BUDGET AND TREASURY DIRECTORATE

IMVABA EZEL'INGQAKA

MNQUMA

LOCAL MUNICIPALITY

QUARTERLY REPORT TO COUNCIL

FOR THE QUARTER ENDING 30 SEPTEMBER 2024

Compiled By:	M. Matomane Chief Financial Officer
Signed by:	S. Mahlasela Municipal Manager
Endorsed by:	Cllr. Z. Sobekwa Portfolio Head: BTO
Recommended by:	Cllr. T. Nkamisa Executive Mayor

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 quarter ending 30 September 2024 (Q1).

2. LEGAL AND OR STATUTORY REQUIREMENT

In terms of section 52(d) 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 quarter ending 30 September 2024.

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. A notice of inspection of the roll was published on the 25th March 2024 on provincial gazette and twice on the 18th and 25th March 2024 on the Daily Dispatch. The closing date for inspection of valuation roll was on the 30th May 2024. The appeal board will sit on the 18th October to consider all the appeals submitted.

The table below shows comparison of budgeted revenue with actual revenue as at 30 September 2024:

Description	Budget Year 2024/25					
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands	R'000	R'000	R'000	R'000	R'000	%
Revenue						
Exchange Revenue						
Service charges - Waste management	9,000	9,000	4,257	2,250	2,007	89%
Sale of Goods and Rendering of Services	554	554	207	138	69	50%
Agency services	3,000	3,000	714	750	(36)	-5%
Interest earned from Receivables	14,811	14,811	4,485	3,703	782	21%
Interest from Current and Non Current Assets	15,000	15,000	5,747	3,750	1,997	53%
Rental from Fixed Assets	6,264	6,264	1,382	1,566	(184)	-12%
Licence and permits	60	60	528	15	513	3421%
Operational Revenue	508	508	175	127	48	38%
Non-Exchange Revenue						
Property rates	85,584	85,584	54,901	21,396	33,506	157%
Fines, penalties and forfeits	6,600	6,600	2,745	1,650	1,095	66%
Licence and permits	2,000	2,000	52	500	(448)	-90%
Transfers and subsidies – Operational	350,592	352,795	144,091	192,317	(48,225)	-25%
Gains on disposal of Assets	1,500	1,500	–	375	(375)	-100%
Total Revenue (excluding capital transfers and contributions)	**495,472**	**497,675**	**219,284**	**228,537**	**(9,253)**	**-4%**

Year to date revenue is R 219 284 000, which is 76% more than the year to date budgeted revenue of R 124 419 000.

Service charges – Refuse removal

Year to date actual is sitting at R 4 257 000 which is 89% more than the targeted amount of R2 250 000. Variance is due to increase in Tariffs for refuse removal.

Sale of Goods and rendering of Services

Actual revenue received amount to R 207 000 which is 50% more than the YTD budgeted amount of R 138 000. The variance is due to increase in building plan fees, clearance certificate fees, Advertising and cemetery fees.

Agency services

Actual revenue received amounts to R 714 000, which is 5% less than the targeted budget of R 750 000. The variance is due decrease in number of motor vehicles licensing as this is dependent on walk-ins.

Interest on outstanding debtors

Actual interest on outstanding debtor's amounts to R 4 485 000 which is 21% more than the targeted amount of R 3 703 000. The variance is due to increase in outstanding debtors.

Interest earned on External investments

Interest on investments is sitting at R 5 747 000, which is 53% more than the targeted amount of R 3 750 000. This is due to VAT refunds were invested and the municipality is receiving interest on a monthly basis.

Rental from fixed assets (facilities and equipment)

This revenue item is made up of rentals for Flats, Fingoland Mall, Transkei Quarries and the Country Club. Year to date actual is sitting at R 1 382 000 which is 12% less than the targeted amount of R 1 566 000.

Licenses and permits

Actual revenue received amount to R 528 000 which is more than the targeted amount of R 15 000. The variance is due to increase in the number of driver's licenses, learner's license and trading licenses.

Operational Revenue

Actual own revenue received amounts to R 175 000, which is 38% more than the targeted amount of R 127 0000. Variance is due to commissions received and raising of debtor for amount owed by employees.

Property Rates

Year to date actual is sitting at R 54 901 000 which is 157% more than the targeted amount of R 21 396 000. Variance is due to properties for businesses and government departments which are billed annually.

Fines, penalties and forfeits (Fines issued)

Revenue from traffic fines issued is R 2 745 000, which is 66% more than the targeted amount of R 1 650 000. Variance is due to increase in Traffic fines issued due to roadblocks conducted during the year.

Transfers and subsidies

Actual Transfers and subsidies amount to R 144 091 000 which is 25% less than the targeted amount of R 192 317 000. Variance is due to Grants received that were not spent in full.

BILLING VERSUS COLLECTION

The table below shows billing (Including Interest of R 4 485 000) and collection to date per service:

DESCRIPTION	BILLING FROM JULY 2024 TO DATE	COLLECTION FROM JULY 2024 TO DATE
Rental of facilities and equipment	1 495 143	375 823
Rates	58 692 864	22 636 580
Refuse	5 104 343	678 134
Traffic Fines	2 743 100	1 193 900
TOTAL	**70 055 950**	**25 715 938**

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 199 713 190 as at 30 September 2024. All allocations have been received in full as per the amounts allocated to the municipality.

Below is the detail of grants received to date.

NAME OF GRANT	DoRA Allocation	YTD Actual	Variance
Municipal Infrastructure Grant (MIG)	77,124,000	46,757,000	30,367,000
M[illegible]als & Energy (INEP)	10,700,000	1,152,000	9,548,000
Equitable share	323,763,000	142,039,000	181,724,000
Finance Management Grant (FMG)	1,900,000	1,900,000	-
Expanded Public Works Programme (EPWP)	1,512,000	403,000	1,109,000
Name of the Grant	**Department Allocation**	**YTD Actual**	**Variance**
Local Government Sector for Education and Training Authority (LGSETA)	65,743	65,743	0
Office of the Premier	11,530,577	6,102,447	5,428,130
Municipal Disaster Relief	8,625,000	1,294,000	7,331,000
Department of Sport, Recreation, Arts and Culture (DSRAC)	500,000	-	500,000
[illegible]AL	**435,720,320**	**199,713,190**	**236,007,130**

4.3 DEBTORS

The municipality is implementing Credit Control and Debt Management Policy to households and businesses. Statements and demand letters are sent to customers on a monthly basis. Defaulters are sent summons and also handed over to attorneys. There are also 50% discounts offered to debtors as an incentive. Government departments in arrears are contacted and also sent monthly statements for debt collection and payment arrangements. In implementing the Credit Control Policy, the municipality has started the process of issuing out Summons for defaulting debtors. Application for default judgements was 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:

INNSTITUTION NAME	NO. OF DEBTORS	NO. OF DEBTORS WITH ARRANGEMENTS	NO. OF NOTICES ISSUED	NO. OF SUMMONS ISSUED	NO. OF RETURNS OF SERVICE	NO. OF DEFAULT JUDGEMENT	NO. OF DEFAULT GRANTED/ EVICTION	NO. OF DEBTORS PAYING
Municipal Flats	623	53	623	623	623	623	320	13
Reservoir Hill	39	2	0	0	0	0	0	1
Residential - Cuba	748	38	675	125	0	0	0	33
Residential - Extension 15	273	41	194	138	16	16	0	42
Residential - Extension 2	126	24	85	60	47	24	0	14
Residential - Extension 24	182	14	134	102	31	5	0	29
Residential - Extension 6	205	41	192	109	48	8	0	52
Residential - Extension 7	109	20	93	41	26	6	0	21
Residential - Ibika	753	33	349	215	30	0	7	21
Residential New Rest	360	6	192	0	0	0	0	2
Residential Centane	617	13	531	14	4	0	0	10
Residential Coloured	212	17	57	44	33	32	0	14
Residential Mchubakazi	993	36	102	155	0	0	0	56
Residential Msobomvu	892	16	645	175	0	0	0	47
Residential Nqamakwe	302	5	20	5	0	0	0	8
Residential Vulli - Valley	274	15	180	103	15	13	0	39
Residential Zizamele	805	11	373	0	0	0	0	9
Butterworth Business	214	32	92	85	21	14	0	59
Nqamakwe Business	37	7	17	20	.0	0	0	3
Centane Business	41	8	33	21	1	0	0	5
Grand Total	**7805**	**432**	**4587**	**2035**	**895**	**741**	**327**	**478**

Age analysis per service type

The total outstanding debtors as at 30 September 2024 is R 246 195 799. Debtors payable over 90 days amount to R 189 484 410 which is 77% of the total debtor's balances. A significant amount of R 188 421 211 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	5 645 398	10 913 131	29 392 237	2 791 946	2 687 160	2 614 410	134 376 929	188 421 211
REFUSE	1 934 473	1 886 486	1 754 167	1 338 862	991 493	1 036 341	38 271 300	47 213 122
RENTALS	496 059	416 847	413 686	419 425	436 357	460 691	8 609 729	11 252 794
ADVANCE PAYMENT	-691 328	0	0	0	0	0	0	-691 328
TOTAL	**7 384 602**	**13 216 464**	**31 560 090**	**4 550 233**	**4 115 010**	**4 111 442**	**181 257 958**	**246 195 799**

Age analysis of debtors by institution

Below is the debtors age analysis by institution and out of R 246 195 799, households are owing a prevalent amount of R 161 167 977 which constitutes 71% 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	977 031	4 217 618	12 599 017	691 526	371 477	406 813	15 872 098	35 135 579
BUSINESS	1 030 637	1 995 667	12 848 305	801 670	763 447	703 857	31 748 659	49 892 242
HOUSEHOLD	5 376 935	7 003 178	6 112 768	3 057 037	2 980 086	3 000 772	133 637 201	161 167 977
TOTAL	**7 384 602**	**13 216 464**	**31 560 090**	**4 550 233**	**4 115 010**	**4 111 442**	**181 257 958**	**246 195 799**

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 30 September 2024. Payment arrangements have been signed by the staff and councillors owing the municipality and those not signed are EPWP workers will apply for indigent subsidy.

Account Balances	**Sep -24**
HOD's	-
Municipal Staff Accounts > 90 days	205 269
Councillors Account > 90 days	137 858
TOTAL	**343 127**

Municipal Staff Accounts		
Staff Accounts	**%**	**Sep-24**
0 – 90 Days	26%	53 318
120 Days	5%	10 073
150 Days	5%	9 964
180 Days	64%	131 914
TOTAL BALANCE	**100%**	**205 269**

Councillors Accounts		
Staff Accounts	**%**	**Sep-24**
0 – 90 Days	8%	11 130
120 Days	1%	1 795
150 Days	1%	1 734
180 Days	89%	123 200
TOTAL BALANCE	**100%**	**137 858**

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 SIGNED
5153	NOLOYISO NTUNJA	571	571	571	440	440	440	5 408	8 441	5 Months	Signed
6171	PHILLIP MATOMELA	411	408	404	252	250	248	4 931	6 904	Until debt is paid up	Signed
6877	SIHLOBO BALENI	381	378	375	155	154	153	3 020	4 615	Until debt is paid up	Signed
7495	NOWAYALESE MBALO	304	304	305	148	147	146	4 412	5 766	Current charge	Signed
9929	NOKUTHULA PUPUMA	767	767	267	67	67	67	1 392	3 394	Until the debt is paid up	Signed
9956	MAUREEN GWAVU	488	488	488	388	386	384	16 157	18 780	24 Months	Signed
11193	BONGO NTAMO	736	735	735	735	735	390	14 808	18 874	Current charge	Signed
11257	NOPHUMLANI TYAFU	519	221	24	120	119	118	1 764	2 885	Current charge	Signed
11547	NOLUVUYO WILI	548	547	546	362	363	364	9 070	11 800	Current charge	Signed
11576	FUMANEKILE BONGA	2 307	2 374	2 177	2 025	2 007	2 152	10 934	23 975	Current charge	Signed
11578	SIPHIWO FIPHAZA	586	586	586	586	586	717	5 462	9 109	Until the debt is paid up	Signed
11607	ZUKO NDIKI	468	468	468	322	322	322	3 618	5 988	Until the debt is paid up	Signed
11630	LULAMA LILIAN MAYEZANA	729	729	728	723	717	711	12 976	17 313	Current charge	Signed
11637	ELLERINA NTOMBIZANELE RATA	642	586	586	586	586	586	2 845	6 416	Until the debt is paid up	Signed
11682	PINKY BANYA	476	476	477	313	310	308	6 396	8 757	Current charge	Signed
11836	NOMILILE VERONICA GOBE	230	228	227	134	133	132	2 640	3 723	EPWP worker	Not 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 SIGNED
11855	NOLWANDILE BAKWANA	230	228	227	134	133	132	2 640	3 723	EPWP worker	Not signed
11984	NTOMBOVUYO ZIMBA	230	228	227	134	133	132	2 640	3 723	Until debt is paid up	Signed
12006	MFUSI TENGWA	225	226	227	134	133	132	2 040	3 115	Current charge	Signed
12108	VUYISEKA KHALIPHA	586	586	586	718	712	706	11 023	14 917	12 Months	Signed
12220	NOMPUMELELO DLOVA	505	291	212	78	77	77	1 013	2 252	Current charge	Signed
12462	NDILEKA JESSICA NTOZIMBI	262	200	200	79	79	78	1 087	1 984	Until the debt is paid up	Signed
12547	THANDOKAZI MATIWANE	290	288	285	148	147	145	2 120	3 423	Epwp worker	Not signed
12677	NOLUTHANDO NDINISA	272	209	208	75	67	67	434	1 332	Current charge	Signed
12807	NTOMBIFUTHI JESSICA GUDLA	444	443	443	272	270	268	1 292	3 432	Current charge	Signed
12846	ZELNA ZUKELWA MTIKITIKI	1 261	1 330	1 322	942	934	925	1 726	8 439	Current charge	Signed
12918	SIVE XHOMIYEZA	602	602	602	183	68	68	67	2 191	4 Months	Signed
Grand Total		**15 069**	**14 498**	**13 500**	**10 252**	**10 073**	**9 964**	**131 913**	**205 269**		

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

Account Id	Account Name	Current days	30 days	60 days	90 days	120 days	150 days	180 days	Balance	DURATION OF AGREEMENT	ACKNOWLEDGEMENT SIGNED/ NOT SIGNED
1041	THOBILE BENJAMIN GIDIGIDI	1 199	1 199	1 199	1 165	1 165	1 165	95 064	102 155	Until debt is paid up	Signed
2754	MANDISA DALI	519	200	200	67	67	67	696	1 816	Until debt is paid up	Signed
4255	NOMFUNDISO TSHONA	485	200	200	67	67	67	152	1 238	Jul-25	Signed
9932	NOSISI PALISO	190	197	205	212	220	227	25 415	26 666	Until debt is paid up	Signed
11934	BUKIWE ZONDANI	200	200	200	134	133	132	1 640	2 637	Jul-25	Signed
12253	MPUTUMI ANDREW NTSALI	252	200	200	78	77	77	234	1 117	Jul-25	Signed
12885	LUXOLO MGANDELA	617	616	610	317	67	0	0	2 228	Until debt is paid up	Signed
Grand Total		**3 463**	**2 813**	**2 814**	**2 040**	**1 795**	**1 734**	**123 200**	**137 858**		

Below is the outstanding debtor's summary report per institution from the debtor's age analysis as at 30 September 2024. The total amount outstanding from debtors is **R 264 195 799**

Institution name	**Amount**
Business	35 498 430
Centane Business	3 993 551
Church	1 491 349
Councillors	138 501
Department of Rural Development and Land Reform	5 549 618
Eastern Cape Development Corp	5 383 250
Education	1 040 872
Farms	4 474 392
Mnquma Municipality	155 227
Municipal Employees	239 831
Municipal Flats	13 580 545
National Public Works	3 079 740
Not Linked	3 876 294
Nqamakwe Business	5 017 011
Provincial Public Works	25 465 349
Reservoir Hill	347 336
Residential - Cuba	19 628 719
Residential - Extension 15	9 596 871
Residential - Extension 2	8 609 838
Residential - Extension 24	5 525 589
Residential - Extension 6	8 044 312
Residential - Extension 7	6 294 436
Residential - Ibika	18 174 072
Residential - Town	460 691
Residential Centane	3 450 244
Residential Coloured	3 590 769
Residential -mchubakazi	17 253 695
Residential Msobomvu	19 611 965
Residential New Rest	730 710
Residential Nqamakwe	2 242 615
Residential Vulli - Valley	8 894 013
Residential Zizamele	3 998 442
Unregistered State Properties	591 672
Ward Committee Member	165 851
Grand Total	**246 195 799**

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 2 644 applications to the Department of Energy (DoE). The service provider has been appointed by Department of Energy DoE. Out of 2 644 applications, DoE has approved1300 applicants and the remaining 1 344 will be approved in the next financial year. The service provider has completed the installation of 1 300 solar panels to the designated beneficiaries. The Service Provider has submitted the 1300 happy letters and they were given to the beneficiaries. Below is the allocation of the Solar systems per ward.

WARD NUMBERS	COUNCILLORS NAME	NO OF APPLICATIONS	NUMBER OF SOLARS APPROVED
1	Cllr. Baleka	568	260
2	Cllr. Magwentshu	199	75
3	Cllr. Kalimashe	23	23
4	Cllr. Paliso	36	36
9	Cllr. Kabane	49	49
10	Cllr. Mtintsilana	85	75
11	Cllr. Mawisa	178	75
13	Cllr. Magobiane	173	75
18	Cllr. Dyantyi	43	43
19	Cllr. Nkehle	111	75
20	Cllr. Gobeni	42	42
21	Cllr. Ntshonga	110	75
22	Cllr. Kwaza	39	39
23	Cllr. Mjamba	32	32
25	Cllr. Gazi	26	26
27	Cllr Mduli	169	75
28	Cllr. Mbovane	335	75
29	Cllr. Tangana	243	75
30	Cllr. Ndabambi	183	75
Grand Total		**2644**	**1300**

Revenue office has embarked on indigent registration campaign. In this regard the Revenue section conducted ward committee training for indigent registration campaign within the wards in Butterworth, Centane and Ngqamakhwe, and to inform indigent rate payers about indigent application process. Applicants as per last year's register are called to come and register. Indigent steering committee sat on the 26th September 2024 and the next Steering committee is scheduled for the 13th November 2024.

Indigent register is currently sitting at 7 410 and 1471 applicants were approved during the quarter. 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 1 138 750.68 which is broken down below per service type.

DESCRIPTION	AMOUNT
Property Rates	R 875 769.37
Waste disposal	R 262 981.31
TOTAL	**R 1 138 750.68**

PENSIONERS REBATES

The directorate is proposing the following adjustments on pensioners rebates:

i) If a pensioner has a gross monthly income that is greater than R3 600 and less than or equal to R10 000, they qualify for 100% rebate.
ii) If a pensioner has a gross monthly income above R10 000 and less than or equal to R15 000, they qualify for a 50% rebate.
iii) If a pensioner has a gross monthly income above R15 000, they qualify for a 40% rebate.

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

WARD NUMBERS	COUNCILLORS NAME	TOTAL NUMBER OF INDIGENT APPROVED PER WARD	TOTAL NUMBER OF INDIGENT BENEFITTED FROM FBE	TOTAL NUMBER OF INDIGENT BENEFITTED FROM RATES & SERVICES
1	Cllr .Baleka	11	0	10
2	Cllr .Magwentshu	173	34	145
3	Cllr. Kalimashe	176	44	101
4	Cllr.Paliso	80	19	66
5	Cllr.Xabela	72	5	48
6	Cllr. Ntamo	163	24	29
7	Cllr. Mene	231	58	24
8	Cllr. Ngindane	345	39	
9	Cllr. Kabane	344	59	
10	Cllr.Mtintsilana	265	89	
11	Cllr. Mawisa	381	83	
12	Cllr.Tetana	357	79	
13	Cllr.Magobiane	165	42	
14	Cllr.Mgqalelo	273	58	
15	Cllr.Ncetezo	266	113	
16	Cllr. Maputeni	145	22	
17	Cllr. Pupuma	106	18	
18	Cllr.Dyantyi	139	29	2
19	Cllr.Nkente	41	9	
20	Cllr Gobeni	416	118	
21	Cllr. Ntshonga	201	80	
22	Cllr. Kwaza	488	91	
23	Cllr. Mjamba	341	66	
24	Cllr. Ntsali	266	83	
25	Cllr. Gazi	180	57	
26	Cllr Zondani	117	42	
27	Cllr. Mduli	346	104	
28	Cllr. Mbovane	438	87	
29	Cllr. Tangana	120	14	
30	Cllr. Ndabambi	166	70	8
31	Cllr. Mbuku	213	97	
32	Cllr. Jizana	385	141	
Grand Total		**7 410**	**1 874**	**433**

The 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.

2024 JULY	**AUGUST 2024**	**SEPTEMBER 2024**
3804 Households	3775 Households	3826 Households

SUMMARY OF EXPENDITURE INCURRED AS AT 30 SEPTEMBER 2024

Description	Budget Year 2024/25					
R thousands	Original Budget R'000	Adjusted Budget R'000	YearTD actual R'000	YearTD budget R'000	YTD variance R'000	YTD variance %
Expenditure By Type						
Employee related costs	241,902	241,914	55,464	60,476	(5,012)	-8%
Remuneration of councillors	26,706	26,706	6,371	6,677	(305)	-5%
Inventory consumed	12,378	12,470	919	3,118	(2,198)	-71%
Debt impairment	–	19,314	–	4,828	(4,828)	-100%
Depreciation and amortisation	283,615	283,615	–	70,904	(70,904)	-100%
Interest	2,478	2,478	37	620	(583)	-94%
Contracted services	34,726	37,268	5,328	9,304	(3,976)	-43%
Transfers and subsidies	15,920	17,140	971	4,285	(3,314)	-77%
Irrecoverable debts written off	40,000	20,686	1,139	5,172	(4,033)	-78%
Operational costs	61,155	62,311	11,903	15,553	(3,650)	-23%
Other Losses	3	3	–	1	(1)	-100%
Total Expenditure	**718,883**	**723,907**	**82,132**	**180,936**	**(98,804)**	**-55%**

Year-to-date expenditure totalling R 82 132 000 was incurred as of 30 September 2024, which is 55% less than the year-to-date budget. Expenditure to date is less than the year-to-date budget amount, this is because Depreciation, Debt impairment and Actuarial interest which is a non-cash expense will only be raised and realized during the preparation of Annual Financial Statements.

Employee related costs:

R 55 464 000 has been spent on Employee-related costs which is 8% less than the targeted budget of R 60 476 000. This is due to the terminations. Employee related costs constitutes 37% of the total operating Budget when included the Non – cash items and it is sitting 67% when non-cash items are not included which is above the norm of 35 - 40% as per MFMA circular 71.

Remuneration of Councillors:

Expenditure incurred is sitting at R 6 371 000 which is 5% less than the targeted budget of R 6 677 000. Variance is immaterial.

Inventory consumed:

Expenditure on inventory materials is sitting at R 919 000 which is 71% less than the targeted budget of R 3 118 000. Appointments and orders were issued in this quarter, expenditure will be realised in the coming periods.

Debt impairment:

There is no debt impairment for the quarter. This will be calculated as from the second quarter.

Depreciation and asset impairment:

There is no expenditure for Depreciation, the implementation of the Asset module is on the review stage and depreciation will be processed in quarter 2.

Finance charges:

There was no interest on overdue accounts that has been incurred as the municipality strives to ensure that all creditors are paid within 30 days and the actuarial interest will be recognized at year end and once the employee benefit obligation report is received from Actuaries. An amount of R 37 000 was incurred due to interest on finance leases.

Contracted services:

Expenditure on contracted services is sitting at R 5 328 000 which is 43% less than the budgeted expenditure of R 9 304 000.

Variance is due to implementation of Cost Containment measures.

Transfers and subsidies:

Expenditure on Transfers recognized – operational (Support to designated groups and SMMEs) is sitting at R 971 000 which is 77% less than the targeted budget of R 4 285 000.

Variance is due to implementation of Cost Containment measures.

Irrecoverable debts written off:

Irrecoverable debts written off is sitting at R 1 139 000 which 78% less than the budgeted expenditure of R 5 172 000. This expenditure relates to indigent debtors that were written off during the quarter.

Other expenditure/ Operational Costs:

R 11 903 000 has been spent which is 23% less than the targeted budget of R 15 553 000. Variance is due to implementation of Cost Containment measures.

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 quarter ended 30 September 2024:

EXPENDITURE	JULY	AUGUST	SEPTEMBER	TOTAL
Salaries	12,268,704	12,411,752	12,380,867	**37,061,323**
Salaries Councillors	1,398,681	1,429,616	1,446,001	**4,274,299**
Traditional Leaders	7,545	7,545	7,545	**22,634**
Unpaid leave	-12,591	-12,096	-7,098	**-31,785**
Wages (EPWP Casuals)	330,980	316,680	319,410	**967,070**
Wages (Ward Committee)	469,500	472,500	476,903	**1,418,903**
Bonus	695,846	1,038,582	789,670	**2,524,097**
Long Service Bonus	121,248	97,342	68,813	**287,403**
Leave Pays	149,866	313,049	18,649	**481,564**
Performance Bonus	-	-	-	**-**
Overtime	129,184	13,713	148,220	**291,117**
Housing Subsidy	28,793	28,793	31,992	**89,578**
Travel	155,044	155,044	155,044	**465,131**
Data Card:Employees	53,200	53,600	53,600	**160,400**
M/Vehicle	450,045	456,114	462,182	**1,368,341**
Other Allowance:				**-**
Salgbc	4,971	5,079	5,067	**15,117**
Acting Allowance	92,847	116,903	69,367	**279,117**
Secondment Allowance	6,059	6,059	6,059	**18,178**
Shift Allowance	69,445	73,581	72,599	**215,626**
Night Allowance	24,957	22,972	25,872	**73,801**
Standby Allowance	224,781	103,092	100,120	**427,993**
Sms Allowance	2,400	2,400	2,400	**7,200**
Cell phone Allowance	179,265	179,465	179,465	**538,196**
Cllrs Cellphone Allow	219,600	223,200	226,800	**669,600**
Cllrs Data Card Allowance	19,337	19,654	19,971	**58,962**
Tel Traditional leaders	3,139	3,139	3,139	**9,417**
Pension Allowance	141,756	141,756	141,756	**425,268**
Medical Aid Allowance	26,081	26,081	26,081	**78,243**
Laptop Allowance	2,116	2,116	2,116	**6,349**
Reimbursive Travel Allowance (IT)	-	9,048	4,569	**13,617**
Reimbursive Travel Allowance (Excl)	4,704	8,615	15,134	**28,453**
Subsistance Allowance (Excl)	600	53,000	8,700	**62,300**
Pension	2,010,501	2,030,275	2,035,049	**6,075,825**
Med. Aid	880,760	911,686	921,203	**2,713,649**
Uif	78,517	79,901	79,862	**238,280**
Sdl	165,172	168,140	166,345	**499,657**
Total	**20,403,054**	**20,968,397**	**20,463,474**	**61,834,925**

Salaries and benefits for Councillors and employees for July to September 2024 are detailed below:

4.2 EMPLOYEE BENEFITS AND ALLOWANCES

SUMMARY OF EMPLOYEES AND COUNCILLORS REMUNERATION	Jul-24	Aug-24	Sep-24	Total
Councillors(Political Bearers plus other)				
Salary	1,398,681	1,429,616	1,446,001	4,274,299
Motor Vehicle allowance	450,045	456,114	462,182	1,368,341
Cell phone allowance	219,600	223,200	226,800	669,600
Data card Allowance	19,337	19,654	19,971	58,962
Other benefits or allowance:				-
(i) Traditional leaders Allow	7,545	7,545	7,545	22,634
(ii) Traditional leaders cell phone	3,139	3,139	3,139	9,417
(iii) Laptop Allowance	2,116	2,116	2,116	6,349
(iii) Ward committees	469,500	472,500	476,903	1,418,903
Sdl	22,228	22,609	22,729	67,566
Sub Total-Councillors	**2,592,192**	**2,636,492**	**2,667,387**	**7,896,071**
Senior Managers of the Municipality				
Salary	513,422	513,422	513,422	1,540,265
Pension Allowance	111,980	111,980	111,980	335,941
Medical aid Allowance	18,127	18,127	18,127	54,380
Travelling Allowance	126,333	126,333	126,333	379,000
Cell phone allowance	39,173	39,173	39,173	117,520
Re imburssive Allowance(IT)	-	8,002	4,569	12,571
Subsistence Allowance(Excl)	-	4,950	300	5,250
in kind benefits				
UIF	1,240	1,240	1,240	3,720
Sdl	7,016	7,016	7,016	21,048
Sub Total-Senior Managers of Municipality	**817,291**	**830,244**	**822,160**	**2,469,695**
Other Municipal Staff				

SUMMARY OF EMPLOYEES AND COUNCILLORS REMUNERATION	Jul-24	Aug-24	Sep-24	Total
Basic Salaries and Wages	11,755,282	11,898,331	11,867,445	35,521,058
Wages EPWP	330,980	316,680	319,410	967,070
Pension Contributions	2,040,277	2,060,051	2,064,825	6,165,153
Medical Aid Contributions	888,714	919,640	929,158	2,737,512
Travelling allowance	28,711	28,711	28,711	86,132
Cell phone Allowance	140,092	140,292	140,292	420,676
Sms Allowance	2,400	2,400	2,400	7,200
Housing Allowance	28,793	28,793	31,992	89,578
Overtime	129,184	13,713	148,220	291,117
Bonus	695,846	1,038,582	789,670	2,524,097
Long Service bonus	121,248	97,342	68,813	287,403
Leave Pays	149,866	313,049	18,649	481,564
Other benefits or Allowance:				
Salga Levy	4,971	5,079	5,067	15,117
Acting Allowance	92,847	116,903	69,367	279,117
Secondment Allowance	6,059	6,059	6,059	18,178
Shift Allowance	69,445	73,581	72,599	215,626
Night Allowance	24,957	22,972	25,872	73,801
Standby Allowance	224,781	103,092	100,120	427,993
Data Card:Employees	53,200	53,600	53,600	160,400
Reimbursive Travel Allowance (IT)	-	1,045	-	1,045
Reimbursive Travel Allowance (Excl)	4,704	8,615	15,134	28,453
Subsistence Allowance	600	48,050	8,400	57,050
Unpaid leave	- 12,591	- 12,096	- 7,098	- 31,785
in kind benefits				
UIF	77,277	78,661	78,622	234,561
Sdl	135,927	138,516	136,600	411,043
Sub Total-Other Municipal Staff	**16,993,571**	**17,501,661**	**16,973,927**	**51,469,160**
Employees + Directors	17,810,862	18,331,905	17,796,088	53,938,855

SUMMARY OF EMPLOYEES AND COUNCILLORS REMUNERATION	Jul-24	Aug-24	Sep-24	Total
CLLrs	2,592,192	2,636,492	2,667,387	7,896,071
TOTAL REMUNERATION	**20,403,054**	**20,968,397**	**20,463,474**	**61,834,925**

Salaries and benefits of councillors and employees for July, August and September 2024 are detailed below:

EMPLOYEE BENEFITS AND ALLOWANCES	Jul-24	Aug-24	Sep-24	Year to Date
Remuneration of Municipal Manager				
Basic Salary	82 211.91	82 211.91	82 211.91	**246 635.73**
Backpay	-	-	-	-
Performance Bonus	-	-	-	-
Leave Pays	-	-	-	-
Travelling Allowance	21 564.17	21 564.17	21 564.17	**64 692.51**
Cellphone Allowance	11 067.62	11 067.62	11 067.62	**33 202.86**
Pension Allowance	22 176.17	22 176.17	22 176.17	**66 528.51**
Reimburssive allowance	-	2 355.14	3494.48	**5 849.62**
Subsistence Allowance	-	300.00	300	**600.00**
Skills Development Levy (SDL)	1 327.07	1 327.07	1 327.07	**3 981.21**
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12	**531.36**
	138 524.06	**141 179.20**	**142 318.54**	**422 021.80**
Remuneration of Chief Financial Officer				
Basic Salary	67 201.53	67 201.53	67 201.53	**201 604.59**
Backpay	-	-	-	-
Performance Bonus	-	-	-	-
Travelling Allowance	18 611.93	18 611.93	18 611.93	**55 835.79**
Cellphone Allowance	3 723.37	3 723.37	3 723.37	**11 170.11**
Pension Allowance	18 127.20	18 127.20	18 127.20	**54 381.60**
Medical Aid Allowance	4 338.51	4 338.51	4 338.51	**13 015.53**
Reimburssive allowance	-	1 074.48		**1 074.48**
Subsistence Allowance	-	4 200.00		**4 200.00**
Skills Development Levy (SDL)	1 082.80	1 082.80	1 082.80	**3 248.40**
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12	**531.36**
	113 262.46	**118 536.94**	**113 262.46**	**345 061.86**

EMPLOYEE BENEFITS AND ALLOWANCES	Jul-24	Aug-24	Sep-24	Year to Date
Remuneration of Director of Corporate Services (Mviko)				
Basic Salary	95 202.16	95 202.16	95 202.16	**285 606.48**
Backpay	-	-	-	-
Performance Bonus	-	-	-	-
Travelling Allowance	16 800.39	16 800.39	16 800.39	**50 401.17**
Reimburssive allowance	-	-	-	-
Subsistence Allowance	-	-	-	-
Skills Development Levy (SDL)	943.62	943.62	943.62	**2 830.86**
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12	**531.36**
	113 123.29	**113 123.29**	**113 123.29**	**339 369.87**
Remuneration of Director of Infrastructure				
Basic Salary	67 201.53	67 201.53	67 201.53	**201 604.59**
Backpay	-	-	-	-
Performance Bonus	-	-	-	-
Travelling Allowance	19 504.00	19 504.00	19 504.00	**58 512.00**
Cellphone Allowance	7 152.61	7 152.61	7 152.61	**21 457.83**
Pension Allowance	18 144.41	18 144.41	18 144.41	**54 433.23**
Reimburssive allowance	-	-	1 074.48	**1 074.48**
Subsistence Allowance	-	-	-	-
Skills Development Levy (SDL)	899.57	899.57	899.57	**2 698.71**
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12	**531.36**
	113 079.24	**113 079.24**	**114 153.72**	**340 312.20**
Remuneration of Director of Community Services				
Basic Salary	67 201.53	67 201.53	67 201.53	**201 604.59**
Backpay	-	-	-	-
Performance Bonus	-	-	-	-
Leave Pays	-	-	-	-
Travelling Allowance	21 179.10	21 179.10	21 179.10	**63 537.30**
Cellphone Allowance	6 343.62	6 343.62	6 343.62	**19 030.86**
Pension Allowance	17 278.30	17 278.30	17 278.30	**51 834.90**
Reimburssive allowance	-	-	-	-
Subsistence Allowance	-	-	-	-

EMPLOYEE BENEFITS AND ALLOWANCES	Jul-24	Aug-24	Sep-24	Year to Date
Skills Development Levy (SDL)	943.26	943.26	943.26	**2 829.78**
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12	**531.36**
	113 122.93	**113 122.93**	**113 122.93**	**339 368.79**
Remuneration of Director of Local Economic Development				
Basic Salary	67 201.53	67 201.53	67 201.53	**201 604.59**
Backpay	-	-	-	-
Performance Bonus	-	-	-	-
Travelling Allowance	13 477.61	13 477.61	13 477.61	**40 432.83**
Cellphone Allowance	8 097.95	8 097.95	8 097.95	**24 293.85**
Pension Allowance	18 127.07	18 127.07	18 127.07	**54 381.21**
Medical Aid Allowance	5 098.39	5 098.39	5 098.39	**15 295.17**
Reimburssive allowance	-	4 572.83	-	**4 572.83**
Subsistence Allowance	-	450.00	-	**450.00**
Skills Development Levy (SDL)	911.63	911.63	911.63	**2 734.89**
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12	**531.36**
	113 091.30	**118 114.13**	**113 091.30**	**344 296.73**
Remuneration of Director of Strategic Management				
Basic Salary	67 201.53	67 201.53	67 201.53	**201 604.59**
Backpay	-	-	-	-
Performance Bonus	-	-	-	-
Leave Pay	-	-	-	-
Travelling Allowance	15 196.00	15 196.00	15 196.00	**45 588.00**
Cellphone Allowance	2 788.10	2 788.10	2 788.10	**8 364.30**
Pension Allowance	18 127.07	18 127.07	18 127.07	**54 381.21**
Medical Aid Allowance	8 689.85	8 689.85	8 689.85	**26 069.55**
Reimbursive Travel Allowance (IT)	-	-	-	-
Subsistance Allowance (Excl)	-	-	-	-
Skills Development Levy (SDL)	908.19	908.19	908.19	**2 724.57**
Unemployment Insurance Fund (UIF) (Employer)	177.12	177.12	177.12	**531.36**
	113 087.86	**113 087.86**	**113 087.86**	**339 263.58**

EMPLOYEE BENEFITS AND ALLOWANCES	Jul-24	Aug-24	Sep-24	Year to Date
Remuneration of Municipal Employees				
Basic Salary	12 086 262.26	12 215 010.67	12 186 854.98	**36 488 127.91**
Pension Fund (Employer)	1 902 692.93	1 922 466.95	1 927 241.64	**5 752 401.52**
Bonus	69 846.01	1 038 581.86	789 669.56	**1 898 097.43**
Perfomance Bonus	-	-	-	**-**
Medical Aid (Employer)	888 713.88	919 640.06	929 157.78	**2 737 511.72**
Cellphone Allowance	140 091.91	140 291.91	140 291.91	**420 675.73**
Provident Fund (Employer)	137 583.67	137 583.67	137 583.67	**412 751.01**
Leave Pay	149 866.34	313 048.88	18 648.60	**481 563.82**
Skills Development Levy (SDL)	135 926.92	138 515.70	136 600.01	**411 042.63**
Standby, Night & Shift Allowance	319 182.79	199 645.93	198 592.09	**717 420.81**
Unemployment Insurance Fund (UIF) (Employer)	77 277.46	78 661.05	78 622.31	**234 560.82**
Long Service Bonus	121 247.71	97 342.19	68 813.00	**287 402.90**
Housing Subsidy	28 793.07	28 793.07	31 992.30	**89 578.44**
Overtime	129 183.85	13 712.88	148 220.29	**291 117.02**
Travelling Allowance	28 710.50	28 710.50	28 710.50	**86 131.50**
Backpay	-	-	-	**-**
Bargaining Council Levy (Employer)	4 971.20	5 078.75	5 066.80	**15 116.75**
Unpaid Leave	- 12 590.73	- 12 096.15	7 097.69	**- 17 589.19**
Acting Allowance	92 847.29	116 903.42	69 366.59	**279 117.30**
Secondment Allowance	6 059.42	6 059.42	6 059.42	**18 178.26**
Remburssive Allowance	4 704.48	9 660.63	15 133.71	**29 498.82**
Subsistence Allowance	600.00	48 050.00	8 400.00	**57 050.00**
	16 311 970.96	**17 445 661.39**	**16 932 122.85**	**50 689 755.20**
				Remuneration of Councillors
	Jul-24	**Aug-24**	**Sep-24**	**Year to Date**
Executive Mayor				
Basic Salary	57 523.69	57 523.69	57 523.69	**172 571.07**
Backpay	-	-	-	**-**
M/vehicle Allow. Councillors	19 174.56	19 174.56	19 174.56	**57 523.68**
Telephone Allowance Councillor	3 600.00	3 600.00	3 600.00	**10 800.00**
Data Card Allowance	317.00	317.00	317.00	**951.00**
Remburssive Allowance	-	-	-	**-**
Subsistence Allowance	-	-	-	**-**

EMPLOYEE BENEFITS AND ALLOWANCES	Jul-24	Aug-24	Sep-24	Year to Date
Skills Development Levy (SDL)	661.93	661.93	661.93	**1 985.79**
	81 277.18	**81 277.18**	**81 277.18**	**243 831.54**
Chief Whip				
Basic Salary	43 142.88	43 142.88	43 142.88	**129 428.64**
Backpay	-	-	-	**-**
M/vehicle Allow. Councillors	14 380.96	14 380.96	14 380.96	**43 142.88**
Telephone Allowance Councillor	3 600.00	3 600.00	3 600.00	**10 800.00**
Data Card Allowance	317.00	317.00	317.00	**951.00**
Skills Development Levy (SDL)	501.35	501.35	501.35	**1 504.05**
	61 942.19	**61 942.19**	**61 942.19**	**185 826.57**
Council Speaker				
Basic Salary	46 019.00	46 019.00	46 019.00	**138 057.00**
Backpay	-	-	-	**-**
M/vehicle Allow. Councillors	15 339.67	15 339.67	15 339.67	**46 019.01**
Telephone Allowance Councillor	3 600.00	3 600.00	3 600.00	**10 800.00**
Data Card Allowance	317.00	317.00	317.00	**951.00**
Skills Development Levy (SDL)	533.46	533.46	533.46	**1 600.38**
	65 809.13	**65 809.13**	**65 809.13**	**197 427.39**
Mayoral Committee Members				
Basic Salary	258 857.28	258 857.28	258 857.28	**776 571.84**
Backpay	-	-	-	**-**
M/vehicle Allow. Councillors	86 285.76	86 285.76	86 285.76	**258 857.28**
Telephone Allowance Councillor	21 600.00	21 600.00	21 600.00	**64 800.00**
Remburssive Allowance	2 207.04	-	-	**2 207.04**
Subsistence Allowance	-	-	-	**-**
Data Card Allowance	-	-	-	**-**
Skills Development Levy (SDL)	3 202.23	3 202.23	3 202.23	**9 606.69**
	372 152.31	**369 945.27**	**369 945.27**	**1 112 042.85**
Other Councillors(Ward Comm and Traditonal leaders)				
Basic Salary	1 470 183.19	1 547 260.79	1 513 994.68	**4 531 438.66**

EMPLOYEE BENEFITS AND ALLOWANCES	Jul-24	Aug-24	Sep-24	Year to Date
Backpay	-	-	-	-
M/vehicle Allow. Councillors	314 864.52	335 313.52	327 000.60	**977 178.64**
Telephone Allowance Councillor	190 338.86	197 538.86	197 538.86	**585 416.58**
Data Card Allowance	16 484.00	17 118.00	17 118.00	**50 720.00**
Laptop Allowance	2 116.34	2 116.34	2 116.34	**6 349.02**
Rembursssive Allowance	-	-	-	-
Subsistence Allowance	-	-	-	-
Skills Development Levy (SDL)	17 329.49	18 211.01	17 958.36	**53 498.86**
	2 011 316.40	**2 117 558.52**	**2 075 726.84**	**6 204 601.76**

Overtime	Jul-24	Aug-24	Sep-24	Year to Date
Analysis by Municipal Classification				
Close Protection	15,944	13,713	55,582	85,239
Security	110,058	-	63,886	173,944
Solid Waste	3,182	-	4,630	7,812
Office of the CFO	-	-	24,122	24,122
TOTAL OVERTIME PAID	**129,184**	**13,713**	**148,220**	**291,117**

CREDITORS AGE ANALYSIS

The municipality is paying all invoices which are not in dispute with the relevant creditors within 30 days. Out of 566 invoices received from July to September 2024 (including received in June paid in July), 449 invoices were paid within 30 days and 109 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 which are 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 for the fourth quarter ending 30 September 2024 amounts to **R 30 973 024.34**. Below is the list of creditors per category:

CATEGORY	AMOUNT OWED
Trade creditors	10 579 893.43
Retentions	18 986 045.56
Hall deposits	16 284.00
Department of transport	1 390 801.35
TOTAL	**30 973 024.34**

All the financial registers (Invoice tracking registers, payments registers, direct debits registers and fruitless and wasteful expenditure registers) were prepared and reviewed for submission and are complete. All the reconciliations (Creditors, Department of Transport, Retentions, Hall Refunds, Payroll and Vat) were prepared and reviewed for submission from July to September 2024.

VAT

VAT 201s amounting to R 13 953 500.68 for June to August 2024 were submitted to SARS and the proof of submissions were received. A refund of R 13 953 500.68 has been received from SARS for submitted returns. The VAT 201 for September 2024 will be submitted to SARS in October 2024. There has been a great response from SARS in terms of releasing our VAT refunds and thus there are no outstanding refunds.

Vat Input and Output as at September 2024 are sitting at R0. Transfer journals have been passed to the VAT control account.

UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE

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

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 30 September 2024. Expenditure on conditional grants is sitting at R40 566 032 which 68% of grants received during the year.

NAME	OPENING BALANCES	GRANT RECEIVED	EXPENDITURE	GRANTS CLOSING BALANCE	% SPENT
Municipal Infrastructure Grant Investment (MIG)	0	46,757,000	34,937,656	11,819,344	75
Finance Management Grant (FMG)	0	1,900,000	178,270	1,721,730	9
Electrification (INEP)	0	1,152,000	67,898	1,084,102	6
Expanded Public Works Programme (EPWP)	0	403,000	393,120	9,880	98
Local Government Sector for Education and Training (LGSETA)	170,732	65,743	46,800	189,675	20
Department of Sport, Recreation, Arts and Culture (DSRAC)	2,031,945	0	38,408	1,993,537	2
Office of the Premier (OTP)	23,771	6,102,446	4,903,879	1,222,338	80
Municipal Disaster Response Grant (MDRG)	0	1,294,000	0	1,294,000	0
TOTAL	**2,226,448**	**57,674,189**	**40,566,032**	**19,334,605**	**68**

5. INVESTMENT PORTFOLIO ANALYSIS - BANK ACCOUNTS BALANCES AS AT 30 SEPTEMBER 2024 AMOUNTED TO:

Primary bank balance	4 098 845
Short term deposits	382 934 219
	387 033 064

The municipality had the following bank accounts:

NAME	OPENING BALANCE	DEPOSITS	INTEREST EARNED	INTEREST TRANSFERRED	WITHDRAWALS	CLOSING BALANCE
Municipal Infrastructure Grant (MIG)	17,305	46,757,000	193,467	- 160,476	- 34,937,656	11,869,640
Finance Management Grant (FMG)	6,800	1,900,000	11,258	- 6,584	- 178,270	1,733,205
Mnquma Call Account	51,650	80,481,805	747,570	- 31,500,000	- 10,726,500	39,054,525
Electrification (INEP)	1,000	1,152,000	16,869	- 9,974	- 67,898	1,091,997
Expanded Public Works Programme (EPWP)	1,000	403,000	1,003	- 441	- 393,120	11,442
Local Government Sector for Education and Training (LGSETA)	170,731	65,743	3,783	- 2,395		237,862
Salaries Account	1,168,211	78,840,000	736,381	516,645	- 40,000,000	41,261,237
ENATIS	113,570		2,050			115,621
Department of Sport, Recreation, Arts and Culture (DSRAC)	2,058,752		36,413	- 37,959	- 52,002	2,005,204
Short Term Investment	170,793,269	30,537,181	3,089,829		- 33,073,579	171,346,701
Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)	30,330		122	- 339	- 29,107	1,006
Disaster Grant	12,769	1,294,000	8,086	- 12,341		1,302,514
TOTAL	**174,425,389**	**241,430,729**	**4,846,833**	**- 31,213,865**	**- 6,554,867**	**382,934,219**

As at 30 September 2024 the municipality had a total of R 387 033 064 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	Budget Year 2024/25					
R thousands	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	72,746	72,746	22,640	14,407	8,233	57%
Service charges	7,650	7,650	678	1,913	(1,234)	-65%
Other revenue	16,081	16,081	2,785	3,520	(735)	-21%
Transfers and Subsidies - Operational	350,592	352,795	144,408	87,992	56,415	64%
Transfers and Subsidies - Capital	94,644	94,668	55,305	21,411	33,894	158%
Interest	27,589	27,589	10,232	2,360	7,871	333%
Payments						
Suppliers and employees	(376,890)	(383,152)	(80,022)	(95,508)	(15,486)	16%
Transfers and Subsidies	(15,920)	(17,140)	(971)	(3,773)	(2,802)	74%
NET CASH FROM/(USED) OPERATING ACTIVITIES	**176,493**	**171,238**	**155,055**	**32,322**	**(122,733)**	**-380%**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	1,500	1,500	–	79	(79)	-100%
Decrease (increase) in non-current receivables	(48)	–	(190)	(87)	(104)	120%
Payments						
Capital assets	(294,848)	(310,079)	(77,119)	(58,969)	18,150	-31%
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(293,396)**	**(308,579)**	**(77,309)**	**(58,977)**	**18,332**	**-31%**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Increase (decrease) in consumer deposits	–	–	–	–	–	
Payments						
Repayment of borrowing	–	–	–	–	–	
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	
NET INCREASE/ (DECREASE) IN CASH HELD	**(116,904)**	**(137,342)**	**77,746**	**(26,655)**		
Cash/cash equivalents at beginning:	112,094	112,094	187,117	112,094		
Cash/cash equivalents at month/year end:	(4,810)	(25,248)	264,863	85,438		

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

R 77 119 000 has been spent on Capital projects as at 30 September 2024. 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	Budget Year 2024/25					
R thousands	Original Budget R'000	Adjusted Budget R'000	YearTD actual R'000	YearTD budget R'000	YTD variance R'000	YTD variance %
Capital Expenditure - Functional Classification						
Governance and administration	**6,472**	**11,974**	**1,731**	**2,904**	(1,174)	-40%
Executive and council	150	228	–	57	(57)	-100%
Finance and administration	6,322	11,746	1,731	2,847	(1,117)	-39%
Community and public safety	**4,005**	**5,160**	**109**	**1,284**	(1,176)	-92%
Community and social services	2,864	3,620	109	899	(791)	-88%
Public safety	1,141	1,181	–	295	(295)	-100%
Housing	–	360	–	90	(90)	-100%
Economic and environmental services	**276,081**	**283,099**	**74,335**	**70,829**	3,506	5%
Planning and development	3,625	5,816	15	1,453	(1,438)	-99%
Road transport	272,456	277,283	74,320	69,376	4,944	7%
Trading services	**8,290**	**9,846**	**945**	**2,461**	(1,516)	-62%
Energy sources	7,920	9,476	945	2,369	(1,424)	-60%
Waste management	370	370	–	93	(93)	-100%
Total Capital Expenditure - Functional Classification	**294,848**	**310,079**	**77,119**	**77,479**	**(360)**	**0%**
Funded by:						
National Government	76,256	76,256	32,878	19,064	13,814	72%
Provincial Government	18,388	18,412	5,017	4,603	414	9%
Transfers recognised - capital	**94,644**	**94,668**	**37,895**	**23,667**	**14,228**	**60%**
Internally generated funds	200,204	215,411	39,224	53,812	(14,588)	-27%
Total Capital Funding	**294,848**	**310,079**	**77,119**	**77,479**	**(360)**	**0%**

8. ACTUAL BORROWINGS

There are no existing borrowings as at 30 September 2024

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 2023 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 (Vacant)
- 3 x Junior Accountants (1 x Vacant)
- 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

Intangible Assets on the other hand are assets (other than cash and cash equivalents) which can be distinguished separately from other assets of an institution but do not have any physical existence or substance. Examples of the intangible assets would be a goodwill, copyrights, patents, software etc.

The municipality also owns infrastructure assets by the following classes:

- Land;
- Roads infrastructure;
- Electrical Infrastructure
- Buildings;
- Investment property;
- Community Assets.

9.2 PHYSICAL VERIFIATION OF MOVABLE ASSETS

The Asset Management section conducts a full asset verification (100% testing on the existence of assets and completeness of the FAR) on a quarterly basis. The asset verification for the 1st quarter was conducted during August & September 2024.

Below is the summary of the verification results of movable assets for the fourth quarter. There were 42 telephones which were not verified as at 30 September due to unauthorised movements between offices. The detailed verification report is attached as an **Annexure.**

Ref #	Asset Category	Opening Balance	Disposed / Lost Assets	Additions	Verified	Not yet verified
004	**MOVABLE ASSETS**	**2 861**	01	**18**	2 658	42

9.3 PHYSICAL VERIFICATION PROCESS

The process of the physical verification, as outlined on the asset count procedures, is as follows:

- Drafting and Printing of a sufficient number of data-collection sheets;
- Printing of office-by-office *assets listings (for movable assets).*
- Provision of opening balance and movements on assets (including additions & disposals).
- The direction of testing for this is from the system to the floor (existence of the Fixed Asset Register); and from the floor to the system (completeness of the Fixed Asset Register).

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 July 2024 to 30 September 2024. These assets include movable assets amounting to **R1 837 962 (VAT Exclusive)** and infrastructural assets consisting of Roads infrastructure, Operational buildings, and community assets, funded by the Municipal Infrastructure Grant and Own revenue, amounts to **R75 265 163 (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 WRITE OFFS

During the 1th quarter, one chainsaw was reported lost, recovery of these asset from the respective user is underway.

Table 1: Write-off of Lost and Damaged Asset

Asset No	Description	Asset Class Desc	Cost	Accumulated Depreciation	Carrying value 30 June 2024
MNQ09816	Chainsaw	Machinery and Equipment	16 905.00	1 124.47	15 780.53
					15 780.53

Lastly, the Municipality has embarked on the project to build the new municipal offices, during the construction processes it was noted that the building located at 59 Blyth street, is being affected by the construction of the new municipal offices and has reveal to be hazardous employees. Infrastructure department has assessed the future usability of the building which shows that due to the severe structural damage, the building will need to be reconstructed as it will not be possible to repair the structure without affecting the foundation of the building. Also, the municipality constructed the animal pound which was vandalized beyond repairs prior to occupancy. Below is the list of the affected assets.

Asset id.	High-level asset description 2024	Asset class 2024	Cost	Accumulated depreciation	Carrying value 30 June 2024
LB0018/002	Dwelling low-cost housing	Operational buildings	1 285 856.25	1 152 600.95	133 255.30
LB0018/001	Dwelling normal size house	Operational buildings	7 826 490.00	7 015 418.57	811 071.43
A[illegible]96/000	Construction of animal pound	Auc - community assets	2 003 074.49	2 003 074.49	0
AUC096/001	Construction of animal pound	Auc - community assets	1 311 719.14	1 311 719.14	0
			12 427 139.88	**11 482 813.15**	**944 326.73**

9.7 INSURANCE

The municipality has a comprehensive insurance with Indwe Risk Advisors (Pty) Ltd effective, 01 February 2022.The contract is for a period of 3 years, reviewed annually. 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 **R1 837 963** for the quarter with the insurance premium of **R35 487 (excl.)**

For a detailed report on Insured status and progress please refer to the Quarterly Insurance report (attached as annexure) as of 30 September 2024. The insurance register is accumulative which includes the claims not yet concluded as at 30 June 2024.

9.8 AUCTION

The council approved movable assets for disposal during the 2023/24 financial year, the auction of these assets was done on the 22 August 2024 with the auction proceeds amounting to **R2 526 000.00 (excl. VAT)**

10. REPORT ON FLEET MANAGEMENT

10.1 INTRODUCTION AND BACKGROUND INFORMATION

The Fleet Management Section of the Municipality is the custodian of the Municipality's Fleet Register and shall ensure that a complete, accurate and up to date fleet register is maintained. Amendments to the fleet register is done in conjunction with Asset Management Section as per the asset register. Any changes that are done by asset are being communicated to Fleet Section. Vehicles are assigned to Directorates and are managed by fleet for repairs and maintenance as well as fair usage. Ensuring that physical inspection is conducted weekly in all Municipal vehicle is crucial more than the accounting of the fleet on the accounting books as this should provide accurate information on the condition of the vehicles. This information also assists in updating the condition in the asset register.

10.2 ADOPTION AND IMPLEMENTATION OF FLEET MANAGEMENT POLICY

Fleet Management Policy was reviewed in 2023 and was adopted by the council to be effective on the 01 July 2024.

Fleet management section is capacitated by 3 personnel:

- Manager
- 2 x Fleet officers
- 2 x fleet Intern

10.3 CLASSIFICATION OF VEHICLES

The municipality maintains and update the Vehicle Register and their classifications. The reconciliation was done between the e-Natis, fleet register and Asset Register

10.4 PHYSICAL INSPECTION OF VEHICLES

The physical inspection for vehicles is conducted when the vehicle is issued and returned. The purpose of this inspection is to verify if all vehicles have accessories, dents, odometer reading, trip authorities, log books and expiry date of license discs. It also assists in verifying the existence of the vehicle. The findings and recommendations are communicated to the Executive management. Physical inspection report is attached as an **Annexure**.

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 fleet management office at as per the schedule.

10.7 LIST OF VEHICLES

NO	REGISRTATION 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
			TRUCKS		

NO	REGISRTATION NO	VEHICLE DESCRIPTION	MODEL	MAKE	DIRECTORATE
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 MIDIUM TRUCK	COMMUNITY / NGQAMKWE
10	JPZ493EC	Truck	2020	ISUZU MIDIUM 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 P9218COMPACTOR	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	TRACTOR LANDINI 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
			BUS, SUV, 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 QUATUM 2,7	COMMUNITY SERVICES / TRAFFIC
6	KBZ429EC	Fortuner	2022	TOYOTA FORTUNER /WHITE	SPEAKER
7	KJC892EC	Fortuner	2024	FORD EVEREST	MAYOR
			PRIVATE CARS		

NO	REGISRTATION NO	VEHICLE DESCRIPTION	MODEL	MAKE	DIRECTORATE
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

IMPLIMENTS

NO	REGISRTATION NO	VEHICLE DESCRIPTION	MODEL	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
9	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

NO	REGISRTATION NO	VEHICLE DESCRIPTION	MODEL	MAKE	DIRECTORATE
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

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 July 2024 to September 2024 period amounts to **R537 963 (excl. vat)** and is broken down as follows:

DESCRIPTION	AMOUNT
Maintenance of unspecified assets: Fleet	494 951.27
Maintenance of buildings	29 477.23
Maintenance of Equipment	13 534.77
TOTAL	**537 963.27**

Expenditure per directorate:

Directorate	Amount
Strategic	54 889,80
Infrastructure	377 906,76
Community Services	78 978,30
LED	9 382,65
BTO	16 805,76
	537 963,27

10.9 FUEL CONSUMPTION REPORT

Fuel consumption report is compiled using the statements received from Wesbank and the payments that were done for assets with no fuel cards such as grass cutting machines and concrete machines. The total expenditure for the quarter ending 30 September 2024 amounts to **R2 428 940** Below is the fuel expenditure incurred per directorate:

#	DIRECTORATES	TOTAL
1	BUDGET &TREASURY OFFICE	13 334.21
2	COMMUNITY SERVICES	366 639.96
3	COMMUNITY / NGQAMKWE	37 095.08
4	COMMUNITY SERVICES / SECURITY	58 553.27
5	COMMUNITY SERVICES / TRAFFIC	118 752.25
6	CORPORATE SERVICES	17 752.45
7	INFRASTRUCTURE	1 600 969.20
8	LOCAL ECONOMIC DEVELOPMENT	31 220.50
9	MAYOR	42 613.05
10	MM'S OFFICE	10 068.04
11	POOL	41 579.21
12	SPEAKER	34 592.31
13	STRATEGIC	44 385.32
14	SPRING FOREST (Grass cutter & Chane saw & Concrete cutter)	11 385.00
		2 428 939.85

11. STORES MANAGEMENT

11.1 Purpose:

The purpose of this report is to present the status on 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 July 2024, August 2024 and September 2024 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 were 191 stores items identified as expired, obsolete or damaged during the stock count for July to September 2024.These items as listed on the table below were identified for disposal. The inventory items to be disposed amounts to **R196 323**.

LIST OF DISPOSAL INVENTORY ITEMS IDENTIFIED AS SLOW MOVING/DAMAGED ITEMS

Commodity ID	Commodity Description	Quantity	Status	Average Unit Cost	Average Qty Value.
ELEC02	250W HPS BEKLANE LUMINAIRE STREET LIGHT	26	Obsolete	5 963.81	155 059.06
MP0300	PICKS FOR MILLING MACHINE	100	Obsolete	104.99	10 499.00
SC0865	CARTRIDGES CE 278A	3	Obsolete	1 622.92	4 868.76
SC0011	505A BLACK CARTRIDGE	5	Obsolete	1 833.15	9 165.75
SC0012	XEROX CARTRIDGE BS405	3	Obsolete	1 507.83	4 523.49
ELEC09	400W HPS CUBES	24	Obsolete	290.02	6 960.48
ELEC03333	250W HPS CUBES	26	Obsolete	166.41	4 326.66
DT0070	TOILET BOWL CLEANER-25L	4	Obsolete	230	920
					196 323.20

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 30 September 2024.

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 July 2024 to 30 September 2024
2. Withdrawals report from 01 July 2024 to 30 September 2024
3. Additions register for Immovable assets from 01 July 2024 to 30 September 2024
4. Additions register for movable assets from 01 July 2024 to 30 September 2024
5. WIP register from 01 July 2024 to 30 September 2024
6. Retentions register from as at 30 September 2024
7. Report on Physical verification of movable assets from 01 July 2024 to 30 September 2024
8. Insurance report as at 30 September 2024
9. Report on Physical inspection of Mnquma vehicles from 01 July 2024 to 30 September 2024
10. Stock take report for 01 July 2024 to 30 September 2024
11. Inventory reconciliation as at 30 September 2024
12. List of indigent accounts to be written off

16. Recommendations

- It is hereby recommended that the Council approves the report for the quarter ending 30 September 2024.
- It is further recommended that the Council approves the write-off of indigent debtors amounting to R 1 138 751.
- It is further recommended that the Council approves the following adjustments on pensioners rebates:
  - ✓ gross monthly income that is greater than R3 600 and less than or equal to R10 000, they qualify for 100% rebate.
  - ✓ gross monthly income above R10 000 and less than or equal to R15 000, they qualify for a 50% rebate.
  - ✓ gross monthly income above R15 000 they qualify for a 40% rebate.
- It is further recommended that the Council approves the write-off of Lost assets to the value R15 780 for movable assets.

- It is further recommended that the Council approves the write-off of debilitated building to the value R 944 327.
- It is further recommended that the Council approves the write-off of the vandalized construction of animal pound.
- It is further recommended that the Council approves the write-off of absolute / damaged inventory items to the value R 196 323.

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 (Vacant)
3) Acquisition Officer (Vacant)
4) Contract Management Officer
5) 07 Supply Chain Management Practitioners (01 Practitioner for contracts management; 04 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 2023/2024.

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.

16.5 REPORTING ITEMS

16.5.1 DEVIATIONS

Section 114 of Municipal Finance Management Act No 56, 2003

Approval of tenders not recommended

(1) If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor-General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

(2) Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.

- **In terms of the above Section of the Municipal Finance Management Act, there were no tenders approved outside the normal course of implementing the Supply Chain Management Policy.**

16.5.2 REGULATION 32 (PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE)

- No procurement of goods and services secured to other organs of state as per supply chain management regulation 32.

16.5.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

Deviation register as at end December 2023 has been prepared in compliance with Regulation 36 of Local Government: Municipal Finance Management Act (56/2003) Municipal Supply Chain Management (SCM) Regulations which states that:

The accounting officer may –

(a) Dispense with the official procurement processes established by Mnquma local municipality supply chain management policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only:

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos, nature reserves or game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature

and;

Sections 16. (c) and 17. (c) of Local Government: Municipal Finance Management Act (56/2003): Municipal Supply Chain Management (SCM) Regulations: Written or verbal quotations and Formal written price quotations:

16.(c) A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or verbal quotations, which must include conditions stating: that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer.

17.(c) A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating -that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer.

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 30 September 2024.

Summary Analysis:

Service Description	Amount
Servicing and repairing of municipal machinery, equipment and vehicles	778 214.08
Insurance Excess	0.00
Advertising	828 841.80
Regulation 36.1(e)	393 592.56
Total	**2 000 648.44**

Please see the attached detailed deviation register as SCM 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 (July 2024 – September 2024).**

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 (July 2024 – September 2024)**

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 July 2024 – September 2024)**

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 315 procurement requisitions from July 2024 to September 2024; 31 were cancelled; 81 in progress [8- competitive bids with BAC,8 – the evaluation stage, 45 specifications 21- requests for 3quotes, deviations and contracted services)] and the following 203 orders as per thresholds has been issued:

Procurement threshold	*Awarded amounts (Totals)*
0- R29 999	882 648.57
R30 000-R199 999	1 669 034.94
R300 000- R50 000 000	86 663 709.07
Above R50 000 000	0

Summary Procurement Plan Implementation Report as at end September 2024

End User Department	Requisitions Received	Projects Awarded	In Progress	Cancelled
Budget and Treasury	16	2	13	1
Community Services	25	8	15	2
Corporate Services	7	2	5	0
Infrastructural Development	31	13	16	2
Local Economic Development	26	10	16	
Office of the Municipal Manager	0	0	0	0
Strategic Directorate	15	7	8	0
Total Number of Projects	**120**	**42**	**73**	**5**

(See the attached Annexure – Procurement Plan Implementation Report as at end September 2024)

16.5.7 Bids Awarded >R30 000 for the quarter ending September 2024:

No.	Financial Year	Project name	Bid number	Contractor	Awarded Amount
1.	2024-2025	Rehabilitation of Gxakhulu Access Road	MNQ/SCM/01/24-25	Pillar of Joy Trading Enterprise	R 6 153 015.73
2.	2024-2025	Construction of TShoveni-Bhongweni Access Road	MNQ/SCM/02/24-25	Cingani Trading & Projects	R 4 988 643.86
3.	2024-2025	Construction of Ngcisininde-Gedwood Access Road Phase 1	MNQ/SCM/03/24-25	Mathew Group	R 6 020 587.80
4.	2024-2025	Construction of Nciba Access Road	MNQ/SCM/04/24-25	Ngomdla Trading	R 4 410 722.12
5.	2024-2025	Construction of Bhisiniya, Ndende-Mbangweni and Matidaleni Access Road	MNQ/SCM/05/24-25	Investorex 28 (Pty) Ltd T/a GS Civils	R 9 349 257.74
6.	2024-2025	Construction of Khobonqaba-Seku Access Road	MNQ/SCM/06/24-25	Ilitha (Pty) Ltd	R 9 712 110.74
7.	2024-2025	Construction of Mjo to Chwebeni Access Road (ward 29)	MNQ/SCM/07/24-25	PMB Projects 06	R 6 797 849.60
8.	2024-2025	Construction of Nxaxho A- Nombanjana to Ngcizela Access Road	MNQ/SCM/08/24-25	Vikisync (Pty) Ltd	R 5 274 914.35
9.	2024-2025	Paving of Ibika Taxi Route phase 1	MNQ/SCM/09/24-25	Lunika Investments (Pty) Ltd	R 12 876 858.61
10.	2024-2025	Paving of Msobomvu Internal Streets (Surfaced)	MNQ/SCM/10/24-25	Lunika Investments (Pty) Ltd	R 8 892 643.51
11.	2024-2025	Tar Surface Repairs and asphalth overlay Geash,Fennel, Fuller, Brownlee and Taylor Streets	MNQ/SCM/11/24-25	Kula Afrika Agriculture and Construction Projects	R 6 187 268.64
12.	2024-2025	Tar Surface and Asphalt overlay from Cuba (Sdima) to Emziyoni Taxi Route	MNQ/SCM/12/24-25	Maboka Contractors	R 5 999 836.37

No.	Financial Year	Project name	Bid number	Contractor	Awarded Amount
13.	2024-2025	Supply and delivery of Cleaning material for a period of two years	MNQ/SCM/72/23-24	Fabulous 2020	Rates based
14.	2024-2025	Supply and delivery of office stationery for a period of two years	MNQ/SCM/65/23-24	Blue Rain Trading 48	Rates based
15.	2024-2025	Supply and Delivery of Bitumen Primer and Cold Asphalt for a Period of Two (02) Years	MNQ/SCM/69/23-24	SNNM Investments	Rates based
16.	2024-2025	Supply and delivery of inputs for Mandela Day	SCM/MLM/18/24-25	Entire Solutions	R 47 997.80
17.	2024-2025	Supply and delivery of Animal Medication for RAM competition	SCM/MLM/01/24-25	Exousia of Facilities	R 42 576.00
18.	2024-2025	Supply and delivery of Christmas Inputs for Elderly	SCM/MLM/31/24-25	Marcopolo Mzantsi Suppliers	R 26 452.34
19.	2024-2025	Supply and delivery of road marking paint for a period of a year	SCM/MLM/06/24-25	Bread Group (Pty) Ltd	R 8 980.00
20.	2024-2025	Supply and delivery of Animal Medication for Information day	SCM/MLM/12/24-25	Agritrade	R 37 500.00
21.	2024-2025	Supply and delivery of digital camera and drone	SCM/MLM/35/24-25	CSD Legacy Group	R 58 500.00
22.	2024-2025	Supply and delivery of Animal Medication for Phawu Agripark Co Operative	SCM/MLM/08/24-25	Gumma Trading	R 96 010.00
23.	2024-2025	Supply and delivery of Law enforcement equipment	SCM/MLM/19/24-25	Blue Line Industries	R 103 180.30
24.	2024-2025	Development of Ngqamakwe Precinct Plan	SCM/MLM/10/24-25	Rondo Consulting (Pty) Ltd	R 290 000.00

No.	Financial Year	Project name	Bid number	Contractor	Awarded Amount
25.	2024-2025	Supply and delivery of Network cabling for Centane Offices	SCM/MLM/20/24-25	CBT Connect	R 114 787.80
26.	2024-2025	Supply and delivery of 200 Heavy duty Hall Chairs	SCM/MLM/21/24-25	Angaokuhle Enterprise	R 40 230.00
27.	2024-2025	Supply and delivery of Christmas gifts for elderly	SCM/MLM/25/24-25	Gumma Trading	R 90 300.00
28.	2024-2025	Supply and delivery of PA system and projector stand	SCM/MLM/30/24-25	Rise and Shine Business Ventures	R 82 239.00
29.	2024-2025	Supply and delivery of Decor for elderly month programme	SCM/MLM/23/24-25	Sam and Sindie Holdings	R 66 720.00
30.	2024-2025	Designing, Editing and reproduction of the Tourism Brochure	SCM/MLM/02/24-25	Copy World	R 31 740.00
31.	2024-2025	Hiring services for Heritage Day Celebration	SCM/MLM/24/24-25	Awovuya Trading	R 92 600.00
32.	2024-2025	Supply and delivery of Security Equipment	SCM/MLM/33/24-25	Vimbisa Holdings (Pty) Ltd	R 28 022.51
33.	2024-2025	Office Cleaning of Municipal Windows	SCM/MLM/15/24-25	Sadlumbe Group	R 35 108.00
34.	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
35.	2024-2025	Supply, delivery and installation of Air conditioners	SCM/MLM/04/24-25	Mpuma Koloni Cooling & Electrical	R 187 911.59
36.	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

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 30 September 2024:

- ***Summary Analysis:***

Description	Commitment Amount (R)
Capital	212 956 284.57
Operational	22 773 048.01
Total	**235 729 332.58**

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 30 September 2024)

16.5.10 Variations

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

There are no contracts variations prepared or approved in this quarter

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

16.5.11 Supplier Performance Management

In terms of Section (2) (b) of the MFMA — The performance of the contractors under the contract or agreement are monitored on a monthly basis.

	As at end March	SMME's awarded -Locality
No. of Current Active Contracts	85	• Mnquma LM - 8 • Buffalo City MM 3 • Mount Frere – 1 • King Sabatha Dalindyebo – 1 • Ntabankulu - 1
No. of contracts awarded to SMMEs within the municipal area (local suppliers)	13	
No. of Contracts about to expire in <6 months	39	
No. of Expired Contracts but still in use	0	

(See the attached supplier's assessment report).

16.5.12 Unsolicited Bids (if any)

There were no unsolicited bids.

16.5.13 List of Bids advertised

i) Website

ii) E-tender portal

iii) CIDB (on applicable tenders)

iv) Notice Board

(See the attached List of advertised Tenders)

16.5.14 Preferential Procurement Policy Framework Act (PPPFA), Reg. 2017

i. **Contracts with Pre-Qualification (Regulation 4)**

No contracts with Pre-Qualification advertised in this quarter

ii. **Contracts with Objective Criteria (Section 2(1)(f) PPPF Act)**

None

iii. **(Contract Participation Goals) (Regulation 4)- Sub Contracting**

There were no contracts above R 30 million for this quarter

16.5.15 Local Content Procurement

No Awarded bid with Local Production and content in this quarter

16.5.16 Fraud Prevention Policy

The municipality has reviewed and adopted the Fraud prevention policy on the 23 May 2024 *and is implemented.*

17. Staff Implications

None

18. Financial Implications

This report details the implementation of the Supply Chain Management policy.

19. Annexures

13. Deviations register from 01 July 2024 to 30 September 2024
14. Contracts and Commitments register as at 30 June 2024
15. Suppliers assessment report from 01 July 2024 to 30 September 2024
16. Report on 2023-2024 procurement plan as at 30 June 2024
17. List of advertised tenders as at 01 July 2024 to 30 September 2024
18. Related Parties register from 01 July 2024 to 30 September 2024

20. Recommendations

- It is hereby recommended that the Council approves the report on implementation of Supply Chain Management for the quarter ending 30 September 2024.