



**MID-YEAR BUDGET AND  
PERFORMANCE ASSESSMENT  
REPORT FOR  
DR NKOSAZANA DLAMINI ZUMA  
LOCAL MUNICIPALITY  
2023/24 FINANCIAL YEAR**

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## 1. PART 1 – IN YEAR REPORT

### 1.1 Purpose

To inform Council of progress made in the implementation of the budget and the performance outcomes in respect of the past first six months of the 2023/24 financial year, and to recommend whether an adjustments budget is necessary or not.

### 1.2. Mayors Report

Dr Nkosazana Dlamini Zuma Local Municipality is pleased to officially present the Section 72 Mid-Year Budget and performance assessment for 2023/24 financial year where we report on how the municipality has performed in the past six months, We also report on how the municipality anticipate to fulfill its Constitutional mandate and ensure that Service delivery priorities, as identified in the Integrated Development Plan (IDP) are funded and implemented, in terms of Section 71 read with Section 72 of the MFMA which states that the Accounting Officer of a municipality must by the 25 January of each year-

- a) Assess the performance of the municipality during the first half of the financial year, taking into account-
  - i. The monthly budget statements referred to in section 71 for the first half of the financial year;
  - ii. The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
  - iii. The past year's annual report, and progress on resolving problems identified in the annual report;

It is by this Act that the Accounting Officer submitted this report and presented to Council. There have been no major changes on anticipated revenue both from our own revenue and from grants even though, there would be a need for adjustment budget as there were delays appointments for major capital projects due to couple of re-advertisements where suitable service providers were not found. There are couple of appointments for major projects done towards the end of quarter two. The effects of these appointments would materialise in quarter three and quarter four.

Honourable Speaker, we cannot ignore the ongoing negative effects of the Covid-19 pandemic that continued across the South African economy in the past two years, with business in a risk of losing their properties as they are struggling to meet bonds' requirements and the government scrambling across to divide for financial resources, to alleviate these rare circumstances caused by the pandemic. As Dr Nkosazana Zuma Municipality we are striving to do more with the less that we have even after the disruption of the pandemic.

Our focus now is therefore driving efficiencies and doing more with less. Our core purpose remains service delivery and therefore the majority of our capital budget is invested in the maintenance, upgrading and expanding of our infrastructure to ensure quality service delivery to all our residents. The municipality need to work hard to find ways to generate revenue.

We would not forget our main objective as the municipality which is to ensure that the communities of Dr Nkosazana Dlamini Zuma Municipality get access to basic services and thus we are confident that with the support from all stakeholders the Adjustment Budget would be complied in a manner that would ensure that this happens. Dr Nkosazana Dlamini Zuma Municipality therefore pledges its commitment to effective and efficient Service Delivery as outlined in the 2023/24 IDP and Budget.

Considering the above explanation, I hereby recommend that the council may approve the 2023/24 Mid-Year Budget and Performance Assessment.

I thank you.

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**Honourable Mayor**  
**Councillor S.P Msomi**

## 2. Resolutions

It is recommended that the Council and its Committees notes:

- The Section 71 reports
- The quarterly report on the implementation of the budget in terms of s52 (d) of the MFMA
- The Mid-Year Budget & Performance Assessment in terms of s72 of the MFMA
- The Recommendation for the Preparation of the Adjustments Budget for Tabling to Council on or before the 28th February 2024 based on the reasons stated in this report.
- The Revision of the projections for Revenue & Expenditure in the SDBIP

## 3. Executive Summary

- **Purpose**

To present Section 71, 52(d) and 72 reports in terms of MFMA and to inform Council on the progress made thus far in terms of implementing the 2023/2024 budget for the period ending 31 December 2023.

- **Legislative Requirements**

In terms of Section 72 of the MFMA, the Accounting Officer of the Municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the past first six months of the year. This mid-year report is a critical stage in the in-year reporting cycle. As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether an Adjustment Budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary. Furthermore, Section 54(e)&(f) of the MFMA requires the Mayor to identify and report any financial problems facing the municipality, including any emerging or impending financial problems and to consider and submit a report to Council by 31 January.

- **Midyear Budget & Performance Assessment**

The municipality's Performance of the approved budget is best summarised in table C1 under the heading "In Year Budget statement Tables". While the operational budget expenditure has not

been good due to the delays in finalising SCM processes as the municipality in some cases could not find the suitable service providers which led to the re-advertisement of some capital projects. Accelerated implementation of the Capital projects would have to be sought in order to increase the provision of basic services to the communities. It should however be noted that the municipality is doing well on grant funded Capital and Operational Budget as is seating at 59% at the end of Second Quarter. Piling outstanding consumer debts is continuing to be a challenge to the municipality and pose a threat to the municipality’s liquidity position. The municipality is implementing the Revised Revenue enhancement Strategy in order to deal with this challenge.

**4. In -Year Budget Statement Tables**

Budget Statement Tables Version 6.7 of the C Schedule is attached; the tables provide overall performance of the municipality in the past six months.

**PERFORMANCE HIGHLIGHTS**

<b>SUMMARY OF FINANCIAL PERFORMAMCE</b>	
Actual Revenue to Budgeted Revenue	28%
Debtors Collection Ratio	81,42%
Actual Opex to Budgeted Opex	44%
Actual Capex to Budgeted Capex	30%
Employee related cost	68%
Councillors Remuneration	48%
Conditional Grants Expenditure	59%
Cash Coverage Ratio	10: 9
Creditors Paid	100% creditors paid

It should be noted that 28% is based on the information which is in the system as we have the backlog in the processing and raising of revenue and receipts caused by hard drive crashing. The estimated actual revenue is above 50%. The ratio for Actual Opex to Budgeted Opex excludes non-cash items such as debt impairments which finalized at the end of the year.

**Monthly Budget Statements Summary**

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

**KZN436 Dr Nkosazana Dlamini Zuma - Table C1 Monthly Budget Statement Summary - M06 December**

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	41,074	45,404	45,404	-	6,996	22,702	(15,706)	-69%	45,404
Service charges	4,197	4,421	4,421	-	736	2,211	(1,474)	-67%	4,421
Investment revenue	14,179	11,491	11,491	-	899	5,746	(4,846)	-84%	11,491
Transfers and subsidies - Operational	161,784	170,568	170,568	-	67,613	85,284	(17,671)	-21%	170,568
Other own revenue	13,065	12,914	12,914	-	890	6,457	(5,567)	-86%	12,914
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>234,299</b>	<b>244,799</b>	<b>244,799</b>	<b>-</b>	<b>77,135</b>	<b>122,399</b>	<b>(45,265)</b>	<b>-37%</b>	<b>244,799</b>
Employee costs	75,433	92,616	92,616	-	13,048	46,308	(33,260)	-72%	92,616
Remuneration of Councillors	11,578	12,484	12,484	-	1,948	6,242	(4,294)	-69%	12,484
Depreciation and amortisation	45,220	57,349	57,349	-	6,614	28,674	(22,060)	-77%	57,349
Interest	2,280	1,618	1,618	-	95	809	(714)	-88%	1,618
Inventory consumed and bulk purchases	3,697	4,817	4,897	183	892	2,449	(1,557)	-64%	4,897
Transfers and subsidies	499	700	700	137	317	350	(33)	-9%	700
Other expenditure	91,443	95,209	95,129	4,321	24,941	47,564	(22,623)	-48%	95,129
<b>Total Expenditure</b>	<b>230,151</b>	<b>264,793</b>	<b>264,793</b>	<b>4,641</b>	<b>47,854</b>	<b>132,395</b>	<b>(84,541)</b>	<b>-64%</b>	<b>264,793</b>
<b>Surplus/(Deficit)</b>	<b>4,148</b>	<b>(19,994)</b>	<b>(19,994)</b>	<b>(4,641)</b>	<b>29,280</b>	<b>(9,996)</b>	<b>39,276</b>	<b>-393%</b>	<b>(19,994)</b>
Transfers and subsidies - capital (monetary allocations)	43,108	31,779	31,779	-	149	15,890	(15,740)	-99%	31,779
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>	<b>23,536</b>	<b>399%</b>	<b>11,785</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>	<b>23,536</b>	<b>399%</b>	<b>11,785</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>81,887</b>	<b>91,794</b>	<b>91,794</b>	<b>5,801</b>	<b>27,361</b>	<b>45,897</b>	<b>(18,536)</b>	<b>-40%</b>	<b>91,794</b>
Capital transfers recognised	-	31,779	32,179	4,583	16,359	16,089	269	2%	32,179
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17,981	60,015	59,615	1,218	11,002	29,807	(18,805)	-63%	59,615
<b>Total sources of capital funds</b>	<b>17,981</b>	<b>91,794</b>	<b>91,794</b>	<b>5,801</b>	<b>27,361</b>	<b>45,897</b>	<b>(18,536)</b>	<b>-40%</b>	<b>91,794</b>
<b>Financial position</b>									
Total current assets	179,041	145,578	145,578		223,725				145,578
Total non current assets	534,038	589,910	589,910		554,785				589,910
Total current liabilities	55,506	92,044	92,044		51,203				92,044
Total non current liabilities	20,509	17,111	17,111		20,591				17,111
<b>Community wealth/Equity</b>	<b>677,287</b>	<b>626,333</b>	<b>626,333</b>		<b>711,358</b>				<b>626,333</b>
<b>Cash flows</b>									
Net cash from (used) operating	172,447	78,563	78,563	(7,235)	57,644	39,282	(18,362)	-47%	275,018
Net cash from (used) investing	(78,379)	(103,075)	(103,075)	(12,065)	(31,180)	54,026	85,205	158%	108,051
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>274,303</b>	<b>89,128</b>	<b>89,128</b>	<b>-</b>	<b>268,391</b>	<b>206,947</b>	<b>(61,444)</b>	<b>-30%</b>	<b>624,997</b>

## Financial Performance

Table C2 provides the statement of financial performance by standard classification

KZN436 Dr Nkosazana Dlamini Zuma - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		220,966	232,056	232,056	-	76,225	116,028	(39,803)	-34%	232,056
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		220,966	232,056	232,056	-	76,225	116,028	(39,803)	-34%	232,056
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13,216	5,838	5,838	-	169	2,919	(2,750)	-94%	5,838
Community and social services		4,423	4,178	4,178	-	-	2,089	(2,089)	-100%	4,178
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		8,793	1,660	1,660	-	169	830	(661)	-80%	1,660
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		39,028	34,262	34,262	-	154	17,131	(16,977)	-99%	34,262
Planning and development		637	305	305	-	5	153	(148)	-97%	305
Road transport		38,391	33,957	33,957	-	149	16,979	(16,829)	-99%	33,957
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		4,197	4,421	4,421	-	736	2,211	(1,474)	-67%	4,421
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4,197	4,421	4,421	-	736	2,211	(1,474)	-67%	4,421
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>277,407</b>	<b>276,578</b>	<b>276,578</b>	<b>-</b>	<b>77,284</b>	<b>138,289</b>	<b>(61,005)</b>	<b>-44%</b>	<b>276,578</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		128,446	166,687	166,687	2,734	28,785	83,343	(54,558)	-65%	166,687
Executive and council		24,179	25,881	25,881	83	4,632	12,940	(8,309)	-64%	25,881
Finance and administration		102,302	137,173	137,173	2,618	23,623	68,586	(44,963)	-66%	137,173
Internal audit		1,965	3,633	3,633	33	530	1,816	(1,286)	-71%	3,633
<i>Community and public safety</i>		29,704	34,596	34,596	111	5,244	17,297	(12,053)	-70%	34,596
Community and social services		15,905	17,772	17,772	111	2,800	8,886	(6,086)	-68%	17,772
Sport and recreation		157	-	-	-	14	-	14	-	-
Public safety		13,217	15,853	15,853	-	2,377	7,926	(5,549)	-70%	15,853
Housing		425	971	971	-	54	485	(432)	-89%	971
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		49,958	52,129	52,129	1,772	11,112	26,064	(14,952)	-57%	52,129
Planning and development		13,641	23,598	23,598	554	3,177	11,799	(8,622)	-73%	23,598
Road transport		36,318	28,531	28,531	1,218	7,936	14,265	(6,330)	-44%	28,531
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		20,085	10,485	10,485	18	2,624	5,243	(2,619)	-50%	10,485
Energy sources		9,839	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10,246	10,485	10,485	18	2,624	5,243	(2,619)	-50%	10,485
<i>Other</i>		1,958	896	896	6	89	448	(359)	-80%	896
<b>Total Expenditure - Functional</b>	3	<b>230,151</b>	<b>264,793</b>	<b>264,793</b>	<b>4,641</b>	<b>47,854</b>	<b>132,395</b>	<b>(84,541)</b>	<b>-64%</b>	<b>264,793</b>
<b>Surplus/ (Deficit) for the year</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>	<b>23,536</b>	<b>399%</b>	<b>11,785</b>

The table is assessing the mid-year revenue by department followed by an expenditure analysis.

The actual year to date revenue as at end December 2023 was R 77 ,3million against a year-to-date budget of R 138,3million.



Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

**KZN436 Dr Nkosazana Dlamini Zuma - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -**

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		221,042	232,001	232,001	-	76,205	116,000	(39,796)	-34.3%	232,001
Vote 3 - CORPORATE SERVICES		74	55	55	-	20	28	(8)	-27.5%	55
Vote 4 - COMMUNITY SERVICES		17,429	10,259	10,259	-	905	5,130	(4,225)	-82.4%	10,259
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		38,234	33,957	33,957	-	149	16,979	(16,829)	-99.1%	33,957
Vote 6 - PLANNING AND DEVELOPMNT		627	305	305	-	5	153	(148)	-96.8%	305
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>277,407</b>	<b>276,578</b>	<b>276,578</b>	<b>-</b>	<b>77,284</b>	<b>138,289</b>	<b>(61,005)</b>	<b>-44.1%</b>	<b>276,578</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		26,144	29,514	29,514	116	5,162	14,757	(9,595)	-65.0%	29,514
Vote 2 - BUDGET AND TREASURY		72,832	98,487	98,487	1,031	13,561	49,243	(35,682)	-72.5%	98,487
Vote 3 - CORPORATE SERVICES		29,469	38,686	38,686	1,587	10,062	19,343	(9,281)	-48.0%	38,686
Vote 4 - COMMUNITY SERVICES		29,279	33,625	33,625	111	5,191	16,812	(11,621)	-69.1%	33,625
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		61,020	48,512	48,512	1,790	12,360	24,256	(11,895)	-49.0%	48,512
Vote 6 - PLANNING AND DEVELOPMNT		11,406	15,970	15,970	6	1,519	7,985	(6,466)	-81.0%	15,970
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>230,151</b>	<b>264,793</b>	<b>264,793</b>	<b>4,641</b>	<b>47,854</b>	<b>132,395</b>	<b>(84,541)</b>	<b>-63.9%</b>	<b>264,793</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>	<b>23,536</b>	<b>399.4%</b>	<b>11,785</b>

Summary of financial performance report for the period ending 31 December 2023.

The SFP Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source, type and expenditure. The summary report indicates the following:

**KZN436 Dr Nkosazana Dlamini Zuma - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December**

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>		21,524	19,284	19,284	-	2,013	9,642	(7,629)	-79%	19,284
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		4,197	4,421	4,421	-	736	2,211	(1,474)	-67%	4,421
Sale of Goods and Rendering of Services		554	603	603	-	121	302	(181)	-60%	603
Agency services		635	688	688	-	47	344	(297)	-86%	688
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		14,179	11,491	11,491	-	899	5,746	(4,846)	-84%	11,491
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,306	1,509	1,509	-	121	755	(633)	-84%	1,509
Licence and permits		414	406	406	-	66	203	(138)	-68%	406
Operational Revenue		238	164	164	-	23	82	(60)	-72%	164
<b>Non-Exchange Revenue</b>		212,776	225,515	225,515	-	75,122	112,757	(37,636)	-33%	225,515
Property rates		41,074	45,404	45,404	-	6,996	22,702	(15,706)	-69%	45,404
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		978	876	876	-	116	438	(322)	-74%	876
Licence and permits		3	18	18	-	-	9	(9)	-100%	18
Transfer and subsidies - Operational		161,784	170,568	170,568	-	67,613	85,284	(17,671)	-21%	170,568
Interest		6,469	6,160	6,160	-	397	3,080	(2,683)	-87%	6,160
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1,686	2,488	2,488	-	-	1,244	(1,244)	-100%	2,488
Other Gains		782	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>234,299</b>	<b>244,799</b>	<b>244,799</b>	<b>-</b>	<b>77,135</b>	<b>122,399</b>	<b>(45,265)</b>	<b>-37%</b>	<b>244,799</b>
<b>Expenditure By Type</b>										
Employee related costs		75,433	92,616	92,616	-	13,048	46,308	(33,260)	-72%	92,616
Remuneration of councillors		11,578	12,484	12,484	-	1,948	6,242	(4,294)	-69%	12,484
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		3,697	4,817	4,897	183	892	2,449	(1,557)	-64%	4,897
Debt impairment		-	5,040	5,040	-	-	2,520	(2,520)	-100%	5,040
Depreciation and amortisation		45,220	57,349	57,349	-	6,614	28,674	(22,060)	-77%	57,349
Interest		2,280	1,618	1,618	-	95	809	(714)	-88%	1,618
Contracted services		54,257	49,514	49,235	3,720	14,403	24,617	(10,215)	-41%	49,235
Transfers and subsidies		499	700	700	137	317	350	(33)	-9%	700
Irrecoverable debts written off		1,257	3,400	3,400	-	65	1,700	(1,635)	-96%	3,400
Operational costs		35,929	37,255	37,454	601	10,473	18,726	(8,253)	-44%	37,454
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>230,151</b>	<b>264,793</b>	<b>264,793</b>	<b>4,641</b>	<b>47,854</b>	<b>132,395</b>	<b>(84,541)</b>	<b>-64%</b>	<b>264,793</b>
<b>Surplus/(Deficit)</b>		<b>4,148</b>	<b>(19,994)</b>	<b>(19,994)</b>	<b>(4,641)</b>	<b>29,280</b>	<b>(9,996)</b>	<b>39,276</b>	<b>(0)</b>	<b>(19,994)</b>
Transfers and subsidies - capital (monetary allocations)		43,108	31,779	31,779	-	149	15,890	(15,740)	(0)	31,779
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>

The total revenue raised and processed in the finance system including operational grants as at 31 December 2023 was R 77,1 million against a total budget of R 244,8 million for the year and the YTD budget is R 122,4 million as at 31 December 2023. This reflects a revenue rate of 32% against the total budget for the year.

The operating expenditure as at 31 December 2023 totals to R 47,9 million against a total annual budget of R 264,8 million and that is reflecting an expenditure rate of 18% based on the information in the system. This suggests that operating Expenditure is down by 32% when comparing with 50% that was projected to be spent as at the end of the first half of the year. The Operating Expenditure will increase upon the finalisation of the capturing of payments in classic and web which is expected to be finalised in February 2024. Performance of the approved budget is best summarised in table C1.

Total expenditure estimated and per expenditure paid as at the end of December 2023 is R117,7 million which translate to 44%. Delays in capturing of expenditure arises from crashing of saver. The municipality is busy with the capturing of all the outstanding data which should be finalised by end February 2024.

### **Operating Revenue Analysis**

The key revenue drivers at the preparation of the budget were operational grants, property rates and service charges, Interest on investments:

- Operational grants contributed 71% of the total operation revenue budget
- Property rates contributed 19% of the total operational revenue budget
- Interest earned from investments contributed 5% of the total operational revenue budget
- Service charges contributed 2% of the total operational revenue budget.
- Other revenue Items contributed 3% of the total operating revenue budget.

### **Equitable Share**

The Municipality's allocation of R 121,7 million which is 75% of the total allocation of R 162,3 million for the 2023/24 financial year has been received by the municipality. The third allocation of the Equitable share totalling to R 40,6 million is scheduled to be received by March 2024.

**Interest from Investments**

The Municipality had R 196,8million investments as at 31 December 2023. The municipality has generated a total interest revenue of R6 ,7million, which translate to 117% against YTD budget of R 5 ,7million. The municipality received first and second tranche of grants and that led to more money being invested and led to more interest received than anticipated.

The YTD revenue recognise under National Capital Grants is R 16, 7million against the original budget of R 31,8 million.

**Operating Expenditure analysis**

The YTD Actual Operating Expenditure for the 2023/24 financial year is R 47,9million against YTD budget of R 132, 4million which implies that the municipality.

	<b>Original Budget 2023/2024</b>	<b>Month Actual December 2023</b>	<b>YTD Budget</b>	<b>YTD actual paid</b>	<b>YTD % Spent</b>
Operating Expenditure	264,792,946	4,640,724	132,395,226	47,854,238	36%

The operating expenditure has shown an under performance of 64% against the annual budget. However, there are material variances that have been reported against expenditure types such as Finance charges, other expenditure and depreciation & asset impairment.

**Capital Expenditure**

<b>FUNDING SOURCE</b>	<b>2023/24 ORIGINAL BUDGET</b>	<b>ACTUAL SPENT 31 December 2023</b>	<b>YTD ACTUAL 31 December 2023</b>	<b>% Spent 31 December 2023</b>
TOTAL MIG FUNDED PROJECTS	31,779,000	3,723,858	14,313,933	45%
TOTAL INTERNAL FUNDED PROJECTS	60,015,000	2,047,204	13,047,028	22%
<b>TOTAL CAPEX</b>	<b>91,794,000</b>	<b>5,771,062</b>	<b>27,360,961</b>	<b>30%</b>
ELECTRIFICATION PROJECTS	7,561,000	1,400,007	5,459,005	72%
<b>TOTAL INCLUDING INEP</b>	<b>99,355,000</b>	<b>7,171,069</b>	<b>32,819,966</b>	<b>33%</b>

**Table** above presents similar information as table C5 the difference is that the table above includes Electrification projects that is not included on table C5 because in the construction process the municipality acts as an agent in terms of the service level agreement with Eskom.

The total capital budget for the 2023/2024 financial year is R 99, 4million inclusive of INEP and the MIG allocation is R 31 ,8 million. The cumulative MIG capital expenditure for the period amounts to R 14 ,3 million or 45% to the total budget. The municipality anticipated to spend 50% of the total capital budget as at the second quarter but the spending is sitting at 30%.

On the internal funding, the municipality has spent only spent 22% of its overall internal budget. The overall percentage of capital expenditure is 30% as at the end of December 2023(Excl. INEP). Table C5 below presents capital expenditure for Dr Nkosazana Dlamini Zuma municipality that does not include electrification projects as the municipality act as an agent in the electrification projects.

**Table C5** below reports on the capital expenditure by departments (municipal vote) and by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects. The overall expenditure on capital expenditure is sitting at R 27, 4million against a total budget of R91, 8million as at the end of 31 December 2023 and that is 30% of the total capital budget excluding INEP Projects.

KZN436 Dr Nkosazana Dlamini Zuma - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	160	160	-	-	80	(80)	-100%	160
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		-	4,075	4,075	-	93	2,037	(1,944)	-95%	4,075
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		-	37,104	35,052	2,095	10,745	17,526	(6,781)	-39%	35,052
Vote 6 - PLANNING AND DEVELOPMNT		-	500	500	-	-	250	(250)	-100%	500
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	<b>41,839</b>	<b>39,787</b>	<b>2,095</b>	<b>10,838</b>	<b>19,893</b>	<b>(9,056)</b>	<b>-46%</b>	<b>39,787</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE AND COUNCIL		1,876	910	910	-	20	455	(435)	-96%	910
Vote 2 - BUDGET AND TREASURY		67,286	2,800	2,800	49	153	1,400	(1,247)	-89%	2,800
Vote 3 - CORPORATE SERVICES		1,662	2,280	2,280	26	494	1,140	(646)	-57%	2,280
Vote 4 - COMMUNITY SERVICES		1,441	10,275	10,275	87	772	5,137	(4,365)	-85%	10,275
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		8,397	33,520	35,572	3,544	15,084	17,786	(2,702)	-15%	35,572
Vote 6 - PLANNING AND DEVELOPMNT		1,225	170	170	-	-	85	(85)	-100%	170
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	81,887	49,955	52,007	3,706	16,523	26,003	(9,480)	-36%	52,007
<b>Total Capital Expenditure</b>	3	<b>81,887</b>	<b>91,794</b>	<b>91,794</b>	<b>5,801</b>	<b>27,361</b>	<b>45,897</b>	<b>(18,536)</b>	<b>-40%</b>	<b>91,794</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>70,824</b>	<b>6,450</b>	<b>6,450</b>	<b>75</b>	<b>764</b>	<b>3,225</b>	<b>(2,461)</b>	<b>-76%</b>	<b>6,450</b>
Executive and council		1,876	1,070	1,070	-	20	535	(515)	-96%	1,070
Finance and administration		68,948	5,380	5,380	75	744	2,690	(1,946)	-72%	5,380
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1,441</b>	<b>14,850</b>	<b>14,850</b>	<b>87</b>	<b>865</b>	<b>7,425</b>	<b>(6,560)</b>	<b>-88%</b>	<b>14,850</b>
Community and social services		1,098	5,500	5,500	87	306	2,750	(2,444)	-89%	5,500
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		342	9,350	9,350	-	559	4,675	(4,116)	-88%	9,350
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>9,622</b>	<b>69,344</b>	<b>69,344</b>	<b>5,639</b>	<b>25,732</b>	<b>34,672</b>	<b>(8,940)</b>	<b>-26%</b>	<b>69,344</b>
Planning and development		1,751	57,144	57,144	5,364	23,865	28,572	(4,707)	-16%	57,144
Road transport		7,871	12,200	12,200	275	1,867	6,100	(4,233)	-69%	12,200
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>-</b>	<b>1,150</b>	<b>1,150</b>	<b>-</b>	<b>-</b>	<b>575</b>	<b>(575)</b>	<b>-100%</b>	<b>1,150</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	500	500	-	-	250	(250)	-100%	500
Waste management		-	650	650	-	-	325	(325)	-100%	650
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>81,887</b>	<b>91,794</b>	<b>91,794</b>	<b>5,801</b>	<b>27,361</b>	<b>45,897</b>	<b>(18,536)</b>	<b>-40%</b>	<b>91,794</b>
<b>Funded by:</b>										
National Government		-	31,779	32,179	4,583	16,359	16,089	269	2%	32,179
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>-</b>	<b>31,779</b>	<b>32,179</b>	<b>4,583</b>	<b>16,359</b>	<b>16,089</b>	<b>269</b>	<b>2%</b>	<b>32,179</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>17,981</b>	<b>60,015</b>	<b>59,615</b>	<b>1,218</b>	<b>11,002</b>	<b>29,807</b>	<b>(18,805)</b>	<b>-63%</b>	<b>59,615</b>
<b>Total Capital Funding</b>	7	<b>17,981</b>	<b>91,794</b>	<b>91,794</b>	<b>5,801</b>	<b>27,361</b>	<b>45,897</b>	<b>(18,536)</b>	<b>-40%</b>	<b>91,794</b>

- **Statement of Financial Position**

The table C6 below displays the statement financial position of the municipality as at 31 December 2023.

**KZN436 Dr Nkosazana Dlamini Zuma - Table C6 Monthly Budget Statement - Financial Position - M06 December**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		159,256	89,128	89,128	153,675	89,128
Trade and other receivables from exchange transactions		1,954	6,628	6,628	2,240	6,628
Receivables from non-exchange transactions		10,284	45,438	45,438	53,912	45,438
Current portion of non-current receivables		-	-	-	-	-
Inventory		-	-	-	-	-
VAT		6,909	3,825	3,825	13,261	3,825
Other current assets		638	559	559	638	559
<b>Total current assets</b>		<b>179,041</b>	<b>145,578</b>	<b>145,578</b>	<b>223,725</b>	<b>145,578</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		19,732	13,269	13,269	19,732	13,269
Property, plant and equipment		513,888	574,473	574,473	534,275	574,473
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		418	2,168	2,168	779	2,168
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>534,038</b>	<b>589,910</b>	<b>589,910</b>	<b>554,785</b>	<b>589,910</b>
<b>TOTAL ASSETS</b>		<b>713,079</b>	<b>735,488</b>	<b>735,488</b>	<b>778,510</b>	<b>735,488</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		233	171	171	196	171
Consumer deposits		(9)	2	2	(9)	2
Trade and other payables from exchange transactions		35,844	57,258	57,258	27,065	57,258
Trade and other payables from non-exchange transactions		6,355	5,604	5,604	10,743	5,604
Provision		9,071	14,508	14,508	9,071	14,508
VAT		4,012	14,501	14,501	4,137	14,501
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>55,506</b>	<b>92,044</b>	<b>92,044</b>	<b>51,203</b>	<b>92,044</b>
<b>Non current liabilities</b>						
Financial liabilities		385	-	-	385	-
Provision		13,206	11,014	11,014	13,288	11,014
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		6,918	6,097	6,097	6,918	6,097
<b>Total non current liabilities</b>		<b>20,509</b>	<b>17,111</b>	<b>17,111</b>	<b>20,591</b>	<b>17,111</b>
<b>TOTAL LIABILITIES</b>		<b>76,015</b>	<b>109,155</b>	<b>109,155</b>	<b>71,794</b>	<b>109,155</b>
<b>NET ASSETS</b>	2	<b>637,065</b>	<b>626,333</b>	<b>626,333</b>	<b>706,717</b>	<b>626,333</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		670,456	620,840	620,840	704,527	620,840
Reserves and funds		6,831	5,493	5,493	6,831	5,493
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>677,287</b>	<b>626,333</b>	<b>626,333</b>	<b>711,358</b>	<b>626,333</b>

- **Cash Flow Statement**

Table C7 below display the Municipality's Cash Flow Statement for the Period ending 31 December 2023

Table C7 reflects a closing balance of R 26, 5million as at the end of December 2023

**KZN436 Dr Nkosazana Dlamini Zuma - Table C7 Monthly Budget Statement - Cash Flow - M06 December**

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		29,894	40,365	40,365	-	5,233	20,182	(14,949)	-74%	40,365
Service charges		2,362	3,915	3,915	-	430	1,958	(1,528)	-78%	3,915
Other revenue		2,366	29,518	29,518	-	197	14,759	(14,562)	-99%	29,518
Transfers and Subsidies - Operational		170,868	178,129	178,129	-	72,109	89,064	(16,955)	-19%	178,129
Transfers and Subsidies - Capital		22,918	31,779	31,779	-	5,500	15,890	(10,390)	-65%	31,779
Interest		1,084	11,491	11,491	-	209	5,746	(5,536)	-96%	11,491
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(57,045)	(214,315)	(214,315)	(7,235)	(26,035)	(107,157)	(81,123)	76%	(17,860)
Interest		-	(1,618)	(1,618)	-	-	(809)	(809)	100%	(1,618)
Transfers and Subsidies		-	(700)	(700)	-	-	(350)	(350)	100%	(700)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>172,447</b>	<b>78,563</b>	<b>78,563</b>	<b>(7,235)</b>	<b>57,644</b>	<b>39,282</b>	<b>(18,362)</b>	<b>-47%</b>	<b>275,018</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		4,293	2,488	2,488	-	-	1,244	(1,244)	-100%	2,488
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(82,672)	(105,563)	(105,563)	(12,065)	(31,180)	52,782	83,961	159%	105,563
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(78,379)</b>	<b>(103,075)</b>	<b>(103,075)</b>	<b>(12,065)</b>	<b>(31,180)</b>	<b>54,026</b>	<b>85,205</b>	<b>158%</b>	<b>108,051</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>94,068</b>	<b>(24,512)</b>	<b>(24,512)</b>	<b>(19,300)</b>	<b>26,464</b>	<b>93,307</b>			<b>383,070</b>
Cash/cash equivalents at beginning:		180,235	113,640	113,640		241,927	113,640			241,927
Cash/cash equivalents at month/year end:		274,303	89,128	89,128		268,391	206,947			624,997



**PART 2 – SUPPORTING DOCUMENTS**

**2.1 Debtors Age Analysis**

The table SC3 Monthly Budget Statement below provides information and summarises the Debtors Age Analysis as at 31 December 2023.

	2023/07/31		2023/08/31		2023/09/30		2023/10/31		2023/11/30		2023/12/31	
Category	Raised	Received	Raised	Received	Raised	Received	Raised	Received	Raised	Received	Raised	Received
RAT01: RESIDENTIAL PROPERTIES	665,683.72	-753,361.91	744,398.30		744,398.30		744,398.30		744,398.30		744,398.30	
RAT02: BUSINESS, COMMERCIAL, INDUSTRIAL PROF	574,893.47	-586,794.90	487,955.24		487,955.24		487,955.24		487,955.24		487,955.24	
RAT03: AGRICULTURAL PROPERTIES	1,109,979.45	-427,707.20	996,427.00		996,427.00		996,427.00		996,427.00		996,427.00	
RAT04: PUBLIC SERVICE PURPOSES	1,037,385.47	-16,661.39	845,218.61		845,218.61		845,218.61		845,218.61		845,218.61	
RAT05: PUBLIC SERVICE INFRASTRUCTURE	42.04	-0.02	0.04		0.04		0.04		0.04		0.04	
RAT06: PUBLIC BENEFIT ORGANISATION	3,411.66	0.00	1,188.33		1,188.33		1,188.33		1,188.33		1,188.33	
RAT08: TOURISM	233,380.13	-115,026.46	201,857.61		201,857.61		201,857.61		201,857.61		201,857.61	
RAT10: RESIDENTIAL SMALL HOLDING	81,197.55	-37,675.14	61,872.54		61,872.54		61,872.54		61,872.54		61,872.54	
RAT11: TOURISM URBAN	1,598.72	0.00	796.25		796.25		796.25		796.25		796.25	
RAT12: VACANT LAND	191,414.23	-84,792.25	148,526.62		148,526.62		148,526.62		148,526.62		148,526.62	
REFUSE	373,767.89	-295,709.82	368,150.34		368,150.34		368,150.34		368,150.34		368,150.34	
Value added tax(refuse)	54,965.79	-41,563.86	54,965.79		54,965.79		54,965.79		54,965.79		54,965.79	
RENTAL	43,814.09	-12,478.60	43,814.09		43,814.09		43,814.09		43,814.09		43,814.09	
Value added tax(rental)	6,572.11	-1,871.79	6,572.11		6,572.11		6,572.11		6,572.11		6,572.11	
SUNDRIES	0	0	0.00		0.00		0.00		0.00		0.00	
Value added tax(sundries)	0.00	0.00	0.00		0.00		0.00		0.00		0.00	
Total Incl	4,378,106.32	-2,373,643.34	3,961,742.87	-4,224,868.62	3,961,742.87	-2,755,962.27	3,961,742.87	-2,084,508.71	3,961,742.87	-7,370,471.33	3,961,742.87	-975,309.65
Total VAT	61,537.90	-43,435.65	61,537.90		61,537.90		61,537.90		61,537.90		61,537.90	
Total Excl	4,316,568.42	-2,330,207.69	3,900,204.97		3,900,204.97		3,900,204.97		3,900,204.97		3,900,204.97	
Total Rates	3,898,986.44	-2,022,019.27	3,488,240.54		3,488,240.54		3,488,240.54		3,488,240.54		3,488,240.54	
Total Services	417,581.98	-308,188.42	411,964.43		411,964.43		411,964.43		411,964.43		411,964.43	
Total Services Excl	356,044.08	-264,752.77	350,426.53		350,426.53		350,426.53		350,426.53		350,426.53	
Opening Balance	R88,673,235.15		90,769,536.34		90,506,410.59		91,712,191.19		93,589,425.35		90,180,696.89	
Closing Balance	R90,769,536.34		90,506,410.59		91,712,191.19		93,589,425.35		90,180,696.89		93,167,130.11	
Collection Rates	52.12%		83.77%		75.30%		69.77%		92.55%		81.42%	

Table above reflects that the outstanding debt continues to grow due to non-payment by our

- The debtors' book has increased in the month of December 2023 to R110 578 250.76.
- An amount R69 337.23 from December 2023 to date has been paid to support free basic electricity assisting in occasions.
- Traffic fines debtors remain a concern, improved collection strategies are being implemented. An amount R46 000.00 has been collected to date with R50 800.00 traffic notices issued for the month of December 2023 and R203 800 for the year.
- It should be noted that data is based on the information which is in the system as we have the backlog in the processing and raising of revenue and receipts caused by hard drive crashing.

The majority of debtors under this category is over 120 days and above. This has resulted in legal processes being undertaken by the municipality on defaulting customers. The estate late matters pose a legal challenge during the debt collection process. There are also certain accounts which are under scrutiny for various reasons, namely verification of government accounts prior to payment. The most significant debtors are reported to MANCO and Finance Portfolio Committee. The credit control measures are implemented especially for old debt.

The municipality appointed Attorneys and Conveyancers to assist with the collection of long outstanding debt.

The municipality introduced an incentive scheme from July 2023 as part of revenue improvement plans. The municipality is also participating in the Government Debt Steering Committee that assist municipalities with the recovery of government debt

## 2.2 Creditors Age Analysis

Table SC4 Monthly budget statement below provides information of the Aged Creditors as at 31 December 2023. The municipality pays its creditors within 30 days from the date of receiving compliant invoice and required supporting document.

**KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December**

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	16,505	-	-	-	-	-	-	-	16,505
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	47	47
<b>Total By Customer Type</b>	<b>1000</b>	<b>16,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>16,552</b>

### 2.3 Investment Portfolio Analysis

The table SC5 below indicate the municipality’s investment portfolio which is sitting at R196, 7million. No account was pledge as security in past six (6) months of the financial year.

Investment portfolio has been diversified to reduce the investment risk across five major banks i.e. First National Bank, Ned Bank, ABSA, Investec bank and STD bank.

The municipality does not have long-term investments, most of these investments are grants that the municipality received to spend in the budget year therefore cannot be invested for longer periods.

Interest received on investment as the end of December 2023 is R6, 4million. The cash in bank as at 31 December 2023 amounted to R 2, 5million and investments amounted to R 196 ,8million with a total cash and cash equivalents of R 199,3million. The average interest rate on investment is at 8.76%. The cash coverage ratio as at 31 December 2023 is 10.95 based on average operating expenditure for the period. See below extract from SC 5.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
74165605518		3 Month	FNB CALL DEPOSIT	Yes	Yes	Yes	No	No	N/A	973	42		-	1,015
62008452071		3 Month	FNB CALL ACCOUNT	Yes	Yes	Yes	No	No	N/A	44,877	364	-56201205	12,000	1,040
62550105011		3 Month	FNB CALL ACCOUNT	Yes	No	Yes	No	No	N/A	206	7	-212800	-	(0)
63060516756		3 Month	FNB CALL ACCOUNT	Yes	No	Yes	No	No	N/A	-	8		211	219
76203466662		2 Month	FNB FIXED DEPOSIT	Yes	Yes	Yes	No	No	N/A	-	807	-15000000	30,000	15,807
76204802667		3 Month	FNB FIXED DEPOSIT	Yes	Yes	Yes	No	No	N/A	-	-	0	36,000	36,000
037881098635/000052		3 Month	NEDBANK NOTICE DEPOSIT	Yes	No	Yes	No	No	N/A	31,115	1,276	0	-	32,391
037881098635/000058		3 Month	NEDBANK NOTICE DEPOSIT	Yes	No	Yes	No	No	N/A	20,615	932	0	-	21,547
1100540834(4500)		3 Month	INVESTEC BANK - FIXED DEPOSIT	Yes	No	Yes	No	No	N/A	10,544	31	-10575169		-
110054083(4450)		3 Month	INVESTEC BANK	Yes	No	Yes	No	No	N/A	10,556	365			10,921
4787359950-032		3 Month	STANDARD BANK	Yes	No	Yes	No	No	N/A	-	193	0	5,054	5,246
4787359950-031		3 Month	STANDARD BANK	Yes	No	Yes	No	No	N/A	-	262	0	6,871	7,133
4787359950-033		3 Month	STANDARD BANK	Yes	No	Yes	No	No	N/A	-	717	0	30,000	30,717
4787359950-034		3 Month	STANDARD BANK	Yes	No	Yes	No	No	N/A	-	344	-30344452	30,000	-
4787359950-035		3 Month	STANDARD BANK - NOTICE DEPOSIT	Yes	No	Yes	No	No	N/A	15,344	127	-15471021	-	0
93-7405-3205		3 Month	ABSA BANK - NOTICE ACCOUNT	Yes	No	Yes	No	No	N/A	33,841	222	-30000303	-	4,063
20-81115-9646		3 Month	ABSA BUSINESS BANK	Yes	No	Yes	No	No	N/A	-	697	0	30,000	30,697
<b>Municipality sub-total</b>										<b>168,072</b>	<b>6,393</b>		<b>180,136</b>	<b>196,796</b>
<b>Entities</b>														
										-	-		-	-
<b>Entities sub-total</b>										<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>										<b>168,072</b>	<b>6,393</b>		<b>180,136</b>	<b>196,796</b>

## 2.4 Allocation / Grant Receipts and Expenditure

### Grants receipts

Table SC6 monthly budget statement below provides information relating to transfers and grant receipts. A total of R 150, 6million has been received by the municipality as the 31 December 2023 and the last allocations are expected by the month of March 2024 for all the grants that were gazetted for the municipality for 2023/24 financial year.

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		165,344	173,960	173,960	55,072	129,742	86,980	42,762	49.2%	173,960
Operational Revenue:General Revenue:Equitable Share		152,466	162,271	162,271	54,090	121,703	81,136	40,568	50.0%	162,271
Operational:Revenue:General Revenue:Fuel Levy	3	-	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2,476	2,178	2,178	982	1,528	1,089	439	40.3%	2,178
HIV and Aids		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1,950	1,950	1,950	-	1,950	975	975	100.0%	1,950
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizion		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		8,452	7,561	7,561	-	4,561	3,781	781	20.6%	7,561
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Rehabilitation Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		5,169	4,169	4,169	-	4,169	2,085	2,085	100.0%	4,169
Specify (Add grant description)		1,223	1,223	1,223	-	1,223	612	612	100.0%	-
Specify (Add grant description)		2,946	2,946	2,946	-	2,946	1,473	1,473	100.0%	4,169
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		1,000	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	170,513	178,129	178,129	55,072	133,911	89,065	44,847	50.4%	178,129
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		30,558	31,779	31,779	3,779	19,279	15,890	3,390	21.3%	31,779
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		30,558	31,779	31,779	3,779	19,279	15,890	3,390	21.3%	31,779
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	30,558	31,779	31,779	3,779	19,279	15,890	3,390	21.3%	31,779
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	201,071	209,908	209,908	58,851	153,190	104,954	48,236	46.0%	209,908

**Transfers and grant expenditure**

Table SC7(1) below provides information relating to grant expenditure, the municipality has actual spent of R 6 ,4million as at the 31 December 2023 on operational transfers and grants and 16, 7million on capital grants.

**KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December**

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		156,892	(173,960)	(173,960)	1,422	3,331	(2,064)	5,395	-261.4%	(173,960)
Operational Revenue:General Revenue:Equitable Share		152,466	(162,271)	(162,271)	-	-	-	-	-	(162,271)
Operational:Revenue:General Revenue:Fuel Levy		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2,476	(2,178)	(2,178)	468	2,178	(1,089)	3,267	-300.0%	(2,178)
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1,950	(1,950)	(1,950)	954	1,153	(975)	2,128	-218.3%	(1,950)
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizion		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	(7,561)	(7,561)	-	-	-	-	-	(7,561)
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Rehabilitation Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		4,892	(4,169)	(4,169)	-	-	(2,084)	2,084	-100.0%	(4,169)
Specify (Add grant description)		749	(1,223)	(1,223)	-	-	(611)	611	-100.0%	(1,223)
Specify (Add grant description)		3,674	(2,946)	(2,946)	-	-	(1,473)	1,473	-100.0%	(2,946)
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		469	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		161,784	(178,129)	(178,129)	1,422	3,331	(4,148)	7,480	-180.3%	(178,129)
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		30,558	(31,779)	(31,779)	-	149	(15,890)	16,039	-100.9%	(31,779)
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		30,558	(31,779)	(31,779)	-	149	(15,890)	16,039	-100.9%	(31,779)
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		5,200	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		5,200	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		35,758	(31,779)	(31,779)	-	149	(15,890)	16,039	-100.9%	(31,779)
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		197,542	(209,908)	(209,908)	1,422	3,481	(20,038)	23,519	-117.4%	(209,908)

## 2.5 Councillors and Board Members Allowances and Employee Benefits

The table SC8 below for monthly budget statement Councillor and staff Benefit shows the detailed spending of staff salaries and wages and Councillors remuneration.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		8,631	9,008	9,008	-	1,424	4,504	(3,080)	-68%	9,008
Pension and UIF Contributions		1,155	1,168	1,168	-	191	584	(393)	-67%	1,168
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		531	951	951	-	118	475	(357)	-75%	951
Cellphone Allowance		1,262	1,357	1,357	-	215	679	(464)	-68%	1,357
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>11,578</b>	<b>12,484</b>	<b>12,484</b>	<b>-</b>	<b>1,948</b>	<b>6,242</b>	<b>(4,294)</b>	<b>-69%</b>	<b>12,484</b>
<b>% increase</b>	4		<b>7.8%</b>	<b>7.8%</b>						<b>7.8%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4,891	5,357	5,357	-	982	2,679	(1,697)	-63%	5,357
Pension and UIF Contributions		142	185	185	-	41	92	(52)	-56%	185
Medical Aid Contributions		33	87	87	-	5	43	(39)	-89%	87
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		173	552	552	-	1	276	(275)	-100%	552
Motor Vehicle Allowance		459	573	573	-	76	286	(210)	-73%	573
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		20	-	-	-	-	-	-	-	-
Other benefits and allowances		2	101	101	-	7	50	(43)	-86%	101
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>5,719</b>	<b>6,854</b>	<b>6,854</b>	<b>-</b>	<b>1,112</b>	<b>3,427</b>	<b>(2,315)</b>	<b>-68%</b>	<b>6,854</b>
<b>% increase</b>	4		<b>19.8%</b>	<b>19.8%</b>						<b>19.8%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		49,871	59,266	59,266	-	8,845	29,633	(20,788)	-70%	59,266
Pension and UIF Contributions		8,407	10,253	10,253	-	1,506	5,127	(3,620)	-71%	10,253
Medical Aid Contributions		2,657	3,784	3,784	-	563	1,892	(1,329)	-70%	3,784
Overtime		3,124	4,526	4,526	-	579	2,263	(1,684)	-74%	4,526
Performance Bonus		1,467	1,766	1,766	-	-	883	(883)	-100%	1,766
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		150	477	477	-	26	238	(212)	-89%	477
Other benefits and allowances		3,184	3,668	3,668	-	195	1,834	(1,639)	-89%	3,668
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		223	421	421	-	121	210	(89)	-42%	421
Post-retirement benefit obligations		632	1,600	1,600	-	100	800	(700)	-87%	1,600
Entertainment		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>69,714</b>	<b>85,762</b>	<b>85,762</b>	<b>-</b>	<b>11,936</b>	<b>42,881</b>	<b>(30,944)</b>	<b>-72%</b>	<b>85,762</b>
<b>% increase</b>	4		<b>23.0%</b>	<b>23.0%</b>						<b>23.0%</b>
<b>Total Parent Municipality</b>		<b>87,011</b>	<b>105,100</b>	<b>105,100</b>	<b>-</b>	<b>14,996</b>	<b>52,549</b>	<b>(37,554)</b>	<b>-71%</b>	<b>105,100</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>87,011</b>	<b>105,100</b>	<b>105,100</b>	<b>-</b>	<b>14,996</b>	<b>52,549</b>	<b>(37,554)</b>	<b>-71%</b>	<b>105,100</b>
<b>% increase</b>	4		<b>20.8%</b>	<b>20.8%</b>						<b>20.8%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>75,433</b>	<b>92,616</b>	<b>92,616</b>	<b>-</b>	<b>13,048</b>	<b>46,308</b>	<b>(33,260)</b>	<b>-72%</b>	<b>92,616</b>

### Remuneration of Councillor's

Remuneration of Councillors expenditure as at 31 December 2023 is sitting at R5,9million against a year-to-date budget of R6,2 million which translate to 48% of the annual councillor's allowances.

### Employee related costs

Expenditure as at 31 December 2023 is sitting at R 62 ,5million against year-to-date budget of R 46, 3million and that means 68% was spent against annual employee related costs whilst the remuneration of councillors is sitting at 48% as the end of December 2023. The overall Employee related costs and Remuneration of councillor's represented 65% of YTD annual operating expenditure for the period.

	<b>Original Budget 2023/2024</b>	<b>Month Budget December 2023</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD % Spent</b>
Employee Related Costs	92 616 030	7 718 003	46 308 015	62 562 220	68%
Remuneration of Councillors	12 483 886	1 040 324	6 241 943	5 974 512	48%
Total	105 099 916	8 758 326	52 549 958	68 536 732	65%

## 2.6 Material Variances in the Budget and SDBIP

The performance of the Municipality, as discussed in detail under in the attached Performance Report peromance report. In terms of Section 72 of the MFMA, the Accounting Officer must by the 25<sup>th</sup> January of each year assess the performance of the Municipality during the first half of the financial year, taking into account the following

- Monthly statements referred to in Section 71 for the first half of the financial year;
- The Municipality's Service delivery performance during the first half of the financial year and the Service delivery targets and performance Indicators set in the Service Delivery and Budget Implementation Plan (SDBIP).

Overall Percentage Achievement

Q2: 01 October – 31 December 2023 And Mid-Year 01 July - 31 December 2023

<b>Quarter/ Mid-Year Total Number of Targets: 111</b>	<b>Targets Achieved</b>	<b>Targets Not Achieved</b>	<b>Not applicable in the quarter/Mid- year</b>
<b>Total Number of Targets Applicable in Q2: 86</b>	75	11	25
Quarter 2 Status Report & Performance in percentages %	87%	13%	23%
<b>Total Number of Targets Applicable at Mid-Year: 99</b>			
Q1 & Q2 Consolidated Performance/ Mid- year Status Report (01July-31 December 2023) & Performance in percentages %	85	14	12
	86%	14%	11%

The departments have significantly improved in terms of performance when compared to the previous year. Considering that all the departments showed a rapid improvement in performance. For instance, our service delivery department Public works and Basic services had a 50% performance for Q2 for the 2022/2023 financial year as compared to the 79% for Q2 for the 2023/2024 financial year. The Office of the Municipal Manager was sitting at 67% Q2 performance for the 2022/2023 financial year as compared to its current 91% for Q2 2023/2024 Financial Year.

This shows that the departments were committed in implementing strategies which significantly improved the overall performance of these departments. In addition, it must be noted that the municipality’s overall performance at mid-year which is 86% has improved by 8% when compared to the previous year’s mid-year report which was 78%. Out of 99 applicable targets at mid-year 2023/2024 the municipality achieved 85 targets indicating an achievement rate of 86%. 14 out of the applicable 99 targets were not achieved which indicated a non-achievement rate of 14% which is a progression when compared to the 22% non-achievement rate of the previous financial year. The ultimate goal must always be to achieve (100%) all set targets as per the SDBIP signed as a contract between the municipality and the members of the public. All oversight structures must play a meaningful role in ensuring improved performance, sites visitations by Portfolio Committees, monitoring of the SDBIP by Portfolio Heads and Portfolio Chairpersons remains imperative.



No.	Name Of The Department	% Performance For Q2 Of 2023/2024	% Of Performance As At Mid-Year Of 2023/2024
1.	Office Of The Municipal Manager	91%	83%
2.	Community & Social Services	94%	95%
3.	Corporate Support Services	93%	93%
4.	Public Works & Basic Services	79%	74%
5.	Budget & Treasury Office	90%	92%
6.	Development, Town Planning Services, LED& Tourism Management	79%	80%

The following section analyses material variances between the actual targets against the budget as at the Mid-Year of the 2023/24 financial year. This report analyses each major component under following headings:

- Revenue;
- Operational Expenditure;
- Capital Expenditure;
- Financial Position and
- Cash Flows

The analysis also provides a brief on the impact of this report on the adjustments budget.

The last section under this heading analyses the actual targets against the planned targets as at 31 December 2023.

- **Table SC1 Material Variances Explanation**

TableSC1 below of the Schedule C provides the explanations on the material variances

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
1	<b>Revenue</b>			
	<b>Exchange Revenue</b>			
	Service Charges - Waste Management	(67) Percent	Non processing services charges transactions due to crashing of server,all transactions will be processed when all the capturing outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Sale of Goods and Rendering Of Services	(60) Percent	Non processing of sale of goods and rendering of services transactions due to crashing of server,all transactions will be processed when all the capturing outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Interest Earned from Current and Non Current Assets	(84) Percent	Non processing of interest journals from August to December 2023 due crashing of server. The total interest earned as at the end of December is R 6,7million which is 59% against year to date budget.	All interest journal will be processed on classic Samras system as soon as the capturing of all the outstanding data is finalised. The municipality will also consider adjusting the budget upwards during the adjustment budget.
	Rental of Fixed Assets	(84) Percent	Non processing of transactions for rental of fixed assets from due to crashing of server. All transactions will be processed when all the outstanding data has been captured.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Licencee and Permits	(68) Percent	Non processing of transactions for rental of fixed assets from due to crashing of server. All transactions will be processed when all the outstanding data has been captured.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Operational Revenue	(72) Percent	Non processing of transactions for operational revenue due to crashing of server. All transactions will be processed when all the outstanding data has been captured.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	<b>Non-Exchange Revenue</b>			
	Property Rates	(79) Percent	Non processing of property rates transactions due to crashing of server,all transactions will be processed when capturing of all outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Fines, Penalties and Forfeits	(74) Percent	Non processing of fines, penalties and forfeits transactions due to crashing of server,all transactions will be processed when capturing of all the outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Transfers and Subsidies - Operational	(21) Percent	Non allocating of transfers and subsidies transactions due to crashing of server, The total transfers and subsidies received todate is R129,3 million.All transactions will be processed when capturing of all the outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Interest	(87) Percent	Non processing of interest transactions due to crashing of server,all transactions will be processed when all the outstanding data has been captured.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Gains on Disposal of Assets	(100) Percent	Auction not yet taken place, it will take place during the cause of the financial year	The auction will take place before the end of the financial year

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
2	<b>Expenditure By Type</b>			
	Employee Related Costs	(72) Percent	Payroll sub-module not functioning completely on the web based system which resulted in the non payment of variables after crashing of server. The total employee related cost as at the end of December 2023 is R62,6million which translate 68% against year to date budget. all transactions will be processed when capturing of all the outstanding data has been finalised.	Employee related costs will be processed on classic Samras system as soon as the capturing of all the outstanding data is finalised. The municipality will also consider adjusting the budget during the adjustment budget.
	Remuneration of Councillors	(69) Percent	Payroll sub-module not functioning completely on the web based system which resulted in the non payment of variables after crashing of server. The total remuneration of councillors as at the end of December 2023 is R5,8million which translate 68% against year to date budget. all transactions will be processed when capturing of all the outstanding data has been finalised.	Remuneration of councillors will be processed on classic Samras system as soon as the capturing of all the outstanding data is finalised. The municipality will also consider adjusting the budget during the adjustment budget.
	Inventory Consumed	(64) Percent	Payments are partially paid on the system	The municipality will adjust the budget during the adjustment budget period
	Debt Impairment	(100) Percent	Debt assessment takes place at year end	Debt impairment will be processed at the end of the financial year (June 2024)
	Depreciation and Amortisation	(77) Percent	Delays in completing projects which affected the depreciation projected amount and also not being able to process monthly journals due to crashing of the server. Journals will be processed on classic samras system when the capturing of the outstanding data is completed. The total depreciation as at the end of December 2023 is R21,5million as at the end of December 2023.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will adjust the budget during the adjustment budget period
	Interest	(88) Percent	Non processing of interest transactions due to server crashing and Notional interest charge for landfill site and employee cost provisions for the passage of time, this was identified through quality control of afs preparation but post budget preparation. This will be attended to during adjustment budget	The municipality will adjust the budget during the adjustment budget period
	Contracted Services	(41) Percent	Bulk of the activities are scheduled for third and fourth quarter	The municipality will adjust the budget during the adjustment budget period
	Transfers and Subsidies	(9) Percent	Depend on the number of people who purchase FBE	The municipality will adjust the budget during the adjustment budget period
	Irrecoverable Debts Written Off	(96) Percent	No debts approved to be written off by council as yet	Debt approved by council will be written off on third and fourth quarter
	Operational Costs	(44) Percent	General expenses reflect a negatice variance of 44% which is below year to date budget	The municipality will adjust the budget during the adjustment budget period
3	<b>Capital Expenditure</b>			
	Capital Expenditure	(40) Percent	Delays on SCM processes and in some instance suitable service providers were not found which has led to re-advertisements on the major capital projects and inclement weather condition which disturbed the progress of the project.	There are couple of appointments for major projects done towards the end of quarter two. The effects of these appointments would materialise in quarter three.
4	<b>Financial Position</b>			
	Cash		The actual cash and cash equivalent YTD is sitting at R R199,2million and that seems to be favourable to the municipality	

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
5	<b>Cash Flow</b>			
	Cash and Cash Equivalent		The municipality had a closing balance of R199,2million as at the end of December 2023, closing balace as per investment register and that is favourable to the municipality.	
	<b>Receipts</b>			
	Property Rates	(74) Percent	Non processing of property rates receipts transactions due to crashing of server,all transactions will be processed when all the outstanding data has been finalised.	All transactions for property rates receipts will be processed when all outstanding data is finalised. The municipality will consider adjusting the budget during the adjustment
	Service Charges	(78) Percent	Non processing of service charges transactions due to crashing of server,all transactions will be processed when all the outstanding data has been finalised.	All transactions for service charges will be processed when all outstanding data is finalised. The municipality will consider adjusting the budget during the adjustment
	Other Revenue	(99) Percent	Non processing of service charges transactions due to crashing of server,all transactions will be processed when all the outstanding data has been finalised.	All transactions for other revenue will be processed when all outstanding data is finalised. The municipality will consider adjusting the budget during the adjustment
	Transfers and Subsidies - Operational	(19) Percent	Non allocating of transfers and subsidies transactions due to crashing of server, The total transfers and subsidies received todate is R129,3 million. All transactions will be processed when all the outstanding data has been finalised.	All transactions for transfers and subsidies will be processed when all outstanding data is finalised. The municipality will consider adjusting the budget during the adjustment
	Transfers and Subsidies - Capital	(65) Percent	Non allocating of transfers and subsidies transactions due to crashing of server,all transactions will be processed when all the outstanding data has been finalised.	All transactions for transfers and subsidies will be processed when all outstanding data is finalised. The municipality will consider adjusting the budget during the adjustment
	Interest	(96) Percent	Non processing of interest transactions due to crashing of server,all transactions will be processed when all the outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	<b>Payments</b>			
	Suppliers and Employees	(76) Percent	Payroll sub-module not functioning completely on the web based system which resulted in the non payment of variables after crashing of server. The total employee related cost as at the end of December is R62,6million which translate 68% against year to date budget. Suppliers payments are partially processed on web system other transactions will be fully processed when capturing of data is completed. all transactions will be processed when capturing of all the outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Interest	(100) Percent	Non processing of interest transactions due to crashing of server,all transactions will be processed when all the outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Transfers and Subsidies	(100) Percent	Non processing of interest transactions due to crashing of server,all transactions will be processed when all the outstanding data has been finalised.	All transactions will be processed on Samras classic system as soon as the capturing of all outstanding data is finalised. The municipality will also adjust the budget during the adjustment budget period.
	Proceeds on Disposal of PPE	(100) Percent	Auction not yet taken place, it will take place during the cause of the financial year	The auction will take place before the end of the financial year
	Capital Payments	(159) Percent	The variance of 159 percent recorded is an error the vairience is 40 percent	The system provider will attend to the error
6	<b>Measureable performance</b>			
	The SDBIP is Attached			
7	<b>Municipal Entities</b>			
	The Municipality has no entity			

2.7 Municipality Financial Performance

KZN436 Dr Nkosazana Dlamini Zuma - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>		21,524	19,284	19,284	-	2,013	9,642	(7,629)	-79%	19,284
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		4,197	4,421	4,421	-	736	2,211	(1,474)	-67%	4,421
Sale of Goods and Rendering of Services		554	603	603	-	121	302	(181)	-60%	603
Agency services		635	688	688	-	47	344	(297)	-86%	688
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		14,179	11,491	11,491	-	899	5,746	(4,846)	-84%	11,491
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,306	1,509	1,509	-	121	755	(633)	-84%	1,509
Licence and permits		414	406	406	-	66	203	(138)	-68%	406
Operational Revenue		238	164	164	-	23	82	(60)	-72%	164
<b>Non-Exchange Revenue</b>		212,776	225,515	225,515	-	75,122	112,757	(37,636)	-33%	225,515
Property rates		41,074	45,404	45,404	-	6,996	22,702	(15,706)	-69%	45,404
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		978	876	876	-	116	438	(322)	-74%	876
Licence and permits		3	18	18	-	-	9	(9)	-100%	18
Transfer and subsidies - Operational		161,784	170,568	170,568	-	67,613	85,284	(17,671)	-21%	170,568
Interest		6,469	6,160	6,160	-	397	3,080	(2,683)	-87%	6,160
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1,686	2,488	2,488	-	-	1,244	(1,244)	-100%	2,488
Other Gains		782	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>234,299</b>	<b>244,799</b>	<b>244,799</b>	<b>-</b>	<b>77,135</b>	<b>122,399</b>	<b>(45,265)</b>	<b>-37%</b>	<b>244,799</b>
<b>Expenditure By Type</b>										
Employee related costs		75,433	92,616	92,616	-	13,048	46,308	(33,260)	-72%	92,616
Remuneration of councillors		11,578	12,484	12,484	-	1,948	6,242	(4,294)	-69%	12,484
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		3,697	4,817	4,897	183	892	2,449	(1,557)	-64%	4,897
Debt impairment		-	5,040	5,040	-	-	2,520	(2,520)	-100%	5,040
Depreciation and amortisation		45,220	57,349	57,349	-	6,614	28,674	(22,060)	-77%	57,349
Interest		2,280	1,618	1,618	-	95	809	(714)	-88%	1,618
Contracted services		54,257	49,514	49,235	3,720	14,403	24,617	(10,215)	-41%	49,235
Transfers and subsidies		499	700	700	137	317	350	(33)	-9%	700
Irrecoverable debts written off		1,257	3,400	3,400	-	65	1,700	(1,635)	-96%	3,400
Operational costs		35,929	37,255	37,454	601	10,473	18,726	(8,253)	-44%	37,454
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>230,151</b>	<b>264,793</b>	<b>264,793</b>	<b>4,641</b>	<b>47,854</b>	<b>132,395</b>	<b>(84,541)</b>	<b>-64%</b>	<b>264,793</b>
<b>Surplus/(Deficit)</b>		<b>4,148</b>	<b>(19,994)</b>	<b>(19,994)</b>	<b>(4,641)</b>	<b>29,280</b>	<b>(9,996)</b>	<b>39,276</b>	<b>(0)</b>	<b>(19,994)</b>
Transfers and subsidies - capital (monetary allocations)		43,108	31,779	31,779	-	149	15,890	(15,740)	(0)	31,779
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>47,255</b>	<b>11,785</b>	<b>11,785</b>	<b>(4,641)</b>	<b>29,430</b>	<b>5,893</b>			<b>11,785</b>

Description	Original Budget 2023/2024	Month Budget December 2023	YTD Budget	YTD Actuals	Variance
Operating Revenue By Source (Excluding Capital Transfers)	244 799	20 399	122 399	77 135	-45 265
Total Operating Expenditure	264 793	22 066	132 395	47 854	-84 541
<b>Surplus/( Deficit)</b>	<b>-19 994</b>	<b>-1 667</b>	<b>-9 996</b>	<b>29 280</b>	<b>39 276</b>

The total revenue raised including operational grants as at 31 December 2023 was R 77, 1million against a total budget of R 244 ,8million for the year and the YTD budget is R 122 ,4million as at 31 December 2023. This reflects a revenue rate of 63% against the YTD budget for the year.

The operating expenditure as at 31 December 2023 totals to R 47 ,9million against a total budget of R 264 ,8million and that is reflecting an expenditure rate of 18%. This suggests that operating Expenditure is down by 32% when comparing with 50% that was projected to be spent as at the end of the first half of the year.

## 2.8 Capital Programme Performance

FUNDING SOURCE	2023/24 ORIGINAL BUDGET	ACTUAL SPENT 31 December 2023	YTD ACTUAL 31 December 2023	% Spent 31 December 2023
TOTAL MIG FUNDED PROJECTS	31,779,000	3,723,858	14,313,933	45%
TOTAL INTERNAL FUNDED PROJECTS	60,015,000	2,047,204	13,047,028	22%
<b>TOTAL CAPEX</b>	<b>91,794,000</b>	<b>5,771,062</b>	<b>27,360,961</b>	<b>30%</b>
ELECTRIFICATION PROJECTS	7,561,000	1,400,007	5,459,005	72%
<b>TOTAL INCLUDING INEP</b>	<b>99,355,000</b>	<b>7,171,069</b>	<b>32,819,966</b>	<b>33%</b>

The total capital budget for the 2023/2024 financial year is R 99, 4million inclusive of INEP and the MIG allocation is R 31,8million. The cumulative capital expenditure for the period amounts to R 27,4 million which is 30% to the total budget (Excl. INEP). The municipality anticipated to spend 50% of the total capital budget as at the second quarter but the spending is sitting at 30% as at the second quarter, the suitable service providers were not found which led to re-advertisement of major capital projects.

The municipality would be training SMMEs on completing of Tender Documents and has introduced compulsory briefing on major projects to ensure that the suppliers understand what is expected when they submit tender documents

## **2.9 . Other Supporting Documents**

### **2.10.1 Progress on Capital Projects**

Ward	Project Name	Dec-23	Reason for Delays	Remedial Action
	<b>2022/23 FINANCIAL YEAR MIG PROJECTS</b>			
14	Creighton Sport Center phase 2	The project is 85% complete, The service provider completed processing G5 for running track.	Delayed by the appointment of service provider because of the loads of closed tenders.  There was the delay in the commencement of work due to delay of the formation of PSC and missing of setting out points on	The project manager is monitoring the project very closely in order to complete the project on time
11	Mafohla Community Hall	The brickwork for main hall, concrete beams and roof prusses are complete.  The project is 65% complete. Roof prusses has been installed.	Delayed due to slow progress by the contractor.  The service provider had financial cashflow challenges which caused delays on the project and heavy rain but contract has returned on site and promised to work even on weekends	After notice of slow progress was issued service provider and the service provider promised to speed up the progress on site
3	Underberg Asphalt Road Phase 4			The project manager is monitoring the project very closely
2	Himeville Asphalts Phase 3	The project is 95% complete and service provider completed processing and paving of asphalt	The service provider which was appointed declined the work, the project was than re-advertised  1.Majiki Construction declined the project. 2. The project was than re-advertised which resulted in delay of the project. 3. The appointment of new service provider was on May 2023	The project manager is monitoring the project very closely
	<b>2022/23 FINANCIAL YEAR INTERNAL PROJECTS</b>			
14	Creighton Storeroom	The project is 85% complete, the service provider is busy installing windows and constructing retaining wall.	Delayed due to insufficient budget, the project was waiting for the virement period in order to start the internal processes.  The project is currently delayed by the slow progress on site by the contractor.	The project has commenced on site. The project manager has issued a notice of slow progress by the contractor and the contractor promised to get back on site with full force
3	Underberg Town Upgrade Phase 4			
10	Bulwer Town Upgrade Phase 2	The project is 75% complete	Delayed by the slow progress of service provider.  The service provider had financial cashflow challenges which caused delays on the project and also heavy rain	The project manager has issued a notice of slow progress to the service provider and the service provider made promise to speed up the progress on site
14	Creighton Town Upgrade Phase 2	The project is 90% complete, the service provider is waiting for delivery of street light for the installation	The project is currently delayed by the supplier to who will supply street light to be installed at Creighton.	The project manager has issued a notice of slow progress to the contractor and the contractor promised to get back on site with full force when street lights are delivered on site and promised to push supplie to deliver as soon as possible.
	<b>Renewal of Gravel Access Roads 2022/23 1km</b>			
2	Mahwaqa Access Road	The project is complete	The new panel of service providers was appointed in Q3 the process was finalised in June 2023	The project was completed by the end of Q2 for the financial year 2023/24
9	eMatendereni to eNgudwini Primary Access Road	The project was completed by November 2023		The project was completed before the end of Q2 for the financial year 2023/24
13	Sokhela Access Road (Creche)	The project was completed by November 2023	Delayed due to the appointment of service providers.  Request were made in Q1 and a panel of service providers expired in December 2022  The new panel of service providers was appointed in Q3 the process was finalised	The project manager will monitor the project very closely for it to be complete before the end of Q2 for the financial year 2023/24
14	Junction Access Road	The project was completed by November 2023	Delayed due to the appointment of service providers.  Request were made in Q1 and a panel of service providers expired in December 2022  The new panel of service providers was appointed in Q3 the process was finalised	The project was completed by the end of Q2 for the financial year 2023/24
15	Nombulula Access Roads	The project was completed by November 2023	Delayed due to the appointment of service providers.  Request were made in Q1 and a panel of service providers expired in December 2022  The new panel of service providers was appointed in Q3 the process was finalised	The project was completed by the end of Q2 for the financial year 2023/24



Ward	Project Name	Dec-23	Reason for Delays	Remedial Action
	<b>2023/24 FINANCIAL YEAR MIG PROJECTS</b>			
1	Maguzwana Sport fields	The project is on the design stage	N/A	N/A
7	Gala Crech	The project is 75% complete and the service provider has completed installation of roof and now busy with finishing touches and toilets	N/A	N/A
8	Lwazi Crech (Mkhazini)	The project is 65% complete and the service provider is busy with plastering, glazing, ceiling installation and walk way.	N/A	N/A
10	Sizamokuhle Crech (Njobokazi)	The project is 90% complete;  Brickwork is 100% complete Ablutions 100%  The service provider has completed fencing and now is busy with cleaning of site.	N/A	N/A
15	Masameni Community Hall	The project is 40% complete and the service provider is currently busy with the brick work	N/A	N/A
10	Bulwer Asphalt phase 8	The project is 55% complete, the service provider is busy with concrete works	Delays caused by rain as it is rainy season	Contract is on site and still within program the departmart monitor closely.
	<b>2023/24 FINANCIAL YEAR INTERNAL PROJECTS</b>			
2	Upgrading of himeville township asphalts road	Professional service provider (Consultant has been appointed, currently busy preparing designs inception took place on the 06 December 2023	Delayed due to changes (method) which was done by the scm department for the appointment of service provider	The SCM is now finalising the process to allocate the service provider (consultant) for this project
14	Nomgidi Community Hall	Professional service provider (Consultant has been appointed, currently busy preparing designs inception meeting took place on the 06 November 2023	Delayed due to changes (method) which was done by the scm department for the appointment of service provider	The SCM is now finalising the process to allocate the service provider (consultant) for this project
	Donnybrook Toilets	Request for specification committee to sit and prepare document has been submitted.  Awaiting for specification committee to sit and prepare document for the project to be advertised.	N/A	N/A
1 to 8	Bus Shelters	The project at tender stage (Intension to award suitable service provider	N/A	N/A
1	Ntwasahlobo to Ridge pedestrain bridge	Professional service provider (Consultant has been appointed, currently busy preparing designs order was issued on the 30 November 2023	EAP appointment for the EIA and Water use Authourisation for the pedestrian bridges but there is a delay due to late appointment of Enginners for designing pedestrian bridges	Inception meeting took place on the 6th December 2023, engineers have been given up until January 2024 to submit to preliminary designs thereafter the EIA procedss will continue. PWBS to work closely with Engineers to ensure that set date for submission is adhered to.
5	Dlangisa pedestrain bridge	Professional service provider (Consultant has been appointed, currently busy preparing designs order was issued on the 30 November 2023	EAP appointment for the EIA and Water use Authourisation for the pedestrian bridges but there is a delay due to late appointment of Enginners for designing pedestrian bridges	Inception meeting took place on the 6th December 2023, engineers have been given up until January 2024 to submit to preliminary designs thereafter the EIA procedss will continue. PWBS to work closely with Engineers to ensure that set date for submission is adhered to.
10	Gobhogobho pedestrain bridge	Professional service provider (Consultant has been appointed, currently busy preparing designs order was issued on the 30 November 2023	EAP appointment for the EIA and Water use Authourisation for the pedestrian bridges but there is a delay due to late appointment of Enginners for designing pedestrian bridges	Inception meeting took place on the 6th December 2023, engineers have been given up until January 2024 to submit to preliminary designs thereafter the EIA procedss will continue. PWBS to work closely with Engineers to ensure that set date for submission is adhered to.
	Half my right pedestrain bridge	Professional service provider (Consultant has been appointed, currently busy preparing designs order was issued on the 30 November 2023	EAP appointment for the EIA and Water use Authourisation for the pedestrian bridges but there is a delay due to late appointment of Enginners for designing pedestrian bridges	Inception meeting took place on the 6th December 2023, engineers have been given up until January 2024 to submit to preliminary designs thereafter the EIA procedss will continue. PWBS to work closely with Engineers to ensure that set date for submission is adhered to.
5	Centocow phase 3	Designes has been approved, and tender documets is complete and read to be advertised for the appointment of a contractor.	Delayed due to some of the project scope required specific specialist in order to finalise the designs.  The consultant experience unforeseen delays to find sutable specialist	PWSBS Department will work closely with the consultant to fastrack the completion of designs in order to go out on tender

2.10.2 Capital expenditure Trend – Month 06

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	287	7,649	7,649	1,075	1,075	7,649	6,575	86.0%	1%
August	2,353	7,649	7,649	2,548	3,623	15,299	11,676	76.3%	4%
September	5,655	7,649	7,649	3,844	7,467	22,948	15,481	67.5%	8%
October	5,968	7,649	7,649	4,612	12,080	30,598	18,518	60.5%	13%
November	(67)	7,649	7,649	9,480	21,560	38,247	16,688	43.6%	23%
December	6,653	7,649	7,649	5,801	27,361	45,897	18,536	40.4%	30%
January	1,410	7,649	7,649	-	27,361	53,546	26,185	48.9%	30%
February	2,444	7,649	7,649	-	27,361	61,196	33,835	55.3%	30%
March	13,039	7,649	7,649	-	27,361	68,845	41,484	60.3%	30%
April	4,230	7,649	7,649	-	27,361	76,495	49,134	64.2%	30%
May	9,520	7,649	7,649	-	27,361	84,144	56,783	67.5%	30%
June	30,395	7,650	7,650	-	27,361	91,794	64,433	70.2%	30%
<b>Total Capital expenditure</b>	<b>81,887</b>	<b>91,794</b>	<b>91,794</b>	<b>27,361</b>					