BUDGET AND TREASURY DIRECTORATE

MNQUMA

LOCAL MUNICIPALITY

SECTION 71 FINANCIAL REPORT TO EXECUTIVE MAYOR FOR THE MONTH ENDING 31 MARCH 2025

Compiled By:

M. Matomane
Chief Financial Officer

Signed by:

S. Mahlasela
Municipal Manager

1. PURPOSE

The purpose of the report is to present the implementation of the budget and the financial state of affairs of the municipality for the month ending 31 March 2025

2. LEGAL AND OR STATUTORY REQUIREMENT

In terms of section 71 of the Municipal Finance Management Act No. 56 of 2003, the Mayor of a municipality must within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and financial state of affairs of the municipality.

3. BACKGROUND EXPOSITION, FACTS AND OR PROPOSAL

The Municipality adopted the MTREF budget for 2024-2025 on the 23rd May 2024, 1st Adjustment budget was approved on the 30th July 2024.

The report presents the implementation of the approved budget including the financial performance and financial position of the municipality for the month ending 31 March 2025.

The report further gives detail on the implementation of finance related policies as approved by council.

4. REVENUE COLLECTION, DEBT MANAGEMENT AND INDIGENT POLICY IMPLEMENTATION

4.1 REVENUE COLLECTION

Revenue is collected as per the approved policies. The property rates policy, credit control and debt management policy and the indigent policy were adopted by council and are implemented. Properties are billed according to 2024-2025 approved tariff structure. All properties are billed as per the values on the General valuation roll that was implemented from the 01st July 2024. The appeal board sat and finalised objections and appeals submitted. The table below shows comparison of budgeted revenue with actual revenue as at 31 March 2025:

Description	Budget Year 2024/25				
R thousands	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue					
Exchange Revenue					
Service charges - Waste management	17,322	12,630	12,925	(295)	-2%
Sale of Goods and Rendering of Services	554	567	415	152	37%
Agency services	3,000	1,883	2,250	(367)	-16%
Interest earned from Receivables	14,811	13,351	11,108	2,243	20%
Interest from Current and Non Current Assets	20,000	14,838	15,189	(351)	-2%
Rental from Fixed Assets	6,264	3,971	4,698	(727)	-15%
Licence and permits	2,060	1,613	1,545	67	4%
Operational Revenue	508	1,573	381	1,192	313%
Non-Exchange Revenue					
Property rates	95,338	81,590	53,737	27,853	52%
Surcharges and Taxes	–	275	–	275	0%
Fines, penalties and forfeits	6,600	9,411	4,950	4,461	90%
Transfers and subsidies - Operational	352,795	347,628	324,543	23,086	7%
Gains on disposal of Assets	1,665	1,064	1,208	(144)	-12%
Other Gains	2,400	–	1,200	(1,200)	-100%
Total Revenue (excluding capital transfers and contributions)	**523,316**	**490,394**	**434,149**	**56,246**	**13%**

Year to date revenue is R 490 394 000, which is 13% more than the year to date budgeted revenue of R 434 149 000 due to the reasons stated below:

Service charges – Refuse removal

Year to date actual is sitting at R 12 630 000 which is 12% less than the targeted amount of R 14 391 000. Variance is due to increase in the number of Indigent applicants approved by the Indigent Steering Committee.

Sale of Goods and rendering of Services

Actual revenue received amount to R 567 000 which is 23% more than the YTD budgeted amount of R 461 000. The variance is due to increase in building plan fees, Advertising and cemetery fees.

Agency services

Actual revenue received amounts to R 1 883 000, which is 16% less than the targeted budget of R 2 250 000. The variance is due to E-Natis system that was not working in December 2024.

Interest on outstanding debtors

Actual interest on outstanding debtor's amounts to R 13 351 000 which is 20% more than the targeted amount of R 11 108 000. Variance is due to properties for businesses and government departments which are billed annually and not settled on time.

Interest earned on External investments

Interest on investments is sitting at R 14 838 000, which is 2% less than the targeted amount of R 15 189 000. Variance is immaterial.

Rental from fixed assets (facilities and equipment)

This revenue item is made up of rentals for Flats, Fingoland Mall and Transkei Quarries. Year to date actual is sitting at R 3 971 000 which is 15% less than the targeted amount of R 4 698 000. Variance is due to expired lease agreements that was not renewed.

Licenses and permits

Actual revenue received amount to R 1 613 000 which is 4% less than the targeted amount of R 1 545 000. The variance is due to decrease in the number of driver's licenses, learner's license and trading licenses.

Operational Revenue

Actual own revenue received amounts to R 1 573 000, which is more than the targeted amount of R 381 000. Variance is due to increase in commissions received and increase in amount owed by employees.

Property Rates

Year to date actual is sitting at R 81 590 000 which is 52% more than the targeted amount of R 53 737 000. Variance is due to municipal properties that were transferred to individuals.

Fines, penalties and forfeits (Fines issued)

Revenue from traffic fines issued is R 9 411 000, which is 90% more than the targeted amount of R 4 950 000. Variance is due to increase in Traffic fines issued due to roadblocks conducted during the year.

Transfers and subsidies

The municipality has received R 347 628 000 in respect of Grants Transfers and subsidies.

BILLING VERSUS COLLECTION

The table below shows billing (Including Interest of R 13 351 000) and collection to date per service:

DESCRIPTION	BILLING FROM JULY 2024 TO DATE	COLLECTION FROM JULY 2024 TO DATE
Rental of facilities and equipment	4 654 140	1 257 680
Rates	91 467 240	53 885 091
Refuse	15 319 304	2 384 412
Traffic Fines	8 564 800	3 251 360
TOTAL	**120 005 484**	**60 778 543**

4.2 GRANTS RECEIVED

The municipality on a yearly basis is allocated funds from the Division of Revenue Act (DoRA) and also receives additional grant funding from various provincial government departments. The DORA grants are paid out in 3 tranches in July, December and March annually. The municipality has received grants amounting to R 332 905 838 as at 31 December 2024. All allocations have been received in full as per the amounts allocated to the municipality.

Below is the details of grants received to date.

NAME OF GRANT	DoRA Allocation	YTD Actual	Variance
Municipal Infrastructure Grant (MIG)	73,457,000	62,160,000	11,297,000
Minerals & Energy (INEP)	1,152,000	1,152,000	-
Equitable share	340,893,000	340,893,000	-
Finance Management Grant (FMG)	1,900,000	1,900,000	-
Expanded Public Works Programme (EPWP)	1,610,000	1,610,000	-
Name of the Grant	**Department Allocation**	**YTD Actual**	**Variance**
Local Government Sector for Education and Traning Authority (LGSETA)	197,952	197,952	
Office of the Premier	11,530,577	7,977,015	3,553,562
Municipal Disaster Relief	6,472,000	6,472,000	0
Department of Sport, Recreation, Arts and Culture (DSRAC)	864,000	864,000	-
TOTAL	**438,076,529**	**423,225,967**	**14,850,562**

4.3 DEBTORS

The municipality is implementing Credit Control and Debt Management Policy. Statements are sent to customers on a monthly basis via SMS, emails and are hand delivered. On debtors outstanding for more than 30 days notices are issued and final notices are issued after 14 days from the date of issuing of notice. Summons are prepared internally for defaulting debtors. A maximum of 50% discount is offered to debtors on settlement of historical debt or current debt depending on negotiations with the Chief Financial Officer. With the Government departments in arrears the municipality has made payment arrangements and also statements and age analysis are sent monthly. Application for default judgements is done on debtors who have not responded to summons issued to them. The municipality has also been granted eviction orders for illegal occupants in flats. Below is the summary of processes followed per area:

INSTITUTION NAME	NUMBER OF PROPERTIES	DEBTORS WITH ARRANGEMENTS	URGENT NOTICES ISSUED	FINAL NOTICES ISSUED	SUMMON S ISSUED	RETURN OF SERVICE	DEFAULT JUDGEMENT	WARRANT OF EXECUTION/E VICTIONS	DEBTORS PAYING
Municipal Flats	643	77	527	527	527	527	527	360	3
Reservior Hill	11	4	7	5	0	0	0	0	2
Residential - Cuba	781	20	657	400	238	0	0	0	43
Residential - Extension 15	269	58	238	164	140	65	63	9	40
Residential - Extension 2	142	39	109	109	60	49	25	1	27
Residential - Extension 24	197	32	163	137	99	82	53	0	37
Residential - Extension 6	197	57	190	88	135	71	37	0	61
Residential - Extension 7	110	25	92	36	39	30	21	0	25
Residential - Ibika	686	28	662	347	223	95	85	0	28
Residential - New Rest	278	7	192	187	0	0	0	0	4
Residential - Centane	686	14	582	530	18	12	7	5	11
Residential - Coloured	191	25	114	92	44	35	21	0	17
Residential - Mchubakazi	949	52	816	150	150	63	63	0	34
Residential - Msobomvu	857	52	800	718	257	46	43	0	70
Residential - Nqamakwe	165	5	58	10	10	3	2	1	3
Residential - Vulli Valley	273	23	250	219	148	20	18	4	41
Residential - Zizamele	742	39	742	742	0	0	0	0	19
Business - Butterworth	245	71	201	156	110	40	21	0	55

INSTITUTION NAME	NUMBER OF PROPERTIES	DEBTORS WITH ARRANGEMENTS	URGENT NOTICES ISSUED	FINAL NOTICES ISSUED	SUMMON S ISSUED	RETURN OF SERVICE	DEFAULT JUDGEMENT	WARRANT OF EXECUTION/E VICTIONS	DEBTORS PAYING
Business - Nqamakwe	25	6	16	17	13	0	0	0	5
Business - Centane	34	7	10	14	14	0	0	0	5
ECDC	518	0	0	0	0	0	0	0	16
Provincial Public Works	373	0	0	0	0	0	0	0	2
National Public Works	24	0	0	0	0	0	0	0	14
Rural Development and Land Reform	39	0	0	0	0	0	0	0	0
Department Of Education	2	0	0	0	0	0	0	0	0
Councillors	9	6	0	0	0	0	0	0	12
Ward Committee Members	11	4	0	0	0	0	0	0	4
Municipal Employees	30	26	0	0	0	0	0	0	33
Church	46	0	0	0	0	0	0	0	3
Farms	48	0	0	0	0	0	0	0	0
Municipal Properties	3	0	0	0	0	0	0	0	0
Centane Rural Area	19	0	0	0	0	0	0	0	0
Gcuwa Rural Area	5	0	0	0	0	0	0	0	0
Ngqamakwe Rural Area	1769	0	0	0	0	0	0	0	0
Unregistered State Properties	0	0	0	0	0	0	0	0	0
	10377	**677**	**6426**	**4648**	**2225**	**1138**	**986**	**380**	**614**

The municipality has conducted three (3) Debt Collection Campaign meetings during the quarter and below is the analysis of the progress made.

Area of visit	Date	Number of signed agreements
ibika Flats	01-Feb-25	4
Extension 2	22-Feb-25	2
Extension 6	22-Feb-25	18
Extension 7	22-Feb-25	1
Mchubakazi	29-Mar-25	3
Total		**28**

Issues of the condition of municipal flats, services delivery and ownership of properties were raised at the respective meetings. The meeting that was scheduled for the 8th of March 2025 was postponed to the first week of July 2025 due to the commitment that the municipality has had on the same date and venue.

Below are the approved dates for the remaining campaigns:

AREA OF VISIT	DATE	VENUE	TIME
Cuba, Vulli-Valley, Extension 15 & 24	08-Mar-25	Cuba hall	10:00
Resevoir Hill, New Rest, Coloured, New Rest& ZituleleTownships	31-May-25	Coloured Playgrounds	10:00
Ibika Township	10-May-25	Close to Tshisa Ground / Zakancinci	10:00
Resevoir Hill, New Rest, Coloured, New Rest& ZituleleTownships	31-May-25	Coloured Playgrounds	10:00
Zizamele Township	07-Jun-25	Zizamele Grounds	10:00

Age analysis per service type

The total outstanding debtors as at 31 March 2025 is R 258 480 899. Debtors payable over 90 days amount to R 236 133 087 which is 91% of the total debtor's balances. A significant amount of R 189 182 176 of the outstanding debtors is for property rates.

Below is the debtors age analysis per service type.

TYPE OF SERVICE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	180 DAYS	TOTAL
RATES	5 640 665	5 263 396	4 998 613	4 908 935	4 729 896	4 793 632	158 847 639	189 182 776
REFUSE	2 100 805	1 870 976	1 859 328	1 824 854	1 793 468	1 783 356	45 212 227	56 445 013
RENTALS	503 282	387 335	380 776	382 679	381 729	415 690	11 058 983	13 510 473
ADVANCE PAYMENT	-657 363	0	0	0	0	0	0	-657 363
TOTAL	**7 587 389**	**7 521 706**	**7 238 717**	**7 116 468**	**6 905 093**	**6 992 678**	**215 118 848**	**258 480 899**

Age analysis of debtors by institution

Below is the debtors age analysis by institution and out of R 258 480 899, households are owing a prevalent amount of R 186 129 756 which constitutes 72% of the total debtor's balance

AGE ANALYSIS OF DEBTORS BY INSTITUTION

INSTITUTION	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	180 DAYS	TOTAL
GOVERNMENT	1 318 368	896 483	868 517	876 596	812 264	802 020	24 202 879	29 777 126
BUSINESS	651 844	643 247	747 266	648 355	644 168	660 160	38 578 976	42 574 016
HOUSEHOLD	5 617 177	5 981 976	5 622 934	5 591 518	5 448 661	5 530 498	152 336 993	186 129 756
TOTAL	**7 587 389**	**7 521 706**	**7 238 717**	**7 116 468**	**6 905 093**	**6 992 678**	**215 118 848**	**258 480 899**

Age analysis for debt owed by staff and councilors

In terms of the Section 9.1 of the Credit Control and Debt Management Policy, it states:

"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."

In terms of Section 12A of the Municipal Systems Act, 2000, it states:

"A councilor may not be in arrears to the municipality for rates and service charges for a period of longer than 3 months"
Below is the list of account balances for municipal staff and councillors owing for more than 90 days as at 31 March 2025. Payment arrangements have been signed by the staff and councillors owing the municipality.

Account Balances	**Mar -25**
HOD's	-
Municipal Staff Accounts > 90 days	151 413
Councillors Account > 90 days	106 917
TOTAL	**258 330**

Municipal Staff Accounts		
Staff Accounts	**%**	**Mar-25**
0 – 90 Days	25%	38 506
120 Days	5%	8 222
150 Days	5%	7 432
180 Days	65%	97 252
TOTAL BALANCE	**100%**	**151 413**

Councillors Accounts		
Staff Accounts	**%**	**Mar-25**
0 – 90 Days	10%	10 512
120 Days	2%	2 128
150 Days	2%	2 084
180 Days	86%	92 193
TOTAL BALANCE	**100%**	**106 917**

Below is the list of municipal staff owing the municipality more than 90 days

Account Id	AccountName	Current days	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance	DURATION OF AGREEMENT	ACKNOWLEDGEMENT SIGNED / NOT
1275	LUSANDA RWAYI	396	200	200	200	277	278	8 779	10 330	Until the debt is paid up	Signed
5153	NOLOYISO NTUNJA	617	625	620	616	478	200	2 922	6 077	5 Months	Signed
6171	PHILLIP MATOMELA	355	355	355	355	355	355	3 006	5 133	Until debt is paid up	Signed
6877	SIHLOBO BALENI	344	200	200	200	200	200	2 335	3 680	Until debt is paid up	Signed
7495	NOWAYALESE MBALO	305	302	302	303	303	303	4 265	6 083	Current charge	Signed
9929	Nokuthula Pupuma	1 610	567	567	767	767	417	0	4 695	Until the debt is paid up	Signed
9956	MAUREEN GWAVU	488	488	488	488	488	488	12 780	15 710	24 Months	Signed
11193	BONGO NTAMO	723	719	713	605	203	205	16 035	19 204	Current charge	Signed
11257	NOPHUMLANI TYAFU	514	216	216	217	218	219	778	2 378	Current charge	Signed
11547	NOLUVUYO WILI	458	458	458	458	458	458	5 260	8 005	Current charge	Signed
11607	ZUKO NDIKI	468	468	468	214	200	200	2 455	4 473	Until the debt is paid up	Signed
11630	LULAMA LILIAN MAYEZANA	721	721	720	723	723	726	13 794	18 128	Current charge	Signed
11682	PINKY BANYA	469	469	469	471	471	473	5 755	8 578	Current charge	Signed
11836	NOMILILE VERONICA GOBE	200	200	200	200	200	200	1 171	2 371	Until debt is paid up	Signed
11984	NTOMBOVUYO ZIMBA	200	200	200	200	167	0	0	967	Until debt is paid up	Signed
12006	MFUSI TENGWA	220	220	221	222	223	221	1 316	2 644	Current charge	Signed
12108	VUYISEKA KHALIPHA	586	586	586	586	586	586	7 492	11 008	12 Months	Signed

Account Id	AccountName	Current days	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance	DURATION OF AGREEMENT	ACKNOWLEDGEMENT SIGNED / NOT
12220	NOMPUMELELO DLOVA	517	515	248	220	219	217	1 885	3 821	Current charge	Signed
12677	NOLUTHANDO NDINISA	262	200	200	213	212	211	233	1 531	Current charge	Signed
12807	NTOMBIFUTHI JESSICA GUDLA	444	443	443	284	216	214	1 550	3 594	Current charge	Signed
12846	ZELNA ZUKELWA MTIKITIKI	1 261	1 261	1 261	1 261	1 261	1 261	5 439	13 005	Current charge	Signed
Total		**11 156**	**9 412**	**9 135**	**8 803**	**8 222**	**7 432**	**97 252**	**151 413**		

Below is the list of councillors owing the municipality more than 90 days

AccountId	AccountName	Current days	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance	DURATION OF AGREEMENT	ACKNOWLEDGEMENT SIGNED / NOT
1041	THBILE BENJAMIN GIDIGIDI	1 199	1 199	1 199	1 199	1 199	1 199	90 155	97 350	Until debt is paid up	Signed
2754	MANDISA DALI	519	219	200	200	200	200	1 294	2 832	Until debt is paid up	Signed
4255	NOMFUNDISO TSHONA	500	496	491	487	483	478	0	2 934		
11934	BUKIWE ZONDANI	206	209	200	200	37	0	0	852	Until debt is paid up	Signed
12885	LUXOLO MGANDELA	622	621	334	211	209	207	744	2 948	Until debt is paid up	Signed
Total		**3 047**	**2 744**	**2 424**	**2 297**	**2 128**	**2 084**	**92 193**	**106 917**		

Below is the outstanding debtor's summary report per institution from the debtor's age analysis as at 31 March 2025. The total amount outstanding from debtors is **R 258 480 899**

ACCOUNT GROUP	BALANCE
Butterworth Business	34 786 613
Centane Business	3 676 287
Centane Rural Area	2 429 202
Church	1 669 189
Councillors	131 131
Department of Rural Development and Land Reform	4 084 768
Eastern Cape Development Corp	4 011 868
Education	585 184
Farms	6 624 033
Gcuwa Rural Area	42 776
Mnquma Municipality	1 009 720
Municipal Employees	162 127
Municipal Flats	16 156 174
Municipal Properties	4 480
National Public Works	1 649 041
Ngqamakhwe Rural Area	7 423 146
Nqamakwe Business	4 111 116
Provincial Public Works	19 451 249
Reservoir Hill	319 240
Residential - Cuba	20 915 468
Residential - Extension 15	10 266 940
Residential - Extension 2	10 021 932
Residential - Extension 24	5 898 209
Residential - Extension 6	8 486 040
Residential - Extension 7	6 860 771
Residential - Ibika	19 834 486
Residential Centane	4 567 371
Residential Coloured	2 985 349
Residential -mchubakazi	19 380 355
Residential Msobomvu	22 315 974
Residential New Rest	1 116 423
Residential Nqamakwe	2 139 591
Residential Vulli - Valley	9 695 451
Residential Zizamele	5 478 408
Ward Committee Member	190 788
Grand Total	**258 480 899**

4.4 Indigent Policy Implementation

Indigent policy as approved by Council for the 2023-2024 financial year provides that the outstanding balance on the account of an approved indigent be written off against the provision for bad debts. These write-offs are reported to Indigent Steering Committee and Council on a quarterly basis. Free basic services subsidized monthly by the municipality are Property Rates and Refuse Removal. The Department of Energy is subsidising the Solar Household System as an alternative energy in areas without electricity. The municipality submitted 3500 new applications to the Department of Energy (DoE) and is awaiting approval. Below is the allocation of submitted applications per ward.

LIST OF WARDS THAT HAVE SUBMITTED APPLICATIONS

WARD NO	NO SUBMITTED	WARD CLLRS
1	59	BALEKA
2	188	MAGWENTSHU
4	26	PALISO
5	767	XABELA
6	65	NTAMO
8	55	NGINDANA
9	16	KHABANE
10	142	MTINTSILANA
11	279	MAWISA
12	213	TETANA
13	131	MAGOBIYANE
14	106	MGQALELO
15	115	NGCETHEZO
18	23	MAHANJANA
21	179	NTSHONGA
24	126	NTSALI
25	65	GAZI
28	214	MBOVANE
30	46	NDABAMBI
31	164	MBUKU
32	134	JIZANA
TOTAL	**3113**	

LIST OF WARDS THAT HAVE NOT SUBMITTED

WARD NO	NO SUBMITTED	WARD CLLR
3	0	KHALIMASHE
7	0	MENE
16	0	MAPHUTHENI
17	0	PUPUMA
19	0	NKEHLE
20	0	GOBENI
22	0	KHWAZA
23	0	MJAMBA
26	0	ZONDANI
27	0	MDULI
29	0	TANGANA

Revenue office has embarked on indigent registration campaign. In this regard the Revenue section conducted ward committee visits to inform indigent rate payers about indigent application process.

DATE	WARD	CLLR	NO OF APPLICATIONS RECEIVED	COMMENT
24/02/2025	9	KABANE	0	
25/02/2025	21	NTSHONGA	0	Visit was cancelled
19/02/2025	19	NKEHLE	29	
27/02/2025	27	MDULI	34	
05/03/2025	27	MDULI	58	
06/03/2025	9	KABANE	2	
12/03/2025	15	NCETEZO	0	
13/03/2025	27	MDULI	41	
18/03/2025	27	MDULI	62	
27/03/2025	15	NCETEZO	33	
31/04/2025	4	PALISO	18	

Indigent register is currently sitting at 9058. As per Credit Control and Debt Management Policy, all approved indigent debtors arrear balances should be written off. The total of these balances is R 1 673 590.46 which is broken down below per service type.

DESCRIPTION	AMOUNT
Property Rates	R 1 193 012.83
Waste disposal	R 480 577.63
TOTAL	**R 1 673 590.46**

The table below shows the list of approved indigent beneficiaries per ward and the type of service / relief received per ward:

WARD NO	COUNCILLOR	NUMBER OF INDIGENT APPROVED PER WARD	NUMBER OF INDIGENT BENEFITING FROM FBE	NUMBER OF INDIGENT BENEFITING FROM RATES & SERVICES
1	BALEKA	12	8	11
2	MAGWENTSU	248	217	216
3	NDIMA	183	171	110
4	PALISO	93	74	76
5	XABELA	89	81	58
6	NTAMO	207	195	57
7	MENA	253	250	28
8	ZONDANI	403	403	
9	NKABANE	352	352	
10	MTINTSILANA	427	427	
11	MAWISA	467	467	
12	TETANA	426	426	
13	MAGOBIANE	270	270	
14	MGQALELO	342	342	
15	NCETEZO	269	269	
16	MAPUTENI	154	154	
17	PUPUMA	107	107	
18	DYANTYI	244	244	1
19	NKEHLE	41	41	
20	GOBENI	512	512	1
21	NTSONGA	231	231	
22	KWAZA	495	495	
23	MJAMBA	491	491	
24	NTSALI	311	311	
25	GAZI	237	237	
26	ZONDANI	222	222	
27	MDULI	367	367	
28	MBOVANE	492	492	
29	TANGANA	124	124	
30	NDABAMBI	239	238	11
31	MBUKU	276	276	
32	JIZANA	474	474	
Grand Total		**9058**	**8968**	**569**

Reconciliation between Eskom claims and Mnquma Local Municipality Indigent Register is done on a monthly basis. Below is the number of FBE claims for the quarter.

January 2025	**February 2025**	**March 2025**
3833 Households	2587 Households	2507 Households

SUMMARY OF EXPENDITURE INCURRED AS AT 31 MARCH 2025

Description	Budget Year 2024/25					
	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance
R thousands						%
Expenditure By Type						
Employee related costs	242 610	19 489	169 436	181 378	(11 942)	-7%
Remuneration of councillors	26 706	2 605	20 786	20 030	756	4%
Bulk purchases - electricity	–	–	–	–	–	
Inventory consumed	11 420	519	3 839	6 900	(3 062)	-44%
Debt impairment	19 314	–	–	14 485	(14 485)	-100%
Depreciation and amortisation	303 575	14 688	15 769	153 806	(138 037)	-90%
Interest	2 378	7	92	1 779	(1 687)	-95%
Contracted services	62 896	2 653	20 438	39 976	(19 538)	-49%
Transfers and subsidies	15 993	1 171	6 486	11 129	(4 643)	-42%
Irrecoverable debts written off	20 686	–	2 795	15 515	(12 720)	-82%
Operational costs	72 677	2 666	41 274	51 723	(10 449)	-20%
Losses on Disposal of Assets	67 265	–	45 670	34 060	11 611	34%
Other Losses	3	–	196	2	194	7979%
Total Expenditure	**845 523**	**43 798**	**326 781**	**530 783**	**(204 003)**	**-38%**

Year-to-Date expenditure totalling R 326 781 000 was incurred as at 31 March 2025 which is 38% less than the Year-to-Date budget of R 530 783 000. this is due to timing differences as there is still expenditure to be incurred in the remaining months. Variance is due to Debt impairment that will only be raised and realized at the end of the year.

Employee-related costs:

A total of R 169 436 000 has been spent on Employee-Related Cost. This is 7% lower than the YTD budget of R 181 378 000 with the variance attributed to employee terminations.

Remuneration of Councillors:

Year-to-date (YTD) actual expenditure of R 20 786 000 has been incurred. This is 4% higher than the YTD budget of R 20 030 000 which is primarily due to backpay paid to councillors in November 2024.

Inventory consumed:

Year-to-date (YTD) expenditure has a total of R3 839 000. This is 44% lower than the targeted budget of R 6 900 000. Appointments and orders were issued during the month, and the related expenditure will be recognized in the upcoming periods.

Debt impairment:

Calculation for Debt impairment is done outside the system and will be capture to the system in the next quarter.

Depreciation and asset amortisation:

The year-to-date (YTD) depreciation and amortisation expense is R 15 769 000which is 90% lower than the YTD budget of R 153 806 000 The reported depreciation relates to assets disposed during the term. Depreciation calculation for the full population will be calculated in the next quarter.

Finance charges:

No interest on overdue accounts has been incurred, as the municipality is committed to ensuring that all creditors are paid within 30 days. Actuarial interest will be recognized at year-end, once the employee benefit obligation report is received from the actuaries. The year-to-date (YTD) amount of R 92 000 relating to interest charges has been incurred which relates to interest on finance leases. This amount is 95% less than the year-to-date budget of R 1 779 000.

Contracted services:

Expenditure on contracted services is sitting at R 20 438 000 which is 49% less than the budgeted expenditure of R 39 976 000. Variance is due to orders for fleet repairs that are not yet fulfilled and the delays in approval by Eskom for Electrification project.

Transfers and subsidies:

The year-to-date (YTD) total for transfers and subsidies is R 6 486 000. This is 42% lower than the YTD budget of R 11 129 000, variance is due to indigent beneficiaries who are not claiming their indigent subsidy because they are not purchasing electricity to receive their free basic electricity

Irrecoverable debts written off:

Irrecoverable debts written off is sitting at R 2 795 000 which 82% less than the budgeted expenditure of R 15 515 000. This expenditure relates to indigent debtors that were written off during the quarter.

Operational Costs:

The year-to-date (YTD) actual expenditure is R 41 274 000. This is 20% lower than the YTD budget of R 51 723 000, with the variance attributed to the implementation of cost containment measures.

Losses on Disposal of Assets:

The year-to-date (YTD) actual expenditure is R 45 670 000. This is 34% more than the YTD budget of R 51 723 000, with the variance due to construction projects that stated during the second quarter that resulted into the increase in the related disposals.

4.1 COUNCILOR ALLOWANCES AND EMPLOYEE BENEFIT

In terms of section 66 of the MFMA, the accounting officer of a municipality must, in a format and for periods as may be described, report to the council on all expenditure incurred by the municipality on staff salaries, wage, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure

The table below depicts the actual expenditure on employee related costs for the mid-term ended 31 March 2025:

EXPENDITURE	JANUARY	FEBRUARY	MARCH
Salaries	13 015 544.44	13 258 583.15	13 394 179.58
Salaries Councillors	1 478 110.16	1 459 360.53	1 880 329.76
Traditional Leaders	7 544.80	7 544.80	7 544.80
Unpaid leave	-6 507.75	-20 252.10	-14 498.84
Wages (EPWP Casuals)	349 050.00	302 510.00	371 410.00
Wages (Ward Committee)	475 500.00	477 000.00	477 000.00
Bonus	1 058 232.48	869 422.34	1 151 211.90
Long Service Bonus	93 983.67	109 229.64	55 033.79
Leave Pays	43 330.69	129 607.96	302 114.48
Arbitration Award	591 045.12	-	-
Overtime	55 902.64	212 699.69	71 225.48
Housing Subsidy	37 889.60	37 889.60	37 889.60
Travel	141 911.14	155 145.44	155 978.78
Data Card:Employees	59 200.00	63 485.71	65 200.00
M/Vehicle	476 037.23	469 787.35	481 532.19
Other Allowance:			
Salgbc	5 030.95	5 114.60	5 090.70

EXPENDITURE	**JANUARY**	**FEBRUARY**	**MARCH**
Acting Allowance	45 642.69	45 642.69	45 642.69
Secondment Allowance	6 332.09	6 332.09	6 332.09
Shift Allowance	72 367.71	76 402.15	68 000.06
Night Allowance	29 841.12	27 169.92	23 964.48
Standby Allowance	123 956.45	120 536.89	93 351.47
Sms Allowance	2 400.00	2 400.00	2 400.00
Cell phone Allowance	172 607.85	193 431.49	191 307.71
Cllrs Cellphone Allow	226 800.00	223 200.00	223 200.00
Cllrs Data Card Allowance	19 971.00	19 654.00	19 654.00
Tel Traditional leaders	3 138.86	3 138.86	3 138.86
Pension Allowance	138 651.16	170 432.55	147 018.45
Medical Aid Allowance	26 319.66	33 560.20	23 174.78
Laptop Allowance	2 116.34	2 116.34	2 116.34
Reimbursive Travel Allowance (IT)	16 817.06	20 624.18	52 635.96
Reimbursive Travel Allowance (Excl)	764.72	27 701.61	3 178.91
Subsistance Allowance (Excl)	5 100.00	21 400.00	40 000.00
Pension	2 186 045.41	2 209 356.99	2 223 919.37
Med. Aid	1 013 431.37	1 028 060.27	1 046 294.09
Uif	80 565.28	81 037.39	82 149.52
Sdl	175 555.46	177 480.58	184 082.05
Total	**22 230 229.40**	**22 026 806.91**	**22 922 803.05**

4.1 EMPLOYEE BENEFITS AND ALLOWANCES

Salaries and benefits of councillors and employees from July to December 2024 are detailed below:

EMPLOYEE BENEFITS AND ALLOWANCES	Jan-25	Feb-25	Mar-25
Remuneration of Municipal Manager			
Basic Salary	74 874.96	81 640.86	81 640.86
Backpay	-	-	-
Performance Bonus	-	-	-
Leave Pays	-	-	-
Travelling Allowance	21 564.17	23 074.17	23 074.17
Cellphone Allowance	6 176.29	7 615.90	7 615.90
Pension Allowance	22 176.17	23 737.17	23 737.17
Reimburssive allowance	2 100.56	3 126.64	1 977.62
Subsistence Allowance	1 200.00	1 050.00	450.00
Skills Development Levy (SDL)	1 204.79	1 314.53	1 314.53
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12
	129 474.06	**141 736.39**	**139 987.37**
Remuneration of Chief Financial Officer			
Basic Salary	61 204.15	77 926.35	77 926.35
Backpay	-	-	-
Performance Bonus	-	-	-
Travelling Allowance	18 611.93	21 398.96	21 398.96

EMPLOYEE BENEFITS AND ALLOWANCES	Jan-25	Feb-25	Mar-25
Cellphone Allowance	3 723.37	6 510.41	6 510.41
Pension Allowance	14 128.96	16 915.99	16 915.99
Medical Aid Allowance	4 338.50	7 125.54	7 125.54
Reimburssive allowance	2 052.16	1 026.08	1 055.12
Subsistence Allowance	900.00	750.00	-
Skills Development Levy (SDL)	982.85	1 255.97	1255.97
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12
	106 119.04	**133 086.42**	**132 365.46**
Remuneration of Director of Corporate Services (Mviko)			
Basic Salary	95 202.16	114 072.49	108 239.16
Backpay	-	-	-
Performance Bonus	-	-	-
Travelling Allowance	6 804.75	15 804.76	15 804.76
Reimburssive allowance	6 659.84	2 758.80	854.74
Subsistence Allowance	600.00	4 000.00	900.00
Skills Development Levy (SDL)	863.66	1 096.05	1 046.47
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12
	110 307.53	**137 909.22**	**127 022.25**
Remuneration of Director of Infrastructure			

EMPLOYEE BENEFITS AND ALLOWANCES	**Jan-25**	**Feb-25**	**Mar-25**
Basic Salary	61 204.15	77 926.35	77926.35
Backpay	-	-	-
Performance Bonus	-	-	-
Travelling Allowance	19 504.00	23 220.04	23220.04
Cellphone Allowance	3 154.35	6 870.40	6870.4
Pension Allowance	18 144.41	21 860.46	21860.46
Reimburssive allowance	-	2 124.75	-
Subsistence Allowance	-	750.00	-
Skills Development Levy (SDL)	815.81	1 041.93	1041.93
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12
	102 999.84	**133 971.05**	**131 096.30**
Remuneration of Director of Community Services			
Basic Salary	61 204.15	77 926.35	77 926.35
Backpay	-	-	-
Performance Bonus	-	-	-
Leave Pays	-	-	-
Travelling Allowance	21179.1	24 895.14	24 895.14
Cellphone Allowance	2 345.37	6 061.41	6 061.41
Pension Allowance	17 278.30	20 994.35	20 994.35
Reimburssive allowance	-	1 045.44	1 045.44

EMPLOYEE BENEFITS AND ALLOWANCES	Jan-25	Feb-25	Mar-25
Subsistence Allowance	-	750.00	-
Skills Development Levy (SDL)	855.30	1 093.13	1 093.13
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12
	103 039.34	**132 942.94**	**132 192.94**
Remuneration of Director of Local Economic Development			
Basic Salary	61 204.15	77 926.35	107 779.28
Backpay	-	-	-
Performance Bonus	-	-	-
Travelling Allowance	13 477.61	16 264.64	16 264.64
Cellphone Allowance	4 099.71	6 886.74	-
Pension Allowance	18 127.07	20 914.10	-
Medical Aid Allowance	5 098.38	7 885.42	-
Reimburssive allowance	-	6 186.47	-
Subsistence Allowance	-	1 500.00	-
Skills Development Levy (SDL)	827.86	1 055.84	916.91
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12
	103 011.90	**138 796.68**	**125 137.95**
Remuneration of Director of Strategic Management			

EMPLOYEE BENEFITS AND ALLOWANCES	**Jan-25**	**Feb-25**	**Mar-25**
Basic Salary	61 204.15	77 926.35	81501.49
Backpay	-	-	-
Performance Bonus	-	-	-
Leave Pay	-	-	-
Travelling Allowance	11 197.75	13 984.78	14818.12
Cellphone Allowance	2 788.10	5 575.14	6166.67
Pension Allowance	18 127.07	20 914.10	18414.1
Medical Aid Allowance	8 689.84	11 476.88	8976.88
Reimbursive Travel Allowance (IT)	1 113.20	1 026.08	-
Subsistance Allowance (Excl)	450.00	750.00	-
Skills Development Levy (SDL)	832.42	1 060.40	1097.98
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12
	104 579.65	**132 890.85**	**131 152.36**
Remuneration of Municipal Employees			
Basic Salary	12 888 496.57	12 975 748.05	13 152 649.74
Pension Fund (Employer)	2 041 776.66	2 110 184.62	2 122 582.96
Bonus	1 058 232.48	869 422.34	1 151 211.90
Perfomance Bonus	-	-	-
Medical Aid (Employer)	1 021 624.31	1 035 132.63	1 053 366.45
Cellphone Allowance	150 320.66	153 911.49	158 082.92

EMPLOYEE BENEFITS AND ALLOWANCES	**Jan-25**	**Feb-25**	**Mar-25**
Data Card employees	59 200.00	63 485.71	65 200.00
Provident Fund (Employer)	144 268.75	144 268.75	146 432.79
Leave Pay	43 330.69	129 607.96	302 114.48
Skills Development Levy (SDL)	145 940.14	146 572.18	149 057.88
Standby, Night & Shift Allowance	226 165.28	224 108.96	185 316.01
Unemployment Insurance Fund (UIF) (Employer)	79 325.44	79 797.55	80 909.68
Long Service Bonus	93 983.67	109 229.64	55 033.79
Housing Subsidy	37 889.60	37 889.60	37 889.60
Overtime	55 902.64	212 699.69	71 225.48
Travelling Allowance	29 571.83	16 502.95	16 502.95
Backpay	-	-	-
Bargaining Council Levy (Employer)	5 030.95	5 114.60	5 090.70
Unpaid Leave	- 6 507.75	- 20 252.10	- 14 498.84
Acting Allowance	45 642.69	45 642.69	45 642.69
Secondment Allowance	6 332.09	6 332.09	6 332.09
Non Pensionable Allowance	-	-	-
Remburssive Allowance	764.72	27 701.61	5 647.31
Subsistence Allowance	750.00	11 850.00	9 100.00
	18 128 041.42	**18 384 951.01**	**18 804 890.58**

EMPLOYEE BENEFITS AND ALLOWANCES	Jan-25	Feb-25	Mar-25
Remuneration of Councillors			
	Jan-25	**Feb-25**	**Mar-25**
Executive Mayor			
Basic Salary	59 249.38	59 249.38	60 730.63
Backpay			15 800.00
M/vehicle Allow. Councillors	19 749.79	19 749.79	20 243.54
Telephone Allowance Councillor	3 600.00	3 600.00	3 600.00
Data Card Allowance	317.00	317.00	317.00
Remburssive Allowance	-	-	-
Subsistence Allowance	-	-	750.00
Skills Development Levy (SDL)	681.20	681.20	855.74
	83 597.37	**83 597.37**	**102 296.91**
Chief Whip			
Basic Salary	44 437.19	44 437.19	45 548.13
Backpay	- 16.01	-	11 850.00
M/vehicle Allow. Councillors	14 812.40	14 812.40	15 182.71
Telephone Allowance Councillor	3 600.00	3 600.00	3 600.00
Data Card Allowance	317.00	317.00	317.00

EMPLOYEE BENEFITS AND ALLOWANCES	**Jan-25**	**Feb-25**	**Mar-25**
Remburssive Allowance	-	-	2 139.28
Subsistence Allowance	-	-	900.00
Skills Development Levy (SDL)	515.64	515.80	646.71
	63 666.22	**63 682.39**	**80 183.83**
Council Speaker			
Basic Salary	47 399.56	47 399.56	48 584.56
Backpay	-	-	12 640.00
M/vehicle Allow. Councillors	15 799.85	15 799.85	16 194.85
Telephone Allowance Councillor	3 600.00	3 600.00	3 600.00
Data Card Allowance	317.00	317.00	317.00
Remburssive Allowance		-	-
Subsistence Allowance	450.00	-	450.00
Skills Development Levy (SDL)	548.88	548.88	688.51
	68 115.29	**67 665.29**	**82 474.92**
Mayoral Committee Members			
Basic Salary	266 623.14	266 623.14	273 288.78
Backpay	-	-	71 100.00
M/vehicle Allow. Councillors	88 874.00	88 874.00	91 096.26
Telephone Allowance Councillor	21 600.00	21 600.00	21 600.00

EMPLOYEE BENEFITS AND ALLOWANCES	**Jan-25**	**Feb-25**	**Mar-25**
Remburssive Allowance	3 177.94	-	7 182.56
Subsistence Allowance	750.00	-	4 500.00
Data Card Allowance	1 902.00	1 902.00	1 902.00
Skills Development Levy (SDL)	3 294.78	3 294.78	4 085.22
	386 221.86	**382 293.92**	**474 754.82**
Other Councillors(Ward Comm and Traditonal leaders)			
Basic Salary	1 543 445.69	1 526 196.06	1 552 937.82
Backpay	-	-	273 094.64
Unpaid	-	-	-
M/vehicle Allow. Councillors	336 800.79	330 550.91	338 814.83
Telephone Allowance Councillor	197 538.86	193 938.86	193 938.86
Data Card Allowance	17 118.00	16 801.00	16 801.00
Laptop Allowance	2 116.34	2 116.34	2 116.34
Remburssive Allowance	1 713.36	-	34 886.72
Subsistence Allowance	-	-	22 050.00
Skills Development Levy (SDL)	18 191.97	17 949.94	20 981.07
	2 116 925.01	**2 087 553.11**	**2 455 621.28**

Overtime

Overtime	**Jan-25**	**Feb-25**	**Mar-25**
Percentage salary budget			
Analysis by Municipal Classification			
Close Protection	37 154.64	15 077.60	71 225.48
Security	-	189 434.09	-
Solid Waste	18 748.00	8 188.00	-
Office of the CFO	-	-	-
	55 902.64	**212 699.69**	**71 225.48**

Overtime	**Jan-25**	**Feb-25**	**Mar-25**
Total Cost of Overtime	**55 902.64**	**212 699.69**	**71 225.48**
Percentage salary budget	0.03%	0.03%	0.03%
Analysis by Municipal Classification:	**55 902.64**	**212 699.69**	**71 225.48**
Community Services	0.03%	0.03%	0.03%

CREDITORS AGE ANALYSIS

The municipality aims to pay all invoices which are not in dispute with the relevant creditors within 30 days. Out of 582 invoices received 453 invoices were paid within 30 days and 129 invoices were still outstanding but are still within 30 days.

Trade and other payables line item on the Statement of Financial Position includes trade creditors payable during the year. Other creditors include Retentions, Department of Transport and Hall deposits. These creditors are not paid out within 30 days but as per the set conditions in their respective contract agreements in so far as retentions is concerned and municipal policies for hall deposits. Amount owed by the municipality to creditors as at 31 March 2025 amounts to **R37 574 336.80**

Below is the list of creditors per category:

CATEGORY	AMOUNT OWED
Trade creditors	18 418 302.61
Retentions	19 108 343.19
Department of transport	29 350.00
Hall deposits	18 341.00
TOTAL	**37 574 336.80**

All the financial registers (Invoice tracking registers, payments registers, direct debits registers and fruitless and wasteful expenditure registers) were prepared and reviewed for submission. All the reconciliations (Creditors, Department of Transport, Retentions, Hall Refunds, Payroll, Vat and Reconciliation against the supplier statements) were prepared and reviewed for submission for March 2025.

VAT

VAT Input as at 31 March 2025 is R3 921 312.18. VAT output as 31 March 2025 is R97 005.62. VAT control account is R0.84 as at 31 March 2025. The VAT201 for March 2025 has not yet been submitted to SARS and will only be submitted before the 25th April 2025. There has been a great response from SARS in terms of releasing our VAT refunds and there is no outstanding refund.

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE

There was no unauthorized, irregular, fruitless and wasteful expenditure incurred during the term.

4. CONDITIONAL GRANTS EXPENDITURE

Unspent conditional grants are reconciled with their respective bank accounts on a monthly basis and the -expenditure incurred on grant funding is transferred from the related investment account to the primary account. Revenue is subsequently recognized when the expenditure is incurred. In relation to conditional grants received by the municipality as at 31 March 2025. Expenditure on conditional grants is sitting at R 78 274 390 which 92% of grants received during the year.

NAME	OPENING BALANCES	GRANT RECEIVED	EXPENDITURE	GRANTS CLOSING BALANCE	% SPENT
Municipal Infrastructure Grant Investment (MIG)	0	62,160,000	62,173,560	-13,560	100
Finance Management Grant (FMG)	0	1,900,000	465,151	1,434,849	24
Electrification (INEP)	0	1,152,000	364,874	787,126	32
Expanded Public Works Programme (EPWP)	0	1,610,000	1,177,540	432,460	73
Local Government Sector for Education And Training (LGSETA)	170,732	378,701	46,800	502,632	9
Department of Sport,Recreation,Arts and Culture (DSRAC)	2,031,945	864,000	1,033,997	1,861,948	36
Office of the Premier (OTP)	23,771	7,977,013	7,206,518	794,266	90
Municipal Disaster Response Grant (MDRG)	0	6,472,000	5,805,950	666,050	90
TOTAL	**2,226,448**	**82,513,714**	**78,274,390**	**6,465,772**	**92**

5. INVESTMENT PORTFOLIO ANALYSIS - BANK ACCOUNTS BALANCES AS AT 31 MARCH 2025 AMOUNTED TO:

Primary bank balance	2 737 306
Short term deposits	265 771 194
	268 508 500

The municipality had the following bank accounts:

NAME	OPENING BALANCE	DEPOSITS	INTEREST EARNED	INTEREST TRANSFERRED	WITHDRAWALS	CLOSING BALANCE
Municipal Infrastructure Grant (MIG)	17,305	62,220,800	416,209	- 407,710	- 61,805,706	440,898
Finance Management Grant (FMG)	6,800	1,900,000	64,541	- 52,853	- 429,446	1,489,043
Mnquma Call Account	51,650	162,626,146	1,965,247	- 31,500,000	- 102,351,186	30,791,858
Electrification (INEP)	1,000	1,152,000	46,782	- 36,487	- 371,270	792,025
Expanded Public Works Programme (EPWP)	1,000	1,610,000	13,399	- 10,030	- 1,046,704	567,666
Local Government Sector for Education And Training (LGSETA)	170,731	197,952	13,464	- 10,405	- 48,274	323,469
Salaries Account	1,168,211	210,840,000	2,536,329	516,645	- 146,000,000	69,061,185
ENATIS	113,570		5,931			119,502
Department of Sport, Recreation, Arts and Culture (DSRAC)	2,058,752	864,000	116,688	- 104,634	- 1,078,598	1,856,207
Short Term Investment	170,793,269	42,264,759	8,388,223		- 61,788,779	159,657,473
Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)	30,330		134	- 351	- 30,113	-
Disaster Grant	12,769	6,472,173	55,765	- 60,229	- 5,808,607	671,870
TOTAL	**174,425,389**	**490,147,829**	**13,622,713**	**- 31,666,053**	**- 380,758,684**	**265,771,194**

As at 31 March 2025 the municipality had a total of R 268 508 500 in its bank accounts. These are the grant allocations and municipal own revenue collection and savings.

6. CASH FLOW PROJECTION COMPARED TO THE YEAR-TO-DATE ARE INDICATED BELOW:

Description R thousands	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	81,037	53,885	60,778	(6,893)	-11%
Service charges	16,932	2,384	12,699	(10,315)	-81%
Other revenue	86,290	17,818	64,717	(46,899)	-72%
Transfers and Subsidies - Operational	352,795	355,258	264,596	90,662	34%
Transfers and Subsidies - Capital	94,668	68,139	71,001	(2,862)	-4%
Interest	34,811	13,351	26,108	(12,756)	-49%
Payments					
Suppliers and employees	(438,632)	(234,987)	(328,974)	(93,987)	29%
Interest	(154)	–	(116)	(116)	100%
NET CASH FROM/(USED) OPERATING ACTIVITIES	**227,746**	**275,849**	**170,809**	**(105,040)**	**-61%**
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	1,500	–	1,125	(1,125)	-100%
Decrease (increase) in non-current receivables	96	(166)	(188)	21	-11%
Payments					
Capital assets	(355,894)	(201,665)	(266,921)	(65,255)	24%
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(354,298)**	**(201,831)**	**(265,983)**	**(64,152)**	**24%**
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Increase (decrease) in consumer deposits	–	(169,436)	–	(169,436)	#DIV/0!
Payments					
Repayment of borrowing	–	–	–	–	
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	**(169,436)**	–	**169,436**	**#DIV/0!**
NET INCREASE/ (DECREASE) IN CASH HELD	**(126,553)**	**(95,418)**	**(95,174)**		
Cash/cash equivalents at beginning:	187,117	187,117	187,117		
Cash/cash equivalents at month/year end:	60,564	91,699	91,943		

7. PROJECTION OF CAPITAL EPENDITURE BY PROJET BROKEN DOWN PER MONTH

R 133 651 000 has been spent on Capital projects as at 31 March 2025. Capital budget is funded through Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP), Office of The Premier Grant, Disaster Grant and Equitable share. Below is a list of capital projects expenditure to date:

Vote Description R thousands	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
Capital Expenditure - Functional Classification					
Governance and administration	**13,123**	**3,628**	**8,798**	(5,171)	-59%
Executive and council	399	174	230	(56)	-24%
Finance and administration	12,724	3,454	8,569	(5,115)	-60%
Internal audit	–	–	–	–	
Community and public safety	**6,804**	**1,318**	**4,615**	(3,298)	-71%
Community and social services	3,320	986	2,488	(1,502)	-60%
Sport and recreation	–	–	–	–	
Public safety	3,125	63	1,858	(1,795)	-97%
Housing	360	269	270	(0)	0%
Health	–	–	–	–	
Economic and environmental services	**284,702**	**173,159**	**218,069**	(44,910)	-21%
Planning and development	4,886	1,583	3,585	(2,002)	-56%
Road transport	279,816	171,576	214,485	(42,909)	-20%
Environmental protection	–	–	–	–	
Trading services	**4,844**	**800**	**3,637**	(2,837)	-78%
Energy sources	4,594	624	3,407	(2,783)	-82%
Water management	–	–	–	–	
Waste water management	–	–	–	–	
Waste management	250	176	230	(54)	-23%
Other	–	–	–	–	
Total Capital Expenditure - Functional Classification	**309,473**	**178,905**	**235,120**	**(56,215)**	**-24%**
Funded by:					
National Government	76,498	63,128	62,024	1,104	2%
Provincial Government	18,412	7,296	12,722	(5,426)	-43%

Vote Description R thousands	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
District Municipality	–	–	–	–	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	
Transfers recognised - capital	**94,909**	**70,424**	**74,746**	**(4,322)**	**-6%**
Borrowing	–	–	–	–	
Internally generated funds	214,564	108,480	160,374	(51,894)	-32%
Total Capital Funding	**309,473**	**178,905**	**235,120**	**(56,215)**	**-24%**

8. ACTUAL BORROWINGS

There are no existing borrowings as at 31 March 2025,

9. IMPLEMENTATION OF ASSET, FLEET AND LOGISTICS MANAGEMENT POLICY

INTRODUCTION AND BACKGROUND INFORMATION

The Asset Management Section of the Municipality is the custodian of the Municipality's Fixed Asset Register and shall ensure that a complete, accurate and up to date asset register is maintained. No amendments to the asset register shall be made other than those authorized by the Manager: Assets, Fleet and Logistics and the Chief Financial Officer.

Ensuring that physical asset verification is conducted quarterly in all areas where Municipal assets are kept is crucial more than the accounting of the assets on the accounting books as this should provide accuracy between the asset register and what is on the floor. To update the asset register upon any event occurring to municipal assets (i.e. acquisition, disposal, theft and/or loss) is also a key duty to the section as it will provide completeness and accuracy of the fixed asset register. The results of this verification must be reported to the Municipal Manager.

ADOPTION AND IMPLEMENTATION OF AN ASSET MANAGEMENT POLICY

Asset Management Policy was reviewed in the year 2024 and was adopted by the council to be effective on the 01 July 2024.

Asset management section is made up of 4 employees:

- Manager
- Accountant
- 2 x Junior Accountants
- 1 x Finance Intern

9.1 CLASSIFICATION OF ASSETS

On the basis of physical attributes, movable assets can be of two types:

- Tangible Assets; and
- Intangible Assets.

Tangible Assets are those assets that can be identified and also have physical existence or substance. The municipality has got the following classes of assets on tangible assets:

- Machinery and Electrical Equipment
- Furniture and fittings;
- Office Equipment;
- Security Measures
- Transport Assets
- Computer equipment

9.4 ASSET VERIFICATION SCHEDULE

The verification locations are as follows:

- Main Building
- Town Hall licensing offices
- Customer care
- LED Offices (Geach and Robinson Street)
- Moth Hall (Stanford Street)
- Community Services
- Msobomvu Traffic department
- DLTC
- Justice Office (Traffic)
- Khanya building
- Strategic Offices (House 55)
- Troika offices (House 57)
- Butterworth swimming pool
- Centane Offices
- Ngqamakhwe offices
- Blyth Street 57
- Blyth Street 55

All locations were inspected for completeness and physical conditions of the assets including unauthorized movements of assets.

9.5 ASSET ADDITIONS

Assets additions include all assets listed on the Annexure starting from the 01 January 2025 to 31 March 2025. These assets include movable assets amounting to **R9 723 502.44 (VAT Exclusive)** and infrastructural assets consisting of Roads infrastructure, Operational buildings, Electrification and Community assets, funded by the Municipal Infrastructure Grant and Own revenue, amounts to **R32 289 950.39 (VAT Exclusive)**.

Upon purchase of movable assets, an asset acquisition form is signed by the requester, Head of Department, Asset Management Official and the Chief Financial Officer to give consent of the demand and availability of funding. The asset is delivered at Asset Management for the asset to be barcoded, recorded on the additions register and delivered to the end-user. The acquisition form is signed by the end user upon delivery of the asset.

Details of the assets on the above-mentioned annexure do not include depreciation, accumulated depreciation, and book value. It only includes the acquisition date and value.

9.6 DISPOSALS

During the quarterly physical verifications performed by the Asset management team, redundant, damaged, and obsolete assets were identified. The condition assessment was performed and certified that they are obsolete. The assessment to determine alternative use was performed and due to physical condition of the assets, no alternative use could be identified. Therefore, assets listed in annexure A were identified as non-performing and no longer functionally or suitable for basic service-delivery needs and were therefore recommended for disposal as per section 14 of the MFMA 56 of 2003.

The recommended method of disposal is the auction as stipulated in the Asset Management Policy, the list of assets to be disposed with the cost of R1 520 787.42 and the Accumulated depreciation R1 046 873.28 and carrying amount of R473 914.14 respectively is attached as Annexure.

Asset No	**Descriptio**	**Asset Class Desc**	**Cost**	**Accumulated Depreciation**	**Carrying value 30 June 2024**
MNQ06928	Laptop	Computer Equipment	18 032.72	2 002.13	16 030.59
MNQ09725	Laptop	Computer Equipment	18 032.72	0	18 032.72

34 063.31

9.7 WRITE OFFS

During the period, two laptops were reported lost, the value of these assets are being recovered from the responsible users.

Asset No	Description	Asset Class Desc	Cost	Accumulated Depreciation	Carrying value 30 June 2024
MNQ06928	Laptop	Computer Equipment	18 032.72	2 002.13	16 030.59
Q09725	top	nputer Equipment	18 032.72	0	18 032.72
					34 063.31

During the quarter, there were infrastructural assets identified for write-off as there are considered as not usable or cost of repair exceed benefits. These include the Ndabakazi hall which caught fire during the prior year and was vandalized by the community during the current year. These assets have a cost of **R 6 621 307.64**, accumulated depreciation and impairment of **R 4 242 633.74**, and value of **R 2 374 873.80,** these assets are listed below;

COMBO	HIGH-LEVEL ASSET DESCRIPTION 2024	ASSET CLASS 2024	REASON FOR DISPOSAL/ PROJECT NAME	COST BALANCE 30 JUNE 2024	OPENING BALANCE ACC. DEPR. BALANCE 30 JUNE 2024	CARRYING VALUE 30 JUNE 2024 / DEPRECIATABLE AMOUNT
LB0031/004	LANDSCAPING	COMMUNITY ASSETS	DAMAGED	5 273.24	4 350.69	922.55
LB0031/006	LANDSCAPING	COMMUNITY ASSETS	DAMAGED	5 273.24	4 350.69	922.55
LB0030/006	LANDSCAPING	COMMUNITY ASSETS	DAMAGED	1.17	0.87	0.30
LB0052/000	COMMUNITY HALL	COMMUNITY ASSETS	FIRE DAMAGED AND VANDALISM	4 502 985.16	2 871 430.18	1 631 554.98

COMBO	HIGH-LEVEL ASSET DESCRIPTION 2024	ASSET CLASS 2024	REASON FOR DISPOSAL/ PROJECT NAME	COST BALANCE 30 JUNE 2024	OPENING BALANCE ACC. DEPR. BALANCE 30 JUNE 2024	CARRYING VALUE 30 JUNE 2024 / DEPRECIATABLE AMOUNT
LB0050/002	TOILETS	COMMUNITY ASSETS	DAMAGED	13 231.81	11 763.82	1 467.99
MNQ10358	TANK FUEL10 000l	MACHINERY & EQUIPMENT	DEMOLISATION ON CONSTRACTION OF NEW BUILDING	925 605.00	652 064.81	273 540.19
				6 621 307.64	**4 242 633.74**	**2 374 873.80**

9.8 INSURANCE

The municipality has comprehensive insurance with Indwe Risk Advisors (Pty) Ltd effective, 01 February 2022.The contract is for a period of 3 years, reviewed annually. The contract was extended for two months ending 31 March 2025. Additional assets are insured as they are acquired and delivered to the municipality. All municipal assets are insured.

Additional assets were insured as they are acquired, these assets amount to **R9 723 502.44 (excl. VAT)** for the quarter with the insurance premium of **R50 183.08 (excl.)**

For a detailed report on Insured status and progress please refer to the Quarterly Insurance report (attached as annexure) as of 31 March 2025. The insurance register is accumulative which includes the claims not yet concluded as at 31 March 2025.

A new service provider for provision of short-term insurance has been appointed effective 01 April 2025.

10.5 PHYSICAL INSPECTION PROCESS

The process of the vehicle inspection, is outlined on the inspection procedures, as follows:

- Drafting and Printing of a sufficient number of data-collection sheets;
- Printing of vehicle *listings*. The direction of testing for this is from the listing to the floor

10.6 INSPECTION OF VEHICLE SCHEDULE

A schedule of the inspection is issued to all directorates. This schedule serves as a guideline to the fleet management section of how the routine of the inspection will be conducted and at the same time as a written instruction to the employees to cooperate with the team when it conducts the inspection. The drivers are requested to avail vehicles to the fleet management office as per the schedule.

10.7 LIST OF VEHICLES

FLEET REGISTER 2024 -2025

NO	REGISTRATION NO	VEHICLE DESCRIPTION	MODEL	MAKE	DIRECTORATE
BAKKIES					
1	JZH725EC	Bakkie	2022	ISUZU D-MAX	COMMUNITY SERVICES / SECURITY
2	JKM321EC	Bakkie	2019	ISUZU D-MAX CREW CAB	STRATEGIC
3	JYL432EC	Bakkie	2022	TOYOTA HILUX GN 136R	STRATEGIC
4	JSJ022EC	Bakkie	2021	ISUZU D-MAX 2.5	STRATEGIC
5	JPC109EC	Bakkie	2020	TOYOTA HILUX LEGEND 50 BAKKIE	INFRASTRUCTURE
6	JYC351EC	Bakkie	2022	TOYOTA LEGEND -40 BAKKIE	INFRASTRUCTURE
7	JZD060EC	Bakkie	2022	ISUZU D-MAX BAKKIE	INFRASTRUCTURE
8	JJP173EC	Bakkie	2019	ISUZU SINGLE CAB	INFRASTRUCTURE
9	JJP179EC	Bakkie	2019	ISUZU SINGLE CAB	INFRASTRUCTURE
10	MNQUM4 EC	Bakkie	2012	TOYOTA HILUX SINGLE CAB	COMMUNITY SERVICES
11	JZD650EC	Bakkie	2022	TOYOTA HILUX BAKKIE	COMMUNITY SERVICES
12	HML527EC	Bakkie	2015	TOYOTA SINGLE CAB	COMMUNITY SERVICES / TRAFFIC
13	JPC114EC	Bakkie	2020	TOYOTA HILUX	COMMUNITY SERVICES / SECURITY

14	JKM339EC	Bakkie	2019	ISUZU D-MAX	LOCAL ECONOMIC DEVELOPMENT
15	JYC337EC	Bakkie	2022	TOYOTA LEGEND 40	LOCAL ECONOMIC DEVELOPMENT
16	KFH875EC	Bakkie	2023	ISUZU SINGLE CAB	COMMUNITY SERVICES
17	KFH871EC	Bakkie	2023	ISUZU D-MAX 1.9 Ddi DOUBLE CAB 4X2	COMMUNITY SERVICES
18	KMB541EC	Bakkie	2024	ISUZU D-MAX 3.0 Ddi DOUBLE CAB 4X4	COMMUNITY SERVICES
19	KMB549EC	Bakkie	2024	ISUZU D-MAX 3.0 Ddi DOUBLE CAB 4X4	COMMUNITY SERVICES
20	KMB534EC	Bakkie	2024	ISUZU D-MAX 3.0 Ddi DOUBLE CAB 4X4	COMMUNITY SERVICES
21	KMB526EC	Bakkie	2024	ISUZU D-MAX 3.0 Ddi DOUBLE CAB 4X4	INFRASTRUCTURE
TRUCKS					
1	JZD064EC	Truck	2022	ISUZU CHERRY PICKER	INFRASTRUCTURE
2	JWZ050EC	Truck	2021	FUSO TIPPER TRUCK	INFRASTRUCTURE
3	JTR434EC	Truck	2021	FUSO TIPPER TRUCK	INFRASTRUCTURE
6	JTR440EC	Truck	2021	FUSO TIPPER TRUCK	INFRASTRUCTURE
7	JTR438EC	Truck	2021	FUSO TIPPER TRUCK	INFRASTRUCTURE
8	FWR653EC	Truck	2012	MAN LOWBED TRUCK	INFRASTRUCTURE
9	JPZ507EC	Truck	2020	ISUZU MEDIUM TRUCK	COMMUNITY / NGQAMKWE
10	JPZ493EC	Truck	2020	ISUZU MEDIUM TRUCK	COMMUNITY SERVICES
11	KFR367EC	Truck	2023	POWERSTAR LOWBED	INFRASTRUCTURE
12	JZC488EC	Truck	2022	ISUZU SKIP TRUCK	COMMUNITY SERVICES
13	JPC874EC	Truck	2020	UD TRUCK P9218 COMPACTOR	COMMUNITY SERVICES
14	JST133EC	Truck	2021	UD TRUCK COMPACTOR PKE 250	COMMUNITY SERVICES
15	KFV906EC	Truck	2023	FOTON POWERSTAR CAGE	COMMUNITY SERVICES
16	KFV954EC	Truck	2023	POWERSTAR COMPACTOR	COMMUNITY SERVICES
TRACTORS					
1	JZH781EC	Tractor	2022	TAFE TRACTOR 7000	LOCAL ECONOMIC DEVELOPMENT
2	JZH787EC	Tractor	2022	TRACTOR LANDIN	LOCAL ECONOMIC DEVELOPMENT
3	JXK523EC	Tractor	2022	TRACTOR LANDINI SOLIS	LOCAL ECONOMIC DEVELOPMENT
4	JXK529EC	Tractor	2022	TRACTORLANDINI SOLIS 90 4x3	LOCAL ECONOMIC DEVELOPMENT
5	KFR870EC	Tractor	2023	JOHN DEERE TRACTOR	COMMUNITY SERVICES
6	MNQ09844	Tractor	2023	STREET BROOM / ROAD SWEEPER	COMMUNITY SERVICES
7.	KKR520EC	Tractor	2024	NEW HOLLAND T6120 TRACTOR	LOCAL ECONOMIC DEVELOPMENT

PLANT					
1	JPJ594EC	Plant	2020	BELL GRADER 620G	INFRASTRUCTURE
2	JTB649EC	Plant	2021	BELL TLB	INFRASTRUCTURE
3	JTB652EC	Plant	2021	BELL BOMAG ROLLER	INFRASTRUCTURE
4	FNN778EC	Plant	2011	JCB VIBROMAX SMOOTH ROLLER	INFRASTRUCTURE
5	MNQ06776	Plant	2009	VOLVO EXCAVATOR	INFRASTRUCTURE
6	N/A	Plant	2024	KOMATSU EXCAVATOR	INFRASTRUCTURE
7	KHV594EC	Plant	2024	KOMATSU GRADER	INFRASTRUCTURE
8	KHV598EC	Plant	2024	KOMATSU GRADER	INFRASTRUCTURE
9	KHV603EC	Plant	2024	KOMATSU GRADER	INFRASTRUCTURE
10	Not Yet Registered	Plant	2025	JOHN DEERE GRADER	INFRASTRUCTURE
11	MNQ07265	Plant	2018	BELL HAULER	INFRASTRUCTURE
BUS, FORTUNER, QUANTUM					
1	JHZ640EC	Fortuner	2019	TOYOTA FORTUNER 2.8	STRATEGIC
2	JHZ632EC	Fortuner	2019	TOYOTA FORTUNER 2.8	BUDGET & TREASURY OFFICE
3	JYL422EC	Mini - Bus	2022	TOYOTA QUANTUM 2.8	POOL
4	JZD055EC	Bus	2022	ISUZU NQR500 BUS	POOL
5	FCX279EC	Mini - Bus	2008	TOYOTA QUANTUM 2,7	COMMUNITY SERVICES / TRAFFIC
6	KBZ429EC	Fortuner	2022	TOYOTA FORTUNER /WHITE	SPEAKER
7	KJC892EC	Fortuner	2024	FORD EVEREST	MAYOR
PRIVATE CARS					
1	JPC123EC	Sedan	2020	TOYOTA ETIOS 1.5	BUDGET & TREASURY OFFICE
2	JYC409EC	Sedan	2022	TOYOTA COROLLA 1,8	CORPORATE SERVICES
3	JYC407EC	Sedan	2022	TOYOTA COROLLA 1.8	MM'S OFFICE
4	JZS942EC	Sedan	2022	VOLKSWAGEN GOLF A8	COMMUNITY SERVICES / TRAFFIC
5	KJB995EC	Sedan	2024	VW 27X POLO	COMMUNITY SERVICES
6	KJB981EC	Sedan	2024	VW 27X POLO	COMMUNITY SERVICES
7	KJB986EC	Sedan	2024	VW 27X POLO	COMMUNITY SERVICES
8	KJB990EC	Sedan	2024	VW 27X POLO	COMMUNITY SERVICES
TRAILERS					
1	HBN419EC	Trailer	2013	TRAILER	INFRASTRUCTURE
2	FMF933EC	Trailer	2010	FUEL TANKER TRAILER	INFRASTRUCTURE
3	FWR647EC	Trailer	2012	LOWBED TRAILER	INFRASTRUCTURE

4	KBL658EC	Trailer	2024	LOWBED TRAILER	NFRASTRUCTURE
5	MNQ08539	Trailer	2022	TRAILER	LOCAL ECONOMIC DEVELOPMENT
6	MNQ08538	Trailer	2022	TRAILER	LOCAL ECONOMIC DEVELOPMENT
7	MNQ09459	Trailer	2021	TRAILER	LOCAL ECONOMIC DEVELOPMENT
8	HFG693EC	Trailer	2014	VENTER - TRAILER	COMMUNITY SERVICES/TRAFFIC

IMPLEMENTS

NO	REGISRTATIO N NO	VEHICLE DESCRIPTION	MODE L	MAKE	DIRECTORATE
1	MNQ08452	IMPLEMENTS	2022	BOOM SPRAY 800L-10M BOOM WITH PTO SHAFT (PURCHASED WITH LANDINI TRACTORS)	LOCAL ECONOMIC DEVELOPMENT
2	MNQ08469	IMPLEMENTS	2022	BOOM SPRAY 800L-10M BOOM WITH PTO SHAFT (PURCHASED WITH LANDINI TRACTORS)	LOCAL ECONOMIC DEVELOPMENT
3	MNQ08476	IMPLEMENTS	2022	BOOM SPRAY 800L-10M BOOM WITH PTO SHAFT (PURCHASED WITH LANDINI TRACTORS)	LOCAL ECONOMIC DEVELOPMENT
4	MNQ09469	IMPLEMENTS	2022	BOOM SPRAY 800L-10M BOOM WITH PTO SHAFT (PURCHASED WITH LANDINI TRACTORS)	LOCAL ECONOMIC DEVELOPMENT
5	MNQ08478	IMPLEMENTS	2022	OFFSET DOUBLE DISC HARROW, 18 DISC - JHB	LOCAL ECONOMIC DEVELOPMENT
6	MNQ08479	IMPLEMENTS	2022	OFFSET DOUBLE DISC HARROW, 18 DISC - JHB	LOCAL ECONOMIC DEVELOPMENT
7	MNQ08486	IMPLEMENTS	2022	OFFSET DOUBLE DISC HARROW, 18 DISC - JHB	LOCAL ECONOMIC DEVELOPMENT
8	MNQ09493	IMPLEMENTS	2022	OFFSET DOUBLE DISC HARROW, 18 DISC - JHB	LOCAL ECONOMIC DEVELOPMENT
09	MNQ08545	IMPLEMENTS	2022	OFFSET SINGLE DISC HARROW - JHB	LOCAL ECONOMIC DEVELOPMENT
10	MNQ08546	IMPLEMENTS	2022	OFFSET SINGLE DISC HARROW - JHB	LOCAL ECONOMIC DEVELOPMENT
11	MNQ08547	IMPLEMENTS	2022	OFFSET SINGLE DISC HARROW - JHB	LOCAL ECONOMIC DEVELOPMENT
12	MNQ08548	IMPLEMENTS	2022	OFFSET SINGLE DISC HARROW - JHB	LOCAL ECONOMIC DEVELOPMENT
13	MNQ09425	IMPLEMENTS	2022	PIKET 2 ROW MAIZE PLANTER (PURCHASED WITH LANDINI TRACTORS)	LOCAL ECONOMIC DEVELOPMENT
14	MNQ08404	IMPLEMENTS	2022	PIKET 2 ROW MAIZE PLANTER (PURCHASED WITH LANDINI TRACTORS)	LOCAL ECONOMIC DEVELOPMENT
15	MNQ08483	IMPLEMENTS	2022	PIKET 2 ROW MAIZE PLANTER (PURCHASED WITH LANDINI TRACTORS)	LOCAL ECONOMIC DEVELOPMENT
16	MNQ09807	IMPLEMENTS	2022	3 FARROW	LOCAL ECONOMIC DEVELOPMENT
17	MNQ10006	IMPLEMENTS	2022	3 FARROW PLATE PLOUGH- DISC PLOUGH	LOCAL ECONOMIC DEVELOPMENT

18	MNQ10007	IMPLEMENTS	2022	3 FARROW PLATE PLOUGH-DISC PLOUGH	LOCAL ECONOMIC DEVELOPMENT
19	MNQ10008	IMPLEMENTS	2022	3 FARROW PLOUGH-WITH THREE HOOKS	LOCAL ECONOMIC DEVELOPMENT
20	MNQ10009	IMPLEMENTS	2022	3 FARROW PLOUGH-WITH THREE HOOKS	LOCAL ECONOMIC DEVELOPMENT
21	MNQ10010	IMPLEMENTS	2022	3 FARROW PLOUGH-WITH THREE HOOKS	LOCAL ECONOMIC DEVELOPMENT
22	MNQ10011	IMPLEMENTS	2022	3 FARROW PLOUGH-WITH THREE HOOKS	LOCAL ECONOMIC DEVELOPMENT

10.8 REPAIRS AND MAINTENANCE

The Vehicle Fleet section is responsible for the repairs and maintenance of vehicles. Fleet management is to ensure that all vehicles are timeously repaired and maintained. The driver is responsible to report faults or accidents to the fleet management section immediately. The fleet section facilitates the repairs by preparing requisition and do follow up at SCM and service provider.

The cumulative expenditure for 1 January to 31 March 2025 period amounts to **R1 003 791.13** (excl. vat) and is broken down as follows:

Expenditure per directorate:

Expenditure per directorate:	**3RD QUARTER - MARCH 2025**
Strategic	139 968.17
Infrastructure	573 420.43
Corporate services	18 216.15
Community Services	144 869.25
LED	49 165.11
BTO	78 152.02

R1 003 791.13

VEHICLE MAINTENANCE PLAN

The municipality acquired vehicles from the transversal contract facilitated by the National Treasury. These vehicles were acquired without the Maintenance plan, and the municipality bought the extended maintenance plan for the 5 vehicles including the extension of the VW Golf. The acquisition of the maintenance plan is for the period of five years. The benefit of these services is that it helps maintaining the vehicle in accordance with the policy.

10.9 FUEL CONSUMPTION REPORT

The fuel consumption report is compiled using the statements received from WesBank and the payments were done for assets with no fuel cards such as grass-cutting machines and concrete machines. The total expenditure for the third quarter - ended March 2025 amounts to **R 1 918 621.11**

#	DIRECTORATES	3RD QUARTER
1	Budget &Treasury Office	24 904.04
2	Community Services	365 513.73
3	Community / Ngqamkwe	26 905.70
4	Community Services / Security	63 789.93
5	Community Services / Library	2 966.04
6	Community Services / Traffic	135 935.18
7	Corporate Services	10 463.93
8	Infrastructure	1 058 505.91
9	Local Economic Development	33 087.66
10	Mayor	36 670.30
11	Mm's Office	3 950.41
12	Pool	38 937.16
13	Speaker	27 412.80
14	Strategic	38 360.73
15	Other (Grass Cutters, generators & Contrate Cutters)	51 217.55
		1 918 621.11

11. STORES MANAGEMENT

11.1 Purpose:

The purpose of this report is to present the status of Inventory as per the MFMA Implementation of GRAP 12.37, and Logistics procedures in order to ensure existence, completeness and accuracy of the Inventory control.

11.2 GRAP Compliance and Implementation of Inventory control

The stock take is performed monthly. The internal audit section is invited for the year end stock take only. Inventory module is live and purchases and issues are done on the system. Movement of inventory is captured directly on the system.

11.3 STOCK TAKE

The stock takes were performed monthly. The stock take for January, February and March 2025 period were performed successfully. Reconciliations between physical stock take and the EMS system history report were performed successfully for the past three months.

11.4 DISPOSALS

There was no inventory items identified for disposals during the quarter.

11.5 RECONCILIATION

Reconciliation between physical stock take and the system history report is done monthly and all required reconciliations for the quarter were successfully performed.

12. IMPLEMENTATION OF RISK REGISTER

Risk register for the directorate has been prepared and is being implemented. Report on progress on actions to improve is prepared on a monthly basis. Below is the updated risk register as at 31 March 2025.

Priority Area	Strategic Objective	Link to Annual Target	Risk	Risk Causes	Consequences	Action to Improve Management of the Risk	Progress
		BUDGET AND TREASURY OFFICE					
	To strengthen internal controls, authorization and withdrawal payments of funds by June 2027	100% of creditors paid within 30 days of receiving invoice by June 2024	Claims and litigations	1. Late authorization of invoices 2. Inadequate budgeting 3. Poor internal controls	1. Non-compliance with legislation 2. Negative audit outcomes 3. Poor service delivery 4. Unauthorised expenditure. 5. Financial loss. 6. Adverse impact on the financial health of thesuppliers 7. Serverely impacts the sustainability of SMMEs	1.Ensure timeous capturing of invoices (Contract to be included in the EMS) 2. Monitor the invoice tracking register	1. Invoices are captured on a daily basis. 2. Invoice Tracking register is monitored daily to ensure that creditors are paid within 30 days.

Priority Area	Strategic Objective	Link to Annual Target	Risk	Risk Causes	Consequences	Action to Improve Management of the Risk	Progress
Asset Management	To manage municipality's assets for increased accountability and safeguarding by June 2027	Conduct 12 Stock counts by June 2024	1. Undetected stock discrepancies 2. Over/under stocking 3. Less information for demand forecasting 4. Stock loss	1. Inadequate management of inventory (adhoc requests from	1.Unavailabiltiy of stock required 2. Obsolete stock	1. Ensure updating of bin cards monthly 2. Implement stock demand management plan (meet with relevant Directorates) 3. Perform monthly stock reconciliations	1. Bin cards are updated on a monthly basis. 2. Monthly stock reconciliations are done.
Supply Chain Management	To ensure effective, efficient and transparent SCM processes by June 2027	Implement 2022/2023 Procurement Plan by June 2024	1. Delays in the implementation of the Procurement Plan	1. Insufficient market research conducted 2. Insufficient knowledge of the specification by the rend user directorates	1. Conflicts between service providers and end user directorates 2. Delays in Service Delivery	1. Assess the quality of specifications 2. Create awareness of SCM regulations and procedures	1. Specifications have been assessed and conditi]ons are more aligned to the scope of work. 2. Training was held by Treasury for all managers and SCM officials.
Indigent Support	To provide support to indigent beneficiaries in line with the indigent policy by June 2027	Update 2022/2023 indigent register with 6000 beneficiaries by June 2024	1. Inaccurate indigent register	1. inaccuracies in eskom indigent register 2. Demarcations challenges	1. Overstated debtors 2. Disputes 3. Financial loss	1. Review Indigent register 2. Capture indigent register to the EMS system 3. Reconcile the Eskom indigent register with the municipality's register	1. Indigent register is reviewed on a monthly basis. 2. Indigent register has been captured into the EMS system. 3. List of claims from Eskom are monthly

Priority Area	Strategic Objective	Link to Annual Target	Risk	Risk Causes	Consequences	Action to Improve Management of the Risk	Progress
							reconciled with the indigent register.
Asset Management	To manage municipality's assets for increased accountability and safeguarding by June 2027	Manage 100% of municipal fleet by June 2024	1. Rejected Insurance Claims 2. Theft of accessories 3. Unauthorised trips (traveling) 4. Unauthorised deductions from employees	1. Non and late reporting of accidents Limited human resources 2. Inadequate capacity on security management to conduct checks 3. Poor Management of trip authorities 4. Inadequate accident investigations	1. Financial Loss 2. High fuel costs 3. Spend more on repairing the fleet 4. Theft of accessories 5. Disgruntled employees	1. Conduct workshop on fleet management policy to the users and security personnel 2. Continuous monitoring of the tracker 3. Facilitate recruitment of human resource 4. Establish a committee to investigate car accidents and report	1. Workshop has been conducted. 2. Tracker is being monitored. 3. Draft Terms of Reference have been developed signed.

13. Staff Implications

None

14. Financial Implications

This report details the implementation of the approved budget and related policies.

15. Annexures

1. Schedule of payments from 01 January 2025 to 31 March 2025
2. Withdrawals report from 01 January 2025 to 31 March 2025
3. Additions register for Immovable assets from 01 January 2025 to 31 March 2025
4. Additions register for movable assets from 01 January 2025 to 31 March 2025
5. WIP register from 01 January 2025 to 31 March 2025
6. Retentions register from as at 31 March 2025
7. Report on Physical verification of movable assets from 01 January 2025 to 31 March 2025
8. Insurance report as at 31 March 2025
9. Report on Physical inspection of Mnquma vehicles from 01 January 2025 to 31 March 2025
10. Stock take report for 01 January 2025 to 31 March 2025
11. Inventory reconciliation as at 31 March 2025

16. Recommendations

- It is hereby recommended that the Committee deliberate and note the report for the mid-term ending 31 March 2025 for onward transmission to Mayoral Committee.

- It is further recommended that that the Committee deliberate and note the following indigent debtors balances to be written off :

DESCRIPTION	AMOUNT
Property Rates	R 1 193 012.83
Waste disposal	R 480 577.63
TOTAL	**R 1 673 590.46**

- It is further recommended that the Committee deliberate and note list of assets to be disposed with the cost of R1 520 787.42 and the Accumulated depreciation R1 046 873.28 and carrying amount of R473 914.14

- It is further recommended that the Committee deliberate and note the write off of two laptops to the values of R34 063.31

- It is further recommended that the Committee deliberate and note the assets that were vandalised at a cost of R **6 621 307.64**, accumulated depreciation and impairment of **R4 242 633.74**, and value of **R 2 374 873.80**

IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY

(As per Regulation 6(2)(a)(i) of the Supply Chain Management Regulations)

16.1 Introduction

In terms of clause 6(1)(3) of the Municipal Supply Chain Management Regulations, 2005, which deals with the Oversight role of council of municipality or board of directors of municipal entity:

(1) *The council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.*

(2) *The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.*

(3) *In accordance with Regulation 6(2)(a)(i) of the SCM Regulations the Accounting Officer must "within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management Policy of the municipality to the Council of the municipality."*

16.2 SCM Policy & Procedures

16.2.1 Adoption of Policy by Council

- *The council has the hereunder approved Supply Chain Management (SCM) policies:*
  - ***Supply Chain Management policy for General Goods and Services***
  - ***Supply Chain Management policy for Infrastructure Delivery Management***
  - ***Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy***
  - ***Unauthorised, Irregular, Fruitless and Wasteful Expenditure Prevention and Reduction Strategy***
  - ***Supply Chain Management policy for Preferential Procurement***
- **The above supply chain management policies were reviewed and approved by the Council on the 23 May 2024, Council Resolution Number SCM5/24/008.1.3.2**

16.2.2 SCM Procedures

Supply Chain Management Procedures with supply chain management checklist are implemented.

16.2.3 Delegations

Supply Chain Management Delegations are detailed in the policy.

16.2.4 Infrastructure Procurement

The Council has adopted the Supply Chain Management policy for Infrastructure Procurement and Delivery Management.

16.3 Functioning of the SCM Unit

16.3.1 SCM Structure:

The Supply Chain Management Unit (SCM) is fully established and functional:

1) Acting SCM Manager (Senior SCM Practitioner)
2) Demand Officer
3) Acquisition Officer
4) Contract Management Officer
5) 05 Supply Chain Management Practitioners (03 Practitioners for demand management and 02 Practitioners for acquisition management).
6) 03 Supply chain management trainees

The Supply Chain Management division operates under direct supervision of the Chief Finance Officer (CFO). SCM Manager (Senior SCM Practitioner) is responsible for the day to day management of the division.

16.3.2 Declaration of Interest:

All SCM Personnel declared has declared their interests for financial year 2024/2025.

16.3.3 Code of Conduct for SCM Practitioners:

All supply chain management officials have signed the code of conduct for SCM practitioners.

16.3.4 Training of SCM Personnel

Supply chain management for bid committees, managers, directors and all supply chain management officials were trained by Provincial Treasury on the 4th March 2024

16.4 Functioning of Bid Committees

- Bid Committees are constituted in line with Regulations 27, 28 &29.
  - Bid Specification Committee (BSC)
  - Bid Evaluation Committee (BEC)
  - Bid Adjudication Committee (BAC)
- Infrastructure Committees are aligned with the standard for Standard for Infrastructure Delivery Management (SPDIM)
- Bid Committee Terms of Reference are in place and included in the committee's reports.

The municipality deviates for the hereunder services due to exceptional cases where it is impractical or impossible to follow the official procurement processes (to obtain three written price quotations:

Service Description	**Reason for Deviation**
Servicing and repairing of municipal machinery, equipment and vehicles	Machinery and equipment of a specialized nature will be serviced and repaired by the manufacturer or an agent appointed by the manufacturer. Therefore, one quotation will be obtained in this regard. Vehicles will be serviced by the manufacturer as this might affect the validity of the warranty and might compromise useful life of the vehicle. Therefore, one quotation will be obtained in this regard. Parts and other consumables relating to vehicles, machinery and equipment of specialized nature will be sourced from the manufacturer or an agent appointed by the manufacturer. Therefore, one quotation will be obtained in this regard. In addition to the above the municipality deviate to avoid towing fees wherein the vehicle has to be towed to different manufactures to obtain written price quotation i.e. to be towed to Toyota in east London, Toyota Gqeberha and/or to Toyota Durban
Insurance Excess	In the event where a municipal vehicle, machinery and/or equipment needs to be repaired as a result of an accident or a similar event, the appointed municipal insurance company will appoint an approved panel beater to which the insurance excess will be paid directly to the panel beater by the municipality, therefore one quotation will be sourced in this regard as impractical to obtain three written price quotations
Advertising	Arena Holding/Daily Dispatch is the only service provider registered on the Central Suppliers Data Base to offer the advertising services as the paper that is commonly circulated locally. Therefore that made impractical to obtain three written price quotations
Professional Affiliation fees	In this cases it is impractical or impossible to obtain three quotations as it may be found that the employee is already a registered member in that professional body and it is in line with his/her profession.

The municipality has approved the hereunder deviations as at end 31 March 2025.

Summary Analysis:

Service Description	Amount
Servicing and repairing of municipal machinery, equipment and vehicles	897 253.68
Advertising	469 750.85
Regulation 36.1(e)	210 579.00
Total	**1 577 583.53**

Please see the attached detailed deviation register as an Annexure

16.5.4 UNAUTHORIZED, IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE

UNAUTHORIZED

In relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

a) overspending of the total amount appropriated in the municipality's approved budget;
b) overspending of the total amount appropriated for a vote in the approved budget;
c) expenditure from a vote unrelated to the department or functional area covered by the vote;
d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
f) a grant by the municipality otherwise than in accordance with this Act
    - **No unauthorized expenditure for this quarter (January 2025 – March 2025).**

IRREGULAR EXPENDITURE

National Treasury issued Circular 68 during April 2013 which provides guidance into irregular expenditure, associated registers and the investigation processes with regard to irregular expenditure. This Circular clearly indicates that irregular expenditure is only recognized when the expenditure is paid.

- **No Irregular expenditure incurred in this quarter(January 2025 – March 2025)**

FRUITLESS & WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

- **No Fruitless & Wasteful expenditure incurred in this quarter(January 2025 – March 2025)**

16.5.5 Central Suppliers Database *(CSD)*

i) The municipality is utilizing the Central Suppliers database for all the procurement and there are no challenges in logging on to the system.

16.5.6 Procurement Plan Implementation

i) Supply Chain Management division coordinated the development of 2023/2024 procurement plan in consultation with end-user directorates through IDP directorate sessions and a procurement plan has been prepared.

The municipal directorates procurement plan is linked to the annual budget, and was consolidated to be the municipal annual procurement plan for 2023/2024 financial year and was approved before the start of the financial year.

Report on implementation of procurement plan for financial 2024/2025:

The municipality has received 366 procurement requisitions from January 2025 to March 2025, 96 progress [3- competitive bids with BAC,6- transversal, 26 – evaluation stage,16 – advertised, 1 specification 44- requests for 3quotes, deviations and contracted services)] and the following 233 orders as per thresholds has been issued:

Procurement threshold	***Awarded amounts (Totals)***
0- R29 999	3 600 003.16
R30 00 0-R199 999	2 407 994.03
R300 000- R50 000 000	113 761 756.83
Above R50 000 000	0

Summary Procurement Plan Implementation Report as at end March 2025

End User Department	Requisitions Received	Projects Awarded	In Progress	Cancelled
Budget and Treasury	18	10	10	2
Community Services	31	11	19	1
Corporate Services	16	5	8	2
Infrastructural Development	49	27	20	2
Local Economic Development	37	20	11	1
Office of the Municipal Manager	0	0	0	0
Strategic Directorate	30	17	10	1
Total Number of Projects	**181**	**90**	**78**	**9**

(See the attached Annexure – Procurement Plan Implementation Report as at end March 2025)

16.5.7 Bids Awarded >R30 000 for the term ending March 2025:

No.	Financial Year	Project name	Bid number	Contractor	Awarded Amount
1	2024-2025	Rehabilitation of Malongweni Access Road Stormwater Facilities	MNQ/SCM/53/24-25	Vikisync (Pty) Ltd	R 1 828 923,34
2	2024-2025	Rerfubishment of Msobomvu Hall	MNQ/SCM/51/24-25	A.K Building Construction	R 7 777 263,59
3	2024-2025	Suppy and delivery of firearms, security, traffic and law enforcement equipment	MNQ/SCM/62/24-25	Target Line	R 392 342,00
4	2024-2025	Municipal Website enhancement	MNQ/SCM/47/24-25	Vargafon(Pty) Ltd	R 1 219 000,00
5	2024-2025	Provision to conduct background screening services for a period of three years	MNQ/SCM/58/24-25	Nexus Forensic Services (Pty) Ltd	Rates Based
6	2024-2025	The Development of LSDF Butterworth Cluster	MNQ/SCM/27/24-25	Eco South Partnership	R 641 240,00
7	2024-2025	Refresher Traing for Security Officers	MNQ/SCM/59/24-25	Lesedi Guarding and Training	R 406 985,00
8	2024-2025	Supply and Delivery of Paint Equipment	MNQ/SCM/54/24-25	Imbewu Tech Projects (Pty) Ltd	R 590 451,00
9	2024-2025	Design, supply, installation and commissioning of traffic management system, urban CCTV cameras and equipment for Mnquma Local Municipality	MNQ/SCM/37/24-25	TMT Services and Supplies (Pty) Ltd	R 4 392 879,53
10	2024-2025	Preparation of Graap Compliant Immovable and moveable asset register for 2024/25 financial year	MNQ/SCM/49/24-25	Lilitha Project Managers	R 1 956 532,65
11	2024-2025	Supply and Delivery of all platform	RT57-2022	KEY SPIRIT TRADING 218 CC	R 4 090 989,20

No.	Financial Year	Project name	Bid number	Contractor	Awarded Amount
		purpose truck and water tanker			
12	2024-2025	Supply and Delivery of 2 Hatch back - Traffic vehicles	RT57-2022	VOLKSWAGEN OF SOUTH AFRICA	R 75 4 231,92
13	2024-2025	Supply and Delivery of Motor Grader	RT57-2022	FUMANI HOLDINGS	R 7 781 778,57
14	2024-2025	Supply, Delivery and Installation of car workshop equipment	MNQ/SCM/55/24-25	Libukhali Holdings (Pty) Ltd	R 429 775,80
15	2024-2025	Provision of comprehensive insurance cover for Mnquma Local Municipality Assests for a period of three years	MNQ/SCM/43/24-25	Simah Risk Advisors (Pty) Ltd	R5,529,670.00
16	2024-2025	Supply and delivery of Catering for road shows	MNQ/SCM/73/24-25	Mimi Mishy	R285,600.00
17	2024-2025	Hiring of D6 Dozer for a period of ten days	SCM/MLM/60/24-25	Mutigen	R 138 000,00
18	2024-2025	Supply and delivery of health packs for under privileged learners	SCM/MLM/44/24-25	Daloworths	R 57 500,00
19	2024-2025	Supply and delivery of Manufacturing Chemicals for Yonza	SCM/MLM/53/24-25	Tatise Trading	R 165 080,00
20	2024-2025	2024-2025 Supply and delivery of Sewing Material MAterial and Machinery for Kheswa Primary Co op SCM/MLM/51/24-25	SCM/MLM/51/24-25	Sposine Agency	R 189 150,00
21	2024-2025	Supply and delivery of Groceries and Domestic Equipment	SCM/MLM/58/24-25	Chic Chac Business Enterprise	R 56 751,66
22	2024-2025	Surveying and re-planning of portion of ERF 153 Mnquma Land Sites in Butterworth	SCM/MLM/07/24-25	MNT Geomatics	R 275 000,00
23	2024-2025	Supply and delivery of Animal Medication for Phawu Agripark Co Operative	SCM/MLM/08/24-25	Gumma Trading	R 96 010,00

No.	Financial Year	Project name	Bid number	Contractor	Awarded Amount
24	2024-2025	Supply and delivery of digital camera and drone	SCM/MLM/35/24-25	CSD Legacy Group	R 58 500,00
25	2024-2025	Supply and delivery of catering items for the Heritage day celebration	SCM/MLM/40/24-25	Zinathi Eats (Pty) Ltd	R 121 360,00
26	2024-2025	Supply, delivery and installation of Branding for Debt Collection Campaign	SCM/MLM/70/24-25	Hlalumi Printers (Pty)Ltd	R 103 949,00
27	2024-2025	Edit, Design, Layout, formating, printing and binding plus cover of the 2024/2025 IDP	SCM/MLM/42/24-25	Copy World	R 66 819,60
28	2024-2025	Supply and delivery of Diesel Bowser (Tanker Trailer)	SCM/MLM/65/24-25	AA and AB General Trading	R 88 830,00
29	2024-2025	Supply and delivery of animal Medication and equipment for Ward	SCM/MLM/49/24-25	Oneliseka Solutions	R 46 335,60
30	2024-2025	Supply,delivery and installation of Air Conditioners for DLTC and Butterworth Town Hall	SCM/MLM/57/24-25	S.B.S Refrigeration & Airconditioning	R 173 566,06
31	2024-2025	Supply and Delivery of Catering for Tourism Indaba	SCM/MLM/54/24-25	Yizani Holding Group	R 40 020,00
32	2024-2025	Hiring and Installation of Decor in Preparation for the Tourism Indaba	SCM/MLM/55/24-25	Sam and Sandie Holdings	R 58 920,00
33	2024-2025	Supply and Delivery of Office Furniture for Library	SCM/MLM/59/24-25	Thuthuka Office Supplies	R 57 730,00

16.5.8 Municipal Bid Appeals (if applicable)

i) *There were no bids appeals received during the quarter.*

16.5.9 Contract Management

In terms of Section 116.2(b) of the Municipal Finance Management Act (MFMA), the municipality monitors the contracts on monthly basis for the performance of the contractor under the contract or agreement.

Delivery under each contract is being monitored to ensure that it achieves its original objectives and effecting any necessary changes to the contract are done upon receipt of the approved changes. Monitoring of contract includes tracking and auditing of contract terms such as:

- Pricing and discounts
- Timelines of payments and receipts
- Performance in delivering agreed service level or specification of goods and services
- Amendments

The end-user directorate takes responsibility for day to day management and monitoring of contract in line with the contractual conditions.

Contract register is maintained and updated when there is an award made.

Commitments as at 31 March 2025:

- ***Summary Analysis:***

Description	Commitment Amount (R)
Capital	155 716 072.657
Operational	3 510 813.30
Total	**159 308 990.75**

Monitoring the contracts all amounts paid are within terms and conditions of the contract, there are no breaches of conditions or service delivery targets (either party) and there are no significant price variations or other variations in the conditions.

(See the attached Annexure - Contracts Register and Commitments Register as at 31 March 2025)

16.5.10 Variations

i) Variations within 15% or 20% (this can part of contract register)

There were no variation orders less than 15%.

ii) **Variations above 15% or 20% (*Comply with MFMA S116(3)*) (this can be part of contracts register)**

Below is the list of contracts amended due to extension of time claims submitted.

Project name	Bid number	Contractor	Contract Duration	Project Start Date	Project End Date	Anticipated Completion
Paving of Msobomvu Internal Streets (Surfaced)	MNQ/SCM/10/24-25	Lunika Investments (Pty) Ltd	06 Months	15-Jul-24	30-Mar-25	08-May-25
Construction of 40m2 House for Physical Challenged Person	MNQ/SCM/41/24-25	FBU Trade cc	04 Months	20-Nov-24	20-Apr-25	30 May 25
Supply, Delivery and Installation of office furniture	MNQ/SCM/29/24-25	Thuthuka Office Supplies	02 Months	29-Jan-25	31-Mar-25	30 Apr 25

Project Name	**Bid number**	**Contractor**	**Contract Amount**	**Variation Amount**	**Variation %**
Appointment of Service Provider for provision of professional services for planning, design and project management of 2024/2025 financial year electrification programme within the Mnquma area	MNQ/SCM/38/20-21	Inyusa Group Holdings	R 1 223 259.60	R 597 732.00	49%

21. REPORT ON THE DESIGNATION OF THE SUBSTITUTE MUNICIPAL VALUER

21.1 PURPOSE

The purpose of the report is to request the council to approve the designation of Mr Mr. Potela Peter Mabelane as the substitute Municipal Valuer.

21.2 LEGAL AND/OR STATUTORY REQUIREMENTS

In terms of Section 33 (1) of the Local Government Municipal Property Rates Act 6 of 2004 provides that a municipality must before the date of valuation designate either one of its officials or a person in of valuation, designate a person private practice as its municipal valuer.

21.3 BACKGROUND EXPOSITION, FACTS AND PROPOSALS

On 21 August 2023, the Municipality appointed Black Dot Property Consultants (Pty) Ltd to compile the General Valuation Roll for 2024/2029 and the Supplementary Rolls.
Mr. Tshepo Mokhuwa from Black Dot Property Consultants (Pty) Ltd was designated the Municipal Valuer by Council resolution number OCM2/23/008/2.1.2.
Unfortunately, he passed away on 12 October 2024.
On 12 October 2024, the council designated Mr Simon Nkosi as a substitute Valuer in terms of council resolution number SCM4/24/007/2.2.1.
On 31st of March 2024, the Municipality received a resignation notice of Mr Nkosi as a Municipal valuer. Considering this, Black Dot Property Consultants (Pty) Ltd has nominated Mr. Potela Peter Mabelane as the Municipal Valuer to replace Mr. Simon Nkosi.

21.4 STAFF IMPLICATION

None

21.5 FINANCIAL IMPLICATION

None

21.6 ANNEXURE

- Mr Mabelane professional qualifications

22. RECOMMENDATION

- It is hereby recommended that the Committee deliberate and note the designation of Mr Mr. Potela Peter Mabelane as the new Municipal Valuer

23. REPORT ON 3rd ADJUSTMENT BUDGET 2024 – 2025

23.1 Purpose

The purpose of the report is to present the 2024/2025 3rd adjustment budget.

23.2 Legal and or statutory requirement

In terms of MFMA Act No. 56 of 2003 section 28:-

"(1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget—

(b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
(g) may provide for any other expenditure within a prescribed framework."

23.3 Background exposition, facts and or proposal

The Municipality adopted the MTREF budget for the 2024–2025 financial year on 23 May 2024. Subsequently, the 1st Adjustment Budget, aimed at including last year's creditors and commitments, was approved on 30 July 2024 and the 2nd adjustment budget in January 2025.

MUNICIPAL INFRASTRUCTURE GRANT (MIG)

The municipality was awarded an extra R 5,000,000 for the Municipal Infrastructure Grant (MIG) as a result of its strong performance in spending. Summary of the MIG grant is as follows:

ALLOCATION AS PER DORA	73 457 000
RECEIVED BY THE MUNICIPALITY	80 457 000
ADDITIONAL FUNDS	**7 000 000**

The additional R 7 000 000 will be used to fund the upgrading of Msobomvu Sports ground – Phase 2

24. SUMMARY OF THE 3rd ADJUSTMENT BUDGET

24.1 ADJUSTED STATEMENT OF FINANCIAL PERFORMANCE

Description	Budget Year 2024/25				Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	3 A1	9 G	10 H		
Revenue By Source						
Exchange Revenue						
Service charges - Waste Management	9,000	17,322	–	17,322	9,414	9,847
Sale of Goods and Rendering of Services	554	554	–	554	579	606
Agency services	3,000	3,000	–	3,000	3,138	3,282
Interest earned from Receivables	14,811	14,811	–	14,811	15,492	16,204
Interest earned from Current and Non Current Assets	15,000	20,000	–	20,000	15,690	16,412
Rental from Fixed Assets	6,264	6,264	–	6,264	6,552	6,853
Licence and permits	60	60	–	60	63	66
Operational Revenue	508	508	–	508	532	556
Non-Exchange Revenue						
Property rates	85,584	95,338	–	95,338	89,521	93,638
Fines, penalties and forfeits	6,600	6,600	–	6,600	6,904	7,221
Licences or permits	2,000	2,000	–	2,000	2,092	2,188
Transfer and subsidies - Operational	350,592	352,795	–	352,795	365,292	382,096
Gains on disposal of Assets	1,500	1,665	–	1,665	1,569	1,641
Other Gains	–	2,400	–	2,400	–	0
Total Revenue (excluding capital transfers and contributions)	**495,472**	**523,316**	**–**	**523,316**	**516,837**	**540,611**
Expenditure By Type						
Employee related costs	241,902	242,610	–	242,610	248,626	260,063
Remuneration of councillors	26,706	26,706	–	26,706	28,168	29,464
Inventory consumed	12,378	11,420	–	11,420	13,355	13,970
Debt impairment	–	19,314	–	19,314	20,202	21,131
Depreciation and amortisation	283,615	300,000	–	300,000	296,661	310,308
Interest	2,478	2,378	–	2,378	111	116
Contracted services	34,726	62,028	–	62,028	39,500	41,317
Transfers and subsidies	15,920	16,573	–	16,573	14,707	16,860
Irrecoverable debts written off	40,000	20,686	–	20,686	21,638	22,633
Operational costs	61,155	72,965	–	72,965	62,532	65,408
Losses on disposal of Assets	–	67,265	–	67,265	–	0
Other Losses	3	3	–	3	3	4

25. Staff implications

None

26. Financial implications

i) Capital expenditure will increase from **R 309 473 000** to **R316 473 000**

27. Recommendations

It is hereby recommended that the committee deliberate and note the 2024-2025 3rd Adjustment Budget.