
NOYANDA EVENTS	4035	G24/10/00	R	4 500,00	R	-	R	4 500,00	R	-	R	-	R	-	R	-
NOYANDA EVENTS	4035	G29/10/00	R	4 500,00	R	-	R	4 500,00	R	-	R	-	R	-	R	-
KASOMPISI HOLDINGS	4654	G29/10/00	R	4 450,00	R	-	R	4 450,00	R	-	R	-	R	-	R	-
MAKHOPA MULTI PURPOSE	6555	I25/10/000	R	4 340,00	R	-	R	4 340,00	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 9063390800	4773	SP114/10/0	R	4 749,47	R	-	R	4 749,47	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 5742571184	4778	SP111/10/0	R	4 732,66	R	-	R	4 732,66	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 5649601339	1889	SP114/10/0	R	4 711,53	R	-	R	4 711,53	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 9279445291	4775	SP111/10/0	R	4 669,35	R	-	R	4 669,35	R	-	R	-	R	-	R	-
ADVENTURE TRAVEL	4054	I25/10/000	R	4 646,00	R	-	R	4 646,00	R	-	R	-	R	-	R	-
EMAQUNGEBENI 01 TRADING	6740	I9/10/0001	R	3 757,45	R	-	R	-	R	3 757,45	R	-	R	-	R	-
AMATSHITSHI AMHLOPHE	2181	SP130/10/0	R	3 750,00	R	-	R	3 750,00	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 5140422473	1892	SP114/10/0	R	4 268,69	R	-	R	4 268,69	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 6642941367	4767	SP114/10/0	R	3 944,36	R	-	R	3 944,36	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 9426259616	4776	SP125/10/0	R	3 805,49	R	-	R	3 805,49	R	-	R	-	R	-	R	-
CUPHENI SIBIYA	2617	SP130/10/0	R	2 750,00	R	-	R	2 750,00	R	-	R	-	R	-	R	-
BPG MASS APPRAISALS	4762	I28/10/000	R	3 073,36	R	-	R	3 073,36	R	-	R	-	R	-	R	-
ESKOM HOLDINGS 5126932137	4779	SP122/10/0	R	2 854,85	R	-	R	2 854,85	R	-	R	-	R	-	R	-
ADVENTURE TRAVEL	4054	G29/10/00	R	2 179,25	R	-	R	2 179,25	R	-	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	1 789,82	R	-	R	-	R	1 789,82	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	1 747,99	R	-	R	-	R	1 747,99	R	-	R	-	R	-
ADVENTURE TRAVEL	4054	G29/10/00	R	2 002,15	R	-	R	2 002,15	R	-	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	1 544,42	R	-	R	-	R	1 544,42	R	-	R	-	R	-
ESKOM HOLDINGS 8713502790	4771	SP128/10/0	R	1 458,34	R	-	R	1 458,34	R	-	R	-	R	-	R	-
MAVERICK 854 T/A GLASSFIT	2592	SP128/10/0	R	1 330,10	R	-	R	1 330,10	R	-	R	-	R	-	R	-
ZANELE G MTHEMBU	6764	SP19/10/00	R	1 116,05	R	-	R	1 116,05	R	-	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	878,00	R	-	R	-	R	878,00	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	866,81	R	-	R	-	R	866,81	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	633,47	R	-	R	-	R	633,47	R	-	R	-	R	-
Khuzwayo Winilo	6763	SP19/10/00	R	600,00	R	-	R	600,00	R	-	R	-	R	-	R	-
Malevu Lamile Lethiwe	6759	SP19/10/00	R	600,00	R	-	R	600,00	R	-	R	-	R	-	R	-
Nkabinde Mhahabadi Humphrey	6758	SP19/10/00	R	600,00	R	-	R	600,00	R	-	R	-	R	-	R	-
Ntenga Buselaphi Elizabeth	6761	SP19/10/00	R	600,00	R	-	R	600,00	R	-	R	-	R	-	R	-
Dlamini Nompumetele Princess	6754	SP19/10/00	R	600,00	R	-	R	600,00	R	-	R	-	R	-	R	-
Mabanga Kenas Mubaziseni	6755	SP19/10/00	R	600,00	R	-	R	600,00	R	-	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	514,95	R	-	R	-	R	514,95	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	447,40	R	-	R	-	R	447,40	R	-	R	-	R	-
NQUTHU SERVICE STATION	1950	SP18/10/00	R	400,15	R	-	R	-	R	400,15	R	-	R	-	R	-
Memela Hloniphani Alfred	6762	SP19/10/00	R	300,00	R	-	R	300,00	R	-	R	-	R	-	R	-
Ngobese Sabatha Mhlengi	6753	SP19/10/00	R	300,00	R	-	R	300,00	R	-	R	-	R	-	R	-
Mbatha Zanele Precious	6752	SP19/10/00	R	300,00	R	-	R	300,00	R	-	R	-	R	-	R	-
Madlala Nonhlanhla Faith	6751	SP19/10/00	R	300,00	R	-	R	300,00	R	-	R	-	R	-	R	-
Nhleko Mkhawuleni	6760	SP19/10/00	R	300,00	R	-	R	300,00	R	-	R	-	R	-	R	-
Zikalala Franklin Menzi	6757	SP19/10/00	R	300,00	R	-	R	300,00	R	-	R	-	R	-	R	-
Shongwe Rejoice	6756	SP19/10/00	R	300,00	R	-	R	300,00	R	-	R	-	R	-	R	-
TOTAL				R 18 244 136,61				R 14 935 737,18		R 1 357 468,91		R 52 883,36		R 43 067,50		R 1 854 979,66

Accruals	R 776 729,02
Total Current Invoices	R 17 467 407,59
GRN(SCM UNIT)	R 1 835 593,57
Actual Invoices	R 15 631 814,02
TOTAL	R 18 244 136,61

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

CREDITORS ACCOUNT RECONCILIATION REPORT
MONTH ENDING OCTOBER 2024

Total Balances as per EMS INVOICE AGE ANALYSIS REPORT: R 18 244 136,61

AGE ANALYSIS TOTAL AMOUNT: R 18 244 136,61

CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT **R 18 244 136,61**

AGED ANALYSIS

R 18 244 136,61

Current (Transactions below 30 days)
 <30 Days
 <60 Days
 <90 Days
 <120 Days
 <150 Days
 <180 Days
 >180 Days

R	-		R 0,00
R	-	✓	R 14 935 737,18
R	-	✓	R 1 357 468,91
R	-	✓	R 52 883,36
R	-	✓	R 43 067,50
R	-	✓	R 1 854 979,66
R	-		R 0,00
R	-		R 0,00

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 September.

a) Deviations

Deviations report for the month of October shows a balance of R1.6 million rands , all the deviations are approved and the details of the reasons for deviations are included in the in the deviation documents.

The increase in the number of deviations is caused by proper documentation of sole service provider such as car dealership for vehicle repairs services in this financial year and also registrations with professional bodies such as CMAM, CIGFARO and SALGA.

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

Date identified	Date reported to Mayor	Description	Supplier	Services Rendered	End User Department	Amount
19/07/2024	26/07/2024	MAINTENANCE VEHICLE EMERGENCY REPAIR OF BG42PW ZN WHICH ITD STARTER STOP WORKING	NTT TOYOTA VRYHEID	VEHICLE EMERGENCY REPAIR	CORPORATE SERVICES	R 5 893,75
19/07/2024	26/07/2024	REPAIR AND SERVICE FIRE FIGHTING EQUIPMENT FOR RAPID INTERVENTION VEHICLE NTU 4806	VEXOSCORE FIRE	MAINTENANCE VEHICLE EMERGENCY	CORPORATE SERVICES	R 127 650,00
19/07/2024	26/07/2024	REPAIR MAJOR PUMPER FOR NTU 3872 FIRE FIGHTER MACHINERY AND PERIPHERALS	VEXOSCORE FIRE	MAINTENANCE VEHICLE EMERGENCY	CORPORATE SERVICES	R 136 580,00
31/07/2024	08/06/2024	MAINTENANCE VEHICLE CONDITION BASED (CHANGING TYRES) SUPPLY, FITTING, BALANCING AND WHEEL ALIGNMENT OF 02 TYRE FOR BJ59RL-ZN	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 2 900,00
31/07/2024	08/07/2024	REPLACEMENT OF BATTERY FOR LAND CRUISER NTU 4677	FARMTRAC DUNDEE	MAINTENANCE VEHICLE EMERGENCY	CORPORATE SERVICES	R 2 046,20
2024/08/08	15/08/2024	SERVICE FOR BJ 59 RL -ZN WHICH IS ON 200 000KM	NTT TOYOTA VRYHEID	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 10 471,80
22/08/2024	22/08/2024	SUPPLY AND FIT 5 TYRES FOR NISSAN NAVARA WITH WHEEL ALGNMENT PLUS BALANCING	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 13 999,97
22/08/2024	23/08/2024	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	R 12 300,00
22/08/2024	27/08/2024	REQUEST TO PURCHASE 05 TYRES FOR LANDCRUISER NTU 4677	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 14 000,00
28/09/2024	29/08/2024	SERVICE AND REPAIRS FOR NTU 7346	KOMATSU SOUTH AFRICA	MAITENANCE VEHICLE	CORPORATE SERVICES	R 62 334,12
28/08/2024	29/08/2024	REQUEST FOR SERVICE AND REPAIRS FOR TNT MINI MAJOR RESCUE SETS	VEXOSCORE FIRE	MECHINERY EQUIPMENT PLANNER	CORPORATE SERVICES	R 99 000,05
22/08/2024	22/08/2024	REGISTRATION FOR S XABA AND S HADEBE	CIGFARO	REGISTRATION	FINANCE	R 19 006,00
2024/01/10	10/01/2024	REPAIRS ON THE WATER TANK BK 28 MR -ZN	AUTOHOUSE VRYHEID	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 148 217,75
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 265/R18	BESTDRIVE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 11 887,00
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 245/70 R16	BESTDRIVE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 9 487,50
2024/10/15	15/10/2024	06 X 315/80 R22.5B TYRES	BESTDRIVE	MAINTENANCE VEHICLE	CORPORATE SERVICES	R 31 050,00
14/10/2024	17/10/2024	PROMO	SABC	ADVERTISING	EXECUTIVE & COUNCIL	R 96 048,00
14/10/2024	17/10/2024	HIRE OF 100 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	CORPORATE SERVICES	R 263 500,00
17/10/2024	17/10/2024	HIRE OF 19 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	CORPORATE SERVICES	R 70 000,00
24/10/2024	24/10/2024	REPAIR ON NTU 3696	NISSAN VRYHEID	MAINTANANCE VEHICLE	CORPORATE SERVICES	R 123 967,00
24/10/2024	24/10/2024	REPAIR ON NTU 4356	NISSAN VRYHEID	MAINTANANCE VEHICLE	CORPORATE SERVICES	R 48 701,53
24/10/2024	24/10/2024	REPAIR ON NTU	MMG TOYOTA	MAINTANANCE VEHICLE	CORPORATE SERVICES	R 15 598,80
29/10/2024	29/10/2024	SERVICE FOR VEHICLE BL56KZ-ZN	NISSAN VRYHEID	MAINTANANCE VEHICLE	CORPORATE SERVICES	R 6 120,83
29/10/2024	29/10/2024	HIRE 17 MINIBUSES FOR DISTRICT SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	CORPORATE SERVICES	R 152 000,00
29/10/2024	29/10/2024	PURCHASE OF ROLLER TYRE	MOLLS RETREADING	MAINTANANCE VEHICLE	TECHNICAL SERVICES	R 115 441,02
29/10/2024	29/10/2024	PURCHASE OF 04 ROLLER TYRE	FIT AND GO DUNDEE	MAINTANANCE VEHICLE	TECHNICAL SERVICES	R 61 500,00
29/10/2024	29/10/2024	REPAIR ON VEHICLE	MMG TOYOTA	MAINTANANCE VEHICLE	TECHNICAL SERVICES	R 9 657,30
TOTAL						R 1 669 358,62

b) Fruitless and Wasteful Expenditure Register

Fruitless and Wasteful Expenditure Register for the month ending 31 October 2024 reflects R184 519,66 emanating from Telkom and COIDA penalties respectively there are no changes from the previous month. Telkom has stopped billing the municipality.

Table 9: Fruitless and Wasteful Expenditure Register – 31 October 2024

Annexure C Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Year Ended 30 June 2025		Financial Year 2024/ 2025 Nquthu Local Municipality Month 31 October 2024		
Description	EFT no/ Month	Amount		
Telkom				R5,56
Interest on overdue account- #66587	Jul-24	R5,56		
	Aug-24	R -		
	Sep-24	R -		
	Oct-24	-		
Eskom				
Interest on overdue account	Jul-24	-		
	Aug-24	-		
	Sep-24	-		
	Oct-24	-		
Other- Penalty fees paid in Aug 2024				R184 514,10
Penalties/interest				
Employment & Labour Sec83(6) Penalty - 2015	#67839	R27 992,25		
Employment & Labour Sec83(6) Penalty - 2020	#67839	R50 430,34		
Employment & Labour Sec83(6) Penalty - 2021	#67839	R49 617,96		
Employment & Labour Sec83(6) Penalty - 2022	#67839	R56 473,55		
Other				
TOTAL 2024/2025				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 October 2024**

NO.	SERVICE PROVIDER	CONTRACT AMOUNT	DATE OF AWARD	BBBEE CONTRIBUTION LEVEL
1.	ADVENTURE TRAVEL	R580 412.00	31/10/2024	
2.	NISSAN VRYHEID	R178 790.00	31/10/2024	
3.	AUTOHOUSE VRYHEID	R157 316.75	31/10/2024	
4.	NQUTHU PIONEER	R485 500.00	31/10/2024	
5.	KWANONGOMA TRADING	R290 000.00	31/10/2024	
6.	BESTDRIVE	R52 365.50	31/10/2024	
7.	TIN CLIP TRADING	R22 435.00	31/10/2024	
8.	TWINNY TRADING	R21 500.00	31/10/2024	
9.	NONSIPHO	R31 000.00	31/10/2024	
10.	MAKHOPA MULTI PURPOSE	R22 855.00	31/10/2024	

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

f) **IRREGULAR EXPENDITURE (CAPITAL AND OPERATIONAL EXPENDITURE) – 31 October 2024**

The register is enclosed to this report as **Annexure B**. Below is the summary of the irregular expenditure for the month of October 2024. There is no movement from the previous month reported figures.

NQUTHU MUNICIPALITY YEAR END (2024 - 2025) IRREGULAR EXPENDITURE TOTAL			
OCTOBER			
MONTH No.	MONTH NAME	EXPENDITURE	
OPENING BALANCE		OPERATIONAL	CAPITAL
4	October	R2 512 452,84	R3 416 737,48
5	November	R0,00	R0,00
6	December	R0,00	R0,00
CLOSING BALANCE		R2 512 452,84	R3 416 737,48

- g) INVENTORY MANAGEMENT – inventory reconciliation report for end of October show an inventory balance of R1.4 million rands which increased from previous months balance of R1.2 million rands due to receipts amounting to R194 thousand rands and issues amounting to R60 thousand rands. There has not been an inventory count to date. Table 10 below reflect August inventory report.

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

OCTOBER 2024 - Inventory Reconciliation	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 1 413 929,24
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	
CLOSING BALANCE AS PER INVENTORY REPORT	<u>R 1 413 929,24</u>
GENERAL LEDGER VOTE BALANCE:	R 1 412 938,76
VARIANCE: INVENTORY MODULE VS. GENERAL LEDGER	R 990,48

2.7. COST CONTAINMENT MEASURES

MCCR quarterly report will be tabled in council for the second quarter outlining the areas of compliance with Municipal Cost Containment Regulations. The management is committed to improving controls, engage in training and capacity building to avoid re-occurrence of UIFW cases. Accounting Officer will implement consequence management where applicable.

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:

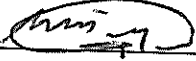
- Interest for both exchange revenue and non-exchange revenue reflect 487325% and 86% respectively. The excessive variance for exchange revenue is caused by the zero budget, and for the non-exchange revenue the budget is available, and the actual YTD figure is informed by the number of customers that are in arrears.
- Operational revenue – entails skills development levy refunds and early settlement discounts from organisation that offer such discounts, 2105% is the variance which requires that the municipality study the current trend of this revenue source and adjust the budget accordingly in the coming year since the budget is lower than the actual YTD figure.
- Sale of goods and rendering of service – this is the revenue from building plans, burial fees, photocopies, advertising, and tender documents. There is -33% 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 – 29% variance is noted. The payroll data is in the process of being uploaded in the financial system. By the end of October all the first quarter transactions will be in the financial system.
- Remuneration of councillors -41% 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.
- The negative 100% variance is caused by the items that has zero YTD actual figures as per the following: a) debt impairment b) depreciation and amortisation c) interest d) transfers and subsidies. The depreciation has been calculated in October and will reflect going forward in quarter two. Debt impairment has no calculations thus far. There are zero transactions recorded in the transfers and subsidies line item as there were no requests for procurement received in this quarter.
- Irrecoverable debt written off shows 97% – including the debtors that have been written off relating to indigent status approval.
- Inventory consumed and bulk purchases show a variance of -67% and 28% respectively due to actual recorded in line with the internal end-user requests for consumables and in line with the actual billing by ESKOM.

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 October 2024

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

Name	<u>Mr Mpumelelo B. Jiyane</u>
Designation	<u>Municipal Manager of Nquthu Municipality (KZN 242)</u>
Signature:	 _____
Date	<u>04/11/2024</u>