

# **NQUTHU MUNICIPALITY (KZN 242)**



## **MONTHLY BUDGET STATEMENT FOR MONTH ENDING 31 DECEMBER 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 December 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 December 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 second quarter performance of the set targets is due by the 10<sup>th</sup> of January 2025 and should be 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 phase. The audit by Auditor General of South Africa has been concluded, various areas of improvement are outlined in the audit report both in the performance spectrum and in the state of financial statement thus necessitating the need for a robust plan of action that is implementable and auditable. 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 expended 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. Certain aspects of risks have emerged from the audit reports as well as performance management areas (AoPO) that need attention of the entire council both from officials and councillors in order to improve audit opinion in the future. The clean administration statement is attached to all council agenda documents to instil the culture of clean administration and conscientize officials and councillors on matters of good governance. Emerging risks will be documented as and when are identified including the payroll glitches that result in late payment of salaries in the second quarter.

This report contains C-schedule tables that outline the budget status for the end of December 2024 and paints a clear picture on the budget implementation in line with the council adopted final budget on 17 May 2024. As the municipality ends the second quarter the mid-year review will be performed, and necessary assessment will be undertaken by the Mayor to recommend or not to recommend the need for the council to adjust the original budget. The adjustment budget will ensure that actual revenue and expenditure for the first six month of the financial year is aligned with the budget. Reallocation of funds between projects should be done to channel funds to both operational and capital projects that are anticipated to need more budget for the remaining months of the financial year.

**By Honourable Mayor of Nquthu Local Municipality**

**Cllr. I.L. Shabalala**

## **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.

The Section 71 report for the month of December contains certain aspects of reported information that relates to November month owing to unforeseen delays in finalising the following reports 1) debtors management information, 2) deviations, 3) inventory recon, 4) Top ten service providers awarded, contract management information, irregular expenditure register.

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 is collected and made available for operational and capital expenditures.

Property rates is the significant revenue source for the municipality and the YTD figure shows actual revenue amount of R31.6 million rands compared to original budget of R52.7 million rands , electricity revenue source YTD actual figure of R14.7 million rands results in -8% variance when the actuals are compared to budget figures. The bulk expenditure year to date figure is R21.9 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 R46.2 million rands has been captured to the financial system instead of R53.4 million rands pertaining to employee costs. Furthermore, an amount of R6.9 million reflects on C-schedule as per the information available on the financial system instead of the actual figure of R8.5 million in relation to councillor allowances.

*Nquthu Municipality Monthly Budget Statement*

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

**KZN242 Nquthu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		27 499	32 108	-	698	14 735	16 054	(1 319)	-8%	32 108
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 467	1 962	-	-	845	981	(136)	-14%	1 962
Sale of Goods and Rendering of Services		178	259	-	7	73	129	(56)	-44%	259
Agency services		-	-	-	-	-	-	-	-	-
Interest		69	0	-	-	19	0	19	318850%	0
Interest earned from Receivables		665	681	-	-	299	340	(42)	-12%	681
Interest from Current and Non Current Assets		9 506	5 995	-	147	3 803	2 998	805	27%	5 995
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		972	871	-	7	339	435	(96)	-22%	871
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		396	216	-	-	1 588	108	1 480	1370%	216
<b>Non-Exchange Revenue</b>										
Property rates		51 452	52 750	-	(4)	31 683	26 375	5 308	20%	52 750
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 547	1 009	-	156	897	505	392	78%	1 009
Licence and permits		1 010	1 010	-	34	391	505	(114)	-23%	1 010
Transfers and subsidies - Operational		186 803	212 836	-	62 959	149 554	106 418	43 136	41%	212 836
Interest		2 657	1 335	-	-	1 430	667	762	114%	1 335
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>284 220</b>	<b>311 031</b>	<b>-</b>	<b>64 003</b>	<b>205 654</b>	<b>155 515</b>	<b>50 139</b>	<b>32%</b>	<b>311 031</b>
<b>Expenditure By Type</b>										
Employee related costs		100 570	118 969	-	368	46 222	59 484	(13 262)	-22%	118 969
Remuneration of councillors		14 046	17 155	-	-	6 968	8 578	(1 610)	-19%	17 155
Bulk purchases - electricity		31 026	40 970	-	-	21 932	20 485	1 447	7%	40 970
Inventory consumed		2 315	1 618	-	164	350	809	(459)	-57%	1 618
Debt impairment		12 634	-	-	-	-	-	-	-	-
Depreciation and amortisation		35 938	36 000	-	-	8 154	18 000	(9 846)	-55%	36 000
Interest		-	0	-	-	-	0	(0)	-100%	0
Contracted services		73 222	49 983	-	8 107	23 734	24 992	(1 258)	-5%	49 983
Transfers and subsidies		3 985	2 854	-	350	640	1 427	(787)	-55%	2 854
Irrecoverable debts written off		3 163	12 999	-	-	552	6 500	(5 947)	-91%	12 999
Operational costs		45 718	41 523	-	5 607	22 948	20 762	2 186	11%	41 523
Losses on Disposal of Assets		2 507	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>325 124</b>	<b>322 072</b>	<b>-</b>	<b>14 596</b>	<b>131 501</b>	<b>161 037</b>	<b>(29 536)</b>	<b>-18%</b>	<b>322 072</b>
<b>Surplus/(Deficit)</b>		<b>(40 904)</b>	<b>(11 042)</b>	<b>-</b>	<b>49 407</b>	<b>74 153</b>	<b>(5 522)</b>	<b>79 675</b>	<b>(0)</b>	<b>(11 042)</b>
Transfers and subsidies - capital (monetary allocations)		80 502	46 155	-	-	15 059	23 078	(8 019)	(0)	46 155
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>

## 1.4. IN-YEAR BUDGET STATEMENT TABLES

### IN-YEAR BUDGET STATEMENT TABLES – TABLE C1

KZN242 Nquthu - Table C1 Monthly Budget Statement Summary - M06 December

Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	51 452	52 750	-	(4)	31 683	26 375	5 308	20%	52 750
Service charges	28 965	34 070	-	698	15 579	17 035	(1 455)	-9%	34 070
Investment revenue	9 506	5 995	-	147	3 803	2 998	805	27%	5 995
Transfers and subsidies - Operational	186 803	212 836	-	62 959	149 554	106 418	43 136	0	212 836
Other own revenue	7 494	5 380	-	204	5 036	2 690	2 346	87%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>284 220</b>	<b>311 031</b>	<b>-</b>	<b>64 003</b>	<b>205 654</b>	<b>155 515</b>	<b>50 139</b>	<b>32%</b>	<b>311 031</b>
Employee costs	100 570	118 969	-	368	46 222	59 484	(13 262)	-22%	118 969
Remuneration of Councillors	14 046	17 155	-	-	6 968	8 578	(1 610)	-19%	17 155
Depreciation and amortisation	35 938	36 000	-	-	8 154	18 000	(9 846)	-55%	36 000
Interest	-	0	-	-	-	0	(0)	-100%	0
Inventory consumed and bulk purchases	33 341	42 588	-	164	22 282	21 294	988	5%	42 588
Transfers and subsidies	3 985	2 854	-	350	640	1 427	(787)	-55%	2 854
Other expenditure	137 243	104 505	-	13 715	47 235	52 253	(5 019)	-10%	104 505
<b>Total Expenditure</b>	<b>325 124</b>	<b>322 072</b>	<b>-</b>	<b>14 596</b>	<b>131 501</b>	<b>161 037</b>	<b>(29 536)</b>	<b>-18%</b>	<b>322 072</b>
<b>Surplus/(Deficit)</b>	<b>(40 904)</b>	<b>(11 042)</b>	<b>-</b>	<b>49 407</b>	<b>74 153</b>	<b>(5 522)</b>	<b>79 675</b>	<b>-1443%</b>	<b>(11 042)</b>
Transfers and subsidies - capital (monetary allocations)	80 502	46 155	-	-	15 059	23 078	(8 019)	-35%	46 155
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>408%</b>	<b>35 113</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>408%</b>	<b>35 113</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	(14 116)	76 322	-	8 064	41 083	38 161	2 922	8%	76 322
Capital transfers recognised	36 312	41 272	-	4 469	19 650	20 636	(986)	-5%	41 272
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(67 031)	38 963	-	3 595	21 433	19 481	1 952	10%	38 963
<b>Total sources of capital funds</b>	<b>(30 719)</b>	<b>80 235</b>	<b>-</b>	<b>8 064</b>	<b>41 083</b>	<b>40 118</b>	<b>965</b>	<b>2%</b>	<b>80 235</b>
<b>Financial position</b>									
Total current assets	169 788	132 617	-	-	216 368	-	-	-	132 617
Total non current assets	734 296	754 284	-	-	767 142	-	-	-	754 284
Total current liabilities	141 086	103 485	-	-	132 164	-	-	-	103 485
Total non current liabilities	875	3 364	-	-	875	-	-	-	3 364
Community wealth/Equity	762 123	807 388	-	-	850 471	-	-	-	807 388
<b>Cash flows</b>									
Net cash from (used) operating	(113 820)	40 886	-	68 546	138 607	44 000	(94 606)	-215%	40 886
Net cash from (used) investing	(95 168)	(90 933)	-	(8 991)	(46 527)	(45 467)	1 061	-2%	(90 933)
Net cash from (used) financing	-	-	-	(368)	(46 222)	-	46 222	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>(100 164)</b>	<b>22 421</b>	<b>-</b>	<b>59 188</b>	<b>138 390</b>	<b>71 002</b>	<b>(67 388)</b>	<b>-95%</b>	<b>42 486</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	1 432	1 055	935	1 010	457	299	374	13 976	19 537
<b>Creditors Age Analysis</b>									
Total Creditors	182	2 818	1 110	17	0	-	278	-	4 405

The YTD actual revenue (excluding capital transfers and contributions) is R205 million rands compared to R311 million rands approved original budget and this results to 32% variance.

Operating expenditure YTD is R131 million rands compared to R322 million rands approved original budget which results to -18% variance. The line items that has previously shown zero YTD actual figures such as a) debt impairment b) depreciation and amortisation c) and transfers and subsidies have been updated with interim information.

Only the interest line item remains with zero YTD actuals hence the negative variance impact on the total operating expenditure variance.

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 R46.2 million rands compared to actual information on PART 2 of this report which shows R53.4 million rands. Furthermore, an amount of R6.9 million is shown from C-schedule as per the information available on the financial system instead of the actual figure of R8.5 million in relation to councillor allowances.

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.**

KZN242 Nquthu - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		285 145	297 997	-	63 110	193 484	148 998	44 485	30%	297 997
Executive and council		39 222	46 128	-	-	13 788	23 064	(9 276)	-40%	46 128
Finance and administration		245 923	251 869	-	63 110	179 696	125 934	53 762	43%	251 869
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 696	6 287	-	183	3 664	3 144	521	17%	6 287
Community and social services		4 558	4 454	-	5	2 464	2 227	237	11%	4 454
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 138	1 833	-	178	1 200	917	283	31%	1 833
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		305	185	-	12	1 622	93	1 530	1653%	185
Planning and development		305	185	-	12	1 622	93	1 530	1653%	185
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		72 576	52 717	-	698	21 942	26 358	(4 416)	-17%	52 717
Energy sources		70 594	50 682	-	698	20 900	25 341	(4 440)	-18%	50 682
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 981	2 035	-	-	1 042	1 017	25	2%	2 035
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>364 722</b>	<b>357 186</b>	<b>-</b>	<b>64 003</b>	<b>220 713</b>	<b>178 593</b>	<b>42 120</b>	<b>24%</b>	<b>357 186</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		167 031	172 773	-	4 117	63 613	86 387	(22 774)	-26%	172 773
Executive and council		33 068	36 913	-	368	12 736	18 457	(5 721)	-31%	36 913
Finance and administration		129 706	132 533	-	3 008	48 763	66 267	(17 504)	-26%	132 533
Internal audit		4 257	3 327	-	742	2 114	1 663	451	27%	3 327
<i>Community and public safety</i>		24 121	33 066	-	1 210	14 079	16 533	(2 454)	-15%	33 066
Community and social services		5 483	15 470	-	1 121	6 553	7 735	(1 182)	-15%	15 470
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		18 638	17 596	-	89	7 526	8 798	(1 272)	-14%	17 596
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		65 385	27 566	-	3 234	12 661	13 783	(1 123)	-8%	27 566
Planning and development		17 019	16 443	-	909	6 316	8 222	(1 905)	-23%	16 443
Road transport		48 366	11 123	-	2 325	6 344	5 562	783	14%	11 123
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68 588	88 667	-	6 034	41 149	44 334	(3 185)	-7%	88 667
Energy sources		53 809	70 871	-	6 031	34 743	35 436	(693)	-2%	70 871
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 281	1 959	-	3	940	979	(39)	-4%	1 959
Waste management		12 498	15 837	-	-	5 466	7 919	(2 453)	-31%	15 837
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>325 124</b>	<b>322 072</b>	<b>-</b>	<b>14 596</b>	<b>131 501</b>	<b>161 037</b>	<b>(29 536)</b>	<b>-18%</b>	<b>322 072</b>
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>4,0815949</b>	<b>35 113</b>

**Table C3: Monthly Budget Statement\_ Financial Performance**

KZN242 Nquthu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote 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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Office of the Municipal Manager		39 222	46 128	-	-	13 788	23 064	(9 276)	-40,2%	46 128
Vote 2 - Planning and Economic Development		305	551	-	-	1 538	275	1 263	458,6%	551
Vote 3 - Budget and Treasury		245 886	251 524	-	63 108	179 558	125 762	53 796	42,8%	251 524
Vote 4 - Corporate and Community Service		6 700	6 156	-	39	3 440	3 078	362	11,7%	6 156
Vote 5 - Technical Services		72 609	52 827	-	856	22 389	26 413	(4 024)	-15,2%	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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>364 722</b>	<b>357 186</b>	<b>-</b>	<b>64 003</b>	<b>220 713</b>	<b>178 593</b>	<b>42 120</b>	<b>23,6%</b>	<b>357 186</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Office of the Municipal Manager		21 263	20 068	-	1 048	7 350	10 034	(2 684)	-26,8%	20 068
Vote 2 - Planning and Economic Development		17 019	16 546	-	909	6 316	8 273	(1 957)	-23,7%	16 546
Vote 3 - Budget and Treasury		81 170	75 532	-	1 373	21 956	37 766	(15 810)	-41,9%	75 532
Vote 4 - Corporate and Community Service		67 619	81 921	-	2 806	38 565	40 961	(2 396)	-5,8%	81 921
Vote 5 - Technical Services		121 338	92 105	-	8 359	43 726	46 053	(2 327)	-5,1%	92 105
Vote 6 - Council And General		16 524	18 412	-	92	7 573	9 206	(1 633)	-17,7%	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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>324 932</b>	<b>304 584</b>	<b>-</b>	<b>14 586</b>	<b>125 486</b>	<b>152 293</b>	<b>(26 807)</b>	<b>-17,6%</b>	<b>304 584</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>39 790</b>	<b>52 602</b>	<b>-</b>	<b>49 417</b>	<b>95 227</b>	<b>26 300</b>	<b>68 927</b>	<b>262,1%</b>	<b>52 602</b>

Table C3 provides information by vote, dividing the overall municipality administration into departments. BTO office reflects much higher revenue by vote allocation with an actual amount of R179 million rands and budget YTD figure is R125 million rands . Expenditure by vote shows that technical unit has the highest expenditure of R43.7 million rands followed by the corporate services with R38.5 million rands.

**Table C4 Municipality Financial Performance**

**KZN242 Nquthu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		27 499	32 108	-	698	14 735	16 054	(1 319)	-8%	32 108
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 467	1 962	-	-	845	981	(136)	-14%	1 962
Sale of Goods and Rendering of Services		178	259	-	7	73	129	(56)	-44%	259
Agency services		-	-	-	-	-	-	-	-	-
Interest		69	0	-	-	19	0	19	318850%	0
Interest earned from Receivables		665	681	-	-	299	340	(42)	-12%	681
Interest from Current and Non Current Assets		9 506	5 995	-	147	3 803	2 998	805	27%	5 995
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		972	871	-	7	339	435	(96)	-22%	871
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		396	216	-	-	1 588	108	1 480	1370%	216
<b>Non-Exchange Revenue</b>										
Property rates		51 452	52 750	-	(4)	31 683	26 375	5 308	20%	52 750
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 547	1 009	-	156	897	505	392	78%	1 009
Licence and permits		1 010	1 010	-	34	391	505	(114)	-23%	1 010
Transfers and subsidies - Operational		186 803	212 836	-	62 959	149 554	106 418	43 136	41%	212 836
Interest		2 657	1 335	-	-	1 430	667	762	114%	1 335
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>284 220</b>	<b>311 031</b>	<b>-</b>	<b>64 003</b>	<b>205 654</b>	<b>155 515</b>	<b>50 139</b>	<b>32%</b>	<b>311 031</b>
<b>Expenditure By Type</b>										
Employee related costs		100 570	118 969	-	368	46 222	59 484	(13 262)	-22%	118 969
Remuneration of councillors		14 046	17 155	-	-	6 968	8 578	(1 610)	-19%	17 155
Bulk purchases - electricity		31 026	40 970	-	-	21 932	20 485	1 447	7%	40 970
Inventory consumed		2 315	1 618	-	164	350	809	(459)	-57%	1 618
Debt impairment		12 634	-	-	-	-	-	-	-	-
Depreciation and amortisation		35 938	36 000	-	-	8 154	18 000	(9 846)	-55%	36 000
Interest		-	0	-	-	-	0	(0)	-100%	0
Contracted services		73 222	49 983	-	8 107	23 734	24 992	(1 258)	-5%	49 983
Transfers and subsidies		3 985	2 854	-	350	640	1 427	(787)	-55%	2 854
Irrecoverable debts written off		3 163	12 999	-	-	552	6 500	(5 947)	-91%	12 999
Operational costs		45 718	41 523	-	5 607	22 948	20 762	2 186	11%	41 523
Losses on Disposal of Assets		2 507	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>325 124</b>	<b>322 072</b>	<b>-</b>	<b>14 596</b>	<b>131 501</b>	<b>161 037</b>	<b>(29 536)</b>	<b>-18%</b>	<b>322 072</b>
<b>Surplus/(Deficit)</b>		<b>(40 904)</b>	<b>(11 042)</b>	<b>-</b>	<b>49 407</b>	<b>74 153</b>	<b>(5 522)</b>	<b>79 675</b>	<b>(0)</b>	<b>(11 042)</b>
Transfers and subsidies - capital (monetary allocations)		80 502	46 155	-	-	15 059	23 078	(8 019)	(0)	46 155
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>-</b>	<b>49 407</b>	<b>89 212</b>	<b>17 556</b>	<b>71 656</b>	<b>0</b>	<b>35 113</b>

**TABLE C4: REVENUE BY SOURCE**

**Property rates**

Property rates YTD Actual for this month stands at R 31.6 million rands , the approved original budget is R 52.7 million rands, yielding a variance of 20% .

**Service charges electricity.**

The actual revenue from Service Charges Electricity is R14.7 million rands . The approved original budget figure is R32.1 million rands , the variance of -8% is noted.

### **Interest from Current and Non-Current Assets**

Interest from current and non-current assets show the YTD actual figure of R3.8 million rands compared to R5.9 million rands original budget, resulting in a variance of 27%.

### **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 R149.5 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 partially captured on the system thus the YTD actual figure on the C-schedule amounts to R46.2 million rands whereas the manual report shows R53.4 million rands expenditure at the end of this reporting month. 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 R3.9 million rands on the C-schedule whereas PART 2 of this report shows R8.5 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 the first quarter; however, the municipality has initiated the monthly update and calculation of depreciation, therefore under this reporting period the YTD actual figures for the depreciation amounts to R8.1 million compared to budget figure of R36 million which result in the variance of -55%.

### **Bulk purchases**

YTD Actual for electricity bulk purchase figure is at R21.9 million rands , the municipality has billed each month for bulk account and has paid in full consistently, no interest has accrued for bulk. The original budget allocated to bulk electricity amounts to R40.9 million.

**Monthly Budget Statement\_ Capital Expenditure Table C5**

**KZN242 Nquthu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December**

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		-	0	-	-	-	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		(10 678)	2 609	-	-	-	1 304	(1 304)	-100%	2 609
Vote 3 - Budget and Treasury		-	0	-	-	-	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		287	957	-	6	526	478	48	10%	957
Vote 5 - Technical Services		24 343	56 202	-	8 058	37 307	28 101	9 206	33%	56 202
Vote 6 - Council And General		608	700	-	-	-	350	(350)	-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]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>14 560</b>	<b>60 467</b>	<b>-</b>	<b>8 064</b>	<b>37 833</b>	<b>30 234</b>	<b>7 600</b>	<b>25%</b>	<b>60 467</b>
<b>Single Year expenditure appropriation</b>	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	1010%	0
Vote 5 - Technical Services		(25 388)	15 854	-	-	3 247	7 927	(4 680)	-59%	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]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>(28 676)</b>	<b>15 854</b>	<b>-</b>	<b>-</b>	<b>3 250</b>	<b>7 927</b>	<b>(4 678)</b>	<b>-59%</b>	<b>15 854</b>
<b>Total Capital Expenditure</b>		<b>(14 116)</b>	<b>76 322</b>	<b>-</b>	<b>8 064</b>	<b>41 083</b>	<b>38 161</b>	<b>2 922</b>	<b>8%</b>	<b>76 322</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>895</b>	<b>2 266</b>	<b>-</b>	<b>6</b>	<b>526</b>	<b>1 133</b>	<b>(607)</b>	<b>-54%</b>	<b>2 266</b>
Executive and council		608	700	-	-	-	350	(350)	-100%	700
Finance and administration		287	1 565	-	6	526	783	(257)	-33%	1 565
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>(2 529)</b>	<b>53 516</b>	<b>-</b>	<b>5 300</b>	<b>24 900</b>	<b>26 758</b>	<b>(1 857)</b>	<b>-7%</b>	<b>53 516</b>
Community and social services		758	43 602	-	5 300	21 758	21 801	(43)	0%	43 602
Sport and recreation		(3 413)	8 696	-	-	3 140	4 348	(1 208)	-28%	8 696
Public safety		126	1 218	-	-	2	609	(606)	-100%	1 218
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>(55 360)</b>	<b>22 541</b>	<b>-</b>	<b>1 190</b>	<b>10 733</b>	<b>11 270</b>	<b>(538)</b>	<b>-5%</b>	<b>22 541</b>
Planning and development		(7 408)	4 696	-	-	360	2 348	(1 987)	-85%	4 696
Road transport		(47 951)	17 845	-	1 190	10 372	8 922	1 450	16%	17 845
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>26 275</b>	<b>1 913</b>	<b>-</b>	<b>1 568</b>	<b>4 923</b>	<b>957</b>	<b>3 967</b>	<b>415%</b>	<b>1 913</b>
Energy sources		18 880	1 478	-	-	1 105	739	366	50%	1 478
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 395	435	-	1 568	3 818	217	3 600	1656%	435
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>(30 719)</b>	<b>80 235</b>	<b>-</b>	<b>8 064</b>	<b>41 083</b>	<b>40 118</b>	<b>965</b>	<b>2%</b>	<b>80 235</b>
<b>Funded by:</b>										
National Government		19 301	41 245	-	4 469	18 544	20 623	(2 078)	-10%	41 245
Provincial Government		17 012	27	-	-	1 105	14	1 092	8037%	27
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>36 312</b>	<b>41 272</b>	<b>-</b>	<b>4 469</b>	<b>19 650</b>	<b>20 636</b>	<b>(986)</b>	<b>-5%</b>	<b>41 272</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>(67 031)</b>	<b>38 963</b>	<b>-</b>	<b>3 595</b>	<b>21 433</b>	<b>19 481</b>	<b>1 952</b>	<b>10%</b>	<b>38 963</b>
<b>Total Capital Funding</b>		<b>(30 719)</b>	<b>80 235</b>	<b>-</b>	<b>8 064</b>	<b>41 083</b>	<b>40 118</b>	<b>965</b>	<b>2%</b>	<b>80 235</b>

Total capital expenditure by function classification stands at R41million . Capital expenditure YTD funded by national governments funding amount to R 18.5. Capital expenditure funded by the provincial government YTD actual amount to R1.1 million. Internally funded projects is budgeted R38.9 million rands and the YTD actual amount is R21.4 million rands .

**Table C6 – Monthly Budget Statement – Financial Position**

KZN242 Nquthu - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		92 533	16 996	–	120 950	16 996
Trade and other receivables from exchange transactions		7 424	11 208	–	7 333	11 208
Receivables from non-exchange transactions		34 888	44 149	–	50 128	44 149
Current portion of non-current receivables		–	–	–	–	–
Inventory		1 279	139	–	1 323	139
VAT		33 598	60 017	–	36 569	60 017
Other current assets		66	108	–	65	108
<b>Total current assets</b>		<b>169 788</b>	<b>132 617</b>	<b>–</b>	<b>216 368</b>	<b>132 617</b>
<b>Non current assets</b>						
Investments		–	–	–	–	–
Investment property		41 339	42 923	–	41 325	42 923
Property, plant and equipment		692 868	711 266	–	725 728	711 266
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		79	79	–	79	79
Intangible assets		11	16	–	10	16
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	0	–	–	0
<b>Total non current assets</b>		<b>734 296</b>	<b>754 284</b>	<b>–</b>	<b>767 142</b>	<b>754 284</b>
<b>TOTAL ASSETS</b>		<b>904 084</b>	<b>886 902</b>	<b>–</b>	<b>983 510</b>	<b>886 902</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	–	20	20
Consumer deposits		2 312	2 170	–	2 360	2 170
Trade and other payables from exchange transactions		83 555	64 120	–	45 582	64 120
Trade and other payables from non-exchange transactions		10 512	0	–	37 148	0
Provision		13 034	10 074	–	13 034	10 074
VAT		31 653	27 101	–	34 020	27 101
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>141 086</b>	<b>103 485</b>	<b>–</b>	<b>132 164</b>	<b>103 485</b>
<b>Non current liabilities</b>						
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
<b>Total non current liabilities</b>		<b>875</b>	<b>3 364</b>	<b>–</b>	<b>875</b>	<b>3 364</b>
<b>TOTAL LIABILITIES</b>		<b>141 961</b>	<b>106 848</b>	<b>–</b>	<b>133 039</b>	<b>106 848</b>
<b>NET ASSETS</b>	2	<b>762 123</b>	<b>780 053</b>	<b>–</b>	<b>850 471</b>	<b>780 053</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		761 971	807 247	–	850 319	807 247
Reserves and funds		152	141	–	152	141
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>762 123</b>	<b>807 388</b>	<b>–</b>	<b>850 471</b>	<b>807 388</b>

The table C6 reflects accumulated surplus R850 million rands YTD actual against the budgeted figure of R807 million rands.

Total assets (R983 million rands ) exceed total liabilities (R133 million rands ), resulting in net assets of R850 million rands .

**Table C7 – Monthly Budget Statement – Cash Flow**

KZN242 Nquthu - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		36 245	43 374	-	1 013	17 156	21 687	(4 531)	-21%	43 374
Service charges		31 067	23 338	-	2 284	16 970	11 669	5 301	45%	23 338
Other revenue		6 337	2 767	-	363	4 005	1 383	2 621	189%	2 767
Transfers and Subsidies - Operational		186 543	212 835	-	62 959	148 700	106 417	42 283	40%	212 835
Transfers and Subsidies - Capital		84 831	46 128	-	16 131	42 549	23 064	19 485	84%	46 128
Interest		3 589	6 054	-	-	1 748	3 027	(1 279)	-42%	6 054
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(462 432)	(293 609)	-	(14 204)	(92 520)	(123 247)	(30 727)	25%	(293 609)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(113 820)</b>	<b>40 886</b>	<b>-</b>	<b>68 546</b>	<b>138 607</b>	<b>44 000</b>	<b>(94 606)</b>	<b>-215%</b>	<b>40 886</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(95 168)	(90 933)	-	(8 991)	(46 527)	(45 467)	1 061	-2%	(90 933)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(95 168)</b>	<b>(90 933)</b>	<b>-</b>	<b>(8 991)</b>	<b>(46 527)</b>	<b>(45 467)</b>	<b>1 061</b>	<b>-2%</b>	<b>(90 933)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	(368)	(46 222)	-	(46 222)	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(368)</b>	<b>(46 222)</b>	<b>-</b>	<b>46 222</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(208 989)</b>	<b>(50 047)</b>	<b>-</b>	<b>59 188</b>	<b>45 857</b>	<b>(1 466)</b>			<b>(50 047)</b>
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	-	59 188	138 390	71 002			42 486

The tables C7 cash flow statement reflects that cash and cash equivalents has a favourable balance at the end of the this month. Cash flow from operating activities year to date actual amount is R138 million rands . Cash flow from investing activities is channelled to capital expenditure investment with a YTD figure of R46.5 million rands . Only the consumer deposits decrease with an amount of R46.2 million is reflected under financing activities, the municipality has not financed its activities through short-term or long-term loans since the beginning of the year.

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1. INVESTMENT PORTFOLIO ANALYSIS

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

INVESTMENT REGISTER- DECEMBER 2024							
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	DEPOSIT	WITHDRAWAL	BANK CHARGES	BALANCE
ABSA (1394) HOUSING A/C	R 1 889 796,08	R -	R 66 256,72		R -	R -	R 1 956 052,80
ABSA (4328)	R 23 517,08	R -	R 885,97		R -	R 300,00	R 24 103,05
ABSA (5014)	R 535 810,78	R -	R 18 793,99		R -	R -	R 554 604,77
ABSA (6276)	R -	R 12 000 000,00	R 296 653,16		R 12 296 653,16	R -	R -
ABSA (9642)	R 21 261 123,17	R -	R 983 579,84		R 22 244 703,01	R -	R -
ABSA CALL (5892)	R 1 722 180,52	R 8 045 411,09	R 68 118,51		R -	R -	R 9 835 710,12
FNB (0889)	R 8 453 186,16	R -	R 563 961,45		R -	R -	R 9 017 147,61
FNB (2166)	R 5 970 709,50	R -	R 185 460,70		R 6 156 170,20	R -	R 0,00
FNB (2554)	R 9 996 448,72	R -	R 666 921,54		R -	R -	R 10 663 370,26
FNB CALL (1408)	R 10 084 199,41	R -	R 392 470,88		R -	R 322,60	R 10 476 347,69
NEDBANK (000146)	R -	R 12 000 000,00	R 96 016,44		R 12 096 016,44	R -	R -
NEDBANK (3)	R 1 225,39	R -	R 49,47		R -	R -	R 1 282,86
STANDARD BANK 014	R 7 280,65	R -	R 234,93		R -	R -	R 7 515,58
STANDARD BANK 063	R 25 362 238,16	R -	R 1 076 904,91		R -	R -	R 26 439 143,07
STANDARD BANK 064	R -	R 15 000 000,00	R 466 273,97		R -	R -	R 15 466 273,97
<b>TOTAL</b>	<b>R 85 307 715,62</b>	<b>R 47 045 411,09</b>	<b>R 4 882 582,48</b>		<b>R 52 793 542,81</b>	<b>R 622,60</b>	<b>R 84 441 551,78</b>

The investment register on 31 December 2024 reflects investment status of the municipality, which shows the investment balance of R84.4 million an increase from previously reported R76.6 million balance. An amount of R47 million rands has been invested in this current financial year. Four withdrawal transaction has been made in this current financial year amounting to R52.7 million rands, thus correcting a misstatement of R30.7 million withdrawal balance reported in the previous month.

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

December 2024 - Withdrawal summary							
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO		ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
26-Aug-24	NEDBANK (000146)	R 12 096 016,44	ABSA 2762		PRIMARY	17 066 127,00	Insufficient funds to pay for normal operations
03-Oct-24	ABSA (9642)	R 22 244 703,01	ABSA 2762		PRIMARY	3 904 911,22	Insufficient funds to pay for normal operations
06-Nov-24	ABSA (6276)	R 12 296 653,16	ABSA 2762		PRIMARY	3 619 554,48	Insufficient funds to pay for normal operations
08-Nov-24	FNB (2166)	R 6 156 170,20	ABSA 2762		PRIMARY	6 156 170,20	Insufficient funds to pay for normal operations
		<b>R 52 793 542,81</b>					

The municipality has a primary bank balance of R36.7 million compared to R1.8 million rands reported in the previous month. The grant account shows a balance of R554 thousand. Table 1 (c) below show primary bank reconciliation.

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

<b>BANK RECONCILIATION (PRIMARY ACCOUNT)</b>	<b>4053562762</b>
<b>Details</b>	<b>Amount</b>
<b>Cash book balance as at 31 December 2024</b>	<b>R 36 730 275,80</b>
Outstanding deposits	R -
Unknown deposits	R -
Bank charges	R -
Outstanding cheques	R -
Transfers	R -
Sundries	R -
Outstanding receipts	R -
<b>Bank statement balance as at 31 December 2024</b>	<b>R 36 730 275,80</b>

Table 1 (d) below show grant account reconciliation.

Details	Amount
<b>Cash book balance as at 31 December 2024</b>	<b>R554 604,79</b>
Unknown deposits	R0
Outstanding cheques	R0
Bank charges	R0
Returned cheques	R0
Transfers	R0
Sundries	R0
Outstanding receipts	R0
<b>Bank statement balance as at 31 December 2024</b>	<b>R554 604,79</b>

## 2.2. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Nquthu municipality as at the end of the month has incurred employee costs in line with SALGABC collective agreement and the upper limits determinations by the Minister of COGTA. The current month payroll transactions are detailed below, it shows actual costs in comparison with the budget. Shortfalls in the budget as has been identified for stand by and drivers allowances line item and bonuses line items. The municipality is striving to ensure the completeness of payroll transactions in the financial system, however there are inconsistencies in the figures on the financial system.

**Table 2: Councillors allowances and employee benefits – 31 December 2024**

<i>Staff Benefits in terms of Section 66 of the MFMA</i>		
Staff benefits and Councillors allowances for the period ending 31 December 2024		
<b>Staff Benefits</b>		
Item	Budget	Year to date actuals
Salaries & Wages	R 90 900 174,00	R 37 991 315,02
Contributions to pension funds	R 14 138 419,00	R 4 823 015,85
Contributions to medical aids	R 2 285 865,00	R 1 689 970,10
Contributions to UIF	R 645 865,00	R 294 721,34
Contributions to SDL	R 926 451,00	R 448 996,49
Travel, motor car	R 4 115 290,00	R 2 257 625,82
Salga	R 42 565,00	R 21 103,70
Housing benefits and allowances	R 739 759,00	R 57 948,80
Cellphone Allowance	R -	R -
Overtime payments	R 2 424 094,00	R 973 463,95
Bonuses	R 6 201 475,00	R 3 111 132,48
Other leave & long service	R 2 223 140,00	R 231 662,58
Allowances ( Standby and Drivers Allowance)	R 1 122 829,00	R 1 502 443,27
<b>Totals</b>	<b>R 125 765 926,00</b>	<b>R 53 403 399,40</b>
<b>Councillors Allowances</b>		
Item	Budget	Year to date actuals
Councillors Allowances	R 16 456 910,00	R 7 593 548,97
Cellphone/Data Allowance	R 1 711 057,00	R 918 289,72
Contributions to SDL	R 40 995,00	R 78 909,33
<b>Totals</b>	<b>R 18 208 962,00</b>	<b>R 8 590 748,02</b>

## 2.3. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

December 2024 - Summary of Grants received and expenditure to date									
Grant Type	General Ledger Vote no.	Audited Balance	Dora/Prov Allocation for year	Received allocation	Spent & transferred to income	Balance as at	Available funds/not committed		
Library support	IL0010070020020020080040	R -	-R 2 060 976,00	-R 2 060 972,00	R 1 135 671,69	-R 925 300,31	-R 925 300,31		
Massification Eletrification	IL0010070020010020080040	-R 3 797 041,52	R -	R -	R 1 271 273,99	-R 2 525 767,53	-R 2 525 767,53		
Eletrification	IL0010070020010020050010	-R 2 670 000,82	-R 16 474 000,00	-R 10 089 000,00	R 8 921 562,31	-R 3 837 438,51	-R 3 837 438,51		
Small Town rehabilitation	IL0010070020010020080040	R -	R -	R -	R -	R -	R -		
Cybercadet	IL0010070020020020080040	R -	-R 533 083,00	-R 533 083,00	R 272 208,49	-R 260 874,51	-R 260 874,51		
MIG	IL0010070020010020050020	R -	-R 46 128 000,00	-R 32 460 000,00	R 20 003 298,00	-R 12 456 702,00	-R 12 456 702,00		
Sportfield Maintance	IL0010070020010020080040	-R 27 120,59	R -	R -	R -	-R 27 120,59	-R 27 120,59		
Bornem Grant	IL0010070020020020030340	R -	R -	R -	R -	R -	R -		
FMG	IL0010070020020020050040	R -	-R 1 800 000,00	-R 1 800 000,00	R 761 056,08	-R 1 038 943,92	-R 1 038 943,92		
Library Modular	IL0010070020020020080040	R -	-R 1 500 612,00	-R 1 500 612,00	R 970 500,21	-R 530 111,79	-R 530 111,79		
EPWP	IL0010070020020020050020	R -	-R 1 478 004,00	-R 1 035 000,00	R 1 326 640,00	-R 291 640,00	R 291 640,00		
Library Volunteer	IL0010070020020020080040	R -	-R 113 333,00	-R 113 333,00	R 40 000,00	-R 73 333,00	-R 73 333,00		
<b>TOTALS</b>		<b>-R 6 494 162,93</b>	<b>-R 70 088 008,00</b>	<b>-R 49 592 000,00</b>	<b>R 34 702 210,77</b>	<b>-R 21 383 952,16</b>	<b>-R 21 383 952,16</b>		

The grant register for the month of show grant allocation and expenditure as per the following:

- MIG grant expenditure is allocated R46.1 million rands and 32.4 million rands is received. R20 million rands has been spent in September.
- INEP Electrification grant spending is allocated R16.4 million rands and R10 million rands has been received and there is R8.9 million rands expenditure to date.
- FMG grant has been allocated R1.8 million rands and it has been received in September, the expenditure to date is R761 thousand.
- EPWP has been allocated R1.4 million rands , and R1.03 million has been received in September, the expenditure is R1.3 million overspent and subsidised internally.
- Library volunteer is allocated R113 thousand, the amount spent to date 2024 is R40 thousand.
- Library support is allocated R2 million rands , which was received in October the amount spent to date R1.1 million.
- Library Modular grant is allocated R1.5 million rands which was received in October, the amount spent to date is R970 thousand.
- Cybercadet grant is allocated R533 thousand and has been received in October. The expenditure amount to R272 thousand.

## 2.4. DEBTOR'S ANALYSIS

The December debtors age analysis report is depicting November information due to delays in finalising billing. Total debtors overall balance is R103 million which is a significant decrease from R110 million rands reported in October. Property rates are owed R94.6 million additionally the government debt attributes to low collection, however there is R10 million payment received in December from the Department of Public Works thus far. Metered electricity is disconnected regularly to ensure that debt management policy is fully enforced.

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

November 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 -12 876 191,42	-R12 876 191,42	R 0,00	R 0,00	R 0,00	R 0,00	0,00	R 0,00
Deposit: Waste Disposal	R2 000,00	R0,00	R0,00	R0,00	R0,00	R0,00	0,00	R2 000,00
Electricity Basic	R 760 960,12	R253 595,28	R 52 333,33	R 46 928,41	R 38 881,70	R 32 519,53	25851,22	R 310 850,65
Electricity Metered	R 5 767 085,33	R3 020 150,52	R 683 766,63	R 712 542,45	R 184 313,87	R 87 629,51	60561,19	R1 018 121,16
Market stalls	R 1 089 934,19	R39 397,27	R 18 942,84	R 18 314,59	R 18 000,39	R 17 520,58	17873,38	R 959 885,14
OFFICE RENTAL	R 218 886,97	R32 465,52	R 16 276,46	R 16 176,52	R 16 101,74	R 16 027,17	15927,22	R 105 912,34
Plaza Market Stalls	R 253 079,31	R19 023,94	R 8 539,36	R 8 065,40	R 7 744,83	R 7 799,36	7227,16	R 194 679,26
Property Rates	R 94 654 635,87	R9 549 854,03	R4 149 929,21	R4 050 316,93	R4 085 981,10	R 273 611,25	258009,66	R72 286 933,69
Rent (M001)	R 461 076,13	R34 035,60	R 14 044,97	R 14 040,97	R 13 964,63	R 13 888,30	10076,30	R 361 025,36
Repay: Waste Disposal	R 27 074,62	R0,00	R 0,00	R 0,00	R 0,00	R 0,00	0,00	R 27 074,62
Signs (M001)	R 3 593,17	R33,42	R 16,71	R 16,71	R 16,71	R 16,71	16,71	R 3 476,20
Stall rental	R 27 779,69	R1 123,24	R 131,22	R 131,22	R 131,22	R 131,22	131,22	R 26 000,35
Sundries (VAT)	R 13 664,92	R11 108,12	R 2 555,56	R 1,24	R 0,00	R 0,00	0,00	R 0,00
Tampering Fee	R 461 368,50	R112 814,22	R 0,00	R 36 901,17	R 81 766,23	R 9 567,00	0,00	R 220 319,88
Traffic Fines	R 4 129 800,00	R180 200,00	R 105 600,00	R 111 100,00	R 71 900,00	R 77 600,00	193000,00	R3 390 400,00
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 6 469 674,88	R329 153,78	R 107 883,06	R 102 022,95	R 78 566,98	R 75 706,48	70654,58	R5 705 687,05
<b>Total</b>	<b>R103 531 144,06</b>	<b>R 706 763,52</b>	<b>R5 160 019,35</b>	<b>R5 116 558,56</b>	<b>R4 597 369,40</b>	<b>R 612 017,11</b>	<b>R 659 328,64</b>	<b>R86 679 087,48</b>

## 2.5. CREDITOR'S ANALYSIS

The table below shows the summary of Top 10 creditors paid in December 2024. There is a growing trend of creditors ageing above 30 days. There has been an engagement between the expenditure and SCM officials by the management to resolve the bottleneck in finalising payments timely. The municipality continues to pay creditors invoices in line with MFMA Section 65 and has formulated a Section 65 delay reason document for end users to enhance accountability and encourage attendance to invoices timely to avoid delays. Table 5 below shows top ten creditors paid in December 2024 in a rand value order starting from highly paid creditor.

**Table 5: Top Ten creditors report for the month ending 31 December 2024**

<b>CREDITORS REPORT FOR DECEMBER 2024</b>			
<b>TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF DECEMBER 2024</b>			
<b>No.</b>	<b>VENDOR NAME</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>1</b>	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 3 904,40
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	R 55 922,54
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 6 775,28
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 3 848,91
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 307 195,76
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 670,67
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 4 263,54
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 12 673,23
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	R 769,82
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	R 1 510,42
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	R 15 211,28
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 1 258,37
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 5 399,20
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	R 3 501,93
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 3 686,57
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 5 099 333,66
			<b>R 5 527 925,58</b>
<b>2</b>	ASIZIOALELE CONTRACTORS	PLANT HIRE	R 2 153 603,62
			<b>R 2 153 603,62</b>
<b>3</b>	AUDITOR GENERAL - SA	AUDIT FEES 30/11/2024	R 1 410 963,30
	AUDITOR GENERAL - SA	AUDIT FEES 30/11/2024	R 7 438,20
			<b>R 1 418 401,50</b>
<b>4</b>	NTSHIDI AND ASSOCIATES CC	INTERNAL AUDIT FEES	R 815 759,25
			<b>R 815 759,25</b>
<b>5</b>	SPEPIMELELO (PTY) LTD	SUPPLY AND DELIVER FENCING MATERIAL AND AGRICULTURAL INPUTS INCLUDING WHITE MAIZE SEEDS	R 600 029,35
			<b>R 600 029,35</b>
<b>6</b>	KWANONGOMA TRADING	350 FOOD VOUCHERS FOR SENIOR CITEZENS AT R1000,00 EACH, ON CHRISTMAS PARTY	R 350 000,00
	KWANONGOMA TRADING	130 FOOD VOUCHERS FOR YOUTH HEADED HOUSEHOLD AT R1000,00 EACH	R 129 000,00
			<b>R 479 000,00</b>
<b>7</b>	SEBATA MUNICIPAL SOLUTIONS	SOFTWARE AND LICENCES	R 396 944,27
	SEBATA MUNICIPAL SOLUTIONS	SEBATA EMS SUPPORT	R 4 312,50
	SEBATA MUNICIPAL SOLUTIONS	SEBATA EMS SUPPORT	R 41 490,28
	SEBATA MUNICIPAL SOLUTIONS	MSCOA SYSTEM SUPPORT	R 2 875,00
			<b>R 445 622,05</b>

*Nquthu Municipality Monthly Budget Statement*

<b>8</b>	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYOR & HER BODYGUARDS IN DURBAN ATTENDING SALGA GAMES LAUNCH & DRAW(22-23 NOV	R	4 355,05
	ADVENTURE TRAVEL	ACCOMMODATION FOR MAYOR AND HIS BODYGUARDS IN DURBAN (13-15 NOV24)	R	16 967,10
	ADVENTURE TRAVEL	ACCOMMODATION FOR MAYOR, HIS 02 BODYGUARDS AND L NXUMALO IN DURBAN (01-03 NOV24)	R	17 549,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR KC SHABALALA AND M DUBE IN DURBAN ATTENDING SALGA GAMES LAUNCH & DRAW(22-23 NOV 2024)	R	3 659,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR MN NTSHANGASE AND N MBATHA (18-19 NOV 2024)	R	3 659,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR MM, SPEAKER, MAYOR AND THEIR BODYGUARDS IN DRANKENSBERG(15-18 OCT 2024)	R	34 058,40
	ADVENTURE TRAVEL	ACCOMMODATION AND CONFERENCE FOR INGOMA MEETING IN JOBURG (22-24 NOV2024)	R	55 141,96
	ADVENTURE TRAVEL	SHUTTLE TO TRANSPORT 06 FINANCE INTERNS	R	2 280,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR R36156,00	R	36 156,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR M DUBE IN GLENCOE ( 29/11/2024 - 05/12/2024 )	R	10 591,50
	ADVENTURE TRAVEL	ACCOMMODATION FOR SP NDLOVU AND Z MANYATHI IN DURBAN	R	11 122,80
	ADVENTURE TRAVEL	ACCOMMODATION FOR R36001.88	R	36 001,88
	ADVENTURE TRAVEL	ACCOMMODATION FOR NL MTHEMBU, T SANGWENI AND SE ZWANE (11-15 NOV2024)	R	22 659,60
	ADVENTURE TRAVEL	ACCOMMODATION FOR SC NGOBESE, TP NENE, N KHANYILE & B MAGWAZA ATTENDING WORKSHOP IN DRANKENSBERG(15-18 OCT 2024)	R	29 376,75
	ADVENTURE TRAVEL	ACCOMMODATION FOR CLLR SXULU AND CLLR HLATSHWAYO (17-22 NOV2024)	R	23 115,00
	ADVENTURE TRAVEL	ACCOMMODATION FOR N SIBIYA AND M BUTHELEZI IN DURBAN ATTENDING DISASTER MANAGEMENT WORKSHOP(19-20 NOV 2024)	R	3 659,30
	ADVENTURE TRAVEL	ACCOMMODATION FOR BP SIBIYA IN VRYHEID	R	2 179,25
	ADVENTURE TRAVEL	ACCOMMODATION FOR SC NGOBESE AND NF DLEPHU IN DURBAN (01-06 DEC2024)	R	16 916,50
	ADVENTURE TRAVEL	ACCOMMODATION FOR BP SIBIYA, ME SIBIYA AND B MKHIZE (12-13 NOV 2024	R	5 873,05
	ADVENTURE TRAVEL	ACCOMMODATION FOR R45492.84	R	45 492,84
	ADVENTURE TRAVEL	ACCOMMODATION FOR BH BHENGU IN PRETORIA	R	4 064,10
	ADVENTURE TRAVEL	ACCOMMODATION FOR BP SIBIYA IN VRYHEID	R	3 988,20
	ADVENTURE TRAVEL	ACCOMMODATION FOR TC NYANDENI ATTENDING RISK MANAGEMENT FORUM	R	4 064,10
	ADVENTURE TRAVEL	ACCOMMODATION FOR R7808.51	R	7 808,51
			<b>R</b>	<b>400 739,49</b>
<b>9</b>	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR NOV 24	R	386 254,94
			<b>R</b>	<b>386 254,94</b>
<b>10</b>	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR NOV 24	R	380 458,48
			<b>R</b>	<b>380 458,48</b>

Creditors listing report on table 6 show an outstanding creditors balance of R16 million rands. The creditors for this month are slightly decreased from R18 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 for the December listing shows that accruals has a reduced from R776 thousand in the previous month to R 620 thousand.

*Nquthu Municipality Monthly Budget Statement*

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

December 2024 - InvoiceAgeAnalysisReport										
Creditor /Vendor Name	InvoiceDate	Outstanding	Days 30	Days 30-60	Days 60-90	Days 90-1	Days 12	Days 1	Days 180>	
SSR SECURITY	2024/10/09	R 1 090 358,32	R -	R -	R -	R 1 090 358,32	R -	R -	R -	R -
INGQONDO CONSULTING	2024/12/02	R 749 366,37	R -	R -	R 749 366,37	R -	R -	R -	R -	R -
VANGISA TRADING AND CONSTRUCTION PROJECTS	2024/12/02	R 697 362,12	R -	R -	R 697 362,12	R -	R -	R -	R -	R -
THOKOMELA ENGINEERING (PTY) LTD	2024/12/05	R 475 000,00	R 475 000,00	R -	R -	R -	R -	R -	R -	R -
QUANTUM LEAP INVESTMENTS 88	2024/12/04	R 272 788,94	R 272 788,94	R -	R -	R -	R -	R -	R -	R -
SELE AND MUSA TRADING AND TOURS	2024/12/05	R 220 356,45	R 220 356,45	R -	R -	R -	R -	R -	R -	R -
ESRI SOUTH AFRICA	2024/12/03	R 156 391,38	R 156 391,38	R -	R -	R -	R -	R -	R -	R -
IGATSHA CONSULTING	2024/06/30	R 121 300,00	R -	R -	R -	R -	R -	R -	R -	R 121 300,00
KHANS CONCRETE PRODUCTS	2024/12/04	R 98 286,61	R 98 286,61	R -	R -	R -	R -	R -	R -	R -
FEZILE SECURITY SERVICES	2024/06/25	R 64 239,00	R -	R -	R -	R -	R -	R -	R -	R 64 239,00
MZOLO CONSULTING ENGINEERS	2024/06/28	R 59 335,25	R -	R -	R -	R -	R -	R -	R -	R 59 335,25
ADVENTURE TRAVEL	2024/10/29	R 6 151,35	R -	R -	R 6 151,35	R -	R -	R -	R -	R -
ADVENTURE TRAVEL	2024/11/28	R 21 559,05	R -	R 21 559,05	R -	R -	R -	R -	R -	R -
ADVENTURE TRAVEL	2024/11/28	R 21 559,05	R -	R 21 559,05	R -	R -	R -	R -	R -	R -
INZALO ENTERPRISE MANAGEMENT SYSTEMS	2024/07/01	R 33 078,68	R -	R -	R -	R -	R -	R -	R -	R 33 078,68
NTOKOMALO	2024/12/20	R 27 000,00	R 27 000,00	R -	R -	R -	R -	R -	R -	R -
LILUNGILE TRADING ENTERPRISE	2024/12/17	R 16 600,00	R 16 600,00	R -	R -	R -	R -	R -	R -	R -
LILUNGILE TRADING ENTERPRISE	2024/12/20	R 7 500,00	R 7 500,00	R -	R -	R -	R -	R -	R -	R -
LATHOH TRADING AND PROJECTS	2024/12/10	R 23 930,00	R 23 930,00	R -	R -	R -	R -	R -	R -	R -
WENZILEOVAYO TRADING ENTERPRISE	2024/12/20	R 7 500,00	R 7 500,00	R -	R -	R -	R -	R -	R -	R -
WENZILEOVAYO TRADING ENTERPRISE	2024/11/18	R 12 000,00	R -	R 12 000,00	R -	R -	R -	R -	R -	R -
CTRACK MZANSI	2024/10/22	R 7 175,07	R -	R -	R 7 175,07	R -	R -	R -	R -	R -
CTRACK MZANSI	2024/09/22	R 7 175,07	R -	R -	R -	R 7 175,07	R -	R -	R -	R -
CTRACK MZANSI	2024/08/29	R 146,00	R -	R -	R -	R -	R 146,00	R -	R -	R -
CTRACK MZANSI	2024/11/22	R 7 175,07	R -	R 7 175,07	R -	R -	R -	R -	R -	R -
MARK V FAKU	2024/12/02	R 8 520,00	R -	R 8 520,00	R -	R -	R -	R -	R -	R -
MARK V FAKU	2024/12/02	R 8 520,00	R -	R 8 520,00	R -	R -	R -	R -	R -	R -
MMG TOYOTA DUNDEE	2024/11/29	R 18 805,86	R -	R 18 805,86	R -	R -	R -	R -	R -	R -
SINENKAZIMULO (PTY) LTD	2024/12/19	R 10 625,00	R 10 625,00	R -	R -	R -	R -	R -	R -	R -
MOBILE TELEPHONE NETWORKS	2024/11/25	R 11 888,80	R -	R 11 888,80	R -	R -	R -	R -	R -	R -
THEMBALAMAMBISA CATERING AND PROJECTS	2024/09/19	R 10 000,00	R -	R -	R -	R 10 000,00	R -	R -	R -	R -
DODOZA HOLDINGS (PTY) LTD	2024/12/20	R 9 900,00	R 9 900,00	R -	R -	R -	R -	R -	R -	R -
KWAZI AND KHULI PLANT HIRE AND PROJECTS	2024/12/19	R 9 000,00	R 9 000,00	R -	R -	R -	R -	R -	R -	R -
LOLUNTU TRADING (PTY) LTD	2024/12/20	R 9 000,00	R 9 000,00	R -	R -	R -	R -	R -	R -	R -
LWANDES TRADING	2024/11/28	R 9 000,00	R -	R 9 000,00	R -	R -	R -	R -	R -	R -
AYAMUKELWE 3320 TRADING ENTERPRISE	2024/12/18	R 8 500,00	R 8 500,00	R -	R -	R -	R -	R -	R -	R -
MLINDOSTRADING	2024/12/12	R 8 300,00	R 8 300,00	R -	R -	R -	R -	R -	R -	R -
YALOZIKAG (PTY) LTD	2024/12/13	R 7 800,00	R 7 800,00	R -	R -	R -	R -	R -	R -	R -
GUBE PRINTING AND DESIGNS	2024/11/18	R 7 499,00	R -	R 7 499,00	R -	R -	R -	R -	R -	R -
EZABAWELI TRADING	2024/12/17	R 7 300,00	R 7 300,00	R -	R -	R -	R -	R -	R -	R -
SENZUNGANA TRADING (PTY)L	2024/12/11	R 7 300,00	R 7 300,00	R -	R -	R -	R -	R -	R -	R -
JEFFREY MAIVHA	2024/12/02	R 7 146,00	R -	R 7 146,00	R -	R -	R -	R -	R -	R -
M. E. MBATHA	2024/12/02	R 7 146,00	R -	R 7 146,00	R -	R -	R -	R -	R -	R -
CUWANA TRADING	2024/12/20	R 7 000,00	R 7 000,00	R -	R -	R -	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 1 178,35	R -	R -	R 1 178,35	R -	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 874,55	R -	R -	R 874,55	R -	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 992,50	R -	R -	R 992,50	R -	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 673,29	R -	R -	R 673,29	R -	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 1 032,19	R -	R -	R 1 032,19	R -	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 1 636,61	R -	R -	R 1 636,61	R -	R -	R -	R -	R -
TIN CLIP TRADING (PTY) LTD	2024/11/15	R 5 560,00	R -	R 5 560,00	R -	R -	R -	R -	R -	R -
VEZIQINISO INVESTMENTS	2024/12/20	R 5 200,00	R 5 200,00	R -	R -	R -	R -	R -	R -	R -
NOYANDA EVENTS	2024/12/13	R 4 800,00	R 4 800,00	R -	R -	R -	R -	R -	R -	R -
GIVING CONSULTING	2024/12/17	R 4 498,00	R 4 498,00	R -	R -	R -	R -	R -	R -	R -
BPG MASS APPRAISALS	2024/12/06	R 2 185,00	R 2 185,00	R -	R -	R -	R -	R -	R -	R -
<b>TOTAL</b>		<b>R 4 405 214,93</b>	<b>R 1 406 761,38</b>	<b>R 1 593 107,32</b>	<b>R 1 110 072,23</b>	<b>R 17 175,07</b>	<b>R 146,00</b>	<b>R -</b>	<b>R -</b>	<b>R 277 952,93</b>

**CREDITORS AGEING SUMMARY**

Accruals	244 874,25
Total Current Invoices	R4 160 340,68
GRN (SCM UNIT)	281 887,31
Actual Invoices	3 878 453,37
<b>TOTAL</b>	<b>4 405 214,93</b>

**Table 7: Creditor’s ageing reconciliation for the month ending 31 December 2024**

<b>Table 7: Creditor's ageing reconciliation for the month ending 31 December 2024</b>	
<b>CREDITORS ACCOUNT RECONCILIATION REPORT</b>	
<b>MONTH ENDING DECEMBER 2024</b>	
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:	R 4 405 214,93
AGE ANALYSIS TOTAL AMOUNT:	R 4 405 214,93
<b>CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT</b>	<b>R 4 405 214,93</b>
<b>AGED ANALYSIS</b>	<b>R 4 405 214,93</b>
Current (Transactions below 30 days)	R - R 0,00
<30 Days	R - R 1 406 761,38
<60 Days	R - R 1 593 107,32
<90 Days	R - R 1 110 072,23
<120 Days	R - R 17 175,07
<150 Days	R - R 146,00
<180 Days	R - R 0,00
>180 Days	R - R 277 952,93

**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 December contains November information due to delays in receiving relevant report. The deviations shows a balance of R2.3 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 30 November 2024**

Date identified	Date reported to Mayor	Description	Supplier	Services Rendered	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	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	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	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	R 2 900,00
31/07/2024	08/07/2024	REPLACEMENT OF BATTERY FOR LAND CRUISER NTU 4677	FARMTRAC DUNDEE	MAINTENANCE VEHICLE EMERGENCY	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	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	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	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	R 14 000,00
28/09/2024	29/08/2024	SERVICE AND REPAIRS FOR NTU 7346	KOMATSU SOUTH AFRICA	MAINTENANCE VEHICLE	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	R 99 000,05
22/08/2024	22/08/2024	REGISTRATION FOR S XABA AND S HADEBE	CIGFARO	REGISTRATION	R 19 006,00
2024/01/10	10/01/2024	REPAIRS ON THE WATER TANK BK 28 MR -ZN	AUTOHOUSE VRYHEID	MAINTENANCE VEHICLE	R 148 217,75
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 265/R18	BESTDRIVE	MAINTENANCE VEHICLE	R 11 887,00
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 245/70 R16	BESTDRIVE	MAINTENANCE VEHICLE	R 9 487,50
2024/10/15	15/10/2024	06 X 315/80 R22.5B TYRES	BESTDRIVE	MAINTENANCE VEHICLE	R 31 050,00
14/10/2024	17/10/2024	PROMO	SABC	ADVERTISING	R 96 048,00
14/10/2024	17/10/2024	HIRE OF 100 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	R 263 500,00
17/10/2024	17/10/2024	HIRE OF 19 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	R 70 000,00
24/10/2024	24/10/2024	REPAIR ON NTU 3696	NISSAN VRYHEID	MAINTANANCE VEHICLE	R 123 967,00
24/10/2024	24/10/2024	REPAIR ON NTU 4356	NISSAN VRYHEID	MAINTANANCE VEHICLE	R 48 701,53
24/10/2024	24/10/2024	REPAIR ON NTU	MMG TOYOTA	MAINTANANCE VEHICLE	R 15 598,80
29/10/2024	29/10/2024	SERVICE FOR VEHICLE BL56KZ-ZN	NISSAN VRYHEID	MAINTANANCE VEHICLE	R 6 120,83
29/10/2024	29/10/2024	HIRE 17 MINIBUSES FOR DISTRICT SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	R 152 000,00
29/10/2024	29/10/2024	PURCHASE OF ROLLER TYRE	MOLLS RETREADING	MAINTANANCE VEHICLE	R 115 441,02
29/10/2024	29/10/2024	PURCHASE OF 04 ROLLER TYRE	FIT AND GO DUNDEE	MAINTANANCE VEHICLE	R 61 500,00
29/10/2024	29/10/2024	REPAIR ON VEHICLE	MMG TOYOTA	MAINTANANCE VEHICLE	R 9 657,30
30/10/2024	30/10/2024	SERVICE ON SIX BRUSH CUTTERS	DUNDEE LAMNWECK	MAINTANANCE VEHICLE	R 13 961,00
2024/06/11	2024/06/11	SUPPLY AND FIT 04 TYRES ON BC41CS-ZN	BESTDRIVE	MAINTANANCE VEHICLE	R 9 850,01
13/11/2024	13/11/2024	REPAIR ON GRADER NTU 1644	BELL EQUIPMENT	MAINTANANCE VEHICLE	R 23 033,94
13/11/2024	13/11/2024	REPAIR ON EXCAVATOR NTU 001	BABCOCK	MAINTANANCE VEHICLE	R 138 755,88
18/11/2024	18/11/2024	REPAIRS ON BJ59TS-ZN	MMG TOYOTA	MAINTANANCE VEHICLE	R 18 805,90
18/11/2024	18/11/2024	HIRE OF 36 MINIBUSES ON 19 NOVEMBER 2024	NQUTHU PIONEER	HIRE OF MINIBUSES	R 104 500,00
18/11/2024	18/11/2024	BRAKE PADS FOR BB59VV-ZN	MMG TOYOTA	MAINTANANCE VEHICLE	R 2 760,10
20/11/2024	20/11/2024	REGISTRATION FOR S XABA AND S HADEBE	CIGFARO	TRAINING	R 11 074,00
29/11/2024	29/11/2024	REPAIR ON BJ59PT-ZN	EAST RAND TOYOTA	MAINTANANCE VEHICLE	R 24 504,19
11/11/2024	17/12/2024	350 FOOD VOUCHERS	KWANONGOMA TRADING	FOOD PARCELS	R 350 000,00
<b>TOTAL</b>					<b>R 2 366 603,64</b>

**b) Fruitless and Wasteful Expenditure Register**

Fruitless and Wasteful Expenditure Register for the month ending 31 December 2024 reflects brought forward figures of R184 519,66 and R5.56 emanating from Telkom and COIDA penalties respectively there are no changes from the previous month. Telkom has eventually stopped to bill the municipality.

**Table 9: Fruitless and Wasteful Expenditure Register – 31 December 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 December		
Description	Payment no./EFT no/ Cheque No. / Month			Amount
<b>Telkom</b>				R5,56
Interest on overdue account- #66587	Jul-24		R5,56	
	Aug-24	R	-	
	Sep-24	R	-	
	Oct-24		-	
	Nov-24		-	
	Dec-24		-	
<b>Eskom</b>				
Interest on overdue account	Jul-24		-	
	Aug-24		-	
	Sep-24		-	
	Oct-24		-	
	Nov-24		-	
	Dec-24		-	
<b>Other- Penalty fees paid in Aug 2024</b>				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	
<b>Other</b>				
<b>TOTAL 2024/2025</b>				<b>R 184 519,66</b>

c) **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.

d) **Top 10 Issued Orders List – 30 November 2024**

The data contained herein is pertaining to November month due to delays in receiving updated information at the time of reporting.

NO.	SERVICE PROVIDER	CONTRACT AMOUNT	DATE OF AWARD	DESCRIPTION
1.	KWANONGOMA TRADING	R 350 000,00	11/11/2024	SUPPLY AND DELIVER 350 FOOD VOUCHERS FOR SENIOR CITIZEN
2.	MASHEDE MQOTHUKA HOLDINGS	R298 480.00	28/11/2024	DIARIES AND CALENDERS
3.	SOLLY M SPORT	R250 000.00	21/11/2024	VOUCHERS FOR SPORT
4.	ADVENTURE TRAVEL	R192 090.00	19/11/2024	ACCOMODATION AND CONFERENCE FOR INGOMA
5.	BABCOCK	R138 755.88	13/11/2024	REPAIRS ON EXCAVATOR NTU 001
6.	KWANONGOMA TRADING	R130 000.00	12/11/2024	130 FOOD VOUCHERS FOR YOUTH HEADED HOUSEHOLDS
7.	NQUTHU PIONEER TAXI	R104 500.00	18/11//2024	HIRE 38 MINUBUSES ON 19- 11-2024
8.	ESIBAYENI HOLDINGS	R97 824.43	06/11/2024	REPAIRS ON TWO REFUSE TRUCKS
9.	ADVENTURE TRAVEL	R72 605.25	18/11/2024	ACCOMODATION FOR 6 INTERNS TO MIDRAND
10.	ETATA TRADING CC	R58 228.19	30/11//2024	REPAIRS ON BJ 59 SK -ZN

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

e) IRREGULAR EXPENDITURE (CAPITAL AND OPERATIONAL EXPENDITURE) – 30 November 2024

The register is enclosed to this report as **Annexure B**. Below is the summary of the irregular expenditure for the month of November 2024, due to unforeseen delays the updated report for December could not be generated on time. There is an increase on the capital expenditure by R4.9 million, thus the total capital irregular expenditure for the month amounts to R31.5 million, and operational expenditure totals to R6.6 million.

IRREGULAR EXPENDITURE TOTAL - NOVEMBER			
QUARTER 2			
MONTH No.	MONTH NAME	EXPENDITURE	
OPENING BALANCE		OPERATIONAL	CAPITAL
		<b>R2 761 114,28</b>	<b>R22 303 586,93</b>
4	October	R3 006 501,32	R4 213 669,88
5	November	R908 556,79	R4 995 247,35
<b>CLOSING BALANCE</b>		<b>R6 676 172,39</b>	<b>R31 512 504,16</b>

f) INVENTORY MANAGEMENT – inventory reconciliation report for end of November show an inventory balance of R1.3 million rands which decreased from previous months balance of R1.4 million rands due to receipts amounting to R77 thousand rands and issues amounting to R169 thousand rands. There has not been an inventory count to date. Table 10 below reflect November inventory report.

**Table 10: Inventory Reconciliation for the month ending 30 November 2024**

<b>Inventory Reconciliation - November 2024</b>	
<b>INVENTORY MODULE</b>	
<b>OPENING BALANCE AS PER INVENTORY REPORT</b>	<b>R 1 412 938,76</b>
<b>ADD: TOTAL RECEIPTS</b>	<b>R 77 095,00</b>
Inventory purchases for the month	R 77 095,00
<b>LESS: TOTAL ISSUES</b>	<b>(R 169 897,06)</b>
Inventory issued from stores during the month	(R 169 897,06)
<b>ADJUSTMENTS</b>	<b>R 0,00</b>
Add: stock surplus identified during the month	R 0,00
Less: Stock losses identified during the month	
<b>CLOSING BALANCE AS PER INVENTORY REPORT</b>	<b>R 1 320 136,70</b>
<b>GENERAL LEDGER VOTE BALANCE:</b>	<b>R 1 321 127,18</b>

## 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 318850% and 114% respectively. The excessive variance for exchange revenue is caused by the zero-budget compared to actual figure of R19 thousand. Non-exchange revenue the budget is available at R1.3 million whereas the actual YTD figure is R1.4 above the budget thus the variance, essentially the transactions in this line item are 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, 1370% is the variance which requires that the municipality study the current trend of this revenue source and adjust the budget accordingly during the mid-year review 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 -44% 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 hence the need to adjust the budget downward.
- Employee related costs – 22% variance is noted. The payroll data is in the process of being uploaded in the financial system. The comparison between system information and actual information at hand contracts each month which proves that the municipality is working tirelessly to ensure data is fully captured before the end of the year.
- Remuneration of councillors -19% 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) interest. The depreciation has been captured in Month 06 thus a variance of 55% shows. Debt impairment has no calculations thus far. The transfers and subsidies line item reflect a 55% variance because the transactions are way below the original budget.
- Irrecoverable debt written off shows 91% – including the debtors that have been written off relating to indigent status approval.
- Inventory consumed show a variance of -57% due to actual inventory items recorded in line with the internal end-user requests for consumables.

# 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 December 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>06/01/2025</u> _____