NQUTHU MUNICIPALITY (KZN 242)



SECTION 52(d) QUARTELY REPORT – Q2 2024/25 FINANCIAL YEAR

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PART1
IN-YEAR REPORT

1.1. Mayors Report

In this spirit of good governance, the council adopted a clean audit statement to guide the municipality in implementing financial prudent decisions. 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. Internal audit unit assist with review of submitted portfolio of evidence against set targets in ensuring that PMS functions is reliable and authentic. Certain aspects of risks have emerged from the audit reports as well as performance management areas that need attention of the entire council both from officials and councillors in order to improve audit opinion in the future. Any emerging risks will be documented as and when risks are identified including the payroll glitches that result in late payment of salaries in the second quarter. The municipality is conscious in spending the budget as it is a widely known fact that government fiscus are depleting therefore due care must be applied in managing expenditures at all government spheres. This quarter marks the important milestone thereby allowing the municipality to review the revenue and expenditure trends of the first half of the year through the mid-year review and assessment period thus permitting the council to consequently adjust the budget.

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.

The summary related to irregular expenditure and contract management are attached to this report to provide overview on management of UIFW. This council is sensitive towards the subject of irregular expenditure and will continuously attempt to reduce such expenditure. The council will enforce policies adopted to ensure that enough revenue is collected, expenditure is within the budget and capital projects are completed within the timeframes stipulated by legislative prescripts.

This period is convenient in engaging all the structures relevant in administering of council matters, particularly to review casualties increment witnessed in this half of the financial year due to climate change. Noting the growing challenges in delivering services to our community and the sudden increase in unforeseen disasters the municipality strives to maintain long standing partnership with Bornem Municipality of Belgium, Assupol, Vodacom and Gift of the Givers to enhance service delivery performance in waste management, local economic development, poverty alleviation, disaster relief programs and early childhood development.

Cllr I.L. Shabalala
Honourable Mayor

1.2. Resolutions

Section 52d quarterly report resolutions for period ending 31 December 2024

Section 52d quarterly report is tabled before council for consideration by Council. Hereunder are the resolutions in terms of the Municipal Budget and Reporting Regulations Schedule-C (In Year Reporting) requirements for consideration by council:

- THAT the Council note the quarterly report on implementing of the budget and the financial affairs for the municipality referred to in Section (52d) MFMA.
- THAT the Council note the review by the Honourable Mayor as detailed in Mayors' report and be considered as the financial status of the municipality.
- THAT the Council note the mayor's quarterly report in terms of Section 30 MFMA Regulations, the report be placed on the municipality's website within five days of tabling of the report in the council.
- THAT the Council note the mayor's quarterly report in terms of Section 31(c) MFMA Regulations, be submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

1.3. Executive Summary

Purpose

The fundamental purpose of this report is to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Council on the implementation of the budget. The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which is part of the service delivery and budget implementation plan. The report in alignment with each table as extracted from C-Schedule is providing corrective measures taken to ensure that budget is aligned to expenditure and revenue projection.

Municipality consolidated performance

This report provides details of budget implementation and budget monitoring thereof. Charts and tables extracted from the C-schedule are well detailed under monthly budget statement in year reporting thereby providing narration to crucial line items relating to revenue and expenditure. This report compares the actual results of operating income and expenditure as well as capital expenditure for the first six months against budgeted income and expenditure. Thorough administrative exercise by senior and middle management will be performed with an intention to review all revenue and expenditure items for consideration in the adjustment budget. The budget steering committee oversee that all departments, divisions and sections are engaged in the process of reviewing budget allocation.

In terms of S6(a) of MBRR there should be consistency in the
bases of measurement and accounting policies to ensure that policies underpinning AFS are the same as the policies used in the preparation and reporting during the in-year reporting. Statement of Financial Performance therefore is a consistent base of measurement of financial performance as informed by C-schedule Table C4 for the period under review. Table C4 provide a consolidated

municipality's performance in relation to approved annual budget, thereby providing a sound financial management outlook of the municipality at this juncture. Critical revenue sources such as property rates show a YTD actual figure of R31.6 million compared to original budget of R52.7 million rands. Electricity revenue source year to date actual figure is R14.7 million rands results in -8% variance whilst the bulk expenditure year to date figure is R21.9 million. 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. The expenditure amounting to R46.2 million rands is extracted from the financial system instead of R53.4 million rands which is the actual figure pertaining to employee costs. Furthermore, an amount of R6.9 million rands 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. Additionally, Table C4 excerpt is shown hereunder on page 6 to provide users of the report with high level overview of the current state of financial affairs of the municipality. Other revenue and expenditure items are outlined in detail and necessary narrative is provided per each table as extracted from the C-schedule report for the period under review.

Remedial steps to align projected expenditure and revenue

Mid-year review and assessment phase for this financial year and adjustment budget will serve as remedial or corrective step to align projections of revenue to actuals of expenditure and ensuring that revenue and expenditure remains within the municipality's budget.

Potential impact of the national adjustment budget

National adjustment budget by National Treasury entails the opportunity to make permissible revisions to the national budget thus additional allocations that are made to fund disaster related projects, furthermore projects pertaining to reconstructing and rehabilitating infrastructure damaged by floods in within our province of KwaZulu Natal and other provinces. The municipality has been impacted harshly by severe weather conditions and has since funded the re-gravelling of access roads through own funding consequently consideration by the national government would provide a well sought relief in this regard.

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	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
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
Non-Exchange Revenue								–		
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		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**284 220**	**311 031**	**–**	**64 003**	**205 654**	**155 515**	**50 139**	**32%**	**311 031**
Expenditure By Type										
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		–	–	–	–	–	–	–		–
Total Expenditure		**325 124**	**322 072**	**–**	**14 596**	**131 501**	**161 037**	**(29 536)**	**-18%**	**322 072**
Surplus/(Deficit)		**(40 904)**	**(11 042)**	**–**	**49 407**	**74 153**	**(5 522)**	**79 675**	**(0)**	**(11 042)**
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)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**0**	**35 113**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**0**	**35 113**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	71 656	0	**35 113**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**0**	**35 113**

1.4. Legal Requirement

In terms of section 52(d) of the MFMA, the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state affairs of the municipality.

1.5. IN-YEAR BUDGET STATEMENT TABLES – TABLE C1

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

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
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%	–
Total Revenue (excluding capital transfers and contributions)	**284 220**	**311 031**	**–**	**64 003**	**205 654**	**155 515**	**50 139**	**32%**	**311 031**
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
Total Expenditure	**325 124**	**322 072**	**–**	**14 596**	**131 501**	**161 037**	**(29 536)**	**-18%**	**322 072**
Surplus/(Deficit)	**(40 904)**	**(11 042)**	**–**	**49 407**	**74 153**	**(5 522)**	**79 675**	**-1443%**	**(11 042)**
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)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**408%**	**35 113**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**408%**	**35 113**
Capital expenditure & funds sources									
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**
Total sources of capital funds	**(30 719)**	**80 235**	**–**	**8 064**	**41 083**	**40 118**	**965**	**2%**	**80 235**
Financial position									
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**
Cash flows									
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!	–
Cash/cash equivalents at the month/year end	**(100 164)**	**22 421**	**–**	**59 188**	**138 390**	**71 002**	**(67 388)**	**-95%**	**42 486**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	1 432	1 055	935	1 010	457	299	374	13 976	19 537
Creditors Age Analysis									
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 standard classification.

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**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		–	–	–	–	–	–	–		–
Community and public safety		**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		–	–	–	–	–	–	–		–
Economic and environmental services		**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		–	–	–	–	–	–	–		–
Trading services		**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
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**364 722**	**357 186**	**–**	**64 003**	**220 713**	**178 593**	**42 120**	**24%**	**357 186**
Expenditure - Functional										
Governance and administration		**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
Community and public safety		**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		–	–	–	–	–	–	–		–
Economic and environmental services		**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		–	–	–	–	–	–	–		–
Trading services		**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
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	3	**325 124**	**322 072**	**–**	**14 596**	**131 501**	**161 037**	**(29 536)**	**-18%**	**322 072**
Surplus/ (Deficit) for the year		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**4,0815949**	**35 113**

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		2023/24	Budget Year 2024/25							
R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	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]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**364 722**	**357 186**	**–**	**64 003**	**220 713**	**178 593**	**42 120**	**23,6%**	**357 186**
Expenditure by Vote	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]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**324 932**	**304 584**	**–**	**14 586**	**125 486**	**152 293**	**(26 807)**	**-17,6%**	**304 584**
Surplus/ (Deficit) for the year	2	**39 790**	**52 602**	**–**	**49 417**	**95 227**	**26 300**	**68 927**	**262,1%**	**52 602**

Table C3 provides information by vote, dividing the overall municipality administration into departments. BTO office reflects much higher revenue by vote allocation with an 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

Table C4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2024

This report analyses each major component under following headings.

- Revenue by Source
- Operational Expenditure by Type

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
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
Non-Exchange Revenue								–		
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		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**284 220**	**311 031**	**–**	**64 003**	**205 654**	**155 515**	**50 139**	**32%**	**311 031**
Expenditure By Type										
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		–	–	–	–	–	–	–		–
Total Expenditure		**325 124**	**322 072**	**–**	**14 596**	**131 501**	**161 037**	**(29 536)**	**-18%**	**322 072**
Surplus/(Deficit)		**(40 904)**	**(11 042)**	**–**	**49 407**	**74 153**	**(5 522)**	**79 675**	**(0)**	**(11 042)**
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)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**0**	**35 113**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**0**	**35 113**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	71 656	0	**35 113**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**39 598**	**35 113**	**–**	**49 407**	**89 212**	**17 556**	**71 656**	**0**	**35 113**

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 5

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

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	0	–	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		(10 678)	2 609	–	–	–	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]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**14 560**	**60 467**	**–**	**8 064**	**37 833**	**30 234**	**7 600**	**25%**	**60 467**
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	0	–	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		–	0	–	–	–	0	(0)	-100%	0
Vote 3 - Budget and Treasury		–	0	–	–	–	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		(3 287)	0	–	–	2	0	2	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]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	(28 676)	15 854	–	–	3 250	7 927	**(4 678)**	**-59%**	15 854
Total Capital Expenditure		**(14 116)**	**76 322**	**–**	**8 064**	**41 083**	**38 161**	**2 922**	**8%**	**76 322**
Capital Expenditure - Functional Classification										
Governance and administration		**895**	**2 266**	**–**	**6**	**526**	**1 133**	(607)	-54%	**2 266**
Executive and council		608	700	–	–	–	350	(350)	-100%	700
Finance and administration		287	1 565	–	6	526	783	(257)	-33%	1 565
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(2 529)**	**53 516**	**–**	**5 300**	**24 900**	**26 758**	(1 857)	-7%	**53 516**
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		–	–	–	–	–	–	–		–
Economic and environmental services		**(55 360)**	**22 541**	**–**	**1 190**	**10 733**	**11 270**	(538)	-5%	**22 541**
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		–	–	–	–	–	–	–		–
Trading services		**26 275**	**1 913**	**–**	**1 568**	**4 923**	**957**	3 967	415%	**1 913**
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
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**(30 719)**	**80 235**	**–**	**8 064**	**41 083**	**40 118**	**965**	**2%**	**80 235**
Funded by:										
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 Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**36 312**	**41 272**	**–**	**4 469**	**19 650**	**20 636**	**(986)**	**-5%**	**41 272**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(67 031)	38 963	–	3 595	21 433	19 481	1 952	10%	38 963
Total Capital Funding		**(30 719)**	**80 235**	**–**	**8 064**	**41 083**	**40 118**	**965**	**2%**	**80 235**

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			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
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
Total current assets		**169 788**	**132 617**	**–**	**216 368**	**132 617**
Non current assets						
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
Total non current assets		**734 296**	**754 284**	**–**	**767 142**	**754 284**
TOTAL ASSETS		**904 084**	**886 902**	**–**	**983 510**	**886 902**
LIABILITIES						
Current liabilities						
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		–	–	–	–	–
Total current liabilities		**141 086**	**103 485**	**–**	**132 164**	**103 485**
Non current liabilities						
Financial liabilities		(20)	(20)	–	(20)	(20)
Provision		896	3 384	–	896	3 384
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	0	–	–	0
Total non current liabilities		**875**	**3 364**	**–**	**875**	**3 364**
TOTAL LIABILITIES		**141 961**	**106 848**	**–**	**133 039**	**106 848**
NET ASSETS	2	**762 123**	**780 053**	**–**	**850 471**	**780 053**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		761 971	807 247	–	850 319	807 247
Reserves and funds		152	141	–	152	141
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**762 123**	**807 388**	**–**	**850 471**	**807 388**

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							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
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		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(462 432)	(293 609)	–	(14 204)	(92 520)	(123 247)	(30 727)	25%	(293 609)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(113 820)**	**40 886**	**–**	**68 546**	**138 607**	**44 000**	**(94 606)**	**-215%**	**40 886**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(95 168)	(90 933)	–	(8 991)	(46 527)	(45 467)	1 061	-2%	(90 933)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(95 168)**	**(90 933)**	**–**	**(8 991)**	**(46 527)**	**(45 467)**	**1 061**	**-2%**	**(90 933)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	(368)	(46 222)	–	(46 222)	#DIV/0!	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**(368)**	**(46 222)**	**–**	**46 222**	**#DIV/0!**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(208 989)**	**(50 047)**	**–**	**59 188**	**45 857**	**(1 466)**			**(50 047)**
Cash/cash equivalents at beginning:		108 825	72 468	–		92 533	72 468			92 533
Cash/cash equivalents at month/year end:		(100 164)	22 421	–	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 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.

KZN242 Nquthu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2024/25											
R thousands		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 032	723	670	709	184	86	61	1 006	4 472	2 046	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	127	111	101	96	76	74	69	5 672	6 328	5 988	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	61	60	57	56	55	52	51	1 624	2 017	1 838	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	211	161	106	148	141	87	193	5 674	6 721	6 243	–	–
Total By Income Source	**2000**	**1 432**	**1 055**	**935**	**1 010**	**457**	**299**	**374**	**13 976**	**19 537**	**16 116**	**–**	**–**
2023/24 - totals only		2616367	886327	718913	850660	750560	275749	228709	12767349	19 095	**14 873**	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	683	654	625	667	138	59	48	4 026	6 900	4 938	–	–
Commercial	2300	474	159	126	121	119	98	78	1 106	2 281	1 522	–	–
Households	2400	181	89	58	92	110	47	36	2 357	2 969	2 641	–	–
Other	2500	93	153	125	130	90	96	211	6 487	7 387	7 015	–	–
Total By Customer Group	**2600**	**1 432**	**1 055**	**935**	**1 010**	**457**	**299**	**374**	**13 976**	**19 537**	**16 116**	**–**	**–**

The ageing of debtors below is arranged as per service type amounting to R108 million. Collection strategies are sought 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

December 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 -12 257 351,02	R -12 257 351,02	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 695,92	R 695,92	R -	R -	R -	R -	R -	R -
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00
Electricity Basic	R 825 949,38	R 257 984,83	R 63 130,84	R 51 011,78	R 46 928,41	R 38 881,70	R 32 519,53	R 335 492,29
Electricity Metered	R 6 204 921,62	R 2 768 875,31	R 719 475,28	R 670 165,25	R 709 459,20	R 184 313,87	R 86 240,78	R 1 066 391,93
Market stalls	R 1 093 605,83	R 39 341,70	R 18 966,98	R 18 718,56	R 18 067,29	R 17 657,79	R 17 345,07	R 963 508,44
OFFICE RENTAL	R 230 232,38	R 32 606,03	R 16 197,69	R 16 276,46	R 16 176,52	R 16 101,74	R 16 027,17	R 116 846,77
Plaza Market Stalls	R 251 129,35	R 18 620,05	R 8 579,86	R 8 134,76	R 7 723,20	R 7 465,40	R 7 225,10	R 193 380,98
Property Rates	R 98 616 151,70	R 9 558 510,91	R 4 217 595,15	R 4 108 371,02	R 4 035 628,93	R 4 077 585,20	R 273 475,71	R 72 344 984,78
Rent (M001)	R 472 033,14	R 34 169,25	R 13 934,63	R 14 044,97	R 14 040,97	R 13 964,63	R 10 777,03	R 371 101,66
Repay: Waste Disposal	R 26 995,24	R -	R -	R -	R -	R -	R -	R 26 995,24
Signs (M001)	R 3 609,88	R 33,42	R 16,71	R 16,71	R 16,71	R 16,71	R 16,71	R 3 492,91
Stall rental	R 27 958,16	R 1 170,49	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 26 131,57
Sundries (VAT)	R 13 698,78	R 11 108,35	R 2 555,56	R 34,87	R -	R -	R -	R -
Tampering Fee	R 556 923,21	R 173 397,71	R 50 990,00	R -	R 36 901,17	R 69 427,45	R 9 567,00	R 216 639,88
Traffic Fines	R 4 228 400,00	R 168 700,00	R 110 100,00	R 105 600,00	R 111 100,00	R 71 900,00	R 77 600,00	R 3 583 400,00
Traffic Fines (M001)	R 2 066 721,78	R -	R -	R -	R -	R -	R -	R 2 066 721,78
Waste Disposal	R 6 463 892,70	R 336 494,22	R 110 488,43	R 101 046,76	R 82 708,67	R 75 590,46	R 73 775,36	R 5 683 788,80
Total	**R 108 827 568,05**	**R 1 144 357,17**	**R 5 332 162,35**	**R 5 093 552,36**	**R 5 078 882,29**	**R 4 573 036,17**	**R 604 700,68**	**R 87 000 877,03**

Debt collection rates
Collection Table 2.1.2.

Cash Collected for each Revenue Source via Billing (December 2024)

	Cash collection	Ageing - December 2024	Collection rate per BT	Billed revenue - December 2024
Rates	R -1 163 545,15	R 98 616 151,70	-1%	R 5 670 909,93
Electricity	R -1 450 753,28	R 7 030 871,00	-21%	R 2 030 290,96
Refuse	R -172 444,04	R 6 492 887,94	-3%	R 215 859,00
Stalls Rental , Traffic fines	R -68 606,79	R 7 959 349,60	-1%	R 69 937,71
Other Rentals	R -	R 984 962,91	0%	R -
Advance payments	R -114 703,67	R -12 256 655,10	1%	R -
	R 2 620,00			R -
TOTAL CASH RECEIVED	**R -2 967 432,93**	**R 108 827 568,05**		**R 7 986 997,60**
Total Ageing	**R 108 827 568,05**		November 2024 billing	R 8 305 672,42
Total debtors' payments	R -2 967 432,93		December 2024 paymen	R -2 967 432,93
	-3%			-36%

Cash collected on 31 December 2024 amounts to R2.9 million compared to R3.1 million in previous year during the same period resulting in collection rate of 3%. Comparison of previous month billing that is November R7.9 million to December payments R2.9 million results to 36% collection rate, which is relatively below the previous year collection figure of 46%, this proves that the existence of increasing challenges encountered when collecting revenue in this financial year.

Debtor's ratios

Ratios table 2.1.3

DECEMBER 2024 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	34	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	3646,74	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-3,84	Revenue Growth (%)

Collection rates stands at 34% using the ratios as provided by National Treasury circular 71. Net debtors' days are 3 3646.74 days meaning that it take the municipality about 9 years to collect the debts billed which signals challenges especially because some expenditure items are funded by the revenue generating items.

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.

Creditors payment summary: Table 2.2.1

CREDITORS REPORT FOR DECEMBER 2024

TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF DECEMBER 2024

No.	VENDOR NAME	DESCRIPTION		AMOUNT
1	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
			R	**5 527 925,58**
2	ASIZIQALELE CONTRACTORS	PLANT HIRE	R	2 153 603,62
			R	**2 153 603,62**
3	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
			R	**1 418 401,50**
4	NTSHIDI AND ASSOCIATES CC	INTERNAL AUDIT FEES	R	815 759,25
			R	**815 759,25**
5	SPEPIMELELO (PTY) LTD	SUPPLY AND DELIVER FENCING MATERIAL AND AGRICULTURAL INPUTS INCLUDING WHITE MAIZE SEEDS	R	600 029,35
			R	**600 029,35**
6	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
			R	**479 000,00**
7	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
			R	**445 622,05**

8	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 S XULU 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
			R	**400 739,49**
9	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR NOV 24	R	386 254,94
			R	**386 254,94**
10	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR NOV 24	R	380 458,48
			R	**380 458,48**

The report shows in summary the highest paid creditors for the month of December 2024 in the descending order. 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.

Creditors ageing: Table 2.2.2

December 2024 - Invoice Age Analysis Report									
Creditor / Vendor Name	Invoice Date	Outstanding I	Days 30	Days 30-60	Days 60-90	Days 90-1	Days 120	Days 1	Days 180Y>
S S R SECURITY	2024/10/09	R 1 090 358,32	R -	R -	R 1 090 358,32	R -	R -	R -	R -
INGQONDO CONSULTING	2024/12/02	R 749 366,37	R -	R 749 366,37	R -	R -	R -	R -	R -
VANGISA TRADING AND CONSTRUCTION PROJECTS	2024/12/02	R 697 362,12	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 -
QUANTUM LEAP INVESTMENTS 88	2024/12/04	R 272 788,94	R 272 788,94	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 -
ESRI SOUTH AFRICA	2024/12/03	R 156 391,38	R 156 391,38	R -	R -	R -	R -	R -	R -
IGATSHA CONSULTING	2024/06/30	R 121 300,00	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 -
FEZILE SECURITY SERVICES	2024/06/25	R 64 239,00	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 59 335,25
ADVENTURE TRAVEL	2024/10/29	R 6 151,35	R -	R -	R 6 151,35	R -	R -	R -	R -
ADVENTURE TRAVEL	2024/11/28	R 21 559,05	R -	R 21 559,05	R -	R -	R -	R -	R -
ADVENTURE TRAVEL	2024/11/28	R 21 559,05	R -	R 21 559,05	R -	R -	R -	R -	R -
INZALO ENTERPRISE MANAGEMENT SYSTEMS	2024/07/01	R 33 078,68	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 -
LILUNGILE TRADING ENTERPRISE	2024/12/17	R 16 600,00	R 16 600,00	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 -
LATHOH TRADING AND PROJECTS	2024/12/10	R 23 930,00	R 23 930,00	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 -
WENZILEOVAYO TRADING ENTERPRISE	2024/11/18	R 12 000,00	R -	R 12 000,00	R -	R -	R -	R -	R -
CTRACK MZANSI	2024/10/22	R 7 175,07	R -	R -	R 7 175,07	R -	R -	R -	R -
CTRACK MZANSI	2024/09/22	R 7 175,07	R -	R -	R -	R 7 175,07	R -	R -	R -
CTRACK MZANSI	2024/08/29	R 146,00	R -	R -	R -	R -	R 146,00	R -	R -
CTRACK MZANSI	2024/11/22	R 7 175,07	R -	R 7 175,07	R -	R -	R -	R -	R -
MARKV FAKU	2024/12/02	R 8 520,00	R -	R 8 520,00	R -	R -	R -	R -	R -
MARKV FAKU	2024/12/02	R 8 520,00	R -	R 8 520,00	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 -
SINENKAZIMULO (PTY) LTD	2024/12/19	R 10 625,00	R 10 625,00	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 -
THEMBALAMAMBISA CATERING AND PROJECTS	2024/09/19	R 10 000,00	R -	R -	R -	R 10 000,00	R -	R -	R -
DODOZA HOLDINGS (PTY) LTD	2024/12/20	R 9 900,00	R 9 900,00	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 -
LOLUNTU TRADING (PTY) LTD	2024/12/20	R 9 000,00	R 9 000,00	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 -
AYAMUKELWE 3320 TRADING ENTERPRISE	2024/12/18	R 8 500,00	R 8 500,00	R -	R -	R -	R -	R -	R -
MLINDOS TRADING	2024/12/12	R 8 300,00	R 8 300,00	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 -
GUBE PRINTING AND DESIGNS	2024/11/18	R 7 499,00	R -	R 7 499,00	R -	R -	R -	R -	R -
EZABAWELI TRADING	2024/12/17	R 7 300,00	R 7 300,00	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 -
JEFFREY MAIVHA	2024/12/02	R 7 146,00	R -	R 7 146,00	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 -
CUWANA TRADING	2024/12/20	R 7 000,00	R 7 000,00	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 -
NQUTHU SERVICE STATION	2024/10/30	R 874,55	R -	R -	R 874,55	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 992,50	R -	R -	R 992,50	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 673,29	R -	R -	R 673,29	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 1 032,19	R -	R -	R 1 032,19	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 1 636,61	R -	R -	R 1 636,61	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 -
VEZIQINISO INVESTMENTS	2024/12/20	R 5 200,00	R 5 200,00	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 -
GIVING CONSULTING	2024/12/17	R 4 498,00	R 4 498,00	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 -
TOTAL		**R 4 405 214,93**	**R 1 406 761,38**	**R 1 593 107,32**	**R 1 110 072,23**	**R 17 175,07**	**R 146,00**	**R -**	**R 277 952,93**

The table below provides details of the outstanding creditors on the reporting date. Outstanding creditors are paid in the subsequent month, provided that they meet all the requirements for creditors payment.

Outstanding creditor's listing for the month ending 31 December2024

December 2024 - Invoice Age Analysis Report										
Creditor / Vendor Name	Invoice Date	Outstanding!	Days 30	Days 30-60	Days 60-90	Days 90-1	Days 120	Days 1	Days 180Y>
S S R SECURITY	2024/10/09	R 1 090 358,32	R -	R -	R1 090 358,32	R -	R -	R -	R -
INGQONDO CONSULTING	2024/12/02	R 749 366,37	R -	R 749 366,37	R -	R -	R -	R -	R -
VANGISA TRADING AND CONSTRUCTION PROJECTS	2024/12/02	R 697 362,12	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 -
QUANTUM LEAP INVESTMENTS 88	2024/12/04	R 272 788,94	R 272 788,94	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 -
ESRI SOUTH AFRICA	2024/12/03	R 156 391,38	R 156 391,38	R -	R -	R -	R -	R -	R -
IGATSHA CONSULTING	2024/06/30	R 121 300,00	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 -
FEZILE SECURITY SERVICES	2024/06/25	R 64 239,00	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 59 335,25
ADVENTURE TRAVEL	2024/10/29	R 6 151,35	R -	R -	R 6 151,35	R -	R -	R -	R -
ADVENTURE TRAVEL	2024/11/28	R 21 559,05	R -	R 21 559,05	R -	R -	R -	R -	R -
ADVENTURE TRAVEL	2024/11/28	R 21 559,05	R -	R 21 559,05	R -	R -	R -	R -	R -
INZALO ENTERPRISE MANAGEMENT SYSTEMS	2024/07/01	R 33 078,68	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 -
LILUNGILE TRADING ENTERPRISE	2024/12/17	R 16 600,00	R 16 600,00	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 -
LATHOH TRADING AND PROJECTS	2024/12/10	R 23 930,00	R 23 930,00	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 -
WENZILEOVAYO TRADING ENTERPRISE	2024/11/18	R 12 000,00	R -	R 12 000,00	R -	R -	R -	R -	R -
CTRACK MZANSI	2024/10/22	R 7 175,07	R -	R -	R 7 175,07	R -	R -	R -	R -
CTRACK MZANSI	2024/09/22	R 7 175,07	R -	R -	R -	R 7 175,07	R -	R -	R -
CTRACK MZANSI	2024/08/29	R 146,00	R -	R -	R -	R -	R 146,00	R -	R -
CTRACK MZANSI	2024/11/22	R 7 175,07	R -	R 7 175,07	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 -
MARK V FAKU	2024/12/02	R 8 520,00	R -	R 8 520,00	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 -
SINENKAZIMULO (PTY) LTD	2024/12/19	R 10 625,00	R 10 625,00	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 -
THEMBALAMAMBISA CATERING AND PROJECTS	2024/09/19	R 10 000,00	R -	R -	R -	R10 000,00	R -	R -	R -
DODOZA HOLDINGS (PTY) LTD	2024/12/20	R 9 900,00	R 9 900,00	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 -
LOLUNTU TRADING (PTY) LTD	2024/12/20	R 9 000,00	R 9 000,00	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 -
AYAMUKELWE 3320 TRADING ENTERPRISE	2024/12/18	R 8 500,00	R 8 500,00	R -	R -	R -	R -	R -	R -
MLINDOS TRADING	2024/12/12	R 8 300,00	R 8 300,00	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 -
GUBE PRINTING AND DESIGNS	2024/11/18	R 7 499,00	R -	R 7 499,00	R -	R -	R -	R -	R -
EZABAWELI TRADING	2024/12/17	R 7 300,00	R 7 300,00	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 -
JEFFREY MAIVHA	2024/12/02	R 7 146,00	R -	R 7 146,00	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 -
CUWANA TRADING	2024/12/20	R 7 000,00	R 7 000,00	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 -
NQUTHU SERVICE STATION	2024/10/30	R 874,55	R -	R -	R 874,55	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 992,50	R -	R -	R 992,50	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 673,29	R -	R -	R 673,29	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 1 032,19	R -	R -	R 1 032,19	R -	R -	R -	R -
NQUTHU SERVICE STATION	2024/10/30	R 1 636,61	R -	R -	R 1 636,61	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 -
VEZIQINISO INVESTMENTS	2024/12/20	R 5 200,00	R 5 200,00	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 -
GIVING CONSULTING	2024/12/17	R 4 498,00	R 4 498,00	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 -
TOTAL		**R 4 405 214,93**	**R 1 406 761,38**	**R1 593 107,32**	**R1 110 072,23**	**R17 175,07**	**R 146,00**	**R -**	**R 277 952,93**

2.3 INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register on 31 December 2024 reflects investment state of the municipality, it must be noted that the level of investment is affected by expenditure patterns that requires withdrawal from the reserves to cover the budgeted expenditure items as a result there are four merely investment activities concluded to date. Investment Table 2.3.1 below shows R84 million balance. Withdrawal history is shown under the subsequent table giving the total of R52 million withdrawal balance on 31 December 2024. .

Table 2.3.1 Investment register for the period 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
TOTAL	**R 85 307 715,62**	**R 47 045 411,09**	**R 4 882 582,48**		**R 52 793 542,81**	**R 622,60**	**R 84 441 551,78**

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
		R 52 793 542,81					

Table 2.3.2 Bank Balance (Primary account)

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

Bank balance for primary account reflects the amount of R36.7 million at the end of December 2024 compared to R33 million in the previous on the same reporting period. Second trenches of equitable share and INEP allocations were received in December thus the recent R8 million additions to investment.

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE
Grants register for the period ending 31 December 2024

Grant register Table 2.4.1

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
TOTALS		**-R 6 494 162,93**	**-R 70 088 008,00**	**-R 49 592 000,00**	**R 34 702 210,77**	**-R 21 383 952,16**	**-R 21 383 952,16**

The municipality strives to achieve hundred percent spending on grants expenditure thereby aligning quality project performance and prudent expenditure on capital projects. In essence the municipality strives to achieve additional funding annually.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits as of 31 December 2024 amount to R53.4 million compared to reported 46.7 million in the same period previously, there is a notable increase on salaries expense due salary collective agreement increment and filling in of vacant position in the organogram. The municipality is reducing vacancy rate on its staff establishment through filling of posts. 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 Staff benefits and Councillors allowances for the period ending 31 December 2024				
Staff Benefits				
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
Totals	**R**	**125 765 926,00**	**R**	**53 403 399,40**
Councillors Allowances				
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
Totals	**R**	**18 208 962,00**	**R**	**8 590 748,02**

2.6 SCM REPORTS

INVENTORY

Inventory report an opening balance from the previous month to the value of R1 .4 million, which is similar to the previous year. 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.

Table 2.6.1 Inventory reconciliation

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

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 Irregular expenditure summary

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

Table 2.6.3. Fruitless Expenditure

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**
Telkom				**R5,56**
Interest on overdue account- #66587	Jul-24	R5,56		
	Aug-24	R -		
	Sep-24	R -		
	Oct-24	-		
	Nov-24	-		
	Dec-24	-		
Eskom				
Interest on overdue account	Jul-24	-		
	Aug-24	-		
	Sep-24	-		
	Oct-24	-		
	Nov-24	-		
	Dec-24	-		
Other- Penalty fees paid in Aug 2024				**R184 514,10**
Penalties/interest				
Employment & Labour Sec83(6) Penalty - 2015	#67839	R27 992,25		
Employment & Labour Sec83(6) Penalty - 2020	#67839	R50 430,34		
Employment & Labour Sec83(6) Penalty - 2021	#67839	R49 617,96		
Employment & Labour Sec83(6) Penalty - 2022	#67839	R56 473,55		
Other				
TOTAL 2024/2025				**R 184 519,66**

The municipality has incurred fruitless expenditure amounting to R184 thousand in respect of labour penalties and non-compliance compared to R386.97 in the previous year.

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.

Table 2.6.4. Deviations listing for the period ending 31 December 2024

Date identified	Date reported to Mayor	Description	Supplier	Amount	
19/07/2024	26/07/2024	MAINTENANCE VEHICLE EMERGENCY REPAIR OF BG42PW ZN WHICH ITD STARTER STOP WORKING	NTT TOYOTA VRYHEID	R	5 893,75
19/07/2024	26/07/2024	REPAIR AND SERVICE FIRE FIGHTING EQUIPMENT FOR RAPID INTERVENTION VEHICLE NTU 4806	VEXOSCORE FIRE	R	127 650,00
19/07/2024	26/07/2024	REPAIR MAJOR PUMPER FOR NTU 3872 FIRE FIGHTER MACHINERY AND PERIPHERRALS	VEXOSCORE FIRE	R	136 580,00
31/07/2024	08/06/2024	MAINTENANCE VEHICLE CONDITION BASED (CHANGING TYRES) SUPPY, FITTING, BALANCING AND WHEEL ALIGNMENT OF 02 TYRE	FIT AND GO DUNDEE	R	2 900,00
31/07/2024	08/07/2024	REPLACEMENT OF BATTERY FOR LAND CRUISER NTU 4677	FARMTRAC DUNDEE	R	2 046,20
2024/08/08	15/08/2024	SERVICE FOR BJ 59 RL -ZN WHICH IS ON 200 000KM	NTT TOYOTA VRYHEID	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	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	R	12 300,00
22/08/2024	27/08/2024	REQUEST TO PURCHASE 05 TYRES FOR LANDCRUISER NTU 4677	FIT AND GO DUNDEE	R	14 000,00
28/09/2024	29/08/2024	SERVICE AND REPAIRS FOR NTU 7346	KOMATSU SOUTH AFRICA	R	62 334,12
28/08/2024	29/08/2024	REQUEST FOR SERVICE AND REPAIRS FOR TNT MINI MAJOR RESCUE SETS	VEXOSCORE FIRE	R	99 000,05
22/08/2024	22/08/2024	REGISTRATION FOR S XABA AND S HADEBE	CIGFARO	R	19 006,00
2024/01/10	10/01/2024	REPAIRS ON THE WATER TANK BK 28 MR -ZN	AUTOHOUSE VRYHEID	R	148 217,75
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 265/R18	BESTDRIVE	R	11 887,00
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 245/70 R16	BESTDRIVE	R	9 487,50
2024/10/15	15/10/2024	06 X 315/80 R22.5B TYRES	BESTDRIVE	R	31 050,00
14/10/2024	17/10/2024	PROMO	SABC	R	96 048,00
14/10/2024	17/10/2024	HIRE OF 100 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	R	263 500,00
17/10/2024	17/10/2024	HIRE OF 19 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	R	70 000,00
24/10/2024	24/10/2024	REPAIR ON NTU 3696	NISSAN VRYHEID	R	123 967,00
24/10/2024	24/10/2024	REPAIR ON NTU 4356	NISSAN VRYHEID	R	48 701,53
24/10/2024	24/10/2024	REPAIR ON NTU	MMG TOYOTA	R	15 598,80
29/10/2024	29/10/2024	SERVICE FOR VEHICLE BL56KZ-ZN	NISSAN VRYHEID	R	6 120,83
29/10/2024	29/10/2024	HIRE 17 MINIBUSES FOR DISTRICT SALGA SELECTION	NQUTHU PIONEER	R	152 000,00
29/10/2024	29/10/2024	PURCHASE OF ROLLER TYRE	MOLLS RETREADING	R	115 441,02
29/10/2024	29/10/2024	PURCHASE OF 04 ROLLER TYRE	FIT AND GO DUNDEE	R	61 500,00
29/10/2024	29/10/2024	REPAIR ON VEHICLE	MMG TOYOTA	R	9 657,30
2024/12/02	2024/12/10	HIRE 19 MINIBUSES FOR SENIOR CITIZEN	NQUTHU PIONEER	R	52 500,00
2024/12/02	2024/12/10	REPAIRS ON VEHICLE BJ59RL-ZN	MMG TOYOTA	R	27 524,80
2024/12/08	2024/12/10	REPAIRS ON NTU 3882	AUTOHOUSE VRYHEID	R	16 046,96
2024/12/09	2024/12/10	PURCHASE TYRES FOR FIRE ENGINE	FIT AND GO DUNDEE	R	46 800,01
2024/12/12	2024/12/10	RADIO PROMO	SABC	R	78 727,50
TOTAL				**R**	**1 890 957,89**

2.7 MATERIAL VARIANCES TO SDBIP

Detailed SDBIP and Performance report is attended through Performance Management unit.

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 52(d) 2nd Quarter Report – 31 December 2024

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

Name : Mr Mpumelelo B. Jiyane

Designation : Municipal Manager of Nquthu Municipality (KZN 242)

Signature: : 

Date : 06/01/2025