

**QUARTERLY REPORT IN TERMS OF SECTION 52d OF
THE MUNICIPAL FINANCE MANAGEMENT ACT FOR
THE QUARTER ENDED 30 SEPTEMBER 2024**

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

TABLE OF CONTENT

1. PURPOSE OF THIS REPORT
2. LEGAL AND STATUTORY REQUIREMENTS

PART ONE: DISCUSSION OF OPERATING RESULTS

3. OPERATING REVENUE
 - 3.1 COMMENTS ON MATERIAL VARIANCES
 - 3.2 RECEIPTS VERSUS BILLING
 - 3.3 OPERATING EXPENDITURE
 - 3.4 COMMENTS ON MATERIAL EXPENDITURE VARIANCES
 - 3.5 CAPITAL EXPENDITURE
4. DEPARTMENTAL REVENUE AND EXPENDITURE REPORT

PART TWO: FINANCIAL POSITION

5. DEBTORS
 - 5.1 DEBTORS AGE ANALYSIS
 - 5.2 COUNCILLORS RATES DEBTS
 - 5.3 COUNCILLORS OVERPAYMENT
 - 5.4 STAFF DEBTORS
 - 5.5 STAFF HOUSE
 - 5.6 GOVERNMENT GRANTS AND SIBSIDIES
 - 5.7 DEDICATED ACCOUNTS / GRANTS INVESTMENTS
 - 5.8 INVESTMENTS OWN
 - 5.9 LONG- AND SHORT-TERM BORROWINGS
 - 5.10 CASH AND BANK MOVEMENTS
 - 5.11 CREDITORS AGE ANALYSIS

PART THREE: SECTION 66 REPORT

6. SECTION 66 REPORT FOR THE PERIOD
 - 6.1 COMMENTS ON EMPLOYEE RELATED COSTS
 - 6.2 DETAILED REPORT ON ALLOWANCE

PART FOUR: ASSET MANAGEMENT

7. ASSET MANAGEMENT
 - 7.1 FUEL CONSUMPTION REPORT
 - 7.2 REPAIRS AND MAINTENANCE REPORT
 - 7.3 HIRING COSTS
 - 7.4 REPORT FOR PROPRTY, PLANT AND EQUIPMENT

PART FIVE

8. SUPPLY CHAIN MANAGEMENT

PART SIX

9. STAFF IMPLICATIONS
10. FINANCIAL IMPLICATIONS
11. ANNEXURES
12. RECOMMENDATIONS

1. PURPOSE OF THIS REPORT

The purpose of the report is to present the financial status of the municipality in terms of Section 52d of the MFMA for the quarter ended 30 SEPTEMBER 2024.

2. LEGAL AND STATUTORY REQUIREMENTS

- In terms of section 71 of the MFMA 56 of 2003 the Accounting Officer has a responsibility of submitting to the Executive Mayor within 10 working days the state of the Municipalities budget, and subsequent to that the Executive Mayor must report to council within 30 days of the end of each quarter that is in line with section 52d of the MFMA 56 of 2003.
- Chapter 9 Section 96 of the Municipal Systems Act 32 of 2000 requires that the municipality must collect all monies due and payable.
- Section 11(4) (a) requires the Accounting Officer to report within 30 days after the end of each quarter to the Municipal Council a consolidated report of all withdrawals made in terms of section (1)(b) to (j)

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

PART ONE

3. OPERATING REVENUE

EC157 King Sabata Dalindyebo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	Comparatives			Budget Year 2024/25					
		2022/23 Q1 Actual	2023/24 Q1 Actual	2023/24 Audited Outcomes	Original Budget	2024/25 Q1 Actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		135,223	139,784	618,589	760,300	180,267	190,075	(9,808)	-5%	760,300
Service charges - Waste management		58,657	60,406	57,529	74,016	62,316	74,016	(11,701)	-16%	74,016
Sale of Goods and Rendering of Services		–	9,441	15,286	24,268	9,690	6,067	3,623	60%	24,268
Agency services		3,119	3,028	12,726	20,866	3,304	5,216	(1,912)	-37%	20,866
Interest earned from Receivables		13,650	10,614	45,573	33,735	12,770	8,434	4,336	51%	8,434
Interest from Current and Non Current Assets		568	1,305	4,788	5,274	2,193	1,318	874		5,274
Rental from Fixed Assets		4,983	5,819	23,087	26,310	6,918	6,577	341	5%	26,310
Licence and permits		–	139	717	659	239	165	75	45%	659
Operational Revenue		11,918	203	7,874	4,318	187	1,080	(893)	-83%	4,318
Non-Exchange Revenue										
Property rates		277,486	297,082	290,508	370,826	325,099	370,826	(45,727)	-12%	370,826
Surcharges and Taxes		–	5,217	16,558	–	–	–	–		–
Fines, penalties and forfeits		1,232	1,020	5,934	49,623	2,772	12,406	(9,633)	-78%	49,623
Licence and permits		372	365	1,156	1,729	472	432	39	9%	1,729
Transfers and subsidies - Operational		167,121	186,934	462,241	480,663	197,353	196,906	446	0%	480,663
Interest		–	6,593	34,903	32,029	8,548	8,007	541	7%	57,330
Gains on disposal of Assets		–	–	3,534	(10)	–	(2)	2	-100%	(10)
Other Gains		–	–	17,998	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		674,330	727,949	1,619,002	1,884,606	812,128	881,524	(69,396)	-8%	1,884,606
Transfers and subsidies - capital (monetary allocations)		28,864	34,819	165,434	269,119	35,064	67,280	(32,216)	-48%	269,119
Total Revenue (including capital transfers and contributions)		703,194	762,767	1,784,437	2,153,725	847,192	948,804	(101,612)	-56%	2,153,725

3.1. COMMENTS ON MATERIAL VARIANCES

3.1.1. Property Rates reflects a shortfall of forty-five million seven hundred thousand (R45.7 million). This equates to 88% of the total annual budget, this variance has to be monitored closely to ensure the sustainability of the approved budget. This shortfall is due to anticipated revenue from new developments expected to be built in Mthatha, however these developments have not yet been started as such an adjustment of budgeted property rate downwards should be proposed during adjustment budget.

The total billed income for property rates and fire brigade amounts to three hundred and twenty-five million and ninety-eight thousand (R325 098 866), an amount of one hundred and eight million five hundred and eight thousand (R108 508 509) has been collected representing 33% of total billed income. The overall collection rate for property rates when including debtors is 58%.

3.1.2. Electricity Sales show a shortfall of nine million and eight hundred thousand (R9.8 million). The actual budget performance is at 24% of the annual budget, which is in line with the straight-line budgeting method, which sets the target at 25% at the end of the 1st quarter.

Other factors that reduce the electricity revenue below expected levels are:

- Theft of electricity through foreign meters, meter bypasses and tempering and illegal connections.

Of the total billed income for electricity amounting to one hundred and thirteen million and fifty-seven thousand (R113 057 090) excluding prepaid electricity amounting to sixty-six million eight hundred and nineteen thousand (R66 819 813), an amount of one hundred and forty million and two hundred and seventy thousand (R140 270 416) has been collected representing 124% of the total billed income. The overall collection rate for electricity when including debtors is 99%.

It should be noted that electricity sales to date are sitting at R180.2 million including prepaid sales while the electricity bulk purchases are sitting at R196.5 million, and this shows a shortfall of R16.4 million without considering the salaries, repairs and maintenance and other expenses relating to the electricity department. When including salaries, repairs and maintenance for electricity the shortfall increases to R42 million. For more detail please refer to the annexure O.

The distribution losses are sitting at 20,37% to date and this translates to a loss of R46.4 million.

3.1.3 Refuse removal shows a shortfall of eleven million and seven hundred thousand (R11.7 million). This equates to the budget performance of 88% of the annual budget. Of the total billed income for refuse removal amounting to sixty-two million and three hundred and fifteen thousand (R62 315 650), an amount of thirteen million eight hundred and sixty-eight thousand (R13 868 872) has been collected representing 22% of the total billed income. The overall collection rate for refuse when including debtors is 59%.

3.1.4. Fines, penalties, and forfeits reflect a shortfall of nine million six hundred thousand (R9.6 million). The quarterly budget performance is at 5% of the annual budget, this is an area that needs to be strengthened and review at mid-term budget assessment. Attempts should be made to improve collection including implementation of the traffic fines management by TRUVERO more especially now with the Ticket bus being fully operational.

3.1.5. Agency fees show a shortfall of one million and nine hundred thousand (R1.9 million). The actual budget performance is at 16% of the annual budget at the end of the quarter.

This relates to these services:

- Motor Vehicle registration Centre

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

- Motor Vehicle Testing Centre and
- Drivers Licence Testing Centre

Attempts should be made to improve revenue collection.

3.1.6. Operational revenue shows a shortfall of eight hundred and ninety-three thousand (R0.893 million). The actual budget performance is at 16% of the annual budget towards the end of September 2024.

3.1.7. Grants and subsidies:

3.1.7.1. Operational grants show an overperformance of four hundred and forty-six thousand (R446 266).

This can be attributed to the 1st trench of Equitable Share and other operational grants (FMG, EPWP) which have performed well in the 1st quarter, however a non-spending on Library grants should be noted because of funds not yet received by the municipality. Please see the grant register below.

3.1.7.2. Capital Grants show an underperformance of thirty-two million two hundred thousand (R32.2 million) exclusive of VAT.

❖ Material underperformance is noted on the following grants.

❖ INEP at 23%, this was due to the delays in the appointment of the contractor. This appointment has been finalised in October and invoice claim for materials have been submitted for payment which will result in the performance of 100% at end of October.

❖ 0% spending on 2024/25 Municipal Disaster Recovery Grant due to delays in finalizing the appointment is a cause for concern that must be addressed in the 2nd quarter.

9

CUMMULATIVE GRANT REGISTER 2024/25 FINANCIAL YEAR

GRANT	Department	OPENING BAL	Receipts	Sub Total	Expenditure	VAT	Total Expenditure	Unspent Balance 30 September 2024	Percentage	Comments
FMG	BTO	0,00	2 800 000,00	2 800 000,00	2 389 950,40	-	2 389 950,40	410 049,60	85%	Progressing well
MIG	Technical	0,00	29 299 000,00	29 299 000,00	21 457 841,16	-	21 457 841,16	7 841 158,84	73%	Progressing well
STR	Technical	(2 574 739,17)	3 717 458,79	1 142 719,62	2 033 871,63	-	2 033 871,63	(891 152,01)	178%	Expenditure more than received amount
EPWP	Technical	-	816 000,00	816 000,00	1 234 570,36	-	1 234 570,36	(418 570,36)	151%	Expenditure more than received amount
INEP	Community	-	2 500 000,00	2 500 000,00	571 032,01	-	571 032,01	1 928 967,99	23%	Slow progress
ISDG	Technical	0,00	3 000 000,00	3 000 000,00	854 655,99	-	854 655,99	2 145 344,01	28%	Progressing well
Municipal Recovery Grant 2023/24	Technical	22 601 927,99	-	22 601 927,99	11 143 400,15	666 276,64	11 809 676,79	10 792 251,20	73%	Progressing well
Municipal Recovery Grant 2024/25	Technical	-	6 036 000,00	6 036 000,00	-	-	-	6 036 000,00	0%	No expenditure
Maydem Farm Exptensions	Human Settlement	367 661,32	-	367 661,32	-	-	-	367 661,32	0%	No progress
Human Settlement Graduates	Human Settlement	0,00	55 574,55	55 574,55	38 499,01	-	38 499,01	17 075,54	69%	Progressing well
Ntozonke Market	LED	0,00	-	0,00	-	-	-	0,00	100%	Completed in the Prior year
TOTALS:		20 394 850,14	48 224 033,34	68 618 883,48	39 723 820,71	666 276,64	40 390 097,35	28 228 786,13		

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

3.2. CONSOLIDATED RECEIPTS VERSUS BILLING REPORT

CONSOLIDATED RECEIPTS VERSUS BILLING 30 SEPTEMBER 2024									
	2022/23 Financial Year			2023/24 Financial Year			2024/25 Financial Year		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	373,857,058	45,990,833	45,990,833	391,205,004	40,882,274	40,882,274	421,456,305	58,319,885	58,319,885
August	37,172,692	57,257,087	103,247,920	40,210,494	55,520,126	96,402,400	48,344,566	111,914,906	170,234,791
September	43,565,663	114,977,478	218,225,398	30,341,380	103,211,913	199,614,313	36,734,588	94,999,791	265,234,582
October	2,755,633	49,560,171	267,785,569	34,072,903	85,667,658	285,281,971			
November	30,981,364	62,255,879	330,041,448	32,988,511	73,755,050	359,037,021			
December	31,324,387	72,557,686	402,599,133	30,116,853	62,469,003	421,506,024			
January	29,644,845	37,342,095	439,941,228	33,981,236	37,359,328	458,865,352			
February	29,611,605	44,110,424	484,051,653	28,504,979	60,222,580	519,087,932			
March	30,314,115	62,205,707	546,257,360	34,671,741	57,499,843	576,587,774			
April	37,038,333	36,127,742	582,385,102	34,438,545	58,011,684	634,599,459			
May	36,551,387	61,957,176	644,342,277	32,469,479	63,813,664	698,413,123			
June	39,294,064	64,714,891	709,057,168	68,816,703	47,080,398	745,493,520			
	722,111,147	709,057,168	-	791,817,829	745,493,520	-	506,535,459	265,234,582	-

YTD Comparison

98%

94%

52%

Quarter 1 Comparison

48%

43%

- The receipts above relate to the current year's billing and prior years debts (2022/23:98%; 2023/24: 94%; 2024/25: 52%)
- The municipality has been making strides to collect the prior year debts, this approach will result in the municipality accumulating cash reserves.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

3.2.1. RECEIPTS VERSUS BILLING REPORTS PER REVENUE SOURCE

Property Rates History									
	2022/23 Financial Year			2023/24 Financial Year			2024/25 Financial Year		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	285,012,535	10,446,644	10,446,644	307,240,368	11,383,133	11,383,133	321,943,709	20,980,703	20,980,703
August	3,273,888	15,806,026	26,252,670	(1,753,423)	25,330,062	36,713,196	4,968,381	33,308,347	54,289,049
September	271,395	70,338,893	96,591,563	(462,063)	61,918,287	98,631,482	(1,813,224)	54,219,460	108,508,509
October	5,611,113	15,144,179	111,735,741	(409,482)	36,600,263	135,231,746			
November	926,919	25,446,806	137,182,547	(231,926)	25,972,005	161,203,751			
December	367,470	34,435,226	171,617,774	(2,252,175)	24,628,812	185,832,563			
January	376,189	11,127,740	182,745,514	(278,403)	13,441,132	199,273,694			
February	138,016	15,907,535	198,653,049	(1,579,170)	14,677,311	213,951,005			
March	618,560	24,046,240	222,699,290	(1,221,066)	19,134,437	233,085,443			
April	745,850	11,868,732	234,568,021	(169,453)	21,859,543	254,944,986			
May	1,085,601	19,457,558	254,025,580	(1,863,290)	15,948,135	270,893,121			
June	(191,332)	12,852,118	266,877,698	432,251	13,820,558	284,713,679			
	298,236,204	266,877,698	-	297,452,168	284,713,679	-	325,098,866	108,508,509	-

YTD Comparison

89%

96%

33%

Quarter 1 Comparison

33%

32%

- The receipts above relate to current year billing and prior years debts.
- The debt collection strategies need to be improved to enhance the revenue, the appointment of the additional panel of debt collectors will assist in accelerating the collection of the old debt.
- The total outstanding debt for property rates is at R653 million, of which, R 384 million is above 90 days.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

Refuse Removal History									
	2022/23 Financial Year			2023/24 Financial Year			2024/25 Financial Year		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	57,082,666	2,394,436	2,394,436	58,985,494	2,594,310	2,594,310	62,004,063	3,757,837	3,757,837
August	1,046,122	3,193,963	5,588,399	45,927	3,194,835	5,789,145	905,238	5,337,536	9,095,373
September	511,536	5,216,677	10,805,076	721,809	3,493,252	9,282,396	(593,651)	4,773,499	13,868,872
October	(5,513,478)	2,611,345	13,416,421	525,999	8,447,459	17,729,856			
November	466,143	3,571,458	16,987,879	256,770	4,268,860	21,998,715			
December	895,351	3,469,568	20,457,448	485,839	2,496,577	24,495,292			
January	322,042	2,224,982	22,682,429	806,602	2,856,786	27,352,079			
February	525,577	2,672,322	25,354,752	652,084	2,766,694	30,118,772			
March	(2,042,856)	4,440,121	29,794,872	523,204	3,087,493	33,206,265			
April	564,851	2,422,419	32,217,291	495,914	4,386,145	37,592,410			
May	750,798	3,485,567	35,702,859	507,866	2,898,250	40,490,660			
June	771,621	2,991,250	38,694,108	1,176,716	3,731,221	44,221,881			
	55,380,372	38,694,108		65,184,224	44,221,881		62,315,650	13,868,872	

YTD Comparison

70%

68%

22%

Quarter 1 Comparison

18%

16%

- The receipts above relate to current year billing and prior years debts.
- Management has identified the need for data cleansing as the majority who have been billed refuse are in the indigent register. There is a need to write off the indigent customers who are being billed for refuse, this is likely to impact the current budget.
- The total outstanding balance is R 359 million of which R 286 million is over 90 days.

Electricity Sales History									
	2022/23 Financial Year			2023/24 Financial Year			2024/25 Financial Year		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	30,408,426	32,727,925	32,727,925	24,399,218	26,260,201	26,260,201	35,548,738	32,383,053	32,383,053
August	31,678,668	37,734,798	70,462,723	39,054,372	26,687,645	52,947,846	40,642,417	72,574,239	104,957,292
September	40,830,284	38,283,689	108,746,412	28,362,635	37,167,753	90,115,599	36,865,935	35,313,124	140,270,416
October	165,462	30,676,669	139,423,081	31,924,780	40,208,984	130,324,583			
November	27,835,550	32,804,058	172,227,139	30,488,813	42,731,400	173,055,984			
December	29,137,079	33,378,739	205,605,879	30,096,862	34,902,949	207,958,932			
January	25,756,174	23,379,014	228,984,892	31,732,312	20,650,176	228,609,108			
February	27,146,339	24,832,842	253,817,735	28,810,947	41,966,536	270,575,644			
March	30,030,826	33,193,175	287,010,910	33,621,528	34,552,019	305,127,663			
April	33,896,955	21,378,362	308,389,271	32,286,902	30,876,807	336,004,470			
May	33,014,610	38,501,544	346,890,815	31,937,346	44,326,584	380,331,054			
June	36,556,760	48,260,182	395,150,997	65,500,137	29,139,944	409,470,998			
	346,457,132	395,150,997		408,215,852	409,470,998		113,057,090	140,270,416	

YTD Comparison

114%

100%

124%

Quarter 1 Comparison

106%

98%

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

- The above table includes only conventional electricity, and the receipts above relate to current year billing and prior years debts.
- The total electricity debt is at R 152 million (R74 million is over 90 days), this is directly affecting the ability of the municipality to service its debt to Eskom.

	Prepaid Electricity Summary			
	202407	202408	202409	Total
Prepaid electricity sales	8,383,576	21,503,047	36,933,190	66,819,813

- Some of the receipts for July were received in August and some for August were received in September. An agreement has been made with Contour that going forward all the receipts should be submitted by end of the month for that specific month.

Rental Income History									
	2022/23 Financial Year			2023/24 Financial Year			2024/25 Financial Year		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	1,353,431	421,828	421,828	579,924	644,630	644,630	1,959,795	1,198,293	1,198,293
August	1,174,014	522,300	944,128	2,863,617	307,584	952,214	1,828,530	694,784	1,893,078
September	1,952,449	1,138,219	2,082,347	1,719,000	632,621	1,584,835	2,275,528	693,707	2,586,785
October	2,492,537	1,127,978	3,210,325	2,031,606	410,951	1,995,786			
November	1,752,752	433,556	3,643,882	2,474,854	782,784	2,778,571			
December	924,488	1,274,152	4,918,033	1,786,328	440,666	3,219,237			
January	3,190,440	610,360	5,528,393	1,720,725	411,234	3,630,471			
February	1,801,672	697,724	6,226,117	621,118	812,039	4,442,510			
March	1,707,585	526,171	6,752,288	1,748,074	725,893	5,168,403			
April	1,830,677	458,229	7,210,518	1,825,182	889,190	6,057,593			
May	1,700,378	512,506	7,723,024	1,887,557	640,695	6,698,288			
June	2,157,016	611,341	8,334,364	1,707,599	388,675	7,086,963			
	22,037,438	8,334,364		20,965,584	7,086,963		6,063,853	2,586,785	
YTD comparison		46%			31%			43%	

- The receipts above relate to current year billing and prior years debts.
- There is general poor implementation of the lease conditions with most of the lease agreements having expired. This is affecting the revenue collection capacity of the municipality. The review of all rental contracts is urgently required to maximize revenue collection.
- Total outstanding debtors balance is at R 195 million, of which R 186 million is older than 90 days.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

3.3. OPERATING EXPENDITURE REPORT

EC157 King Sabata Dalindyebo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	Comparatives			Budget Year 2024/25							
		2022/23 Q1 Actual	2023/24 Q1 Actual	2023/24 Audited Outcomes	Original Budget	2024/25 Q1 Actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast		
R thousands												
<u>Expenditure By Type</u>												
Employee related costs		135,267	140,133	600,514	616,291	150,359	154,073	(3,714)	-2%	618,854		
Remuneration of councillors		7,857	7,312	31,601	35,060	7,723	8,765	(1,042)	-12%	35,060		
Bulk purchases - electricity		136,588	171,259	494,974	540,109	196,653	135,027	61,626	46%	540,109		
Inventory consumed		8,139	8,364	31,092	36,024	6,501	9,006	(2,505)	-28%	38,888		
Debt impairment		103	-	-	-	-	-	-	-	-		
Depreciation and amortisation		40,525	66,262	242,642	207,926	28,231	51,981	(23,750)	-46%	207,926		
Interest		4,819	4,856	22,388	17,606	7,153	4,402	2,751	63%	17,606		
Contracted services		20,057	20,780	138,811	99,546	22,807	24,887	(2,080)	-8%	122,876		
Transfers and subsidies		21	-	37,141	-	-	-	-	-	-		
Irrecoverable debts written off		-	855	-	25,500	-	6,375	(6,375)	-100%	25,500		
Operational costs		31,563	33,965	144,834	219,379	45,326	54,845	(9,518)	-17%	188,223		
Losses on Disposal of Assets		-	-	4,274	-	-	-	-	-	-		
Other Losses		-	(1,012)	5,683	-	-	-	-	-	-		
Total Expenditure		384,939	452,773	1,753,955	1,797,441	464,753	449,360	15,393	3%	1,795,041		

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

3.4. COMMENTS ON MATERIAL EXPENDITURE VARIANCES

The following material variances were noted.

- 3.4.1 Employee related costs and remuneration of councillors reflect savings of three million and seven hundred thousand (R3.7 million), and savings of one million (R1 million) respectively. For a detailed report refer to S66 report below. The spending is at 24% of the annual budget at end of quarter 1.
- 3.4.2 Bulk purchases reflect overspending of sixty-one million and six hundred thousand (R61.6 million). This is due to Eskom charging the municipality higher tariffs during the winter period which is almost double the summer tariffs. The municipality has also been subject to Notified Maxim Demand (NMD) charges of R 8,6 million per month, which has resulted in total expenditure of R 25,8 million at end of Quarter 3, this will increase to R 103,2 million annually, this is an area to be addressed urgently, as the tariff the municipality is charged by Eskom once the NMD is exceeded is significantly higher,
- 3.4.3 Contracted services reflect savings of two million and eighty thousand (R2.08 million).

LEDGER DESCRIPTION	ORIG BUDGET	TOTAL ACTUAL	YTD BUDGET	VARIANCE
Collection of arrear debt	12,263,964	1,112,431	3,065,991	1,953,560
Legal Fees	11,732,000	1,427,267	2,933,000	1,505,733
Training- External	6,000,000	-	1,500,000	1,500,000
Roads, Str Repair / Resealing	6,000,000	-	1,500,000	1,500,000
Buildings Installation	4,000,000	2,435,547	1,000,000	- 1,435,547
Electr Infrastr, Mains Cable	6,500,000	3,864,526	1,625,000	- 2,239,526
Agency Payments- Security Serv	8,975,414	7,022,295	2,243,854	- 4,778,441
Other individual line items	44,074,932	6,944,730	11,018,733	4,074,003
	99,546,310	22,806,796	24,886,578	2,079,781

There is material underspending on the debt collection agency fees, this translates to the stagnant nature of that outsourced function, which is the area that will likely improve with the appointment of the additional panel of debt collectors.

There is an accelerated expenditure on repair and maintenance projects, this area needs to be monitored to ensure it is aligned with the cash flow projections to avoid the scenario where expenditure commitments far exceed the revenue inflows, which results in a difficulty to pay suppliers within 30 days as required by the MFMA

- 3.4.4 Operational expenditure savings of nine million five hundred thousand (R9.5 million).

LEDGER DESCRIPTION	ORIG BUDGET	TOTAL ACTUAL	YTD BUDGET	VARIANCE
Electr Infrastr, Mains Cable	36,000,000	13,921,779	9,000,000	- 4,921,779
Levy - SALGA Membership	7,112,770	6,421,035	1,778,193	- 4,642,842
FMG Grant Expend. - Capacity building of staff	225,000	1,098,269	56,250	- 1,042,019
Vehicles, Machinery Plant	10,490,000	3,647,354	2,622,500	- 1,024,854
Membership Fees	14,180,397	-	3,545,099	3,545,099
Hire Charges - Transport Extnl	10,000,000	271,615	2,500,000	2,228,385
Municipal Service Charges	14,180,397	1,516,796	3,545,099	2,028,303
Rural Roads Maintenance	5,000,000	-	1,250,000	1,250,000
Workmens Compensation	4,786,744	-	1,196,686	1,196,686
Other individual line items	117,403,929	18,449,519	29,350,982	10,901,463
	219,379,237	45,326,367	54,844,809	9,518,442

There is a need to review the classification of expenditure incurred as part of Vehicles, Plant machinery through the Wesbank facility as some of the expenditure might be repairs and maintenance in nature, thus be classified as contracted services.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

3.4.5 Inventory consumed reflects savings of two million and five hundred thousand (R2.5 million).

LEDGER DESCRIPTION	ORIG BUDGET	TOTAL ACTUAL	YTD BUDGET	VARIANCE
Material Stores -Meters	2,000,000	1,999,525	500,000	- 1,499,525
Roads, Str Repair / Resealing	22,982,252	3,227,988	5,745,563	2,517,575
Rural Roads Maintenance	1,500,000	-	375,000	375,000
Other individual line items	9,542,111	1,273,520	2,385,528	1,112,008
	36,024,363	6,501,033	9,006,091	2,505,058

3.4.6 Interest paid reflects overspending of two million and seven hundred thousand (R2.7 million) resulting from interest on overdue account. This is mainly due to Eskom account, and the municipality has just signed an agreement with Eskom during the month of September and the interest will be reversed later when the municipality has honored the agreement.

3.4.7 Depreciation and amortization costs reflect a saving of twenty-three million and seven hundred thousand (R23.7 million). This will be resolved during the year as projects are capitalized. The full implementation of the asset management module and the capitalization of WIP projects during in-year reporting will improve the accuracy of the reported balances and also ensure the budget provision is adequate to avoid unauthorized expenditure.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

3.5. CAPITAL EXPENDITURE

EC157 King Sabata Dalindyebo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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
Capital Expenditure - Functional Classification										
Governance and administration		2,223	12,430	-	-	(21)	3,108	(3,129)	-101%	3,108
Executive and council		-	505	-	-	-	126	(126)	-100%	126
Finance and administration	2,223	11,775	-	-	(21)	2,944	(2,965)	-101%	2,944	
Internal audit		-	150	-	-	-	38	(38)	-100%	38
Community and public safety		2,247	124,934	-	507	537	31,234	(30,696)	-98%	31,234
Community and social services		-	600	-	-	-	150	(150)	-100%	150
Sport and recreation		-	2,700	-	-	30	675	(645)	-96%	675
Public safety		-	1,650	-	-	-	413	(413)	-100%	413
Housing	2,247	119,984	-	507	507	29,996	(29,489)	-98%	29,996	
Economic and environmental services		70,107	136,704	-	(2,733)	18,355	34,176	(15,820)	-46%	34,176
Planning and development		499	10,250	-	-	119	2,563	(2,444)	-95%	(2,038)
Road transport	69,609	126,454	-	(2,733)	18,237	31,613	(13,377)	-42%	36,214	
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,410	13,431	-	497	497	3,358	(2,861)	-85%	3,358
Energy sources		1,410	12,431	-	497	497	3,108	(2,611)	-84%	3,108
Waste management		-	1,000	-	-	-	250	(250)	-100%	250
Total Capital Expenditure - Functional Classification	3	75,987	287,499	-	(1,729)	19,368	71,875	(52,507)	-73%	71,875
Funded by:										
National Government		55,249	134,835	-	(2,236)	16,655	33,709	(17,054)	-51%	33,709
Provincial Government		17,106	129,984	-	507	2,276	32,496	(30,220)	-93%	32,496
District Municipality		-	4,500	-	-	-	1,125	(1,125)	-100%	1,125
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	119	-	119	100%	-
Transfers recognised - capital		72,355	269,319	-	(1,729)	19,050	67,330	(48,280)	-72%	67,330
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2,223	18,180	-	-	318	4,545	(4,227)	-93%	4,545
Total Capital Funding		74,577	287,499	-	(1,729)	19,368	71,875	(52,507)	-73%	71,875

COMMENTS ON CAPITAL SPENDING

- ❖ **Human Settlement Projects: Non-spending on year-to-date budget on Maydern Farm.**
- ❖ Monthly reconciliations between the grant reports sent to the transferring officers and section 71 reports will be prepared to ensure variances are timeously followed up.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

4. DEPARTMENTAL REVENUE AND EXPENDITURE REPORT

4.1. Executive and Council

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF %	BUDGET	DIFFERENCE	DIFF %
AREA: 11 - Executive & Council							
Revenue							
Rent of Facilities and Equipment	66,764	28,107	- 38,657	-58%	16,692	11,415	68%
Fines	108,920	14,600	- 94,320	-87%	27,231	- 12,631	-46%
Licenses and Permits	2,297,590	320,123	- 1,977,467	-86%	574,398	- 254,275	-44%
Other Revenue	34,544	3,587	- 30,957	-90%	8,637	- 5,050	-58%
Total Revenue	2,507,818	366,417	- 2,141,401	-85%	626,958	- 260,541	-42%
Expenditure							
Employee Related Costs	67,165,662	18,021,137	49,144,525	73%	16,791,136	- 1,230,001	-7%
Remuneration Of Councillors	35,123,730	7,722,995	27,400,735	78%	8,779,773	1,056,778	12%
General Expenses - Other	48,602,335	5,860,868	42,741,467	88%	6,693,260	832,392	12%
Total Expenditure	150,891,727	31,605,000	119,286,727	79%	32,264,169	659,169	2%
Net Surplus/(Deficit)	- 148,383,909	- 31,238,583	- 117,145,326	79%	- 31,637,211	- 398,628	1%

4.2. Corporate Services

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF %	BUDGET	DIFFERENCE	DIFF %
AREA: 12 - Corporate Services							
Revenue							
Rent of Facilities and Equipment	872,993	183,751	- 689,242	-79%	218,256	- 689,242	-316%
Grants & Subsidies Received - Operating	-	184,909	184,909	100%	-	184,909	100%
Other Revenue	130,000	25,605	- 104,395	-80%	32,499	- 104,395	-321%
Total Revenue	1,002,993	394,265	- 608,728	-61%	250,755	- 608,728	-243%
Expenditure							
Employee Related Costs	59,983,282	13,654,372	46,328,910	77%	14,995,854	1,341,482	9%
General Expenses - Other	16,561,423	3,636,303	12,925,120	78%	2,780,806	- 855,497	-31%
Depreciation - Property, Plant & Equip	-	610,289	- 610,289	-100%	-	- 610,289	-100%
Total Expenditure	76,544,705	17,900,964	58,643,741	77%	17,776,660	- 124,304	-1%
Net Surplus/(Deficit)	- 75,541,712	- 17,506,699	- 58,035,013	77%	- 17,525,905	- 19,206	0%

- Depreciation overspent due to non- budgeting potential unauthorised expenditure.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

4.3. Finance and Asset Management

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
AREA: 13 - Finance & Asset Management							
Revenue							
Property Rates	377,091,502	333,918,778	- 43,172,724	-11%	94,272,876	239,645,902	254%
Rent of Facilities and Equipment	21,852,911	6,053,507	- 15,799,404	-72%	5,463,231	590,276	11%
Interest Earned - External Investments	5,273,727	2,192,647	- 3,081,080	-58%	1,318,431	874,216	66%
Interest Earned - Outstanding Debtors	65,763,476	21,318,455	- 44,445,021	-68%	16,440,870	4,877,585	30%
Grants & Subsidies Received - Operating	463,242,000	194,240,950	- 269,001,050	-58%	115,810,500	78,430,450	68%
Grants & Subsidies Received - Capital	-	666,277	666,277	100%	-	666,277	100%
Other Revenue	4,249,036	168,920	- 4,080,116	-96%	1,062,258	- 893,338	-84%
Gains \ Losses on Disposal Of Property, P	9,830	-	- 9,830	-100%	2,457	- 2,457	-100%
Total Revenue	937,482,482	558,559,534	- 378,922,948	-40%	234,370,623	324,188,911	138%
Expenditure							
Employee Related Costs	69,299,650	17,127,829	- 52,171,821	75%	16,672,253	- 455,576	-3%
General Expenses - Contracted Services	16,008,883	2,573,158	- 13,435,725	84%	2,201,222	- 371,936	-17%
General Expenses - Other	94,507,333	33,231,271	- 61,276,062	65%	13,732,448	- 19,498,823	-142%
General Expenses: Grants & Subs - Operat	2,600,000	2,195,521	- 404,479	16%	357,504	- 1,838,017	-514%
Repairs & Maintenance - Municipal Assets	10,497,343	3,647,354	- 6,849,989	65%	1,443,387	- 2,203,967	-153%
Depreciation - Property, Plant & Equip	40,425,986	7,495,776	- 32,930,210	81%	10,106,496	2,610,720	26%
Interest Expense - External Borrowings	17,606,416	-	- 17,606,416	100%	4,401,603	4,401,603	100%
Contributions To/ From Provisions & Res	25,500,000	-	- 25,500,000	100%	6,375,000	6,375,000	100%
Total Expenditure	276,445,611	66,270,909	210,174,702	76%	55,289,913	- 10,980,996	-20%
Net Surplus/(Deficit)	661,036,871	492,288,625	168,748,246	26%	179,080,710	- 313,207,915	-175%

- General expenses, grants and subsidies paid, repairs and maintenance, contracted services and employee related costs are overspent on YTD budget.

4.4. Planning, Social and Economic Development

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
AREA: 14 - Planning Social & Ec Dev							
Revenue							
Rent of Facilities and Equipment	304,656	20,924	- 283,732	-93%	76,164	- 55,240	-73%
Licenses and Permits	1,428,053	380,239	- 1,047,814	-73%	357,015	23,224	7%
Other Revenue	73,243	7,390	- 65,853	-90%	18,312	- 10,922	-60%
Total Revenue	1,805,952	408,553	- 1,397,399	-77%	451,491	- 42,938	-10%
Expenditure							
Employee Related Costs	10,199,889	3,403,977	- 6,795,912	67%	2,549,970	- 854,007	-33%
General Expenses - Other	10,518,650	116,465	- 10,402,185	99%	1,528,011	1,411,546	92%
Total Expenditure	20,718,539	3,520,442	17,198,097	83%	4,077,981	557,539	14%
Net Surplus/(Deficit)	- 18,912,587	- 3,111,889	- 15,800,698	84%	- 3,626,490	- 514,601	14%

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

4.5. Human Settlement

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
AREA: 15 - Human Settlement							
Revenue							
Service Charges	197,002	348,036	151,034	77%	49,251	298,785	607%
Fines	157,350	85,701	- 71,649	-46%	39,339	46,362	118%
Grants & Subsidies Received - Operating	-	57,024	57,024	100%	-	57,024	100%
Grants & Subsidies Received - Capital	119984181	-	- 119,984,181	-100%	29,996,046	- 29,996,046	-100%
Other Revenue	4,604,965	426,488	- 4,178,477	-91%	1,151,244	- 724,756	-63%
Total Revenue	124943498	917,249	- 124,026,249	-99%	31,235,880	- 30,318,631	-97%
Expenditure							
Employee Related Costs	16,232,599	5,281,890	10,950,709	67%	4,058,163	- 1,223,727	-30%
General Expenses - Other	8,965,969	45,935	8,920,034	99%	1,250,918	1,204,983	96%
General Expenses: Grants & Subs - Operat	-	57,147	- 57,147	-100%	-	- 57,147	-100%
Total Expenditure	25,198,568	5,384,972	19,813,596	79%	5,309,081	- 75,891	-1%
Net Surplus/(Deficit)	99,744,930	- 4,467,723	104,212,653	104%	25,926,799	30,394,522	117%

4.6. Community Services

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
AREA: 16 - Community Services							
Revenue							
Service Charges	73,943,174	62,088,301	- 11,854,873	-16%	10,417,144	51,671,157	496%
Rent of Facilities and Equipment	3,082,514	632,033	- 2,450,481	-79%	770,628	- 138,595	-18%
Fines	472,050	-	- 472,050	-100%	118,014	- 118,014	-100%
Grants & Subsidies Received - Operating	3,073,000	385,625	- 2,687,375	-87%	768,249	- 382,624	-50%
Other Revenue	22,239	-	- 22,239	-100%	5,559	- 5,559	-100%
Total Revenue	80,592,977	63,105,959	- 17,487,018	-22%	12,079,594	51,026,365	422%
Expenditure							
Employee Related Costs	119185300	26,314,985	92,870,315	78%	29,796,351	3,481,366	12%
General Expenses - Contracted Services	300,000	44,000	256,000	85%	41,250	- 2,750	-7%
General Expenses - Other	24,674,391	3,630,999	21,043,392	85%	3,757,095	126,096	3%
General Expenses: Grants & Subs - Operat	1,100,000	385,625	714,375	65%	275,001	- 110,624	-40%
Repairs & Maintenance - Municipal Assets	170,000	-	170,000	100%	23,376	23,376	100%
Depreciation - Property, Plant & Equip	-	2,735,700	- 2,735,700	-100%	-	- 2,735,700	-100%
Total Expenditure	145429691	33,111,309	112,318,382	77%	33,893,073	781,764	2%
Net Surplus/(Deficit)	- 64,836,714	29,994,650	- 94,831,364	146%	- 21,813,479	- 51,808,129	238%

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

4.7. Public Safety

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF %	BUDGET	DIFFERENCE	DIFF %
AREA: 17 - Public Safety							
Revenue							
Service Charges	13,535,973	8,189,309	- 5,346,664	-39%	3,383,994	4,805,315	142%
Fines	44,058,000	1,094,797	- 42,963,203	-98%	11,014,500	- 9,919,703	-90%
Licenses and Permits	19,048,178	3,214,173	- 15,834,005	-83%	4,762,044	- 1,547,871	-33%
Other Revenue	479,002	100,275	- 378,727	-79%	119,748	- 19,473	-16%
Total Revenue	77,121,153	12,598,554	- 64,522,599	-84%	19,280,286	- 6,681,732	-35%
Expenditure							
Employee Related Costs	159873944	37,725,111	122,148,833	76%	39,968,514	2,243,403	6%
General Expenses - Contracted Services	8,975,414	7,022,295	1,953,119	22%	1,234,120	- 5,788,175	-469%
General Expenses - Other	8,874,107	1,320,759	7,553,348	85%	1,563,204	242,445	16%
General Expenses: Grants & Subs - Operat	1,068,000	147,339	920,661	86%	267,000	119,661	45%
Repairs & Maintenance - Municipal Assets	272,000	-	272,000	100%	37,401	37,401	100%
Total Expenditure	179063465	46,215,504	132,847,961	74%	43,070,239	- 3,145,265	-7%
Net Surplus/ (Deficit)	-101942312	- 33,616,950	- 68,325,362	67%	- 23,789,953	9,826,997	-41%

- The total budgeted year to date expenditure has been exceeded due to contracted services.

4.8. Infrastructure

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF %	BUDGET	DIFFERENCE	DIFF %
AREA: 18 - Infrastructure							
Revenue							
Service Charges	766,276,519	180,770,960	- 585,505,559	-76%	191,569,128	- 10,798,168	-6%
Grants & Subsidies Received - Operating	14,348,300	2,484,082	- 11,864,218	-83%	3,587,073	- 1,102,991	-31%
Grants & Subsidies Received - Capital	144,634,700	34,397,755	- 110,236,945	-76%	36,158,673	- 1,760,918	-5%
Other Revenue	15,159,253	2,407,229	- 12,752,024	-84%	3,789,813	- 1,382,584	-36%
Total Revenue	940,418,772	220,060,026	- 720,358,746	-77%	235,104,687	- 15,044,661	-6%
Expenditure							
Employee Related Costs	105,374,131	26,348,774	79,025,357	75%	26,343,555	- 5,219	0%
General Expenses - Bulk Purchases	540,108,914	196,653,140	343,455,774	64%	140,943,565	- 55,709,575	-40%
General Expenses - Other	22,215,173	2,416,142	19,799,031	89%	4,042,711	1,626,569	40%
General Expenses: Grants & Subs - Operat	7,100,000	1,670,695	5,429,305	76%	1,100,001	- 570,694	-52%
Repairs & Maintenance - Municipal Assets	92,982,252	25,484,522	67,497,730	73%	12,785,062	- 12,699,460	-99%
Depreciation - Property, Plant & Equip	167,500,000	17,389,497	150,110,503	90%	41,875,002	24,485,505	58%
Total Expenditure	935,280,470	269,962,770	665,317,700	71%	227,089,896	- 42,872,874	-19%
Net Surplus/ (Deficit)	5,138,302	- 49,902,744	55,041,046	1071%	8,014,791	57,917,535	723%

- The total budgeted expenditure has been exceeded due to bulk purchases, grants and subsidies paid and repairs and maintenance.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

PART TWO: FINANCIAL POSITION

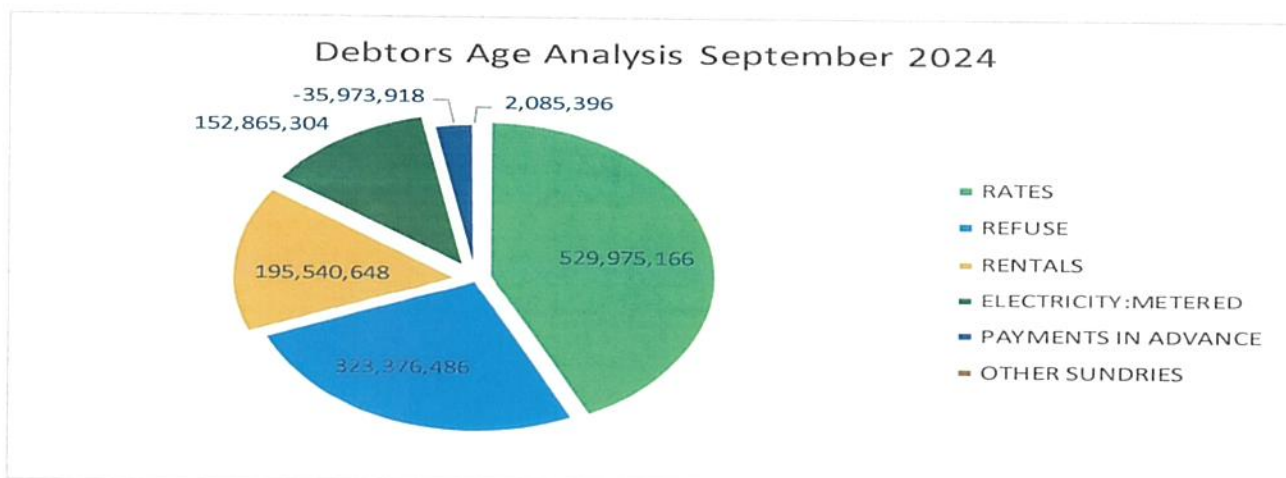
5.1. DEBTORS AGE ANALYSIS

5.1.1. Debtors age analysis for the fourth quarter of 2023/24 amounted to one billion and thirty million and nine hundred and seventy-three thousand (R1 030 973 095).

Balance Type	CURRENT	30 Days	60 Days	90 Days	120 Days +	CREDITS	PENALTIES	TOTAL
RATES	13,257,966	6,954,884	5,978,867	5,105,105	272,683,706	-	22,274,628	404,627,661
REFUSE	5,075,786	3,099,246	3,101,491	2,843,512	199,148,316	-	2,103,812	298,078,643
RENTALS	1,890,062	1,529,449	1,648,838	1,952,901	108,317,364	-	375,465	188,306,537
ELECTRICITY:METERED	42,239,344	50,850,830	12,674,323	12,427,893	28,077,904	-	4,358,013	152,108,517
PAYMENTS IN ADVANCE	-	-	-	-	51,304	-	11,085,718	11,034,414
OTHER SUNDRIES	784,879	544,861	-	-	1,032,530	-	3,476,118	1,113,848
	63,248,036	62,979,271	23,403,519	22,329,411	609,311,124	-	43,673,754	1,030,973,095

5.1.2. Debtors age analysis for first quarter of 2024/25 amounted to one billion one hundred and sixty-seven million eight hundred and sixty-nine thousand (R1 167 869 082)

Balance Type	CURRENT	30 Days	60 Days	90 Days	120 Days+	CREDITS	PENALTIES	TOTAL
RATES	119,486,412	7,925,802	9,243,161	4,952,619	261,705,886	-	126,661,286	529,975,166
REFUSE	24,114,674	4,222,899	2,929,158	2,550,333	198,500,890	-	91,058,531	323,376,486
RENTALS	1,730,756	1,855,021	1,867,593	1,711,721	111,709,133	-	76,666,423	195,540,648
ELECTRICITY:METERED	41,909,020	18,604,536	14,940,480	12,574,783	54,632,953	-	10,203,531	152,865,304
PAYMENTS IN ADVANCE	-	-	-	12,213	4	-	35,986,135	35,973,918
OTHER SUNDRIES	-	-	-	779,854	1,305,541	-	-	2,085,396
	187,240,861	32,608,259	28,980,393	22,581,524	627,854,408	-	35,986,135	1,167,869,082



Debtors by category

Balance per category	Sum of Current	Sum of 30 - 90 days	Sum of More than 120 days	Sum of Sum of PENALTIES	Sum of Sum of TOTAL
Consumers	35 085 736,05	22 050 588,55	398 178 892,10	218 803 957,33	674 119 174,03
Government	99 708 314,52	38 392 821,61	103 074 668,23	32 674 053,56	273 849 857,92
Industrial/Commercial	51 692 332,65	23 726 765,72	90 615 304,58	53 111 759,99	219 146 162,94
Municipal	754 478,09	0,01	-	-	753 886,63
Grand Total	187 240 861,31	84 170 175,89	591 868 864,91	304 589 770,88	1 167 869 081,52

5.2. COUNCILLORS PROPERTY RATES DEBTS

All councillors are currently sitting on current and there are no amounts above 90 days for rates.

5.3. COUNCILLORS OVERPAYMENT
5.3.1. 2021 FINANCIAL YEAR COUNCILLORS' OVERPAYMENT

Some of below Councilors have been handed over for debt collection, as they don't have houses in urban area, credit control processes have completed as 14 days notices have been sent and there was no response.

No	Account Name	Account Number	Bank Account Number	Bank	ORIGINAL AMOUNT OWED	Payments		Amount Owed as at 31 September 2024	Credit control actions
						Jul-24	Aug-24		
1	MRS UNATHI MALGHAS	7562452	0265120771	Absa	17 415,31			R	Fully paid
2	MR ANDILE NDZENZWE	7562453	53900113971	FNB	22 774,31			R	sheriff unable to find address
3	MR MCNIVABISI MALOTYANA	7562454	53900074370	FNB	24 176,13			R	Fully paid
4	MR ZIPATHE KUTU	7562455	182393518	Standard Bank	21 992,99			R	Fully paid
5	MR MASIZAKHE OOTYANA	7562456	1295066550	Capitec Bank	19 740,46			R	Preparations of documents for default Judgement
6	MR TOYI BHOVA	7562457	9272903047	Absa	19 095,05			R	Final demand
7	MS ZISANDA MTSOISO	7562458	02632244042	FNB	21 065,31			R	Cannot proceed with summons without address
8	MS THANDI MCIMBI	7562459	02075679319	FNB	23 225,27			R	Preparations of documents for default Judgement
9	MR LIHLE ZUMA	7562460	1195426141	Capitec Bank	18 176,60			R	Preparations of documents for default Judgement
10	MPENDULENI MANZOLWANDLE	7562461	02650218172	FNB	23 219,13			R	Preparations of documents for default Judgement
11	MS ABONGILE BABILE	7562462	02543741591	FNB	23 413,46			R	Preparations of documents for default Judgement
12	MR BOOI MALGHAS	7562463	1110532636	Nedbank	23 219,13			R	Final demand
13	MR NKOSINATHI DIBLORWE	7562464	1212653538	Capitec Bank	22 018,36			R	0,00 Fully paid
14	MR THULANI MNGOMA	7562466	1437341178	Capitec Bank	21 163,09			R	19 600,97 Awaiting sheriffs return of service
15	MS NOMSHATO NGWAZI	7562467	9167071771	Absa	21 589,89			R	18 145,70 Return of Non service of summons
16	MS NOZUKO MKONTYANA	7562468	02500645243	FNB	22 774,31			R	18 572,50 Preparations of documents for default Judgement
17	MR ZWELETHU NTLIZIYOMBI	7562470	1369578472	Capitec Bank	22 121,33			R	19 756,92 Preparations of documents for default Judgement
18	MR BONGANI BIKANI	7562471	1108949185	Nedbank	22 040,31			R	19 103,94 Preparations of documents for default Judgement
19	MR XOLANI MBRONGWANA	7562472	1139400698	Capitec Bank	21 128,09			R	19 022,92 Preparations of documents for default Judgement
20	MR OSO KHOTOSO	7562473	1251039373	Capitec Bank	20 787,03			R	18 110,70 sheriff unable to find address
21	MR MPHIWE MRWEBI	7562474	1328060947	Capitec Bank	21 118,46			R	17 769,64 Awaiting sheriffs return of service
22	MS NANDIPHA NGALO	7562475	10045892650	Standard Bank	22 013,30	500,00		R	18 101,07 Preparations of documents for default Judgement
23	MR SABELO JADISO	7562476	1001333136	Nedbank	28 613,93			R	24 741,14 Preparations of documents for default Judgement
24	MR LULAMA TSHISEKA	7562477	1121940704	Capitec Bank	21 637,83			R	18 620,44 Physical address obtained for further legal action
25	MS NOTYATYAMBO GCINGCA	7562478	4090210089	Absa	40 846,53			R	0 Fully paid
26	MS NONKOLISO NGOONGWA	7562479	4102001227	Absa	22 124,31			R	1 Fully paid
27	MR ZANEMVULLA GUSANA	7562480	02067770820	FNB	22 774,31			R	19 756,92 Return of Non service of summons
28	MR LIVINGSTONE MKHONTO	7562481	1111649896	Capitec Bank	22 770,31	1 000,00		R	Fully paid
29	MR MZURISHI NYOKA	7562482	10107437315	Standard Bank	43 562,05			R	36 241,29 Awaiting sheriffs return of service
30	MS NOMPUMELELO NYANGANI	7562483	1150428854	Capitec Bank	23 731,74			R	19 859,38 Preparations of documents for default Judgement
31	MS NOLITA PALI	7562484	9267188924	Absa	20 765,30			R	16 548,00 Preparations of documents for default Judgement
32	MR BONISILE BARA	7562485	81710003	Standard Bank	23 002,58			R	19 985,19 Preparations of documents for default Judgement
33	MS NOMPUMELELO GCININDAWO	7562486	9289189151	Absa	22 101,59			R	19 084,20 Preparations of documents for default Judgement
34	MR MTELELI MKHOTELI	7562487	1136162224	Nedbank	20 311,31			R	17 293,92 Received notice of filant and defendants plea
35	MR TSHIPEO MACHASA	7562488	4098012118	Absa	43 350,31			R	35 089,55 Preparations of documents for default Judgement
36	MR MIMELI MENZELWA	7562489	62108412601	FNB	22 674,31			R	Fully paid
37	MR DUMANI ZOZO	7562490	80860133	Standard Bank	20 743,40			R	7 936,01 Received issued summons
38	COUNCILLOR FUKULA	7512499			21 163,09			R	18 145,70 Unblocked, turned out the address found is for Zion Church and not for Mr Fukula
39	COUNCILLOR MTWA	7512500			16 102,22			R	13 084,83 Deceased
40	COUNCILLOR VOKO	7512501			19 624,13			R	16 606,74 Blocked
41	COUNCILLOR MAPEKULA				44 881,46			R	Fully paid
42	COUNCILLOR MAOQOKO				41 942,98			R	Fully paid
43	COUNCILLOR LWANI				20 094,34			R	Fully paid
44	COUNCILLOR MTRARA				40 676,49			R	Fully paid
45	COUNCILLOR NTLONZE				44 233,63			R	Fully paid
46	COUNCILLOR SOBAHLE	7563465			26 394,24			R	Fully paid
47	COUNCILLOR LUSU	7562469			24 495,13			R	Fully paid
					R 1 174 214,59	R 1 000,00	R 500,00	R	579 828,35

The Gazette on Upper Limits for Councilors prohibits write-off overpayments to councilors and directs that such monies should be fully recovered.

Therefore, the portion that is still outstanding should be referred to the Disciplinary Board for investigations and options of recovery of monies.

5.4. STAFF DEBTORS

“Clause 10 of schedule 2 – A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than three months and a municipality may deduct any outstanding amounts from staff member’s salary after this period.” Below is the table showing staff that are in arrears for more than three months and they are in contravention of the clause quoted above:

Notices were sent to staff debtors asking debtors to come and make an arrangement for the settlement of their accounts. The response is very low, this might necessitate deductions from their salaries.

There is generally non-implementation of the approved council policy which empowers the deductions of up to 25% for employees with no payment arrangements, this will be implemented in the 2nd quarter of 2024/25.

Staff Debt as at 30 September 2024

Account Name (& Address)	Current	30 Days	60 Days	90 Days	120 Days +	Amount owing	Stop order	Payment	Payment date	Comment
LUFELE MZUVUKILE	1,556	775	750	746	44,107	47,159				Request memo sent to CFO for salary deduction consideration
MADYIBI LWAZI	1,672	835	813	809	50,253	53,546				Request memo sent to CFO for salary deduction consideration
MANELI N A	2,318	1,159	1,133	1,129	108,334	112,915				Request memo sent to CFO for salary deduction consideration
NONTANDABUZO HENGE	119	-	-	-	-	119		369	30-Sep-24	Current
MAVIS THOZAMA / B CANGA	143	-	-	-	-	143	360		25-Sep-24	Current
NQEKETO NOBATATU	146	-	-	-	-	146	500		25-Sep-24	Current
SILWANA SALISWA AKHONA	166	-	-	-	-	166	306		25-Sep-24	Current
AROSI SITHEMBISO	204	-	-	-	-	204	1,000		25-Sep-24	Current
NOMBALI ZANDILE	227	-	-	-	-	227	400		25-Sep-24	Current
SIBENZA V S	260	-	-	-	-	260				Current
MOMOZA TT &NW	335	-	-	-	-	335	1,000		25-Sep-24	Current
NONYAMEKO P SIFUMBA	366	-	-	-	-	366	400		25-Sep-24	Current

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

Staff Debt as at 30 September 2024

Account Name (& Address)	Current	30 Days	60 Days	90 Days	120 Days +	Amount owing	Stop order	Payment	Payment date	Comment
BOYCE LITHA YONGAMA	396	-	-	-	-	396		838	23-Sep-24	Current
MR&MRS THANDUXOLO H& THULIS NTONDINI	499	-	-	-	-	499	700		25-Sep-24	Current
SKENJANA BUSISIWE	504	-	-	-	-	504		840	27-Sep-24	Current
FELIX A VUSI /ZINTLE MBAMBANI	517	-	-	-	-	517		3,000	25-Sep-24	Current
NOMBUYISELO PW METH	630	-	-	-	-	630		630	25-Sep-24	Current
MGULWA ZIYANDA KOLEKA	731	-	-	-	-	731				Current
LUTANGO NOLUVO	805	390	372	371	2,651	4,200	1,500		25-Sep-24	Current
SIBUSILE / XOLISWA LUNIKA	901	-	-	-	-	901		500	26-Sep-24	Current
VUYOLWENKOSI G MARARENI	910	-	-	-	-	910		800	16-Sep-24	Current
NDZO R	1,399	-	-	-	-	1,399		1,412	30-Sep-24	Current
LUWACA N K	1,892	-	-	-	-	1,892		1,635	25-Sep-24	Current
X SITETO	1,400	697	545	543	42,380	44,867				Request memo sent to CFO for salary deduction consideration
M NDAYI	1,420	708	561	558	43,355	45,894				Request memo sent to CFO for salary deduction consideration
V TOMSANA	1,438	717	564	562	36,186	38,751				Request memo sent to CFO for salary deduction consideration
S BOZO	1,443	719	567	564	44,589	47,163				Request memo sent to CFO for salary deduction consideration
K NGONYAMA	1,718	858	706	703	71,124	74,251				Request memo sent to CFO for salary deduction consideration
BOOI DAMBILE M.	971	-	-	-	-	971				To issue notice to this staff member as there is no salary disconnection this month
SOMAXAMA FEZILE LENNOX	848	-	-	-	-	848		300	02-Sep-24	Paid
FUNDELWA FLORA MQALI	874	438	26	-	-	900		400	27-Sep-24	Paid
MKWALI LIZIWE AGRINETTE	1,033	-	-	-	-	1,033		1,500	30-Sep-24	Paid
BAYI VATISWA	1,047	569	548	857	22,973	25,424		1,000	30-Sep-24	Paid

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

Staff Debt as at 30 September 2024

Account Name (& Address)	Current	30 Days	60 Days	90 Days	120 Days +	Amount owing	Stop order	Payment	Payment date	Comment
MAZWI V N	1,125	-	-	-	-	1,125		2,000	26-Sep-24	Paid
ANDILE L & CHRISTELLE L NDABA	2,704	354	-	-	-	2,704		1,150	30-Sep-24	Paid
MBUYISELI ALVEN /S MANDLA	3,927	1,963	1,907	1,908	1,117	8,858		2,000	27-Sep-24	Paid
SOKANYILE MALIZOLE&KOLEKA	2,365	1,192	1,186	1,185	147,327	152,063				Request memo sent to CFO for salary deduction consideration
SOKANYILE MALIZOLE J & N	1,601	789	745	669	399	3,413				Signed stop order
MATANZIMA CAWEKAZI	472	45	43	43	2,743	3,302	1,000		25-Sep-24	Signed Stop Order
NOLUTHANDO KATE TAFENI	777	375	357	357	1,174	2,665	200		25-Sep-24	Signed Stop Order
NOLWAZI RITTAH MDLEKEZA	797	369	351	145	173	1,466	900		25-Sep-24	Signed Stop Order
MANGE WELEKAZI PATRICIA	838	196	47	46	312	1,244	350		25-Sep-24	Signed Stop Order
NCEKO N P	973	373	355	214	359	1,901	600		25-Sep-24	Signed Stop Order
POKWANA N M	1,160	383	362	358	675	2,556	1,000		25-Sep-24	Signed Stop Order
ZOLA/GLORIA NELISWA SALIWA	3,060	380	359	359	361	4,139	2,000		25-Sep-24	Signed Stop Order
NGCEZU B	7,732	72	72	72	8,129	16,007	578		25-Sep-24	Signed Stop Order
VAPHI N B	1,047	516	488	483	1,084	3,103				To issue notice to this staff member as there is no salary disconnection this month
VAKELE LIZWI	1,094	403	386	385	11,433	13,298				To issue notice to this staff member as there is no salary disconnection this month
	58,561	15,274	13,242	13,066	641,239	726,109	12,794	18,373		

5.5. STAFF HOUSES

The following is the table of Employees who are part of the resolution of council in 2005 and 2006 that says they must buy the following properties. This cannot be resolved. Currently the Office of Surveyor General is completing the process of survey and issue out individual Ervin before the disposal can take place. It was therefore agreed that these employees must pay an amount equal to the rental pending the finalization of the sale.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

BOTTOM OF THE HILL TOWNSHIP STAFF HOUSES - SEPTEMBER 2024						
ACCOUNT NO.	NAME	ADDRESS	OFFER TO PURCHASE	AMOUNT PAID	VOTE:133208612755	BALANCE
7561752	E.B. BUSS (Deceased)	16 DELVILLE ROAD	125,000.00	-99534.87		25,465.13
7526531	D.T. DYANTYI (Deceased)	21 HEMMING STREET	150,000.00	125,709.33		24,290.67
				225,244.20	0.00	49,755.80

5.6. GOVERNMENT GRANTS AND SUBSIDIES

CUMMULATIVE GRANT REGISTER END SEPTEMBER 2024													
GRANTS	TYPE	OPENING BAL	Receipts	Interest Rec	Write off	Roll over not applied for	Sub Total	Expenditure	VAT	Total Expenditure	Total	Percentage	Comments
FINANCE MANAGEMENT GRANT INVESTMENT	OPERATING	0	2,800,000	-	-	-	2,800,000	2,389,950	-	2,389,950	410,050	85%	Progressing well
MUNICIPAL INFRASTRUCTURE GRANT	CAPITAL	0	29,299,000	-	-	-	29,299,000	21,457,841	-	21,457,841	7,841,159	73%	Progressing well
SMALL TOWN REVITALISATION	CAPITAL	(2,574,739)	3,717,459	-	-	-	1,142,720	2,033,872	-	2,033,872	(891,152)	178%	Expenditure more than received amount
EPWP	OPERATING	-	816,000	-	-	-	816,000	1,234,570	-	1,234,570	(418,570)	151%	Expenditure more than received amount
INEP	CAPITAL	-	2,500,000	-	-	-	2,500,000	571,032	-	571,032	1,928,968	23%	Slow progress
INFRASTRUCTURE SKILLS DEVELOPMENT	OPERATING	0	3,000,000	-	-	-	3,000,000	854,656	-	854,656	2,145,344	28%	Progressing well
Municipal Recovery Grant 2023/24	CAPITAL	22,601,928	-	-	-	-	22,601,928	11,143,400	666,277	11,809,677	10,792,251	73%	Progressing well
Municipal Recovery Grant 2024/25	CAPITAL	-	6,036,000	-	-	-	6,036,000	-	-	-	6,036,000	0%	No expenditure
MAYDENE FARM EXTENSIONS	CAPITAL	367,661	-	-	-	-	367,661	-	-	-	367,661	0%	No progress
HUMAN SETTLEMENT GRADUATES	OPERATING	0	55,575	-	-	-	55,575	38,499	-	38,499	17,076	69%	Progressing well
INTOZONKE MARKET	CAPITAL	0	-	-	-	-	0	-	-	-	0	0%	Completed
TOTALS:		20,394,850	48,224,033	-	-	-	68,618,883	39,723,821	666,277	40,390,097	28,228,786		

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

CUMMULATIVE PRINCIPAL LIABILITY REGISTER - END SEPTEMBER 2024										
GRANT	TYPE	OPENING BAL	Receipts	Interest Rec	Rejected Roll over	Sub Total	Expenditure	VAT	Total Expenditure	Total
MAHLUNGULU	CAPITAL	1,194,010	-	-	-	1,194,010	598,290	-	598,290	595,720
NEW PAYNE 200	CAPITAL	59,917	-	-	-	59,917	79,472	-	79,472	(19,555)
NEW PAYNE 300	CAPITAL	(1,367,074)	-	-	-	(1,367,074)	-	-	-	(1,367,074)
NTSHABENI	CAPITAL	(953,060)	334,800	-	-	(618,260)	-	-	-	(618,260)
WILLOW	CAPITAL	(1,249,881)	-	-	-	(1,249,881)	-	-	-	(1,249,881)
ZIDINDI	CAPITAL	282,573	-	-	-	282,573	-	-	-	282,573
NEW BRIGHTON	CAPITAL	880,594	-	-	-	880,594	-	-	-	880,594
KEI RAIL	CAPITAL	1,456,723	-	-	-	1,456,723	-	-	-	1,456,723
TOTALS:		303,802	334,800	-	-	638,602	677,762	-	677,762	(39,160)

- The principal liability relates to EC Department of Human Settlements RDP houses that are being built by the municipality on their behalf. Only six hundred and seventy-seven thousand has been incurred in July during the quarter. No expenditure was incurred in August and September.

5.7. DEDICATED ACCOUNTS / GRANT INVESTMENTS

CONDITIONAL GRANT MOVEMENTS	01/07/2024-30/09/2024						
	OPENING BALANCE	TRANSFERS IN	INTEREST	SUB TOTAL	WITHDRAWALS	BANK CHARGES	BALANCE
FINANCE MANAGEMENT GRANT INVESTMENT	266,120.40	3,300,000.00	24,525.38	3,590,645.78	1,003,319.57	-	2,587,326.21
MUNICIPAL INFRASTRUCTURE GRANT	6,632,240.80	29,299,000.00	299,839.22	36,231,080.02	27,322,978.62	-	8,908,101.40
DOE ELECTRIFICATION PROJECT	298,049.60	2,500,000.00	32,521.21	2,830,570.81	290,000.00	-	2,540,570.81
LIBRARY GRANT	12,030.71	-	236.04	12,266.75	-	-	12,266.75
INFRASTRUCTURE SKILLS DEVELOPMENT	126,771.94	3,000,000.00	41,942.70	3,168,714.64	282,126.25	-	2,886,588.39
KEI RAIL HOUSING	1,087,031.58	334,800.00	18,296.44	1,440,128.02	449,472.40	-	990,655.62
DEMAN SIDE MONEY ON CALL	650,485.56	-	10,914.67	661,400.23	-	-	661,400.23
COVID -19 RELEIF FUND	28,985,906.72	6,036,000.00	397,384.25	35,419,290.97	12,751,869.77	-	22,667,421.20
KWANTOZONKE MARKET	2,364,589.36	-	29,257.85	2,393,847.21	2,011,930.11	-	381,917.10
	40,423,226.67	44,469,800.00	854,917.76	85,747,944.43	44,111,696.72	0.00	41,636,247.71

5.8. INVESTMENTS –OWN

Both investments Indwe Risk Services and Unclaimed group life insurance cannot be utilised by the municipality, these are ring fenced for specific purposes.

Own Investments register as at end September 2024							
Account Name	Opening balance	Transfers In	Interest	SubTotal	Withdrawals	Bank Charges	Balance
INVESTEC BANK	342,116.99	-	6,700.48	348,817.47	-	-	348,817.47
INDWE RISK SERVICES	4,202,297.36	-	66,025.00	4,268,322.36	-	(50,000.00)	4,218,322.36
ABSA targetLIQUIDITY PLUS	262,633.92	-	5,129.34	267,763.26	-	(100.00)	267,663.26
UNCLAIMED GROUP LIFE ASSUARANCE	1,278.31	-	15.76	1,294.07	-	(250.00)	1,044.07
ASSET FINANCE RESERVES	267,376.37	65,000,000.00	519,009.20	65,786,385.57	(60,500,000.00)	-	5,286,385.57
	5,075,702.95	65,000,000.00	596,879.78	70,672,582.73	(60,500,000.00)	(50,350.00)	10,122,232.73

5.9. LONG AND SHORT -TERM BORROWINGS AS AT 30 SEPTEMBER 2024

KSD Long Term borrowings						
	Balance 1 July 2024	Capital	Accrued Interest	Capitalised Interest	Total	Balance at 31 July 2024
DBSA 10378771/1 61001048	4,270,284.95					4,270,284.95
TOTAL LIABILITIES AT 31 July 2024	4,270,284.95	-	-	-	-	4,270,284.95
KSD Long Term borrowings						
	Balance 1 August 2024	Capital	Accrued Interest	Capitalised Interest	Total	Balance at 31 August 2024
DBSA 10378771/1 61001048	4,270,284.95					4,270,284.95
TOTAL LIABILITIES AT 31 August 2024	4,270,284.95	-	-	-	-	4,270,284.95
KSD Long Term borrowings						
	Balance 1 September 2024	Capital	Accrued Interest	Capitalised Interest	Total	Balance at 30 September 2024
DBSA 10378771/1 61001048	4,270,284.95					4,270,284.95
TOTAL LIABILITIES AT 30 September 2024	4,270,284.95	-	-	-	-	4,270,284.95

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

5.10. CASH AND BANK MOVEMENTS

	Absa Operating Acc 4048218780	FNB Main 62471836513	Absa Electricity 4061496604	FNB Electricity 62090323636	DOT Payover 62709676582	Corporate Cheque Acc 62810696487	
	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep	TOTAL
Bank Balance 1 July 2024	594,995.90	3,746,285.36	1,575,551.58	1,319,305.94	766,706.54	197,458.92	8,200,304.24
INFLOWS							
Service and Sundry Debtors	3,983,712.90	175,451,327.69	59,594,640.84	141,514,808.35	7,125,869.93	283,611.03	387,953,970.74
Investments		35,849,612.33					35,849,612.33
Interbank transfer		184,449,749.24					184,449,749.24
Operating Grants		14,336,000.00					
Capital Grants		29,299,000.00					
Equitable share		191,851,000.00					
Reserves		60,500,000.00					60,500,000.00
Total Inflows	3,983,713	691,736,689	59,594,641	141,514,808	7,125,870	283,611	668,753,332.31
OUTFLOWS							
Employee costs		167,264,425.74					167,264,425.74
Interbank transfers	3,610,000.00		56,800,000.00	102,500,000	7,049,749.24		169,959,749.24
Reserves		65,000,000.00					
Investments		44,469,800.00					44,469,800.00
Sundry Payments	34,310.80	2,079,300.15	3,111.69	2,321.18	23,844.45	12,395.81	2,155,284.08
Trade Creditors		404,472,775.28					404,472,775.28
Total Outflows	3,644,310.80	683,286,301.17	56,803,111.69	102,502,321.18	7,073,593.69	12,395.81	788,322,034.34
Net Inflows/(Outflows)	339,402	8,450,388	2,791,529	39,012,487	52,276	271,215	50,917,298
Opening Balance 01 July 2024	594,995.90	3,746,285.36	1,575,551.58	1,319,305.94	766,706.54	197,458.93	8,200,304.25
	339,402.10	8,450,388.09	2,791,529.15	39,012,487.17	52,276.24	271,215.22	50,917,297.97
Closing Balance at 30 September 2024	934,398.00	12,196,673.45	4,367,080.73	40,331,793.11	818,982.78	468,674.15	59,117,602.22

- ❖ The balance of fifty-nine million, one hundred and seventeen thousand (R59 117 602) as at end September 2024 cannot cover creditors amounting to three hundred and forty-three million and one hundred and twenty-three thousand (R343 123 205).
- ❖ Of the total balance, ESKOM is owed, three hundred and six million and seven hundred and twenty-six thousand (R306 726 316) representing 89% of the total creditors owed to date.
- ❖ Eskom owes the municipality an amount of R51 million for Highbury. The debt was presented to Eskom during the meeting in September and it was agreed during the meeting that Eskom will go back 5 years and pay the bill for Highbury using their rates and continue discussion with the municipality on the disputed invoice which will be the difference between our bill and their rates. Eskom also agreed to go back 5 years and pay the wheeling fees for Transkei Quarries.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

5.11. CREDITORS AGE ANALYSIS

The creditor's balance is R343 million (Previous quarter: R346 million). A concerted effort is being made to pay suppliers within the MFMA deadline of 30 days and this is reflected in the age analysis in the table below. Of the creditors over 30 days, 9% of long outstanding debts relate to other creditors with an amount of R14 827 043 and 91% relates to Eskom with an amount of R155 212 969. The had municipality had entered into a payment arrangement with Eskom during the month of September 2024.

NAME	BALANCE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120+ DAYS	DISCOUNT
ESKOM	306,726,316.30	62,926,100.50	88,587,247.19	81,442,298.41	73,755,574.64	15,095.56	
TIDOO ENGINEERING SERM	7,831,805.77	-	-	-	-	7,831,805.77	-
ONTEC SYSTEMS (PTY)LTD	4,912,810.35	-	-	4,912,810.35	-	-	-
DENJAVU SERVICES	3,270,600.00	3,270,600.00	-	-	-	-	-
SIZAKANCANE TRADING EN	1,679,306.93	1,679,306.93	-	-	-	-	-
AUDITOR GENERAL	1,542,297.58	1,542,297.58	-	-	-	-	-
OTHER SUNDRY CREDITORS	17,703,495.38	12,357,757.12	3,263,311.68	390,262.00	744,230.03	3,216,918.61	-
	343,666,632.31	81,776,062.13	91,850,558.87	85,964,846.76	73,011,344.61	11,063,819.94	-
	- 543,426.35	-	-	-	-	- 543,426.35	-
SMART ACCOMMODATION	- 140,689.84	-	-	-	-	- 140,689.84	-
NGQOKAZA TRADING JV	- 168,703.35	-	-	-	-	- 168,703.35	-
ITHUBALAWAJOLA TRADING	- 29,950.00	-	-	-	-	- 29,950.00	-
FRTZDIN PROJECTS CC	- 53,991.00	-	-	-	-	- 53,991.00	-
YPG SUPPLIES & DISTRIB	- 12,110.00	-	-	-	-	- 12,110.00	-
TSAME CONSTRUCTION CC	- 137,982.16	-	-	-	-	- 137,982.16	-
TOTAL...	343,123,205.96	81,776,062.13	91,850,558.87	85,964,846.76	73,011,344.61	10,520,393.59	-

NAME	BALANCE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120+ DAYS
ESKOM	255,805,982.32	73,758,128.69	31,756,870.82	41,569,485.82	37,049,539.72	71,671,957.27
Tidoo Engineering Servi	20,001,882.49	-	3,346,962.63	3,437,987.50	6,042,337.99	7,174,594.37
Siza Kancane Trading En	13,009,219.15	10,189,792.91	1,900,786.10	918,640.14	-	-
Siya And Aya Engineerin	7,336,259.34	921,413.05	1,324,937.05	859,350.92	2,270,416.79	1,960,141.53
Denjavu Services	5,501,519.50	29,325.00	5,472,194.50	-	-	-
Workmen's Compensation	3,303,202.61	-	3,303,202.61	-	-	-
Aludini PTY (LTD)	2,695,555.20	2,695,555.20	-	-	-	-
Abenguni Engineering Pr	2,489,338.58	2,489,338.58	-	-	-	-
Kwaedza Electrical Cont	2,448,190.80	272,226.82	-	2,448,190.80	-	272,226.82
SNRElectrical	2,354,477.58	2,354,477.58	-	-	-	-
Igubevu Trading	2,142,106.00	-	2,142,106.00	-	-	-
Zama Traffic Signals CC	2,123,752.74	617,207.88	789,937.88	-	716,606.98	-
	27,557,967.85	15,274,379.32	6,149,316.26	1,471,724.35	804,304.50	5,466,852.42
TOTAL ..	346,769,454.16	92,783,012.07	50,036,997.59	49,233,655.18	46,078,901.48	81,078,919.99
TOTAL ..	- 348,023.00	-	-	-	-	- 348,023.00
B Cala Trading And Cons	- 3,250.00	-	-	-	-	- 3,250.00
YPG Supplies & Distrib	- 12,110.00	-	-	-	-	- 12,110.00
FRTZDIN PROJECTS CC	- 53,991.00	-	-	-	-	- 53,991.00
Tsawe Construction CC	- 137,982.16	-	-	-	-	- 137,982.16
Smart Accommodation	- 140,689.84	-	-	-	-	- 140,689.84
TOTAL....	346,421,431.16	108,057,391.39	56,186,313.85	50,705,379.53	45,274,596.98	86,197,749.41

There is a concerted effort to pay the SMMEs within 30 days which I mainly located with the Other Sundry Creditors balance, but there are still teething challenges caused by the cash flow position of the municipality.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

PART THREE: SECTION 66 REPORT

BACKGROUND AND PURPOSE

Chapter 8 of the Municipal Finance Management Act, Act 66 of 2003 particularly section 66, states that the accounting officer of the municipality- Must, report to council on Expenditure incurred on staff salaries, wages, allowances and Benefits.

6. EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS

EC157 King Sabata Dalindyebo - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		26,226	29,194	-	(70)	6,301	7,299	(998)	-14%	29,194
Cellphone Allowance		3,615	4,048	-	4	857	1,012	(155)	-15%	4,048
Other benefits and allowances		1,760	1,818	-	47	565	454	111	24%	1,818
Sub Total - Councillors		31,601	35,060	-	(20)	7,723	8,765	(1,042)	-12%	35,060
% increase	4		10.9%							10.9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7,786	10,680	-	853	2,202	2,670	(468)	-18%	24,337
Pension and UIF Contributions		52	56	-	4	12	14	(2)	-12%	45
Motor Vehicle Allowance		334	378	-	24	72	94	(22)	-24%	321
Cellphone Allowance		49	50	-	6	18	13	5	41%	98
Acting and post related allowance		47	169	-	9	26	42	(17)		255
In kind benefits										
Sub Total - Senior Managers of Municipality		8,268	11,334	-	896	2,330	2,833	(504)	-18%	25,056
% increase	4		37.1%							203.1%
Other Municipal Staff										
Basic Salaries and Wages		362,201	370,422	-	30,432	90,473	92,605	(2,133)	-2%	360,136
Pension and UIF Contributions		64,997	66,333	-	5,131	15,333	16,583	(1,250)	-8%	66,127
Medical Aid Contributions		31,976	32,577	-	2,733	8,075	8,144	(70)	-1%	32,550
Overtime		36,568	32,069	-	2,726	8,461	8,017	444	6%	32,094
Performance Bonus		26,739	23,691	-	1,971	4,904	5,923	(1,019)	-17%	23,683
Motor Vehicle Allowance		23,552	23,520	-	2,604	7,553	5,880	1,673	28%	24,774
Cellphone Allowance		5,240	5,048	-	523	1,543	1,262	281	22%	5,493
Housing Allowances		26,883	26,764	-	2,366	7,044	6,691	353	5%	26,883
Other benefits and allowances		4,849	10,254	-	665	876	2,563	(1,688)	-66%	7,854
Payments in lieu of leave		(1,007)	2,320	-	222	827	580	247	43%	2,212
Long service awards		6,190	7,732	-	621	1,792	1,933	(141)	-7%	7,730
Acting and post related allowance		5,064	5,245	-	437	1,264	1,311	(47)	-4%	5,279
In kind benefits										
Sub Total - Other Municipal Staff		593,253	605,974	-	50,431	148,144	151,494	(3,350)	-2%	594,815
% increase	4		2.1%							0.3%
Total Parent Municipality		633,121	652,367	-	51,307	158,197	163,092	(4,895)	-3%	654,931

6.1. COMMENTS ON MATERIAL VARIANCES

The following line items reflects material variances as at 30 SEPTEMBER 2024

Employee Related Costs and Remuneration of councillors:

Overall saving of four million eight hundred thousand (R4.8 million).

- Basic salaries for councillors reflect savings of nine hundred and ninety-eight thousand (R0.998 million).

- Senior management reflect savings of four hundred and sixty-eight thousand (R0.468 million).
- Other municipal staff reflects net savings of three million three hundred thousand (R3.3 million) broken down into the material variances as follows:
 - Basic salaries savings of two million and one hundred thousand (R2.1 million).
 - Pension contributions savings of one million and two hundred thousand (R1.2 million).
 - Bonuses savings of one million (R1 million).
 - Other allowance reflects savings of one million and six hundred thousand (R1.6 million).
 - Motor vehicle allowance overspent by one million and six hundred thousand (R1.6 million).
 - Cellphone allowance has been overspent by two hundred and eighty-one thousand. (R0.281 million).
 - Housing allowance has been overspent by three hundred and fifty-three thousand (R0.353 million).

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

6.2. ACTING ALLOWANCE AND OVERTIME (SUNDAY/ PUBLIC HOLIDAY) REPORTS FOR Q1 OF 2024/25

ALLOWANCES PAID FOR THE MONTH OF SEPTEMBER 2024					
Sunday and public holidays		Overtime		Acting Allowance	
Row Labels	AMOUNT	Row Labels	AMOUNT	Departments	AMOUNT
Community Services	221,555.71	Community Services	61,332.42	Community Services	7,447.03
Corporate Services	54,003.84	Corporate Services	16,023.28	Corporate Services	29,729.53
Mqanduli-Admin	7,817.63	Finance	40,279.83	Public Safety	73,699.28
Public Safety	1,251,873.34	Public Safety	5,228.82	Technical Services	29,122.45
Technical Services	189,716.50	Technical Services	12,138.37	Grand Total	139,998
Grand Total	1,724,967	Grand Total	135,003		
Total allowances paid for the month of September					1,999,968

ALLOWANCES PAID FOR THE MONTH OF AUGUST 2024					
Sunday and PublicHolidays		Overtime		Acting Allowance	
Department	Amount	Department	Amount	Department	Amount
Community Services	100,959	Community Services	69,836	Budget and Treasury	1,973
Corporate Services	40,239	Corporate Services	11,354	Community Services	9,327
Mqanduli-Admin	7,386	Finance	3,390	Corporate services	24,574
Public Safety	1,311,305	Public Safety	6,536	Public Safety	65,410
Technical Services	213,364	Technical Services	9,864	Grand Total	101,284
Grand Total	1,673,252	Grand Total	100,980		
Total for the month August					1,875,516

ALLOWANCES PAID FOR THE MONTH OF JULY 2024					
SUNDAY AND PUBLIC HOLIDAYS		OVERTIME ALLOWANCE		ACTING ALLOWANCE	
Department	Amount	Department	Amount	Department	Amount
Community Services	237,502	Community Services	84,930	Community Services	15,143
Corporate Services	51,491	Corporate Services	12,242	Corporate Services	27,380
Mqanduli-Admin	11,445	Finance	12,280	Corporate Services- Halls	1,455
Public Safety	1,511,186	Public Safety	6,723	Public Safety	69,404
Technical Services	248,845	Technical Services	13,263	RED	3,271
Grand Total	2,060,469	Grand Total	129,438	Technical Services	13,448
				Grand Total	130,102
Total for the month July					2,320,008
Total for the quarter					6,195,492

PART FOUR: ASSET MANAGEMENT

7.1. FUEL CONSUMPTION

Directorate	July 2024	Aug 2024	Sep 2024	Total
B.T.O.	25,510	40,122	18,931	84,564
Community Services	272,245	232,045	222,326	726,616
Corporate Services	-	1,221	-	1,221
Infrastructure	521,340	457,221	411,748	1,390,308
Council and Executive	18,654	4,917	15,566	39,138
RED	7,439	4,596	-	12,035
Public Safety	129,485	150,233	94,191	373,909
Total	974,673	890,355	762,762	2,627,791

7.2. REPAIRS AND OIL EXPENSES

Directorate	Jul-24	Aug-24	Sep-24	Total
Budget and Treasury	2,165,373	1,375,016	997,321	4,537,710
Infrastructure	8,951,745	1,802,849	10,548,419	21,303,014
Totals	11,117,118	3,177,866	11,545,740	25,840,723

7.3. HIRING COSTS

Directorate	Jul-24	Aug-24	Sep-24	Total
Executive & Mayor	113,940.00	117,180.00	136,493.50	367,613.50
Speaker	113,940.00	21,000.00	138,780.00	273,720.00
Budget & Treasury			232,276.50	232,276.50
Corporate Services			29,590.65	29,590.65
Community Services		592,452.63	-	592,452.63
Public Safety			137,862.00	137,862.00
Infrastructure		1,942,458.98	-	1,942,458.98
Totals	227,880.00	2,673,091.61	675,002.65	3,575,974.26

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

7.4. REPORT FOR PROPERTY, PLANT AND EQUIPMENT

30 September 2024 - PPE REPORT											
Class of assets	Cost				Accumulated Depreciation				Carrying Value		
	Opening Balance @01/07/2024	Additions	Disposals	Closing Cost at 30 September 2024	Opening Balance @01/07/2024	Depreciation	Disposal	Closing Acc Depr 30 September 2024	Carrying Value 30 September 2024	Carrying Value 01/07/2024	
Investment properties	R377,737,417.00			R377,737,417	R0.00			R0	R377,737,417	R377,737,417.00	
Land	R286,558,280.91			R286,558,281	R0.00			R0	R286,558,281	R286,558,280.91	
Buildings	R380,813,450.00			R380,813,450	R149,798,895.00	3,642,575.22		R163,441,470	R227,371,980	R231,014,555.00	
Infrastructure Assets	R3,380,683,052.90	R14,571,089		R3,395,254,142	R2,452,029,100.37	R17,389,497		R2,469,418,597	R25,835,545	R28,663,952.53	
Community Assets	R439,806,545.95			R439,806,546	R162,077,589.01	R4,058,683		R166,136,272	R273,670,274	R277,728,956.94	
Other Assets	R61,368,903.62			R61,368,904	R34,452,735.36	R905,762		R35,358,497	R26,010,407	R26,916,168.26	
WIP	R129,211,599.30	R13,263,410		R142,475,009	R0.00			R0	R142,475,009	R129,211,599.30	
Specialised vehicles	R178,605,633.66			R178,605,634	R147,364,999.11	R2,191,560		R149,556,559	R29,049,074	R31,240,634.55	
Intangibles Assets	R3,925,914.79			R3,925,915	R3,441,012.00	R43,166		R3,484,198	R441,717	R484,902.79	
Heritage Assets	R3,201,000.00			R3,201,000	R0.00			R0	R3,201,000	R3,201,000.00	
	R5,241,911,798	R27,834,499	R0	R5,269,746,297	R2,949,164,331	R28,231,262	R0	R2,977,395,593	R2,292,350,704	R2,292,747,467	

7.5. INSURANCE CLAIMS

Claim: Owner Name	Period	Status	Claim Status Reason	Claim Number	Date of Loss	Loss Type	Estimated Value of Loss	Type of Asset	Final Status of the claim
Shulele Mijnyelwa	2022-2023	Open	Broken laptop screen	880293	24/05/2023	Accidental Damage	18,563.00	Laptop	This laptop was handed over to the IT department for storage. However, when the Assets team attempted to retrieve it for repairs, it was not found in the IT storage area. The laptop is currently unaccounted for its whereabouts are unknown. The insurance wants to close the file. Further investigation is required to determine the circumstance surrounding the loss - File open
P Ngcobeletshani Akhona	2023-2024	Closed	Blank Screen	884736	25/03/2024	Damaged	19,606.00	Laptop	Unfortunately, their supplier sent them the incorrect LCD frame/bezel. After some back and forth, they recognized their mistake. However, the correct part is currently out of stock and will only arrive in about six weeks. The repaired device was delivered on the 09/09/2024
S Mabeele	2023-2024	Closed	Laptop doesn't switch on or off	884779	11/04/2024	Damaged	17,020.00	Laptop	The insurance has confirmed that the damaged unit is repairable on the 13/07/2024, excess payment is paid. The replacement device was delivered back to the municipality on the 18/09/2024 but we have requested a new invoice.
Sphokazi Sifumba	2023-2024	Closed	Laptop Accidentally damaged	885564	19/04/2024	Damaged	17,020.00	Laptop	The laptop was returned to the repair center but unfortunately, upon arrival, it was discovered that the shipping box has been damaged, resulting in damage to the device inside. The repair center has ordered replacement parts, which will be dispatched back to the municipality once the repairs are completed. The repaired device was delivered in the Municipality on the 23 September 2024 - File Closed
Shumbule Mvira	2023-2024	Closed	Laptop damaged	886562	25/06/2024	Damaged	17,020.00	Laptop	Waiting for the excess payment from creditors, the municipality will be getting the replacement laptop. The Laptops has been received on the 25/09/2024 - File closed
Yanga Gwafiso	2024-2025	Open	Screen Blank	888333	04/04/2024	Damaged	18,563.00	Laptop	Waiting for the excess payment from creditors, the laptop will be repaired. Proof of payment of the excess invoice was sent to the insurance on the 03/09/2024. The repair centre is awaiting for the parts to be delivered from their supplier this coming week on Friday on the 04/10/2024 - File open
L Songqwi	2024-2025	Open	broken Laptop screen	889079	12/04/2024	Damaged	19,526.40	Laptop	The device was collected by the insurance on the 15/08/2024. Platinum repairs submitted a damage assessment to the insurance company and currently awaiting their feedback. Waiting for the excess payment from creditors - File open
Nontsiso Kolana	2023-2024	Open	Laptop damaged	887782	2024/06/04	Damaged	19,606.00	Laptop	Excess payment made by the Municipality on the 19/08/2024, the municipality will be getting the replacement laptop. We have received the replacement Laptop for the claim on 26/08/2024 - File open
Nasiphi Mafiso	2023-2024	Open	Cellphone Stolen	886097	20/04/2024	Stolen	20,599.00	Cellphone	Waiting for the proof of forceable entry from the user - File open
Vuyolwethu Chopani	2024-2025	Open	Laptop is not operating	889392	29/07/2024	Damaged	23,517.00	Laptop	assessment to the insurance company and await their feedback. The insurance has confirmed that this device
Siva Kwamba	2024-2025	Open	Vandalised Traffic lights	na	27/06/2024	Vandalised	340,147.00	Traffic Lights	Waiting for the claim number from the insurance - File open
Misa Jafra	2024-2025	Open	Malfunctioning Laptop	na	08/08/2024	Damaged	17,020.00	Laptop	Waiting for the claim number from the insurance - File open
Wineka Kosei Maphoko	2024-2025	Open	Cracked cellphone screen	900561	18/08/2024	Damaged	41,999.00	Cellphone	The device has been collected on the 30/09/2024 - File open
Ntrenten Jafra Thudani	2024-2025	Open	Malfunctioning Laptop	900296	25/07/2024	Damaged	19,526.40	Laptop	The repair centre is conducting an assessment on the laptop - File open

7.6. ACCIDENT REPORT

REG NO	VEHICLE DESCRIPTION	DATE OF ACCIDENT	DRIVER	DEPARTMENT	STATUS	ESTIMATED COST OF REPAIRS	NAME OF FINANCIAL LIABILITY
FTW 962 EC	Toyota Hilux	06-Jun-23	Mr. Pungulwa	Public Safety (Fire)	Accident claim closed. Repairs complete.	R3 518.59	Guardrisk
HKM 767 EC	Ford Ranger	09-Jun-23	M. Mafika	Technical Services (Roads)	Accident claim closed. Repairs complete.	R47 735.15	Guardrisk
JDX 109 EC	Quantum	08-Aug-23	S. Madikizela	Public Safety (Law Enforcement)	Accident claim closed. Repairs complete.	R30 750.77	Guardrisk
HRL 724 EC	Toyota	03-Jun-23	A. Gaju	Public Safety (Traffic)	Accident claim closed. Repairs complete.	R55 241.43	Guardrisk
HNT 696 EC	Ford Ranger	15-Sep-23	S. Madikizela	Technical Services (Electricity)	Accident claim closed. Repairs complete.	R22 418.63	Guardrisk
HPK 621 EC	Ford Ranger	04-Feb-24	T. Manamathela	Technical Services (Electricity)	Accident claim closed. Repairs complete.	R17 020.00	Guardrisk
HJS 392 EC	Toyota Corolla	17-Jan-24	L. Phillips	Community Services (Parks)	Accident claim closed. Repairs complete.	R87 402.29	Guardrisk
JDV 445 EC	Car	06-Feb-24	N. Maya	BTO. Fleet	Accident claim closed. Repairs complete.	R86 450.53	Guardrisk
HNT 714 EC	Ford Ranger	30-Mar-24	S.Nyokana	Public Safety (Law Enforcement)	Accident claim closed. Repairs complete.	R15 612.11	Guardrisk
HKM 780 EC	Ford Ranger	07-Apr-24	B.W. Matiwane	Technical Services (Roads)	Accident claim closed. Repairs complete.	R25 359.35	Guardrisk
HKM 739 EC	Ford Ranger	31-Mar-24	S. Gongotha	Technical Services (Electricity)	Accident claim closed. Repairs complete.	R19 224.12	Guardrisk
HRL 730 EC	Toyota Corolla	23-Apr-24	N NTLEKI	Public Safety (Law Enforcement)	Accident claim submitted to the insurance. Waiting for assessment	R32 803.46	Guardrisk
JFF 082 EC	Toyota Corolla	12-May-24	V Rolo	Public Safety (Traffic)	Write off. Awaiting agreement of loss and settlement	R0.00	Guardrisk
JFW 413 EC	UD Croner Tipper Truck	28-May-24	A. Beywayo	Technical Services (Roads)	Accident claim submitted to the insurance. Authorised and Repairs in progress	R46 170.53	Guardrisk

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

Registration Number	Vehicle Model	Date	Person	Technical Services (Electricity/Roads)	Accident Description	Amount	Guardrisk
HNZ 964 EC	Toyota Hilux	01-Jun-24	L. Moerane	Technical Services (Electricity)	Accident claim closed. Repairs complete.	R32 803.45	Guardrisk
JFZ 041 EC	UD Croner Flatback	13-Jun-24	T. Ntsangane	Technical Services (Roads)	Cost of repairs falls within excess, vehicle repaired through managed maintenance.	R514.90	Guardrisk
HZM 281 EC	Audi Q7	14-Jun-24	V. Joyi	Executive Council (Mayor's office)	Accident claim has been submitted. The vehicle is booked for repairs at Explotrade. The vehicles is defected for mechanical repairs. Accident repair will be carried out when the vehicle has returned from repairs.	R42 503.87	Guardrisk
JDV 454 EC	Polo Vivo	30-Jul-24	S Maqwelana	Public Safety (Law Enforcement)	Insurer declared the vehicle write off. Currently in negotiation to rather repair the vehicle due to shortage of vehicles.	R130 362.75	Guardrisk
JDV 094 EC	Toyota Corolla	31-Jul-24	Mr. M Ndimangele	BTO. (Fleet)	Repairs Complete.	R36 771.08	Guardrisk
JFW 440 EC	UD QUEST TIPPER TRUCK	13-Aug-24	Ms. A. Moyikwa	Technical Services (Technical Services (Roads))	Accident claim submitted to insurance. Authorised, repairs in progress.	R114 315.78	Guardrisk
HNT 702 EC	Ford Ranger	14-Aug-24	Mr. S. Maqwelana	Public Safety (Law Enforcement)	Accident claim submitted to the insurance. Vehicle authorised. Repairs in progress.	R28 191.85	Guardrisk
HNT 696 EC	Ford Ranger	26-Aug-24	Mr. S. Maqwelana	Public Safety (Law Enforcement)	Accident claim submitted to the insurance. Vehicle authorised. Repairs in progress.	R19 474.36	Guardrisk
JHC 933 EC	Mercedez Benz Hazmat	23-Sep-24	Mr S. Duku	Fire	Awaiting quotation	Awaiting assessment report.	Guardrisk
HVN 622 EC	Toyota corolla	23-Sep-24	Mr T. Buhlungu	BTO- Fleet	Awaiting quotation	Awaiting assessment report.	Guardrisk
JLV 743 EC	Cherry picker	30-Sep-24	Mr M Vapi	Electricity	Awaiting quotation	Awaiting assessment report.	Guardrisk

PART FIVE

8. SUPPLY CHAIN MANAGEMENT

1. PURPOSE

To report to Finance Committee on the Implementation of the Supply Chain Management Quarter ending 30 September 2024.

2. AUTHORITY

- Section 217 of the Constitution of the Republic of South African Act 108 of 1996
- Section 110 of the Municipal Finance Management Act, No. 56 of 2003.
- Section 32 Municipal Systems Act 32 of 2000
- Municipal Supply Chain Management Regulations of 2022
- Supply Chain Management Policy
- Local Government Framework for Infrastructure Delivery and Procurement Management Policy.

3. LEGAL / STATUTORY REQUIREMENTS

The Local Government: Municipal Finance Management Act, no 56 of 2003 (MFMA), requires the Municipality to have and implement a Supply Chain Management (SCM) Policy which gives effect to the provisions of Chapter 11 of the Act that deals with 'Supply Chain Management'.

Municipal Supply Chain Management is further mandated to be in line with the Municipal Supply Chain Management Regulations which were promulgated on the 30 May 2005.

Although the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, Council has an oversight role to ensure that the accounting officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy was promulgated.

Paragraph 6 (2)(a)(1) of the Municipal Supply Chain Management Regulations requires that the accounting officer must.

"Within 30 days of the end of each Year, submit a report on the implementation of this policy or of any municipal entity under its sole or shared control, to council".

4. BACKGROUND/REASONING

The Accounting Officer has the responsibility of facilitating the process of awarding tenders to successful bidders, within the legal framework, and the responsibility of reporting to Council on tenders awarded based on the above-mentioned paragraph quoted from the Supply Chain Management Regulations, hence this report has been prepared.

5. **Oversight role of council**

The Council must maintain oversight over the implementation of this Policy and for the purpose of such oversight the accounting officer must within 30 days of the end of each year, submit a report on the implementation of the Supply Chain Management Policy to

the Council of the municipality in terms of paragraph 8(3)(a) of the Policy.

6. Supply Chain Management (SCM) Policy

The objectives of the Policy are:

- a) to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive, and cost effective; and
- b) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto.

7. Amendment of Supply Chain Management Policy

In terms of Paragraph 4(1) (b) of the Policy, the Accounting Officer must, when considered necessary, submit proposals for the amendment of the Supply Chain Management Policy.

As part of the annual budget policy review, SCM policy was submitted to Council for consideration and approval on 31 May 2024 and was implemented with effect from 01 July 2024.

8. Supply Chain Management Unit

The Supply Chain Management Unit is headed by the General Manager SCM and operates under the direct supervision of the Chief Financial Officer.

The structure of the SCMU covers the following disciplines within Supply Chain Management:

SCM Elements	Procurement thresholds
Demand Management	Demand Planning and Specifications
Acquisition Management	Procurement of Goods & Services
Three quotation system	R2001 up to R30 000
Formal Written Quotation	R30 001 up to R300 000
Competitive Bidding	R300 001 and above
Contract Management and performance	Monitoring the performance of contracts Review and update contract management

The staff complement in the SCMU consists of a total of 12 officials.

9. Contract Management

The Contract Management function falls under the purview of the Budget and Treasury Office within the Supply Chain Management and Expenditure division

The following table illustrates the list of awards registered in the system for the quarter ending 30 September 2024:

Number of awards above R300 000	10 projects with 68 individual contracts.	Rates based
RFQ's awarded above R30 000	03	R 790 946.22
Three Quotation System	58	R 901 231.95
Deviations	13	R 1 750 637.94
Irregular Expenditure	0	R 0

10 Milestones attained in Contract Management:

- a) Contract Management has been incorporated in the SCM Policy that has been reviewed, amended and adopted by council on **31 May 2024**. The policy gives effect to section 116 of the MFMA and to support SCM functions and regulations.

11 Training of SCM Officials

Competency Levels of the Supply Chain Management Unit

The Municipal Regulations on Minimum Competency Levels requires certain General Competency Levels for Officials Involved in the Implementation of the Supply Chain Management Policy. SCM officials have successfully attained the minimum competency levels as required. Newly appointed officials are currently registered for training and have commenced attending CPMD to meet the required standards.

Due to financial constraints KSD Supply Chain Management staff is currently attending trainings offered by Provincial Treasury and National Treasury in the 2024/25 financial year as well as in house training.

12. Miscellaneous Training & Education

KSD Municipality attends the yearly SCM Forums, scheduled by Provincial Treasury wherein SCM issues are discussed at length in those meetings.

Below is a training attended by officials in the SCM Unit:

#	Description
1.	Contract Management work group with National Treasury
2.	Contract Management work group with system vendor
3.	Seda SALGA Municipal SCM Principles
4.	Customer Care
5.	CPMD

13. The Delegation of Supply Chain Management Powers and Duties

Council has duly delegated the implementation of the Supply Chain Management Policy to the Accounting Officer who is responsible for taking all reasonable steps to ensure that proper mechanisms and separation of duties are in place in the Supply Chain Management System in order to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

To aid the Accounting Officer in this responsibility, Council has adopted a Delegations of Powers and Duties Policy which assists in maximising the administrative and operational efficiency and is reviewed annually.

Demand Management

Demand Management is an interactive process to determine the demand levels required to meet the municipality's objectives. These objectives are reflected in the municipality's Integrated Development Plan (the 'IDP'), which is a comprehensive strategy document setting out how the municipality intends to address the development challenges in a specific financial year.

The SCM Unit has, with support by the Accounting Officer and the Chief Financial Officer implemented SCM via a Procurement Plan (PM) as a strategic tool in order to implement the budget. The PM assists the SCM Unit with the planning of tender processes and user departments with the planning of the execution and timely completion of projects in alignment with performance targets in the Service Delivery and Budget Implementation Plan.

The Procurement Plan for the 2024/25 financial year actively promotes and determined to enhance the procurement management process in procuring goods and services. The SCM Unit submits reports to the Management Committee on a monthly basis to measure the success of the implementation of Procurement Plan.

Acquisition Section

The Acquisition Section is specifically tasked to perform all procurement related activities for the procurement of goods and services with a value up to R30 000 as well as the issuing of orders for procurement with higher values.

The following table illustrates the number of orders and appointment letters being managed by the Supply Chain Management Unit, during the 2024/25 of the third quarter. This is a positive indication of procuring of goods and services in a more effective and efficiently way.

Commitments embark on during the year ending 30 September 2024:

Three Quotation System	58	R 901 231.95
Number of awards above R300 000	10 projects with 68 individual contracts.	Rates based
RFQ's awarded above R30 000	03	R 790 946.22
Deviations	13	R 1 750 637.94

Hiring of Vehicles and Travelling and Accommodation

Analysis of Travelling and accommodation expenditure for the quarter in relation to previous quarter.

	Q4 (2023/24)	Q1 (2024/25)	Comments
Travelling and	R1 032 710.67	R 2 588 326.47	The has been an

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

accommodation expenditure			increase of 151%.
---------------------------	--	--	-------------------

14. Preferred Suppliers Database

In terms of Supply Chain Management Policy, the Accounting Officer is required to keep a list of accredited prospective providers of goods and services. In line with the municipality's legislative requirement, interested suppliers were invited to register/update details on Central Supplier Database this was done through an advert which was published in 2023/24 financial year. KSD has further allocated an official that assists service providers with CSD registration process and related enquiries.

15. Bid Committee System

The Bid Committee system for competitive bids has been actively applied within the Municipality. The bid committee system includes a Bid Specification, Bid Evaluation as well as a Bid Adjudication Committee. These committees have been properly constituted and duly appointed and delegated by the Accounting Officer in order to execute the mandates of each of the committees.

All procurement of goods and services with a value above R 300 000 are procured by way of competitive bidding processes, via the bid committee system.

Bids recommended by the Bid Adjudication Committee

The bids that were recommended by the Bid Adjudication Committee in terms of the SCM Policy and the Preferential Procurement Policy for quarter ending 30 September 2024 are attached as Annexure B.

Procurement Function	2024/25
Bids Processed	10 projects with 68 individual contracts.
Estimated Value of Awards (R)	Rates Based

16. Deviations and Minor Breaches from Procurement Processes

Deviations

The Supply Chain Management Policy states in Paragraph 36(1) (a):
 "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but, amongst others, only.

- i. in an Emergency
- ii. if such goods or services are produced or available from a single provider only.
- iii. for the acquisition of special works of art or historical objects where specifications are difficult to compile.
- iv. Acquisition of animals for zoos or
- v. in any other exceptional case where it is impractical or impossible to follow the official procurement processes"
- vi. Such goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements, or it will be impractical or uneconomical to acquire additional similar goods or services from another supplier or service provider.
- vii. Expanded Public Works Programme (EPWP) learnership projects which

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

have been identified and registered as such.

Accounting Officer approved **13** deviations from July to September (**Quarter 1**) of **2024/25** financial year to the value of almost **R 1 750 637.94**

SCM Policy	Description		2023/24
Clause 36(1)(a)(ii)	Sole Supplier	02	R 5 043.92
Clause 36(1)(a)(v)	Impractical or impossible	11	R 1 745 594.02
		13	R 1 750 637.94

Minor breaches

The Supply Chain Management Policy states in Clause 44(2) that the Accounting Officer may consider ratifying any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

The Accounting Officer did not approve any minor breaches of the Supply Chain Management Policy for the quarter ending 30 September 2024.

17. Irregular Expenditure- MFMA Section 32

Irregular Expenditure is defined as expenditure incurred in contravention of the Municipal Financial Management Act, Municipal Systems Act, and Public Office-Bearers Act of the Municipality's Supply Chain Management Policy.

In terms of Section 32(4) of the MFMA the Executive Mayor, the MEC for Local Government and Auditor-General must be informed of all possible irregular expenditure incurred by the municipality.

In terms of this, a register of cases of irregular expenditure identified in the quarter ending 30 September 2024 is attached as Annexure D, however, there has been no irregular expenditure incurred for the period in question.

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

Implementation Of Cost Containment Measures

COST CONTAINMENT MEASURE EXPENDITURE REGISTER 2024/25 FINANCIAL YEAR						
PERIOD	DESCRIPTION	ANNUAL BUDGET	QUARTERLY BUDGET	QUARTERLY EXPENDITURE	SAVINGS	Comments
202409	USE OF CONSULTANTS	57,573,256.00	19,191,085.33	10,778,367.01	8,412,718.32	Savings on use of Consultants in Q1 due to that most contracts are still on tender stages
202409	TRAVEL & SUBSISTENCE	2,944,513.00	981,504.33	1,452,713.42	- 471,209.09	Spent more that quarterly budget due to that more employees were enrolled on CPMD and study with University of forthare
202409	DOMESTIC ACCOMMODATION	3,357,163.00	1,119,054.33	1,632,756.00	- 513,701.67	Spent more that quarterly budget due to that more employees were enrolled on CPMD and study with University of forthare
202409	CATERING	7,781,621.00	2,593,873.67	908,077.99	1,685,795.68	Savings on catering in Q1, due to that no catering for meetings within the institution and will not take more than 5 hours
202409	CONFERENCES, MEETINGS & STUDY TOURS	3,965,450.00	1,321,816.67	793,852.17	527,964.50	Savings on conference , meetings and study tours in Q1, due to that there were less request received.
		75,622,003.00	25,207,334.33	15,565,766.59	9,641,567.74	

TOTAL SAVINGS AS AT QUARTER 1

9,641,567.74

The above shows that there has been an overspending on the use of consultants and the savings were only on travel and subsistence, accommodation, catering and conferences.

PART SIX

9. WITHDRAWAL REPORT IN TERMS OF SECTION 11(4) OF THE MFMA

BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

1. Introduction

The purpose of this report is to report on specific withdrawals from the municipal bank account in terms of the Municipal Finance Management Act, No. 56 of 2003.

2. Background

Section 11(4) of the MFMA:

“The accounting officer of a municipality must within 30 days after the end of each quarter –

S52d REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

- a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection 1(b) to (j) during that quarter; and
- b) submit a copy of the report to the relevant provincial treasury and the Auditor-General”.

3. Discussion

The report provides specific withdrawals from the municipal back account the withdrawals from municipal bank account for the First Quarter ended 30 September 2024.

The following information should be noted for the quarter ended 30 September 2024:

Section 11(1)(b): Expenditure that were authorised in terms of section 26(4) of the MFMA.

No withdrawals.

Section 11(1) (c): Unforeseeable and unavoidable expenditure

No withdrawals

Section 11(1) (d): Withdrawals in respect of Trust, and so forth

No withdrawals.

Section 11(1) (e): Third party payment of monies received on behalf of a person or state body.

Amounts paid to Department of Transport R9 217 845.09

Section 11(1) (f): Monies erroneously deposited into the municipal bank account.

No withdrawals.

Section 11(1) (g): Guarantees, sureties and security deposits refunded.

No withdrawals.

Section 11(1) (h): Cash management and investment

Amount transferred to investments or call accounts R44 469 800.00

Section 11(1) (i): Increased expenditure in terms of section 31 of MFMA

No withdrawals.

Section 11(1) (j): Other purposes as prescribed

No withdrawals.

PART SEVEN

10. STAFF IMPLICATIONS

Own Staff

10. FINACIAL IMPLICATIONS

None

11. ANNEXURES (for details please refer to separate annexure report attached)

ANNEXURE A: PAYMENTS FOR THE FIRST QUARTER

ANNEXURE B: REPORT ON THE STATE OF THE MUNICIPALITY FINANCES

ANNEXURE C: REGISTER OF AWARDS MADE THROUGH THREE QUOTATIONS SYSTEM (R2,000 – R30,000 VAT INCL)

ANNEXURE D: REGISTER OF AWARDS MADE THROUGH COMPETITIVE BIDDING PROCESS (ABOVE R300,000 VAT INCL)

ANNEXURE E: REGISTER OF DEVIATIONS FROM THE PROCUREMENT PROCESSES

ANNEXURE F: REGISTER OF IRREGULAR EXPENDITURE IDENTIFIED

ANNEXURE G: REGISTER OF AWARDS MADE THROUGH REQUEST FOR QUOTATIONS SYSTEM (R31 000 -R300 000)

ANNEXURE H: ANALYSIS OF PROCUREMENT PLAN, PERFORMANCE ASSESSMENT AND CONTRACT MANAGEMENT

ANNEXURE I: ANALYSIS OF PERFORMANCE ASESSMENT REPORT

ANNEXURE J: THE STATISTICAL REPORT ON CONTRACT MANAGEMENT

ANNEXURE K: STATICAL ANALYSIS

ANNEXURE L: FRUITLESS AND WASTEFUL EXPENDITURE

ANNEXURE M: UNAUTHORISED EXPENDITURE

ANNEXURE N: PAYMENT OF THIRD PARTIES

ANNEXURE O: ELECTRICITY REPORT FOR THE FIRST QUARTER

ANNEXURE P: DISTRIBUTION LOSSES REPORT


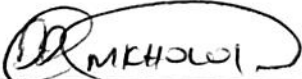
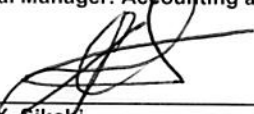
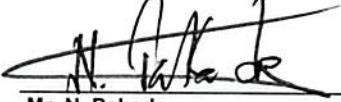
ANNEXURE Q: FLEET MANAGEMENT REPORT

ANNEXURE R: INDIGENT SUBSIDY REPORT

12. RECOMMENDATIONS

It is recommended that the council notes:

- Section 52 (d) reports for the 1st Quarter of the 2024/25 Financial Year.
- Section 66 report for the 1st Quarter of the 2024/25 Financial Year.
- Paragraph 6 (SCM regulations) report for the 1st Quarter of the 2024/25 Financial Year.
- Paragraph 36 (SCM regulations) report for the 1st Quarter of the 2023/24 FY.
- Shortfalls on all major revenue items (property rates, electricity sales, refuse removal, agency services, operational revenue and fines and penalties.)
- Bulk purchases overspent by sixty-one million.
- Interest overspent by two million.

Prepared by:	 Mr. T. Sixam Manager: AFS, Audit and Internal Controls
Reviewed by:	 Mr. D.D. Mkhokotho General Manager: Accounting and Asset Management
Submitted By:	 Mr. C. Sikoli Chief Financial Officer
Submitted By:	 Mr. N. Pakade Municipal Manager
MMS Comments:	<hr/> <hr/> <hr/> <hr/>