

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 31 AUGUST 2025

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ACCRONYMS

MBRR – Municipal Budget Reporting Regulations

YTD – Year to Date

RMC – Risk Management Committee

1.1. MAYORS' REPORT

The Mayor's consideration of the Section 71 report for the month of August 2025 highlights the aspects of actual expenditure incurred and revenue generated to date with an aim to ensure correlation in all strategic performance areas. Close attention is given to curb electricity costs on halls, additionally attention will be directed to addressing electricity distribution losses.

In terms of Section 54(1) of the MFMA the Mayor performed all the legislative requirements pertaining to this section to ensure that approved annual budget and adjustment budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP). In this subject matter, the mayor further takes cognisance of the budget preparation prescripts thereby ensuring that the final funded budget was adopted within the timeline as set by the MFMA.

Operational Budget

The C-schedule tables show changes incorporated by the adjustment budget. Narrations are detailed under each table; however, it is worth mentioning that from revenue and expenditure perspective the following major or notable adjustments were made as follows:

- Total revenue – the C-schedule generates actual figures without budget figures. Total revenue amounts to R100 million rands.
- Bulk electricity – actual figure amounts to R8 million rands.
- Employee costs are nil - actual figures will be displayed on Part 2 report.

Capital Budget

Capital expenditure spending for the reporting period amounts to R6.3 million rands. Grant register is affixed to provide further details on capital expenditure.

Cash Flow

Budget cash flows are shown in Table C7 below of this report. Quarterly circular 71 calculations are done to ensure that current ratios information is obtained to monitor the liquidity of the municipality.

Risk Management – Financial risks

The municipality is cognisant of financial risk exposure and impact thereof. The identified risks range from weak financial management emanating from poor budgeting, growth in fruitless and wasteful expenditure, decreased revenue from non-payment of services due to unemployment of customers. Global economic outlook results in stagnant economic growth risk which impacts municipal fund allocations through DoRA.

Additionally, risks related to infrastructure costs contribute to variation orders and unfunded mandates due to social pressures. Natural disasters are guaranteed to exacerbate financial strain on the municipality. The municipality incorporates all the risks mentioned above in the risk registers and reviews are conducted consistently to ensure that all risks are attended on merit basis.

Mid-year assessment Review – adjustment budget recommendation

The mid-year assessment review will be done in January 2026.

Other matters

AFS and audit 2024-25

The AFS were submitted on 31 August 2025, currently the audit is underway with 11 Request For Information (RFI) and no communication of finding (CoMAF) have been issued yet.

Electricity losses

The municipality experienced electricity losses in the past years and the challenge is still insistent. The report on electricity losses is affixed on PART 2 of the report. The mitigation attempts are underway, including the initiative to appoint a service provider to implement an all-encompassing approach that spans from metering, auditing, tempering to revenue generation.

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 MFMA Section 71 monthly budget monitoring report and the supporting documentation.
- b) That Council notes the submission of MFMA 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.

Nquthu Municipality Monthly Budget Statement

In terms of S6 of MBRR, the Statement of Financial Performance shown in Table C4 for the current month serves as a consolidated municipality's performance in relation to both approved annual budget and the actual expenditure for the month end. The municipality advocates for prudent financial management thus ensuring sufficient revenue are collected and made available for operational and capital expenditures.

The PART1 of this month's Section 71 report details budget spending, movements of funds and factors underpinning the revenue and expenditure actuals to date, however the original budget figures are not yet reflecting due to errors experienced during report extraction

PART 1

1.4. IN-YEAR BUDGET STATEMENT TABLES

IN-YEAR ADJUSTMENT BUDGET STATEMENT TABLES – BUDGET SUMMARY - TABLE C1

0 - Table C1 Monthly Budget Statement Summary - M02 August

Description	2024/25		Budget Year 2025/26						
	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	57 450	-	-	5 962	11 923	-	11 923	#DIV/0!	-
Service charges	34 539	-	-	3 466	7 161	-	7 161	#DIV/0!	-
Investment revenue	8 907	-	-	289	312	-	312	#DIV/0!	-
Transfers and subsidies - Operational	215 489	-	-	-	78 791	-	78 791	#DIV/0!	-
Other own revenue	18 424	-	-	1 307	2 055	-	2 055	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)	334 809	-	-	11 024	100 241	-	100 241	#DIV/0!	-
Employee costs	111 037	-	-	-	-	-	-	-	-
Remuneration of Councillors	15 731	-	-	-	-	-	-	-	-
Depreciation and amortisation	40 486	-	-	-	-	-	-	-	-
Interest	199	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	46 149	-	-	3 122	8 472	-	8 472	#DIV/0!	-
Transfers and subsidies	4 328	-	-	290	290	-	290	#DIV/0!	-
Other expenditure	119 176	-	-	6 391	8 370	-	8 370	#DIV/0!	-
Total Expenditure	337 105	-	-	9 803	17 132	-	17 132	#DIV/0!	-
Surplus/(Deficit)	(2 296)	-	-	1 221	83 109	-	83 109	#DIV/0!	-
Transfers and subsidies - capital (monetary allocations)	53 269	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	50 972	-	-	1 221	83 109	-	83 109	#DIV/0!	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	50 972	-	-	1 221	83 109	-	83 109	#DIV/0!	-
Capital expenditure & funds sources									
Capital expenditure									
Capital transfers recognised	16 908	-	-	1 582	5 324	-	5 324	#DIV/0!	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(25 717)	-	-	-	1 000	-	1 000	#DIV/0!	-
Total sources of capital funds	(8 810)	-	-	1 582	6 324	-	6 324	#DIV/0!	-
Financial position									
Total current assets	151 764	-	-	-	83 280	-	-	-	-
Total non current assets	749 814	-	-	-	6 324	-	-	-	-
Total current liabilities	72 138	-	-	-	6 495	-	-	-	-
Total non current liabilities	1 508	-	-	-	-	-	-	-	-
Community wealth/Equity	810 579	-	-	-	-	-	-	-	-
Cash flows									
Net cash from (used) operating	(16 438)	-	-	(709)	80 378	-	(80 378)	#DIV/0!	-
Net cash from (used) investing	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	76 095	-	-	(709)	80 378	-	(80 378)	#DIV/0!	-
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	4 523	958	492	298	301	284	284	15 101	22 241
Creditors Age Analysis									
Total Creditors	7 670	2 485	387	-	89	89	443	1 441	12 603

The YTD actual revenue (excluding capital transfers and contributions) is R100 million rands.

Operating expenditure YTD is R17 million rands, this figure is under stated due to payroll transactions not captured on the system.

YTD expenditure figure for employee costs and councillor allowances 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 Rnil rands.

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

The table extract from the Cschedule contains no information.

Table C3: Monthly Budget Statement_ Financial Performance

The table extract from the Cschedule contains no information.

Table C4 Municipality Financial Performance

Table C4 provides information on the planned revenue and operational expenditures against the actual results for the period under reporting

This report analyses each major component under following headings.

- Revenue by Source
- Operational Expenditure by Type

The C-schedule report extract contains zero budget figures.

Nquthu Municipality Monthly Budget Statement

0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2024/25	Budget Year 2025/26							
		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		32 858	-	-	3 252	6 734	-	6 734	#DIV/0!	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	-	-	214	427	-	427	#DIV/0!	-
Sale of Goods and Rendering of Services		810	-	-	15	27	-	27	#DIV/0!	-
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	-	-	-	-	-	-	-	-
Interest earned from Receivables		778	-	-	64	123	-	123	#DIV/0!	-
Interest from Current and Non Current Assets		8 907	-	-	289	312	-	312	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	-	-	73	141	-	141	#DIV/0!	-
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	-	-	698	823	-	823	#DIV/0!	-
Non-Exchange Revenue										
Property rates		57 450	-	-	5 962	11 923	-	11 923	#DIV/0!	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	-	-	56	137	-	137	#DIV/0!	-
Licence and permits		862	-	-	75	142	-	142	#DIV/0!	-
Transfers and subsidies - Operational		215 489	-	-	-	78 791	-	78 791	#DIV/0!	-
Interest		3 633	-	-	326	661	-	661	#DIV/0!	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		9 386	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		334 809	-	-	11 024	100 241	-	100 241	#DIV/0!	-
Expenditure By Type										
Employee related costs		111 037	-	-	-	-	-	-	-	-
Remuneration of councillors		15 731	-	-	-	-	-	-	-	-
Bulk purchases - electricity		45 257	-	-	3 081	8 417	-	8 417	#DIV/0!	-
Inventory consumed		891	-	-	41	55	-	55	#DIV/0!	-
Debt impairment		16 949	-	-	-	-	-	-	-	-
Depreciation and amortisation		40 486	-	-	-	-	-	-	-	-
Interest		199	-	-	-	-	-	-	-	-
Contracted services		59 228	-	-	3 234	3 405	-	3 405	#DIV/0!	-
Transfers and subsidies		4 328	-	-	290	290	-	290	#DIV/0!	-
Irrecoverable debts written off		1 184	-	-	4	147	-	147	#DIV/0!	-
Operational costs		39 118	-	-	3 153	4 817	-	4 817	#DIV/0!	-
Losses on Disposal of Assets		2 693	-	-	-	-	-	-	-	-
Other Losses		5	-	-	-	-	-	-	-	-
Total Expenditure		337 105	-	-	9 803	17 132	-	17 132	#DIV/0!	-
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		(2 296)	-	-	1 221	83 109	-	83 109	#DIV/0!	-
Transfers and subsidies - capital (in-kind)		53 269	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		50 972	-	-	1 221	83 109	-	83 109	#DIV/0!	-
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		50 972	-	-	1 221	83 109	-	83 109	#DIV/0!	-
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		50 972	-	-	1 221	83 109	-	83 109	#DIV/0!	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		50 972	-	-	1 221	83 109	-	83 109	#DIV/0!	-

TABLE C4: REVENUE BY SOURCE

Property rates

Property rates YTD actual for this month stands at R11.9 million rands , there is no approved original budget on the Cschedule report due to error hence there is no variance.

Service charges electricity

The actual revenue from service charges electricity is R6.3 million rands . There is no approved original budget on the Cschedule report due to error hence there is no variance.

Interest from Current and Non-Current Assets

Interest from current and non-current assets show the YTD actual figure of R312 thousand rands. There is no approved original budget on the Cschedule report due to error hence there is no variance.

Transfers and subsidies

Transfers and subsidies allocations from the DoRA for the current year are received and reflected in the grant register on Part 2 of this report. There is no approved original budget on the Cschedule report due to error hence there is no variance. The YTD actual figure is R78 million rands .

TABLE C4: EXPENDITURE BY TYPE

Employee related costs

The employee related costs reflects zero actuals and there is no approved original budget on the Cschedule report due to error hence there is no variance.

Remuneration of Councillor's

The YTD Actual for remuneration of councillors reflect Rnil million rands. There is no approved original budget on the Cschedule report due to error hence there is no variance.

Debt impairment

The YTD actuals and budget reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS.

Depreciation & asset impairment

The YTD actuals and budget reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS.

Bulk purchases

YTD Actual for electricity bulk purchase figure is at R8.4 million rands , the municipality pays the bulk account monthly and there is no interest has accrued for bulk account.

Monthly Budget Statement_ Capital Expenditure Table 5

Nquthu Municipality Monthly Budget Statement

0 - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	Budget Year 2025/26								
		2024/25 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		-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate and Community Service		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-
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 Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate and Community Service		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		-	-	-	-	-	-	-	-	-
Capital Expenditure - Functional Classification										
Governance and administration		1 585	-	-	-	-	-	-	-	-
Executive and council		709	-	-	-	-	-	-	-	-
Finance and administration		876	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(15 043)	-	-	342	342	-	342	#DIV/0!	-
Community and social services		(20 862)	-	-	342	342	-	342	#DIV/0!	-
Sport and recreation		5 721	-	-	-	-	-	-	-	-
Public safety		98	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(1 678)	-	-	1 239	5 982	-	5 982	#DIV/0!	-
Planning and development		(8 652)	-	-	-	-	-	-	-	-
Road transport		6 974	-	-	1 239	5 982	-	5 982	#DIV/0!	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		6 326	-	-	-	-	-	-	-	-
Energy sources		575	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 752	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(8 810)	-	-	1 582	6 324	-	6 324	#DIV/0!	-
Funded by:										
National Government		16 908	-	-	1 582	5 324	-	5 324	#DIV/0!	-
Provincial Government		(0)	-	-	-	-	-	-	-	-
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		16 908	-	-	1 582	5 324	-	5 324	#DIV/0!	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		(25 717)	-	-	-	1 000	-	1 000	#DIV/0!	-
Total Capital Funding		(8 810)	-	-	1 582	6 324	-	6 324	#DIV/0!	-

Total YTD capital expenditure by function classification stands at R6.3 million rands, There is no approved original budget on the Cschedule report due to error hence there is no variance.

Capital expenditure funded by the provincial government YTD actual amount to Rnil million rands, there is no approved original budget on the C-schedule report due to error hence there is no variance.

Table C6 – Monthly Budget Statement – Financial Position

0 - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		74 230	-	-	81 233	-
Trade and other receivables from exchange transactions		9 988	-	-	92	-
Receivables from non-exchange transactions		36 308	-	-	1 925	-
Current portion of non-current receivables		-	-	-	-	-
Inventory		23 272	-	-	(43)	-
VAT		7 912	-	-	70	-
Other current assets		54	-	-	2	-
Total current assets		151 764	-	-	83 280	-
Non current assets						
Investments		-	-	-	-	-
Investment property		53 255	-	-	-	-
Property, plant and equipment		696 480	-	-	6 324	-
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		79	-	-	-	-
Intangible assets		-	-	-	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		749 814	-	-	6 324	-
TOTAL ASSETS		901 577	-	-	89 604	-
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		20	-	-	-	-
Consumer deposits		2 216	-	-	4	-
Trade and other payables from exchange transactions		55 342	-	-	(16 260)	-
Trade and other payables from non-exchange transactions		49	-	-	21 646	-
Provision		13 375	-	-	-	-
VAT		1 136	-	-	1 104	-
Other current liabilities		-	-	-	-	-
Total current liabilities		72 138	-	-	6 495	-
Non current liabilities						
Financial liabilities		(20)	-	-	-	-
Provision		1 529	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		1 508	-	-	-	-
TOTAL LIABILITIES		73 646	-	-	6 495	-
NET ASSETS	2	827 931	-	-	83 109	-
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		810 417	-	-	-	-
Reserves and funds		162	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	810 579	-	-	-	-

The table C6 reflects Rnil accumulated surplus and Rnil YTD actuals. There is no approved original budget on the C-schedule report due to error hence there is no variance

Table C7 – Monthly Budget Statement – Cash Flow

0 - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	Budget Year 2025/26								
		2024/25 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		-	-	-	-	-	-	-	-	-
Service charges		6 537	-	-	-	-	-	-	-	-
Other revenue		-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		452 602	-	-	18 923	125 214	-	125 214	#DIV/0!	-
Transfers and Subsidies - Capital		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(475 577)	-	-	(19 631)	(44 836)	-	44 836	#DIV/0!	-
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	-	-	(709)	80 378	-	(80 378)	#DIV/0!	-
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		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(16 438)	-	-	(709)	80 378	-			-
Cash/cash equivalents at beginning:		92 533	-	-	-	-	-			-
Cash/cash equivalents at month/year end:		76 095	-	-	(709)	80 378	-			-

The tables C7 cash flow statement transactions from operating activities with a YTD actual figure of R80 million rands. There are Rnil transactions under investing activities and financing activities.

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTOR’S ANALYSIS

Table SC3 extract shows the debtors age analysis in line with the information on the financial system thereby showing ageing by income source.

0 - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 842	715	282	107	85	84	103	967	6 184	1 346	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	388	131	91	83	84	77	72	5 785	6 712	6 102	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	154	63	55	59	58	50	49	1 650	2 132	1 859	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	138	49	64	55	74	73	60	6 700	7 213	6 962	-	-	-
Total By Income Source	2000	4 523	958	492	298	301	284	284	15 101	22 241	16 269	-	-	-
2024/25 - totals only		4010227	388567	454722	374220	328135	302120	429175	14044160	20 331	15 478	0	0	0
Debtors Age Analysis By Customer Group														
Organs of State	2200	1 876	704	305	111	98	92	103	4 139	7 427	4 543	-	-	-
Commercial	2300	2 218	83	67	66	68	60	66	1 010	3 638	1 270	-	-	-
Households	2400	243	99	53	63	64	42	39	2 615	3 217	2 823	-	-	-
Other	2500	187	72	67	57	72	90	77	7 337	7 958	7 633	-	-	-
Total By Customer Group	2600	4 523	958	492	298	301	284	284	15 101	22 241	16 269	-	-	-

The table 2.1.1 is reflect debtors ageing arranged per service type. The balance of debtor’s book amounts to R117 million rands. Collection strategies are implemented by the municipality to encourage customers to settle the bills on time. Monthly billing is emailed to customers and electricity cut-off is implemented.

DEBTORS TABLE 2.1.1.

August 2025 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 -4 414 170.54	R -4 414 170.54	R -	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 557.85	R -	R -	R -	R -	R -	R -	R 557.85	
Deposit: Waste Disposal	R 2 000.00	R -	R -	R -	R -	R -	R -	R 2 000.00	
Electricity Basic	R 755 307.76	R 261 620.17	R 37 263.73	R 27 649.73	R 33 290.80	R 21 083.38	R 20 989.48	R 353 410.47	
Electricity Metered	R 6 184 097.98	R 3 842 045.21	R 714 671.61	R 281 874.53	R 106 680.07	R 84 695.28	R 83 838.47	R 1 070 292.81	
Market stalls	R 1 110 597.43	R 39 798.96	R 19 014.32	R 19 277.86	R 18 023.39	R 17 448.22	R 16 750.66	R 980 284.02	
OFFICE RENTAL	R 112 812.50	R 34 012.85	R 17 694.39	R 12 481.26	R 11 824.00	R 14 733.33	R 11 066.67	R 11 000.00	
Plaza Market Stalls	R 266 784.19	R 18 929.87	R 8 659.01	R 8 162.16	R 7 868.33	R 7 863.05	R 7 834.43	R 207 467.34	
Property Rates	R 99 271 916.49	R 11 401 495.66	R 503 512.41	R 347 393.04	R 3 246 613.53	R 2 974 321.64	R 2 904 466.82	R 77 894 113.39	
Rent (M001)	R 592 189.98	R 43 676.67	R 14 985.25	R 14 905.74	R 14 848.68	R 18 258.63	R 14 216.63	R 471 298.38	
Repay: Waste Disposal	R 26 360.20	R -	R -	R -	R -	R -	R -	R 26 360.20	
Signs (M001)	R 1 119.59	R -	R -	R -	R -	R -	R -	R 1 119.59	
Stall rental	R 28 156.63	R 319.20	R 131.22	R 131.22	R 131.22	R 131.22	R 131.22	R 27 181.33	
Sundries (VAT)	R 20 161.99	R 17 457.50	R 2 557.15	R 147.34	R -	R -	R -	R -	
Tampering Fee	R 499 722.15	R 1 000.00	R -	R 17 316.35	R 16 585.33	R 20 000.00	R -	R 444 820.47	
Traffic Fines	R 4 666 600.00	R 137 300.00	R 49 000.00	R 46 600.00	R 38 700.00	R 53 800.00	R 72 800.00	R 4 268 400.00	
Traffic Fines (M001)	R 2 045 871.78	R -	R -	R -	R -	R -	R -	R 2 045 871.78	
Waste Disposal	R 6 683 863.73	R 388 395.20	R 130 829.92	R 90 987.76	R 83 063.41	R 84 064.14	R 77 429.78	R 5 829 093.52	
Total	R117 853 949.71	R11 771 880.75	R1 498 319.01	R 866 926.99	R 3 577 628.76	R 3 296 398.89	R 3 209 524.16	R 93 633 271.15	

Debt collection rates

Collection Table 2.1.2.

Cash Collected for each Revenue Source via Billing (August 2025)				
	Cash collection	Ageing - August 2025	Collection rate per BT	Billed revenue - August 2025
Rates	R -8 896 443.18	R 99 271 916.49	-9%	R 6 109 721.04
Electricity	R -1 752 354.09	R 6 939 405.74	-25%	R 2 782 594.73
Refuse	R -141 017.69	R 6 712 223.93	-2%	R 268 514.48
Stalls Rental , Traffic fines &	R -234 401.37	R 8 342 953.35	-3%	R 72 174.54
Other Rentals	R -	R 1 001 062.89	0%	R -
Advance payments	R -1 947 018.25	R -4 413 612.69	44%	R -
TOTAL CASH RECEIVED (BI	R -12 971 234.58	R 117 853 949.71		R 9 233 004.79
Total Ageing	R 117 853 949.71		July 2025 Billing	R 9 369 470.29
Total debtors' payments	R -12 971 234.58		August 2025 Payments	R -12 971 234.58
	-11%			-138%

Cash collected under the reporting period amounts to R12 million rands resulting in collection rate of 11%. The comparison to the previous month billing against current month payments results to 138% collection rate, which is significantly above the norm of 95%.

Debtor's ratios

Ratios table 2.1.3.

AUGUST 2025 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	138	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	1838.59	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-1.46	Revenue Growth (%)

Collection rates stand at 138% using the ratios as provided by National Treasury circular 71. Net debtors' days are increased to 1 838.59 from previous quarter meaning that it takes the municipality about 5 years to collect the current debt, the debtors' days signal cash flow challenges to fund certain expenditure items.

INDIGENT DEBTORS' STATUS

The indigent debtor registration period started in February and closed in April. The total debtors that qualify for indigent debt relief rebates totals to 207. Physical verification was conducted. The rebates granted to eligible indigent debtors encompasses the 100% rebate on billed rates and services for the current year.

ELECTRICITY LOSSES

The electricity losses for the year under audit amount to R10 million rands which translate to 21%. The loss in the new financial year stands at 13.9%. The municipality through the management committee considered a competitive bidding process in sourcing a service provider that will assist with all electricity challenges.

Previous the municipality engaged in the RT29 transversal contract process, and unfortunately the application was decline by National Treasury.

ELECTRICITY OPERATION LOSS 25/26 (RAND VALUE)

Month	Season High/Low	Bulk Purchases Amount 25/26	Internal Sales Total 25/26	Ontec 3rd party sales	SEBATA Billing 25/26	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	% return from purchases	%Profit/ Loss
July	High	R 5 336 844.32	R 304 992.00	R 595 046.30	R 2 540 416.11	R 207 210.74	R 68 262.13	R 3 715 927.28	R 1 620 917.04	69.63%	30.37%
August	High	R 3 080 617.17	R 230 201.69	R 602 808.29	R 2 419 647.64	R 205 205.48	R 66 412.44	R 3 524 275.54	-R 443 658.37	114.40%	-14.40%
TOTALS		R 8 417 461.49	R 535 193.69	R 1 197 854.59	R 4 960 063.75	R 412 416.22	R 134 674.57	R 7 240 202.82	R 1 177 258.67	86.01%	13.99%

Electricity losses

Units purchased (R)	45 257 411	35 411 214
Units sold (R)	(32 279 549)	(30 880 878)
Own consumption (R)	(684 095)	(516 892)
Free basic electricity (R)	(1 990 045)	(1 703 052)
Total loss	10 303 722	2 310 392

Units Purchases	20 735 836	20 215 829
Units sold	(15 188 344)	(14 454 784)
Own consumption	(110 154)	(110 095)
Free basic electricity	(1 142 850)	(1 092 050)
Total	4 294 488	4 558 900

Percentage Loss:		
Technical losses	21 %	23 %

2.2. CREDITOR'S ANALYSIS

The municipality continues to pay creditors invoices in line with MFMA prescripts as stated that it should be within 30 days, end user departments are encouraged to attend to invoices timely to avoid delays, and to ensure accurate invoices are submitted to ensure the 30 days threshold is met. Purchase orders, payments, and all expenditure transacting are captured in the financial system. The municipality formulate a delay reason documentation that seeks to put emphasis on adherence to 30 days and holding of responsible officials accountable, hence the improvement in adherence to section 65 of the MFMA by all officials.

The report shows in summary the highest paid creditors for the month of under reporting in the descending order by the highest paid invoice. Creditors recons are performed monthly to ensure that the creditors records are in line with the bank statement transactions and all transactions are accounted for.

The top cost driver for the month under reporting relate to Eskom invoices for bulk account and other miscellaneous accounts for halls. The municipality have no arrear debt with Eskom.

Creditors payment summary: Table 2.2.1

TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF AUGUST 2025			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	4 472.64
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	14 527.87
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	8 356.67
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	4 615.27
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	453 104.24
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	1 902.28
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	3 989.82
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	7 394.53
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	6 701.19
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	885.42
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	12 301.25
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	4 845.89
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	6 278.76
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	4 927.45
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	2 907.81
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	6 137 370.97
		6 674 582.06	
2	LONDOLOZA SOLUTIONS	PLANT HIRE	1 196 207.00
			1 196 207.00
3	KWANONGOMA TRADING	240 SPAR VOUCHERS FOR MAYORAL PROGRAMMS AT R1000-00 EACH	240 000.00
	KWANONGOMA TRADING	50 SPAR VOUCHERS AT R1000-00 EACH	50 000.00
	KWANONGOMA TRADING	50 SPAR VOUCHERS FOR CENTENARIANS AT R1000-00 EACH	50 000.00
	KWANONGOMA TRADING	133 SPAR VOUCHERS FOR INDIGENT AT R1500-00 EACH	199 500.00
		539 500.00	
4	ADVENTURE TRAVEL	ACCOMMODATION OF 28 DELEGATES ATTENDING SALGA GAMES IN DURBAN (04-08 DEC 2025)	437 265.54
			437 265.54
5	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JUNE 25	375 627.79
			375 627.79
6	CN Mhlongo	RISK CHAMPIONS WORKSHOP PREPARATION	127 278.96
			127 278.96
7	ETATA TRADING	REPAIRS OF NTU 1267	99 587.70
			99 587.70
8	C S ZONDI AND ASSOCIATES	LEGAL FEES	80 000.00
			80 000.00
9	MMG TOYOTA DUNDEE	SERVICE OF BB 59 VV ZN	4 144.90
	MMG TOYOTA DUNDEE	SERVICE OF BJ 59 PT ZN	3 274.70
	MMG TOYOTA DUNDEE	SERVICE AND REPAIRS OF BJ 59 TJ ZN	51 400.05
		58 819.65	
10	ANEZI CONNECT (PTY) LTD	RENEW OF TERRAFLEX ADVANCED ANNUAL SUBSCRIPTION FOR 24 MONTHS	57 132.00
			57 132.00

2.3 INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register reflects investment state of the municipality. Operating and capital expenditure requires that the municipality withdraws from time to time from investments kept to maintain cashflow hence the withdrawals history in the tables below. The investment balance therefore stands at R73.4 million rands.

Table 2.3.1 Investment register for the period ending 31 August 2025

SUMMARY OF INVESTMENT REGISTER - AUGUST 2025							
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	DEPOSIT	WITHDRAWAL	BANK CHARGES	BALANCE
NEDBANK (3)	R 1 330.19	R -	R 8.01		R -	R -	R 1 338.20
ABSA CALL (5892)	R 16 552 594.49	R -	R 120 517.23		R 500 000.00	R -	R 16 173 111.72
ABSA (1394) HOUSING A/C	R 2 023 002.85	R -	R 15 876.10		R -	R -	R 2 038 878.95
ABSA (4328)	R 24 857.33	R -	R 134.84		R -	R 100.00	R 24 892.17
ABSA (5014)	R 96 511.20	R -	R 958.28		R -	R -	R 97 469.48
FNB CALL (1408)	R 10 845 156.72	R -	R 122 386.02		R -	R 338.00	R 10 967 204.74
STANDARD BANK 014	R 7 756.20	R -	R 51.66		R -	R -	R 7 807.86
STANDARD BANK 063	R 27 549 828.32	R -	R 271 659.68		R -	R -	R 27 821 488.00
STANDARD BANK 068	R 16 236 626.89	R -	R 121 441.07		R -	R -	R 16 358 067.96
TOTAL	R 73 337 664.19	R -	R 653 032.89		R 500 000.00	R 438.00	R 73 490 259.08

Withdrawal history is shown in the table below providing a telling picture on withdrawal movement since the start of the financial year. The municipal operational needs resulted in the withdrawal in July amounting to R500 thousand rands.

INVESTMENTS WITHDRAWAL							
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO		ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
04-Jul-25	ABSA 5892	500 000.00	ABSA 2762		PRIMARY	2 950 471.60	pay for normal operations
		<u>500 000.00</u>					

Table 2.3.2 Bank Balance (Primary account)

BANK RECONCILIATION (PRIMARY ACCOUNT)	4053562762
Details	Amount
Cash book balance as at 31 July 2025	R71 415 103.33
Outstanding deposits	R0.00
Unknown deposits	R0.00
Bank charges	R0.00
Outstanding cheques	R0.00
Transfers	R0.00
Sundries	R0.00
Outstanding receipts	R0.00
Bank statement balance as at 31 July 2025	R71 415 103.33

Bank balance for primary account reflects the amount of R71.4 million rands at the end of July.

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	Amount
Cash book balance as at 31 July 2025	R96 991.04
Unknown deposits	R0
Outstanding cheques	R0
Bank charges	R0
Returned cheques	R0
Transfers	R0
Sundries	R0
Outstanding receipts	R0
Bank statement balance as at 31 July 2025	R96 991.04

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 31 August 2025

Grant register Table 2.4.1

Summary of Grants received and expenditure to date								
	Grant Type	Pre-Audited Balance as at 1-Jul-2025	Dora/Prov Allocation for year	Received 2025/26	Spent & transferred to income 2025/26	Balance as at 2025/26	Available funds/not committed 2025/26	Percentage 2025/26
National Grants operational	Eletrification(INEP)		(20 000 000.00)	(9 000 000.00)	-	(9 000 000.00)	(9 000 000.00)	0%
	FMG		(1 900 000.00)	(1 900 000.00)	263 356.77	(1 636 643.23)	(1 636 643.23)	-14%
	EPWP		(1 639 008.00)	(410 000.00)	-	(410 000.00)	(410 000.00)	0%
National Grants Capital	MIG		(37 961 004.00)	(11 000 000.00)	6 122 632.69	(4 877 367.31)	(4 877 367.31)	-56%
	Disaster relief grant			-	-	-	-	
KZN Grants Capital	Small Town rehabilitation			-	-	-	-	
	Massification Eletrification			-	-	-	-	
	Sportfield Maintance			-	-	-	-	
KZN Grants Operational	Cybercadet			-	99 458.82	99 458.82	99 458.82	
	Library Modular			-	557 565.04	557 565.04	557 565.04	
	Library Volunteer			-	16 000.00	16 000.00	16 000.00	
	Library support		(4 493 000.00)	-	605 339.97	605 339.97	605 339.97	
International Grant	Bornem Grant			-	-	-	-	
TOTALS		-	(65 993 012.00)	(22 310 000.00)	7 664 353.30	(14 645 646.70)	(14 645 646.70)	

The grants spending is as follows:

1. MIG grant 56% spent.
2. FMG 14% spent.

The remaining grants are not yet spent at the end of the reporting period.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits for the month under reporting amount to R9.5 million rands. New staff establishment was adopted by council in the last quarter of the previous financial year which will impact the staff benefits.

Councillor allowances expenditure amounts to R1.2 million rands. Table 2.5.1 below provide full details on both staff and councillor benefits.

Table 2.5.1 Staff benefits in terms of Section 66 of the MFMA

Staff Benefits in terms of Section 66 of the MFMA

The actual staff benefits and councillors allowances for the period ending 31 July 2025

Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R91 550 207.00	R 6 549 581.69
Contributions to pension funds	R11 886 283.00	R 862 537.58
Contributions to medical aids	R2 377 963.00	R 324 819.75
Contributions to UIF	R626 907.00	R 49 621.90
Contributions to SDL	R964 369.00	R 80 067.18
Travel, motor car	R4 209 576.00	R 428 687.11
Salga	R40 066.00	R 3 664.60
Housing benefits and allowances	R749 160.00	R 15 212.99
Cellphone Allowance	R0.00	R0.00
Overtime payments	R1 913 336.00	R 298 119.53
Bonuses	R6 321 148.00	R 597 431.76
Other leave & long service	R624 578.00	R 100 686.25
Allowances (Standby and Drivers Allowance)	R1 796 316.00	R 227 171.32
Totals	R 123 059 909.00	R 9 537 601.66
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R14 129 290.00	R 1 110 787.01
Cellphone/Data Allowance	R2 298 473.00	R 97 321.89
Contributions to SDL	R40 995.00	R 11 641.01
Totals	R16 468 758.00	R 1 219 749.91

2.6 SCM REPORTS

INVENTORY

The municipality inventory levels are controlled through issues at the stores and recons are performed monthly to ensure that all inventory items are accounted for. Monthly reconciliations are performed to ensure that inventory items are accounted for. Stock take was conducted at year end, thereafter quarterly stock counts will be conducted.

Table 2.6.1. Inventory reconciliation

INVENTORY MODULE

OPENING BALANCE AS PER INVENTORY REPORT	R 1 137 331.07 \wedge
ADD: TOTAL RECEIPTS	R 0.00
Inventory purchases for the month	R 0.00
LESS: TOTAL ISSUES	(R 29 004.81)
Inventory issued from stores during the month	(R 29 004.81) \wedge
ADJUSTMENTS	R 0.00
Add: stock surplus identified during the month Less: Stock losses identified during the month	R 0.00
CLOSING BALANCE AS PER INVENTORY REPORT	<u>R 1 108 326.26</u>
GENERAL LEDGER VOTE BALANCE:	R 1 108 084.71 \wedge
VARIANCE: INVENTORY MODULE VS. GENERAL LEDGER	R 241.55

IRREGULAR & FRUITLESS EXPENDITURE

Section 32(4) of the MFMA requires that the Accounting Officer “promptly” inform the Mayor, MEC for Local Government, and the Auditor-General of any unauthorized, irregular, and fruitless and wasteful expenditure that the municipality has incurred. Only Council can deal with these matters in the manner prescribed. The summary of Irregular expenditure is shown in the below.

Table 2.6.2 Unauthorised and irregular expenditure summary

IRREGULAR EXPENDITURE TOTAL -QUARTER 1

MONTH No.	MONTH NAME	EXPENDITURE TYPE		TOTAL UI(F)W
OPENING BALANCE		OPERATIONAL	CAPITAL	
1	July	R4 739 886.05	R8 822 394.56	
2	August	R1 571 834.79	R2 509 815.32	
CLOSING BALANCE		R6 311 720.84	R11 332 209.88	R17 643 930.72

Table 2.6.3. Fruitless Expenditure

The municipality under the reporting period incurred fruitless expenditure amounting to R0.

DEVIATIONS

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 deviation activities to the next Council meeting.

Deviations and all other matters relating to MFMA Regulations Section 6 are reported as a separate item.

2.7 MATERIAL VARIANCES TO SDBIP

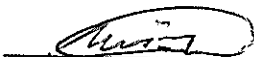
The detailed SDBIP and Performance report is attended and reported by the Performance Management unit.

There are no material variances on Table C4 because there are no budget figures on the C-schedule report due error on extraction.

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 2025
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:	<u></u>
Date	<u>08/09/2025</u>