COUNCIL MEETING

Members: G Govender (Speaker), OL Nhaca, (Mayor), TV Ntuli (Deputy Mayor), H Mbatha (Whip of Council), SK Shandu, DN Ngema, SO Nxele, JM Banda, AM Baardman, BC Fakazi, ME Ngidi, NJ Mpanza, TT Dube, S Sithole, N Qwabe, WN Mtambo, BP Ndlovu, SS Mthiyane, CM Naicker, SB Ntuli, NS Bhengu, NH Sithole, NC Mdletshe, V Mwandla, SP Khuzwayo, TC Nxele, SG Mcineka, V Govender, SL Cele, TT Mkhize, K Naidoo, B Mvulana, M Vembali, NA Singh, R Pooran, TN Mthethwa, T Colley, P Naido, F Abrahams,NJ Mbonambi, AS Mhlongo, T Nkosi, CM Ntleko, MM Madlala, PS Shezi, EM Kolia, MM Sibisi, JF Magwaza, PF Masuku, NS Sewraj, S Zungu, SC Mwandla, AA Singh, DH Mthembu, PL Zungu, SC Pandaram, SP Ashworth and CP Dumakude

Traditional Leaders: Inkosi V Mathonsi, Inkosi VS Mthembu

Officials: Municipal Manager, Executive Directors, Chief Operations Officer, Directors, Head IGR/Mayoral affairs and Head of SCM

NOTICE OF COUNCIL MEETING

Notice is given that a **MEETING** of the **KWADUKUZA COUNCIL** will be held on **THURSDAY, 27 OCTOBER 2022,** at the **KWADUKUZA COUNCIL CHAMBERS, COMMENCING AT 09H00 am** for the purpose of discussing the items on the agenda.

Municipal Manager

NJ Mdakane

20/10/2022

1.	Prayer		
2.	Notice of Meeting		
3.	Signing of Attendance		
4.	Declarations of Pecuniary Interest/ Other Forms of Interest a. Councillors: None b. Staff: None.		
5.	Apologies		
6.	Councilors Leave of Absence: a. Granted: b. Applications:		
7.	a. Official Announcements: b. Presentations: None		
8	Attendance Record		1-5
9.	Confirmation of Minutes: 29 SEPTEMBER 2022 Matters arising from the minutes: 29 SEPTEMBER 2022		6-32
10.	List Of Outstanding Items		33-34
11.	Clean Administration		
12.	Business of the Day:		
ITEM NUMBER	SUBJECT	PAGE NO	
C1408/2022	KWADUKUZA MUNICIPAL PUBLIC PARTICIPATION POLICY	35-82	OFFICE OF THE MM
C1409/2022	CIRCULAR FROM COGTA (KZN) ON THE GUIDANCE TO MUNICIPALITIES ON THE LEGISLATED PROCEDURE FOR DETERMINING A QUORUM FOR MUNICIPAL COUNCIL	83-87	
C1410/2022	THE IMPLEMENTATION REPORT OF 2022/2023 QUARTER ONE- KDM COUNCIL RESOLUTIONS IMPLEMENTATION REGISTER	88--415	CORPORATE SERVICES
C1411/2022	PROPOSAL TO LEASE VARIOUS MUNICIPAL LAND PARCELS APPROXIMATELY 8M X 8M SPACE (± $64M^2$) IN EXTENT FOR THE CONSTRUCTION OF A CELLULAR BASE STATION AND TELECOMMUNICATION MAST BY WEMVULA TELECOMS	417-450	

C1412/2022	PROPOSAL TO LEASE A PORTION 8M X 8M SPACE (± $64M^2$) OF ERF 5066, THE RESERVOIR SITE IN GROUTVILLE, FOR THE CONSTRUCTION OF A CELLULAR BASE STATION AND TELECOMMUNICATION MAST- VUSA TECHNOLOGIES PTY LTD	451-462	
C1413/2022	FIRST QUARTER BUDGET & PERFORMANCE ASSESSMENT	463-611	FINANCE
C1414/2022	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE REGISTER FOR THE PERIOD JULY TO SEPTEMBER 2022	612-618	
C1415/2022	COST CONTAINMENT IN-YEAR REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022 - FIRST QUARTER	619-621	
C1416/2022	SECTION 116(3) OF THE MFMA - AMENDMENT AND EXTENSION OF SCOPE FOR PRIMEDIA OUTDOOR (PTY) LTD, (TENDER MN 127/2020)	622-627	EDP
C1417/2022	CONSENT BY KZN PREMIER FOR COUNCIL TO CONFIRM THE SUB-DELEGATION OF POWERS RELATED TO PROCESSING APPLICATIONS FOR THE AMENDMENT, CANCELATION OR PARTIAL CANCELLATION OF GENERAL PLANS	628-653	
C1418/2022	APPROVAL FOR THE APPOINTMENT OF THE ACTING EXECUTIVE DIRECTOR: CIVIL ENGINEERING AND HUMAN SETTLEMENTS	654-655	CIVIL ENGINEERING & HS
C1419/2022	IN-COMMITTEE REGISTER		IN-COMMITTEE
C1420/2022	ASMAL & ASMAL PROGRESS REPORT		IN-COMMITTEE

KWADUKUZA MUNICIPALITY BUSINESS UNIT: FINANCE BUSINESS UNIT	
C:1413	COUNCIL : 27 OCTOBER 2022
SUBJECT:	FIRST QUARTER BUDGET & PERFORMANCE ASSESSMENT

PURPOSE:

To table the 2022/23 First Quarter Operational and Capital Budget assessment covering the period July 2022 to September 2022.

DISCUSSION

S 52(d) of the Municipal Finance Management Act, No 56 of 2003 compels the Accounting Officer to assess the performance of the municipality during the financial year by, amongst others, taking into account the monthly budget statements compiled in terms of S71 of the MFMA.

This report must be submitted to the Mayor of the municipality, the National Treasury as well as the relevant Provincial Treasury.

STRATEGIC & LEGAL IMPLICATIONS:

It is important for Council to have up to date information on the status of its operating and capital budget in order to enable Council to take necessary decisions and ensure that an effective oversight function is in operation. The quarterly budget assessments or review are intended to facilitate such a function, which is a requirement by the Municipal Finance Management Act.

CONSULTATIONS

MUNICIPAL MANAGER

CHIEF FINANCIAL OFFICER

EXECUTIVE DIRECTORS

BUDGET & TREASURY OFFICE

BUDGET STEERING COMMITTEE

RECOMMENDATIONS

- THAT the September 2022/23 Section 71(1) Monthly Budget Assessment Statement in the C Schedule (Annexure A) format as per No. 32141 GOVERNMENT GAZETTE, 17 APRIL 2009 be noted and approved.

- THAT the report be submitted timeously to National Treasury, Provincial Treasury and other organs of state as per the requirement of No. 32141 GOVERNMENT GAZETTE, 17 APRIL 2009.

- THAT the September 2022/23 Section 71(1) Monthly Budget Assessment Statement be tabled before Council.

- THAT the report be tabled in terms of S52(D) of the MFMA, Act No. 56 of 2003

- THAT the transactions resulting in the overstated Cash & Cash Equivalents closing balance on the Cash Flow Statement be timeously corrected by the Director Expenditure.

- THAT Council notes the withdrawals from bank account, attached under 'Supporting Documents' in the report, in terms of Municipal Finance Management Act, Sec 11 (4).

- THAT Council notes the comments made by Provincial Treasury on the assessment of the Final 2022/23 Budget.

Contact Person	: NJ MDAKANE (MUNICIPAL MANAGER)
	S.M. RAJCOOMAR (CHIEF FINANCIAL OFFICER)
	A. NUNKUMAR (DIRECTOR BUDGET & COMPLIANCE)
Author	S. CUNDASAMY (MANAGER: BUDGETS)

APPROVED / COMMENTS

SM RAJCOOMAR
CHIEF FINANCIAL OFFICER
18/10/2022

ENDORSED

NJ MDAKANE
MUNICIPAL MANAGER
18/10/2022

KWADUKUZA
MUNICIPALITY

2022/23

SECTION 52(d) FIRST QUARTER BUDGET AND PERFORMANCE ASSESSMENT REPORT

CONTENTS:

KWADUKUZA
MUNICIPALITY

1.1 MAYORS REPORT

MAYORS REPORT TO BE TABLED

KWADUKUZA
MUNICIPALITY

1.2 RESOLUTIONS

First Quarter Budget and Performance Assessment resolutions

Hereunder are the resolutions in terms of the Municipal Budget and Reporting Regulations which are required to be considered by Council.

1. **THAT** the September 2022/23 Section 71(1) Monthly Budget Assessment Statement in the C Schedule (Annexure A) format as per GOVERNMENT GAZETTE No. 32141 dated 17 APRIL 2009 be noted and approved.
2. **THAT** the report be submitted timeously to National Treasury, Provincial Treasury, and other organ of state as per the requirement of GOVERNMENT GAZETTE No.32141 dated 17 APRIL 2009.
3. **THAT** the September 2022/23 Section 71(1) Monthly Budget Assessment Statement be tabled before Council.
4. **THAT** the report is hereby tabled in terms of S52(D) of the MFMA, Act No. 56 of 2003
5. **THAT** the transactions resulting in the overstated Cash & Cash Equivalents closing balance on the Cash Flow Statement be timeously corrected by the Director Expenditure.
6. **THAT** Council NOTES the withdrawals from bank account, attached under 'Supporting Documents' in the report, in terms of Municipal Finance Management Act, Sec 11 (4).
7. **THAT** Council notes the comments made by Provincial Treasury on the assessment of the Final 2022/23 Budget.

KWADUKUZA
MUNICIPALITY

1.3 EXECUTIVE SUMMARY

The analysis below is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at the 30th September 2022. It is incumbent on the necessary user business units and user departments to ensure the completeness, validity and accuracy of the information provided for purposes of the assessment.

OPERATING BUDGET

The operating budget as reflected in Table C1 of the Budget Statement Tables can be summarised as follows:

DESCRIPTION	2022/23 ADJUSTED BUDGET R '000	2022/23 YTD BUDGET R'000	ACTUALS AS AT 30/09/2022 R'000	VARIANCE AS AT 30/09/2022 R'000
Total Revenue	2,138,733	534,683	478,984	55,699
Total Expenditure	2,137,381	534,345	470,946	63 399
Operating Surplus / Deficit	**1,352**	**338**	**8,038**	**(7 700)**
Transfers recognised – capital	284,117	71,029	19,922	51,107
Surplus /Deficit for the year	**285,469**	**71, 367**	**27,960**	**43 407**

In terms of the First Quarter assessment, the actual revenue billed and/or collected to date is R 478,9m. The negative variance of approximately R 55 699m or -10% is realised at the end of the First Quarter under review. The actual expenditure to date is R 470,9m. A negative variance of R 63 399m or -12% has resulted at the end of the First Quarter under review. For the purposes of this report, the operating budget will be discussed under the following broad headings:

- **Revenue and Expenditure**

FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE)

Revenue By Source	Adjusted Budget	YTD - September 2022	YTD Budget	YTD Variance	YTD Variance %
Property rates	604,724,627	123,797,228	151,181,157	(27,383,929)	-18%
Service charges - electricity revenue	1,058,213,304	205,851,218	264,553,326	(58,702,108)	-22%
Service charges - refuse revenue	81,096,840	21,926,647	20,274,210	1,652,437	8%
Rental of facilities and equipment	3,003,408	637,133	750,852	(113,719)	-15%
Interest earned - external investments	24,935,256	7,676,616	6,233,814	1,442,802	23%
Interest earned - outstanding debtors	9,249,996	1,459,302	2,312,499	(853,198)	-37%
Fines, penalties and forfeits	30,694,848	4,150,065	7,673,712	(3,523,647)	-46%
Licences and permits	733,608	188,581	183,402	5,179	3%
Agency services	13,200,000	2,728,713	3,300,000	(571,287)	-17%
Transfers and subsidies	255,651,592	89,865,245	63,912,898	25,952,347	41%
Other revenue	54,164,904	20,703,067	13,541,226	7,161,841	53%
Gains	3,064,812	-	766,203	(766,203)	-100%
Total Revenue (excluding capital transfers and contributions)	**2,138,733,195**	**478,983,814**	**534,683,299**	**(55,699,484)**	-10%
Expenditure By Type					
Employee related costs	544,882,904	118,223,302	136,220,726	(17,997,424)	-13%
Remuneration of councillors	27,116,184	11,266,383	6,779,046	4,487,337	66%
Debt impairment	23,199,996	18,888	5,799,999	(5,781,111)	-100%
Depreciation & asset impairment	100,621,596	22,664,188	25,155,399	(2,491,211)	-10%
Finance charges	25,100,772	336,289	6,275,193	(5,938,904)	-95%
Bulk purchases	916,693,043	235,769,759	229,173,261	6,596,498	3%
Other materials	30,676,360	5,904,795	7,669,090	(1,764,295)	-23%
Contracted services	304,601,684	57,415,506	76,150,421	(18,734,915)	-25%
Transfers and subsidies	15,111,544	1,551,153	3,777,886	(2,226,733)	-59%
Other expenditure	129,611,192	17,795,958	32,402,798	(14,606,840)	-45%
Losses	19,765,994	-	4,941,499	(4,941,499)	-100%
Total Expenditure	**2,137,381,269**	**470,946,220**	**534,345,317**	**(63,399,097)**	-12%
Surplus/(Deficit)	**1,351,926**	**8,037,594**	**337,982**	**7,699,613**	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	284,117,204	19,922,239	71,029,301	(51,107,062)	-72%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)					
	284,117,204	**19,922,239**	**71,029,301**	**(51,107,062)**	
Surplus/ (Deficit) for the year	**285,469,130**	**27,959,833**	**71,367,283**	**(43,407,450)**	

DISCUSSION

REVENUE

The reasons for the R 55 699m negative variance will be discussed with reference to Table C4 of the Budget Statement Tables, and is explained as follows:

The main contributing factors to the over collection/billing include the following:

Service Charges – Refuse Revenue

- Revenue received from refuse services is R 21, 926m reflecting a positive variance of R1,652m.
- The variance in this revenue category is due to a higher billing as at 30th September than anticipated. Should this trend continue, the budget will be reviewed during the adjustment budget process to ensure that the budget is in line with the billing trend for the financial year.

Interest on External Investments

- The interest on External Investments for the month of September is yet to be captured onto the financial system, as bank statements are only received on the 1st of the new month. A R1, 442m positive variance from budgeted revenue was recognised in the first quarter.
- This is mainly due to the rise in interest rates experienced in the beginning of this financial year. The country has seen 3 interest rate hikes in the past few months, with a total increase of 2,25% this financial year.
- A prudent approach was undertaken in budgeting for interest on External Investments due to the previous two financial years interest rate reductions and higher internally funded 2022/23 capital budget. Of the R605m Adjusted Capital Budget, R315m will be internally funded.
- The Interest on External Investments for the month of September is R3 228 885 which has been captured onto the financial system in October 2022. Going forward, the AFS section will closely monitor this revenue category and account for any adjustments during the Adjustment Budget process after consideration of the interest rate changes as well as the high internally funded capital budget.

Transfers and Subsidies

- Transfers and Subsidies reflects a positive variance of R25 952 m as at 30 September 2022. The transfer recognised – Operational, revealed a positive variance due to the anticipated timing of grant receipts. The variance will reduce as the year progresses. A breakdown of the operational grant transfers can be reviewed on SC6 of the attached C Schedules.

Other Revenue

- Other Revenue reflects a positive variance of 7,162m. The table below reflects the Other Revenue budget and actuals as at 30th September 2022. The main reason for the over-billing is the recognition of R6,002m for Collection Charges against a total budget allocation of R9m. Also, higher revenue has been realised under the line item 'Sale of Goods', as highlighted in the table below. This revenue relates to the sale of tender documents.

OTHER REVENUE	TOTAL BUDGET	JULY	AUGUST	SEPTEMBER	YEAR TO DATE ACTUALS	AVAILABLE BUDGET
⊟ Operational Revenue	**- 30,388,932**	**- 9,668,098**	**- 561,883**	**- 4,687,332**	**- 14,917,313**	**- 15,471,619**
⊟ Revenue	**- 30,388,932**	**- 9,668,098**	**- 561,883**	**- 4,687,332**	**- 14,917,313**	**- 15,471,619**
Administrative Handling Fees	- 2,785,824	- 4,372	- 47,356	- 74,157	- 125,886	- 2,659,938
Collection Charges	*- 9,000,000*	*- 6,099,488*	*68,460*	*28,105*	*- 6,002,923*	*- 2,997,077*
Commission	-	- 210,223	- 131,774	- 121,615	- 463,612	463,612
Development Charges	- 17,050,452	- 3,353,906	- 450,268	- 4,514,862	- 8,319,036	- 8,731,416
Discounts and Early Settlements	- 12,528	-	-	-	-	- 12,528
Incidental Cash Surpluses	- 1,353,132	- 80	- 2,624	- 5,256	- 7,961	- 1,345,171
Insurance Refund	- 186,996	- 29	- 29	- 29	- 87	- 186,909
Sale of Property	-	-	1,709	483	2,192	- 2,192
⊟ Sales of Goods and Rendering of Services	**- 23,775,972**	**- 2,117,991**	**- 1,971,793**	**- 1,695,970**	**- 5,785,754**	**- 17,990,218**
⊟ Revenue	**- 23,775,972**	**- 2,117,991**	**- 1,971,793**	**- 1,695,970**	**- 5,785,754**	**- 17,990,218**
Advertisements	- 5,118,480	- 469,715	- 265,714	- 377,915	- 1,113,344	- 4,005,136
Building Plan Approval	- 9,317,700	- 585,262	- 873,187	- 710,710	- 2,169,158	- 7,148,542
Cemetery and Burial	- 767,340	- 83,009	- 72,487	- 69,896	- 225,392	- 541,948
Cleaning and Removal	- 216,636	-	-	-	-	- 216,636
Clearance Certificates	- 950,004	- 89,023	- 103,634	- 64,195	- 256,852	- 693,152
Computer Services	- 5,484	- 967	- 499	- 1,870	- 3,335	- 2,149
Encroachment Fees	- 65,772	-	- 2,000	- 1,783	- 3,784	- 61,988
Entrance Fees	- 219,240	-	-	-	-	- 219,240
Fire Services	- 197,316	-	- 58,856	-	- 58,856	- 138,460
Legal Fees	- 315,768	-	-	-	-	- 315,768
Library Fees	- 65,772	-	-	-	-	- 65,772
Management Fees	- 1,630,800	-	- 25,158	- 32,697	- 57,855	- 1,572,945
Membership Fees	- 2,196	-	-	- 26	- 26	- 2,170
Parking Fees	- 231,000	-	- 200,008	-	- 200,008	- 30,992
Photo copies; Faxes and Telephone charges	- 146,724	- 188,702	8,396	- 117,647	- 297,954	151,230
Sale of Goods	*- 1,183,896*	*- 242,971*	*- 177,014*	*- 245,833*	*- 665,817*	*- 518,079*
Town Planning and Servitudes	- 3,329,844	- 458,319	- 201,533	- 73,276	- 733,128	- 2,596,716
Valuation Services	- 12,000	- 24	- 97	- 122	- 244	- 11,756
TOTAL OTHER REVENUE	**- 54,164,904**	**- 11,786,089**	**- 2,533,676**	**- 6,383,302**	**- 20,703,067**	**- 33,461,837**

The main contributing factors to the under collection/billing include the following:

Property Rates

- Property Rates reflects a negative variance of R 27,384m. The variance in this revenue category is as a result of the system proportioning the 2022/23 Property Rates budget into 12 equal instalments over the period July 2022 to June 2023, however municipal rates are billed and payable over a period of 11 months, starting from the month of August 2022 to June 2023. If the pro-rata budget is accounted for accurately, with 2 months budget allocation being compared to 2 months billing, there will be a positive variance of R 13, 847m as reflected in the table below.

PROPERTY RATES PER CATEGORY	Total Budget	Total Actuals	Pro Rata Budget (Budget /11*2)	Variance
Rebates from Industrial Properties	11,550,000	2,264,672	2,100,000	- 164,672
Revenue from Industrial Properties	- 41,999,996	- 8,250,116	- 7,636,363	613,753
Rebates from Mining Properties	104,996	11,679	19,090	7,411
Revenue from Mining Properties	- 315,000	- 46,717	- 57,273	- 10,556
010260971 Rebate For Agricultural Property	6,064,442	1,085,270	1,102,626	17,356
010665127 Revenue from Agricultural Property	- 9,703,107	-	- 1,764,201	- 1,764,201
010260971 Rebate For Business and Commercial Properties	53,856,465	9,166,983	9,792,085	625,101
010665128 Revenue from Business Commerical Property	- 201,806,769	- 33,569,485	- 36,692,140	- 3,122,655
010260971 Rebate For Municipal Properties	37,881,639	38,488,927	6,887,571	- 31,601,356
010665134 Revenue from Municipal Properties	- 37,881,639	- 38,488,927	- 6,887,571	31,601,356
010665135 Revenue from National Monument Properties	22,668	- 22,668	4,121	26,790
010260971 Rebate for National Monument Properties	- 22,668	22,668	- 4,121	- 26,790
010260971 Rebate for Public Benefit Organisations	6,062,486	5,479,598	1,102,270	- 4,377,328
010665133 Revenue from Public Benefit Organisations	- 6,062,486	- 5,479,598	- 1,102,270	4,377,328
010260971 Rebate for Public Service Infrastructure Propertie	2,431,133	2,411,904	442,024	- 1,969,880
010665136 Revenue from Public Service Infrastructure Propert	- 2,442,472	- 2,427,292	- 444,086	1,983,206
010260971 Rebate for Residential Properties	155,984,603	29,281,781	28,360,837	- 920,944
010665131 Revenue from Residential Properties Developed	- 485,537,935	- 90,239,202	- 88,279,625	1,959,577
010260971 Rebate for Residential Properties (Vacant Land)	***34,255,921***	***7,302,701***	***6,228,349***	***- 1,074,352***
010665130 Revenue from Residential Properties:Vacant Land	***- 101,193,838***	***- 25,373,151***	***- 18,398,880***	***6,974,271***
010260971 Rebate for Restitution and Redistribution Properti	12,678,520	11,163,520	2,305,185	- 8,858,334
010665132 Revenue from Land and Assistance Act or Restitutio	- 12,678,520	- 11,163,520	- 2,305,185	8,858,334
010665138 Revenue from Special Rating Areas	- 13,650,000	- 2,679,758	- 2,481,818	197,940
010260971 Rebate for State-owned Properties	***4,107,689***	***2,012,548***	***746,853***	***- 1,265,695***
010665137 Revenue from State Owned Properties	***- 16,430,759***	***- 14,749,045***	***- 2,987,411***	***11,761,635***
TOTAL PROPERTY RATES BUDGET	- 604,724,627	- 123,797,228	- 109,949,932	13,847,296

- However, Council to note this positive variance will then be as a result of the billing of annual rates which comes through in the month of August.

- Also, as highlighted in the table above, revenue billed for State owned and vacant land is higher than anticipated. Property Rates revenue stream will be closely monitored for any adjustments to come through during the Adjustment Budget process.

Service Charges – Electricity Revenue

- Service Charges- electricity reflects a negative variance of R58, 702m. The variance in this revenue category is as a result of the September billing that was processed onto the system in October 2022. The billing is usually done around the 7th of the subsequent month whereas the report is based on the figures as at the end of each month.

- It must be noted that it is practically impossible to run the billing as at the last date of every month due to the number of meters that need to be read and, more importantly, the bulk meters are only read either on the last day of a month or the first day of a new month. It must further be noted that bulk meters' account for the majority of our electricity consumption.

- Furthermore, MSCOA does not cater for municipalities to accrue revenue and expenditure in-year. Accruals are only permitted at financial year end. The system hard closes on the last day of each and every month.

- The Electricity billing for September is R72 231m which was run on the 11th October 2022. Included in the September billing is R7m once- off back billing that was raised with R6,1m being queried by consumers. If the September billing were to be considered, there would be a positive variance of approximately R13 529m.

Rental of Facilities and Equipment

- The Municipality has received R637k of the total revenue budget of R3, 003m. Rental revenue relates to the hiring of halls, sporting facilities and municipal owned properties.

- The Municipality is currently experiencing challenges in receiving rental from properties that are due for transfer. Most residents living in property that are due for transfer of ownership are unable to pay the monthly rental, resulting in write-off of the rental billed.

- The budget for the rental on municipal owned property will be reviewed during the Adjustment Budget process.

Interest on Outstanding Debtors

- Reflects a R853k negative variance from the budgeted revenue.
- Interest on non-payment of electricity and refuse service charges have been raised whereas the interest for the non-payment on rates revenue will only be raised in the month of October due to the billing of rates in the month of August 2022.

Fines, penalties, and forfeits

- Fines, Penalties and Forfeits reflect a negative variance of R 3,524m as at the end of September 2022.
- In terms of Fines and Penalties, the unfavourable variance in this line item is as a result of the fines revenue being accounted for on a cash basis whilst the budget is based on iGRAP 1. GRAP requires us to recognise the total fines issued and not only those that have been collected.
- This exercise is carried out on a quarterly basis and once the journal to the value of R2, 416m is processed on the system, the variance should reduce significantly. However, it must be stressed that the above exercise represents "book revenue" only, and the cash receipts from this service remains minimal. At the end of September 2022, the cash receipts for traffic fines issued was R 393k.

Agency Services

- Reflects R 571k negative variance from budgeted revenue. Revenue in this category relate to licence and testing fees. Staff capacity has been sighted as one of the reasons for the lower than anticipated revenue. Currently there are only 4 qualified staff that rotate to carry out testing functions, i.e., 2 x qualified examiners for driver licences and 2 x examiners for learner licences. Due to this limited staff capacity, driver and learner tests as well as vehicle testing have to be done on separate days, hindering the ability to maximise revenue in the testing station.
- However, with COVID restrictions being recently lifted and the authority being provided by the Department of Transport for full capacity learner testing classes coming through in August, revenue generation should significantly improve. As advised by the ED: Community Safety, it is imperative that the current staffing challenges the business unit is facing be urgently addressed.

EXPENDITURE

The Budgeted Operating Expenditure for the first quarter ending 30th September was R534,3m. The actual expenditure recognised was R 470,9m which implies that the municipality has realised a negative variance of approximately R 63,399m in expenditure. The reasons for the variances will be discussed with reference to Table C4 of the Budget Statement Tables, and is explained as follows:

Please note that only material variances over R1m and 5 per cent will be discussed.

Employee related costs

- The employee related costs show a negative variance or underspending of R17,997m, which is 13% as at end of September 2022. The variance is as a result of the timing of the filling of vacant positions, resignations, and untimely loss of municipal officials. Recruitment processes have been finalised for many of the vacant posts, however various posts remained unfilled at the end of September 2022.

- The timing of service-related benefits such as Bonus and Leave Pay are also reasons for the underspending.

- Although there is underspending in Employee related costs, expenditure on Overtime reflects spending of R14,7m (26%) of R55,8m budget allocation. Overtime costs will need to be closely monitored to ensure the remaining budget is sufficient to cater for the December and April peak periods.

- Budget allocation of R3,5m for Leave Provision remains unspent. The journal for the provisions is normally done at year end during the finalisation of the AFS.

- For a detailed analysis of Employee Related Expenditure refer to section 2.5 Councillor Allowances and employee benefits of the report.

Remuneration of Councillors

- Reflects R4,487m over expenditure from the year to date budget. The variance is attributable to the grading of the Municipality, with KDM now being ranked as a level 5 Municipality. This has resulted from back pay due to adjusted remuneration scales. Council to note that the full year forecasted expenditure remains within budget.

Debt Impairment

- Reflects R18k bad debts written off with the Debt Impairment showing a negative variance of R5,781m as at 30th September 2022.
- Items included in this category are bad debts written off and provisions to debt impairment which at the time of compiling the report; there were no provisions recorded on the financial system resulting in this variance.
- However, Council to note that the above non-cash provisions are required in terms of GRAP which are normally calculated at year end.

Depreciation

- Depreciation and asset impairment reflects a negative variance of R 2,491m.
- The variance is as a result of delays in completion of prior year projects which has influenced the capitalization and subsequent depreciation of these assets.

The other contributing factor to this variance is related to asset impairment which is undertaken towards the end of the financial year. A budget of R8m has been provided for asset impairment and the journal for impairments will be processed at year end in accordance with Generally Recognised Accounting Practice.

Finance charges

- Finance charges reflect a negative variance of R5,938m as at the end of September 2022.
- The interest together with redemption payments are made at specific times during the financial year, hence the variance. To date, only one payment made on the 27th of September is reflected

on the financial system. The next finance charge payments are due in December 2022, March, and June 2023.

- The Finance Charges budget was compiled considering the existing loans as well as the anticipated Borrowings of R10m that is reflected on the Capital Budget for the Electrical Business unit. The Municipality has currently R 187,6m existing loans with DBSA.
- The tender for the R10m loan funded Electrical project closed on the 26th July 2022 and was subsequently evaluated and served at TEC on the 13th September 2022 with TAC sitting on the 16th September 2022. The TAC resolved that the tender be cancelled due to non-responsive bidders.
- The Finance business unit has communicated with the Electrical business unit to ascertain if grant funding will be sourced for the New Dukuza Substation project or if there is need to go out on tender again for the loan funding.
- Feedback and guidance from the Electrical business unit is currently being awaited.

Bulk purchases

- Reflects R6, 596m over-expenditure from the year-to-date budget.
- Due to the month end cut off, the report does not include the September 2022 expense as the Eskom invoice was only received on the 3rd October 2022 for bulk purchases. Eskom invoice for September amounted to R 70, 664m.
- If the September 2022 invoice is considered, the variance results in over expenditure of approximately R77, 261m. Bulk Purchases expense must be carefully monitored to ensure energy losses are not excessive as this will result in increased expenditure in the 2022/23 financial year resulting in the budget allocation being insufficient for the financial year.
- The cumulative energy losses as at 30th September 2022 amounts to R87 393 064 at 46,890,178 kwh with total losses of 28.02 % electricity purchases. The industry norm for energy losses is 8-12%. The municipal energy loss is therefore more than twice the industry norm and significantly threatens the financial viability of the council as such losses are not sustainable.

Other Materials

- Reflects R1,764 m under expenditure from the year-to-date budget. This expenditure category consists of inventory items such as material for maintenance of electrical and road infrastructure, protective clothing, cleaning materials.
- Majority of the R 5,904m expenditure is reflected under the electrical inventory line items and protective clothing line items across the municipal business units. The variance in this expenditure category is expected to reduce as the year progresses.

Contracted services

- The spending under this expenditure category is R 57,415m as reflected in the table below.

CONTRACTED SERVICES

	BUDGET	ACTUALS	AVAILABLE BUDGET
Administrative and Support Staff	1,059,996.00	4,356.00	1,055,640.00
Animal Care	57,648.00	1,798.06	55,849.94
Building	100,000.00	-	100,000.00
Burial Services	209,988.00	1,157.73	208,830.27
Business and Advisory	***29,014,068.00***	***2,357,148.44***	***26,656,919.56***
Cleaning Services	120,000.00	5,548.75	114,451.25
Clearing and Grass Cutting Services	34,325,928.00	7,424,642.29	26,901,285.71
Connection/Dis-connection	52,008.00	2,744.44	49,263.56
Electrical	21,678,844.00	2,308,207.85	19,370,636.15
Event Promoters	***7,100,000.00***	***459,034.17***	***6,640,965.83***
First Aid	45,396.00	-	45,396.00
Illegal Dumping	281,808.00	32,000.00	249,808.00
Infrastructure and Planning	***2,000,004.00***	***134,371.06***	***1,865,632.94***
Legal Cost	5,631,808.00	1,339,623.80	4,292,184.20
Maintenance of Buildings and Facilities	5,761,264.00	850,536.35	4,910,727.65
Maintenance of Equipment	***16,085,624.00***	***2,384,303.20***	***13,701,320.80***
Maintenance of Unspecified Assets	20,901,212.00	9,988,183.26	10,913,028.74
Personnel and Labour	904,080.00	69,042.63	835,037.37
Pest Control and Fumigation	13,716.00	-	13,716.00
Professional Staff	25,764,056.00	5,171,304.39	20,592,751.61
Refuse Removal	98,442,760.00	13,863,442.57	84,579,317.43
Security Services	***29,195,764.00***	***10,118,633.83***	***19,077,130.17***
Shark Nets	4,529,580.00	740,864.76	3,788,715.24
Traffic and Street Lights	1,262,940.00	158,106.75	1,104,833.25
Transportation	63,192.00	455.22	62,736.78
TOTAL CONTRACTED SERVICES	**304,601,684.00**	**57,415,505.55**	**247,186,178.45**

- ***Business and Advisory*** - R 14,5m relate to special projects under the Municipal Managers office with no expenditure to date. The Director Special Projects is currently out on tender for the data cleansing project and expenditure under this category should improve by the 2nd quarter.

- ***Event Promoters*** – R7m relate to Ballito Pro Festival. Expenditure will incur in June 2023 of this financial year.

- ***Infrastructure and Planning*** - relate to renewal plans, enforcement implementation and policy reviews under the Town Planning department.

- ***Maintenance of Equipment*** – majority of the budget relates to tools and equipment & vehicle and plant maintenance. The variance is expected to reduce as the year progresses.

- ***Security Services*** – R10m is reflected as expenditure at the end of September 2022. The community safety and electrical business unit will need to closely monitor expenditure so as not to exhaust the budget provided for security costs.

Transfers and subsidies

- Transfers and subsidies reflect an underspending of R 2, 226m, as at the end of September 2022.

- The variance is due to various programmes that reflect no expenditure at the end of September 2022 with the majority of the expenditure being reflected under the EPWP Skill Development & Training line item. R 1,090m of a R3,788m EPWP budget was spent at the end of September.

- R3,7m budget allocation is Provincial funding for programmes under the EDP business unit. The grants have been received for natural resource management programmes, CETA candidacy and capacity building in the municipality.

Other expenditure

- The other expenditure category reflects under spending of R14, 606m as at the end of September 2022.

- ***Achievement and Awards*** – relate to Retirement Recognition awards – expenditure will incur as and when necessary.

- ***Communication*** - relates to 3G, Postage and Telephone Calls and Rentals.

- ***Contribution to Provisions*** – will be accounted for during the finalisation of the AFS.

- ***External Audit Fees*** – expenditure relating to external auditors will increase as the year progresses.

- ***Management Fees*** expenditure relates to payments towards the Urban Improvement Precinct in terms of additional services provided in Special Rating Areas. There is an identical revenue budget allocation under Property Rates which at present reflects receipts of R 2,679m.

- ***Travel and Subsistence*** – R2,1m of the budget allocation relates to the traffic department with R636k payment being made for the traffic officers currently on training. R720k relate to the standby meals under the electrical business unit with expenditure R140k being reflected to date.

- ***Workmen's Compensation*** – expenditure is accounted for at year end.

OTHER EXPENDITURE			
	Budget	Actuals	Available Budget
Operating Leases	3,833,436.00	765,442.49	3,067,993.51
Community Assets	1,635,216.00	670,161.29	965,054.71
Furniture and Office Equipment	1,634,016.00	56,082.76	1,577,933.24
Machinery and Equipment	564,204.00	39,198.44	525,005.56
Operational Cost	125,777,756.00	17,030,515.16	108,747,240.84
Achievements and Awards	***3,207,252.00***	-	***3,207,252.00***
Advertising; Publicity and Marketing	10,708,164.00	881,743.78	9,826,420.22
Bank Charges; Facility and Card Fees	3,110,256.00	777,005.07	2,333,250.93
Bursaries (Employees)	600,000.00	218,201.75	381,798.25
Commission	7,280,004.00	572,469.68	6,707,534.32
Communication	***6,290,864.00***	***949,446.32***	***5,341,417.68***
Contribution to Provisions	***1,404,000.00***	-	***1,404,000.00***
Entertainment	599,996.00	22,074.94	577,921.06
External Audit Fees	***5,375,292.00***	-	***5,375,292.00***
External Computer Service	8,350,004.00	1,661,891.93	6,688,112.07
Indigent Relief	6,437,904.00	843,130.91	5,594,773.09
Insurance Underwriting	7,982,340.00	226,196.17	7,756,143.83
Licences	73,440.00	7,759.50	65,680.50
Management Fee	***13,650,000.00***	***1,429,718.41***	***12,220,281.59***
Municipal Services	4,947,240.00	753,222.98	4,194,017.02
Printing; Publications and Books	4,306,620.00	750,748.39	3,555,871.61
Professional Bodies; Membership and Subscription	5,041,476.00	1,421,982.22	3,619,493.78
Registration Fees	2,439,292.00	356,219.91	2,083,072.09
Skills Development Fund Levy	3,450,360.00	977,551.94	2,472,808.06
Travel and Subsistence	***4,139,748.00***	***981,735.85***	***3,158,012.15***
Vehicle Tracking	532,020.00	127,811.97	404,208.03
Ward Committees	4,320,000.00	1,099,440.00	3,220,560.00
Wet Fuel	17,876,320.00	2,972,163.44	14,904,156.56
Workmen's Compensation Fund	***3,655,164.00***	-	***3,655,164.00***
TOTAL OTHER EXPENDITURE	129,611,192.00	17,795,957.65	111,815,234.35

CAPITAL BUDGET

Reference is made to Part One – (C Schedule Table C5c) for a detailed breakdown of amounts pertaining to the capital budget, per department.

The municipality has the following nine business units for the purposes of budget reporting:

- Office of the Municipal Manager
- Corporate Services
- Finance
- Economic Development and Planning
- Community Services & Public Amenities
- Community Safety
- Civil Engineering & Human Settlements
- Electrical Engineering
- Youth Development

After numerous consultation processes, Council had originally approved R 510 264m as a capital budget in the current financial year with the majority of the funding being allocated towards electrical upgrades, road infrastructure projects and community recreational facilities. During the Special Adjustment Budgets, as a result of the R109m Disaster Response Grant receipt, the capital budget was increased to R 605 084m.

The capital expenditure report is based on Table C5 which is a format required by National Treasury and it is categorised by municipal vote and standard classification. The Capital Budget includes the following funding sources:

- Government Grants
- Public Contributions
- Internally generated funds

CAPITAL BUDGET FUNDING SUMMARY

Capital Budget Funding

Utilisation of Grants

- The capital grant allocation and public contribution for the financial year was R 279, 555m, consisting of: -
  - Municipal Infrastructure Grant (MIG) – capital allocation of R 57, 024m (vat exclusive) with 29% expenditure being reflected. R 27, 256m is currently sitting as pending commitments on the financial system resulting in R 43, 745m MIG expenditure to be reflected by the end of October 2022. If the pending orders are to be considered, expenditure on MIG would be 77% by the end of the first quarter.
  - Municipal Disaster Response Grant – On the 28th July 2022, the Municipality received R109,043m Municipal Disaster Response Grant to be used for the rehabilitation and renewal of roads, storm water and road structures (bridges) within the municipal jurisdiction. The implementing agent for the grant is the Civil Business Unit and all capital projects identified fall within the business unit. R 94,820m (excl. vat) has been provided for on the capital budget with expenditure of R 1,190m being accounted for in September. A further R 6,398m has since been committed on the financial system.
  - Neighbourhood Partnership Development Grant – allocation of R 70m (inclusive of vat), R 60, 869m (excl. vat) accounted for on the capital budget with no expenditure to date. The Adjusted DORA, dated 31st August 2022, indicates that the NDPG will be split into a direct and indirect allocation to the Municipality. R50m of the R70m approved allocation will now be indirect or an in-kind allocation, indicating that the Municipality will only receive R20m NDPG for the current financial year. The Director Special Projects is currently engaging with National Treasury in the view of revising the capital project that the funds have been allocated to as well as the terms of the MOA in the disbursement of the grant to the Municipality. We currently await feedback from Director Special Projects in order to determine the correct budgetary and accounting principles to be applied.

- Integrated National Electrification Programme (INEP) – R 13,406m (excl. vat) for the Housing Electrification Project and the Lot 14 Substation project. The Municipality has currently received R 5m at the end of July 2022 with expenditure of R 5, 059m coming through in the month of September for the Housing Electrification projects. In terms of the SCM processes relating to Lot 14 Substation; the project is currently in the 14 day appeals period and thereafter will proceed to TAC for award.
- Housing Accreditation – R 126 000 for the procurement of Furniture, Tools and Equipment for the Housing section. No expenditure reflected to date.
- Department of Trade & Industry – R29, 356m allocation with no expenditure to date. The DTI allocation is for the Rebuild of the Sappi Substation project under the Electrical business unit. Tender has been cancelled due to non-responsive bidders, currently being re-advertised.
- R22,702m NDPG grant allocation for the KDM SCADA System and R 1 250m for the NDPG Ease of Doing Business Project. This is a roll-over project, and the service provider has been appointed for the project. Expenditure should incur in the next quarter.

Loan Funding

- R 10m has been provided for the New Dukuza Substation Project. However, as previously discussed under *'Finance Charges'* the tender has been cancelled due to non-responsive bidders. The Finance Business unit is currently awaiting feedback from Electrical Business Unit if the loan funding is still required prior to submission to TSC.

Council Funding

- There is 28% over-spending on the year-to-date budget relating to Council funded projects. Majority of the expenditure is related to roll-over projects as a result of the delays created by the moratorium placed by National Treasury in terms of the Preferential Procurement Policy Framework Act of 2000 and the Preferential Procurement Regulations of 2017 in the previous financial year.

EXPENDITURE PER STANDARD CLASSIFICATION

The table below provides a budget versus expenditure as per the standard classification Table C5 of the in-year reports. Based on this table, council spent R 63 475m as at 30th September 2022. The actual expenditure resulted in a negative variance of 23% from the capital budget allocation. The main drivers for the underspending were the reprioritization of MIG funded capital projects on the Civil Business unit to cater for further identified disaster related projects.

Capital Expenditure - Functional Classification										
Governance and administration		35,742	44,458	39,337	130	177	5,863	(5,686)	-97%	39,337
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		35,742	44,458	39,337	130	177	5,863	(5,686)	-97%	39,337
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		35,526	88,157	83,157	3,663	7,734	12,057	(4,323)	-36%	83,157
Community and social services		20,495	33,226	28,660	2,790	4,401	3,634	767	21%	28,660
Sport and recreation		10,971	27,805	27,371	13	129	2,947	(2,817)	-96%	27,371
Public safety		2,559	21,500	21,500	860	1,521	3,400	(1,879)	-55%	21,500
Housing		1,500	5,626	5,626	-	1,682	2,076	(394)	-19%	5,626
Health		-	-	-	-	-	-	-		-
Economic and environmental services		96,883	155,078	260,019	28,287	34,918	50,942	(16,024)	-31%	260,019
Planning and development		271	6,504	6,504	-	-	170	(170)	-100%	6,504
Road transport		96,612	148,574	253,515	28,287	34,918	50,772	(15,854)	-31%	253,515
Environmental protection		-	-	-	-	-	-	-		-
Trading services		83,804	222,571	222,571	8,695	20,646	13,116	7,530	57%	222,571
Energy sources		77,601	215,171	215,171	8,695	20,646	11,716	8,930	76%	215,171
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		6,203	7,400	7,400	-	-	1,400	(1,400)	-100%	7,400
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	251,954	510,265	605,085	40,775	63,475	81,978	(18,503)	-23%	605,085

Governance and Administration – Finance & Admin

In terms of Functional classification, the R177k expenditure reflected is from the following departments within the respective business units: -

Corporate Services Business Unit

- R14,8k for procurement of Office furniture and equipment with a pending order of R179,8k.
- R15m budget allocation for the procurement of Office Accommodation and R2,2m for the Political Leadership Vehicles were rolled over into the new financial year. No expenditure reflected to date on these projects.

Finance Business Unit

- R 25,2k spent on the procurement of Office Furniture & Equipment with R13,1k pending order for the delivery of 2 x data projectors.

Information Technology

- Expenditure of R 121,8k under the Back Up Generator vote with R945k pending order for the delivery of 31 laptops under the PC and Printer Upgrade vote.

Property Services

- Budget allocation of R4,280m for the procurement of Engineering Equipment, JoJo Tank and Jet Machine and Water Tanker. No expenditure reflected at the end of September 2022. However, R 2,847m order has been placed for the delivery of the jet machine and water tanker and R171k for Building Tools & Equipment.

Fleet Management

- Budget allocation of R10,844m under the Fleet Management Business unit for Municipal Fleet and Furniture, Tools & Equipment.
- No expenditure to date but pending orders to the value of R 4,495m for the delivery of 2x mesh tipping trucks, 4x 4 Hilux and 4 x 4 Raider. These vehicles will be delivered in the next quarter.

Corporate Communications

- Budget allocation of approximately R1,013m for Communication Equipment and Container Conversion projects with no expenditure reflected at the end of the First quarter. A drone to the value of R 61,6k will be delivered in the month of November 2022.

Community & Public Safety

In terms of Functional classification, the R7,734m expenditure reflected is from the following departments within the respective business units: -

Community & Social Services

Expenditure of R4,401m:-

- Expenditure of R 3,571m For the Construction of Museum Project under the EDP business unit.
- Projects below fall under the Community Services Business unit:-
    - R 295k for the Community Halls fencing project.
    - R 433,4k for the Malende Ablution Facility
    - R 98k for the Halls Furniture
    - R 3,6k for the procurement of Library furniture

Sports & Recreation

The sports & recreation section reflects a total budget allocation of R 27,371m with the following breakdown by business unit:-

- 070 Parks & Gardens – R4, 585m
- 075 Sports & Recreation – R22, 006m
- Marine Safety - R780k

Expenditure of R129k has been spent under the Sports and Recreation and Marine Safety business units. The expenditure is related to:-

- R 124k for the Shayamoya Sports field.
- R 5,3k for Marine Safety Equipment.

The following pending orders are currently sitting on the financial system for the business unit:

CAPITAL PROJECT	BUDGET	PENDING ORDERS	
Upgrade to Beach Facilities 075422743 WIP	8,251,587.00	4,722,660.15	MN79/2021 Refurbishment of Infrastructure at Willard Beach, Clark Bay
165 Halls Security Gates	300,000.00	110,102.00	Supply & deliver Burglar bars, gates
NV Library Library Furniture 030422711	100,000.00	52,200.61	
Beach Access Wheelchairs	182,000.00	94,200.00	1 x floating wheelchair as per spec
Marine Safety Equipment 045418519	100,000.00	88,996.00	5 x rescue surfboards
3 x Bakkies	900,000.00	794,143.00	3 x Hilux Bakkies
2 x Caged Tipper trucks - cabin crew	2,699,416.00	2,604,420.86	2 x caged tipper truck

Public Safety

- Public Safety reflects expenditure of R1, 521m as at 30th September 2022 for the Renovation to the standby sleeping quarters under the Fire & Emergency department.
- R17,386m is reflected as a pending commitment under the Fire Fleet vote. The tender has been awarded and it is anticipated that the manufacture and delivery of the fire fleet will be done by year end depending on the availability of stock.

Housing

- R1,6m expenditure reflected for the Driefontein Housing Project and R 81,3k has been spent on the Renovations to Compounds.

Economic & Environmental Services

In terms of Functional classification, the R34,918m expenditure reflected is from the following departments within the respective business units: -

Planning & Development

- Budget allocations under Planning and Development are reflected as follows:-

CAPITAL PROJECTS	BUDGET	ACTUALS	AVAILABLE BUDGET	DEPARTMENT
KDM Library Green Rectification Building WIP	750,000.00	-	750,000.00	Economic Development and Planning (Dept 032)
Upgrade of Checkers Public car Park	1,500,000.00	-	1,500,000.00	Integrated Development Plan (Dept 028)
Upgrade of OK Mall/ Mr Price? Public Parking	1,159,409.00	-	1,159,409.00	Integrated Development Plan (Dept 028)
Computer & Furniture Equipment	1,250,000.00	-	1,250,000.00	Economic Development and Planning (Dept 032)
Bulk Filers / Filing Cabinets	100,000.00	-	100,000.00	Town Planning (Dept 154)
EDP ENFORCEMENT CONTAINER	150,000.00	-	150,000.00	Economic Development and Planning (Dept 032)
LOUD HAILERS	10,000.00	-	10,000.00	Public Participation (Dept 260)
PORTABLE SPEAKER	10,000.00	-	10,000.00	Public Participation (Dept 260)
Nokukhanya Luthuli Building Security Upgrade	75,000.00	-	75,000.00	Economic Development and Planning (Dept 032)
Filing Park home	600,000.00	-	600,000.00	Economic Development and Planning (Dept 032)
Tourism Signage	150,000.00	-	150,000.00	Town Planning (Dept 154)
Informal Traders Facilities	500,000.00	-	500,000.00	Town Planning (Dept 154)
Sedan	250,000.00	-	250,000.00	Economic Development and Planning (Dept 032)
	6,504,409.00	**-**	**6,504,409.00**	

- No expenditure to date as reflected in the table above.

Road Transport - Civil Engineering Roads

- Reflects R34,918m expenditure under the Civil Engineering Business Unit. The business unit has commented that targets for the first quarter have been met. The business unit has R37,1m commitments reflected on the financial system.
- Expenditure is reflected in the following table:

CIVIL ENGINEERING CAPITAL PROJECTS	BUDGET	ACTUALS	AVAILABLE BUDGET	PENDINGS
Ward 18 pedestrian bridge linking Lindelani and Shakaville- WIP	1,000,000.00	-	1,000,000.00	-
Chris Hani Sport field - WIP	-	- ***108,770.44***	***108,770.44***	-
Groutville Surface Roads and Stormwater MIG in Ward 12 WIP	1,007,859.00	84,834.47	923,024.53	-
Ward 14 Retaining of lloyds Housing Pr(Walls (Gabion Guard) WIP	3,200,000.00	-	3,200,000.00	-
WARD21: DRIEFONTEIN - WIP	1,000,000.00	1,000,000.00	-	-
Ward 17 Rehab of Road - WIP	2,000,000.00	1,999,869.57	130.43	1.00
Ward 17 Dendethu Access Road - WIP	1,048,277.00	382,779.77	665,497.23	-
Ward 22 Rehab of Hugh Dent Basil Hullet Club Road WIP	2,000,000.00	1,998,434.59	1,565.41	1.00
Ward 3 Nonoti Beach Road Access - WIP	5,000,000.00	-	5,000,000.00	-
P553 link to ward 13 - WIP	1,000,000.00	999,968.82	31.18	1.00
Retaining of Wall Road Access and Storm Water in Ward 18 WIP	1,381,223.00	480,728.13	900,494.87	-
Commuter Shelters 170452118 (WIP)	500,000.00	-	500,000.00	336,181.00
WARD 28: REHABILTATION OF ROADS - WIP	2,000,000.00	-	2,000,000.00	1.00
Sheffield Beach Road in Ward 22 - WIP	1,000,000.00	999,857.21	142.79	1.00
Gravel Road Upgrade to Blacktop in Ward 8 - WIP	3,659,284.00	3,659,128.57	155.43	1.00
Mdlbeni Access Roads and Stormwater in Ward 25 - WIP	80,000.00	-	80,000.00	-
Rehab of Jupiter tared road and storm water WIP	369,565.00	369,563.27	1.73	-
R37 Mphithiza (Mlambo) Drain Upgrade WIP	173,913.00	-	173,913.00	173,913.00
Lethiwe Stormwater Upgrade WIP	739,130.00	-	739,130.00	739,130.00
Rehab of Road in Ward 15 & 24 WIP	621,051.00	-	621,051.00	621,051.00
Rehab of Murugan Road WIP	4,000,000.00	-	4,000,000.00	4,000,000.00
Flamboyant Rd Gledhow Upgrade WIP	15,652.00	-	15,652.00	15,652.00
Lloyd road stormwater upgrade WIP	521,739.00	-	521,739.00	521,739.00
Rehab of Ebrahim and Manor drive WIP	1,634,489.00	-	1,634,489.00	1,634,489.00
Rehab of Mpamgele Road WIP	2,000,000.00	2,000,000.00	-	-
Shezi & Biyela Stormwater Upgrade WIP	556,522.00	-	556,522.00	556,522.00
Rehab of Village main road WIP	2,332,292.00	-	2,332,292.00	2,332,292.00
Zen Drive Stormwater upgradeWIP	869,565.00	-	869,565.00	869,565.00
Diphini Stormwater Upgrade WIP	608,696.00	-	608,696.00	608,696.00
Rehab of road at Townsend park WIP	8,696.00	8,673.91	22.09	-
Rehab of road at Townsend park WIP	2,000,000.00	1,999,964.96	35.04	-
Construction of new vehicle bridge Mfecane street WIP	8,695,652.00	-	8,695,652.00	-
Groutville Market Sports field	8,260,870.00	766,681.37	7,494,188.63	-
Rehab of Ward 19 Roads - NDPG	60,869,565.00	-	60,869,565.00	-
WARD 16 Moola Industrial	1,500,000.00	1,499,693.04	306.96	1.00
Ballito Office Parking	1,000,000.00	1,000,000.00	-	-
Ballito roads rehab ward 6	1,500,000.00	1,672,429.00	- 172,429.00	1.13
Ward 1 Regravelling of Road WIP	500,000.00	434,782.61	65,217.39	-
Ward 2 Regravelling of Road WIP	500,000.00	500,000.00	-	-
Ward 5 Regravelling of Road WIP	1,000,000.00	-	1,000,000.00	1,000,000.00
Ward 7 Regravelling of Road WIP	800,000.00	800,000.00	-	-
Ward 9 Regravelling of Road WIP	1,000,000.00	-	1,000,000.00	-
Ward 10 Regravelling of Road WIP	1,000,000.00	-	1,000,000.00	1,000,000.00
Ward 21 Regravelling of Road WIP	1,000,000.00	-	1,000,000.00	-
Rehabilitation of Primrose road WIP	2,000,000.00	-	2,000,000.00	2,000,000.00
Jabula Road Retaining walls WIP	347,826.00	-	347,826.00	1.00
Stonecity 2 Construction of retaining wall & sw line WIP	1,304,348.00	-	1,304,348.00	1,304,348.00

CIVIL ENGINEERING CAPITAL PROJECTS	BUDGET	ACTUALS	AVAILABLE BUDGET	PENDINGS
Manqofini new culvert WIP	434,783.00	-	434,783.00	434,783.00
New pedestrian wooden bridge Mdlebeni WIP	347,826.00	-	347,826.00	-
Construction of a new bridge kwamfanomdala WIP	8,695,652.00	-	8,695,652.00	-
Construction of new pedestrian bridge C1-Shisampama WIP	434,783.00	-	434,783.00	-
Install new bridge Sugra and Mbozamo WIP	6,956,522.00	-	6,956,522.00	-
Rehab of Msweli Main road WIP	2,000,000.00	-	2,000,000.00	2,000,000.00
Upgrade Nyathikazi Bridge WIP	1,304,348.00	-	1,304,348.00	-
Upgrading Smithers bridge WIP	6,086,957.00	-	6,086,957.00	-
Rehab of roads at Vulingqondo WIP	2,000,000.00	-	2,000,000.00	2,000,000.00
Rehab of roads at Hlalankosi WIP	2,000,000.00	-	2,000,000.00	2,000,000.00
Riverside Drive bridge to link Stanger manor bridge WIP	8,695,652.00	576,137.40	8,119,514.60	-
Upgrade Nkobongo Bridge WIP	3,043,478.00	236,001.88	2,807,476.12	-
Upgrade of Mnyundwini culvert bridge WIP	5,913,043.00	-	5,913,043.00	-
Upgrade Venus Drive culvert bridge WIP	3,130,435.00	-	3,130,435.00	-
Rehabilitation of Azalea Road WIP	1,000,000.00	-	1,000,000.00	1,000,000.00
Salt Rock Retained beach banks WIP	521,739.00	-	521,739.00	-
Inkwazi Low Level crossing WIP	869,565.00	-	869,565.00	-
Rehab of Clowyn Drive WIP	3,000,000.00	-	3,000,000.00	2.00
Rehab of Garland road WIP	2,000,000.00	-	2,000,000.00	2,000,000.00
Mjoza Road Rehab WIP	4,000,000.00	4,000,000.00	-	-
Rehab of Island Road WIP	2,260,870.00	-	2,260,870.00	2,260,870.00
Rehab of P104 Glendale asphalt surfaced road WIP	434,783.00	-	434,783.00	434,783.00
Yellow wood Industrial Bridge WIP	6,521,739.00	-	6,521,739.00	-
Rehab of Nkobongo main road WIP	3,239,929.00	3,239,928.37	0.63	-
Replacement of Hullete Bridge WIP	26,086,957.00	-	26,086,957.00	-
Etsheni wooden bridge WIP	391,304.00	-	391,304.00	-
Rehab of Mpunzane Road WIP	4,000,000.00	3,999,999.99	0.01	-
Rehab of road at Fairway WIP	1,500,000.00	-	1,500,000.00	1,500,000.00
Regravelling of Kotshi Road WIP	508,942.00	-	508,942.00	508,942.00
Townsend Road/ Avondale Stormwater Upgrade WIP	4,000,000.00	-	4,000,000.00	1.00
Gledhow South Link WIP	391,058.00	317,491.78	73,566.22	-
Rehab of Business Hives (Off P339) KwaMama WIP	739,130.00	-	739,130.00	739,130.00
Rehab of Sandra Road WIP	1,500,000.00	-	1,500,000.00	1,500,000.00
Diphini Road Rehab WIP	3,028,851.00	-	3,028,851.00	3,028,851.00
Vehicle (Double Cab)	800,000.00	-	800,000.00	-
TOTAL EXPENDITURE	**251,444,560.00**	**34,918,178.27**	**216,526,381.73**	**37,120,949.13**

Road Transport – Vehicle Testing – reflects R 2,070m budget allocation for the Upgrade to the Salt Rock Office, CCTV Equipment and Law Enforcement Equipment. No expenditure to date.

Trading Services

In terms of Functional classification, the R20, 646m expenditure reflected is from the following departments within the respective business units: -

Energy Sources

- The Electrical Engineering Business unit reflects expenditure of R 20, 646m with the target for the first quarter being met. The expenditure is reflected in the table below.

ELECTRICAL PROJECTS	BUDGET	ACTUALS	AVAILABLE BUDGET
LV Network Upgrades Cluster B WIP	1,000,000.00	312,437.83	687,562.17
LV Network Upgrades Cluster C WIP	294,996.00	-	294,996.00
LV Network Upgrades Cluster D WIP	694,996.00	-	694,996.00
LV Network Upgrades Cluster E WIP	294,996.00	-	294,996.00
LV Network Upgrades Cluster F WIP	294,996.00	-	294,996.00
LV Network Upgrades Cluster G WIP	294,996.00	-	294,996.00
MV Network Upgrades Cluster A WIP	358,056.00	-	358,056.00
MV Network Upgrades Cluster B WIP	3,323,012.00	382,614.86	2,940,397.14
MV Network Upgrades Cluster C WIP	358,056.00	-	358,056.00
MV Network Upgrades Cluster D WIP	2,871,024.00	-	2,871,024.00
NV SAPPI Gizenga Substation 440423981 WIP	28,000,000.00	6,182,768.37	21,817,231.63
Electricity Admin New Dukuza 80MVA Bulk 400452153 WIP	20,000,000.00	2,538,319.12	17,461,680.88
Electricity Admin New Dukuza 80MVA Bulk 400452153 WIP	10,000,000.00	-	10,000,000.00
MV Network Upgrades Cluster F WIP	800,000.00	-	800,000.00
MV Network Upgrades Cluster G WIP	800,000.00	-	800,000.00
KwaDukuza Mall Bulk Supplies- DTI funding WIP	-	-	-
Tinley Manor 11kV OHL Phase 6 WIP	1,397,969.00	-	1,397,969.00
NV Replace Grid Prot Relays 11K P3 430452146 WIP	6,000,000.00	350,015.44	5,649,984.56
MV Substations Upgrades and Refurbishment: Driefontein Subst WIP	2,281,107.00	-	2,281,107.00
MV Substations Upgrades and Refurbishment: Stanger Substation WIP	3,076,072.00	-	3,076,072.00
MV Substations Upgrades and Refurbishment: Lavoupierre Subst WIP	2,136,784.00	-	2,136,784.00
MV Substations Upgrades and Refurbishment: Glenhills Substat WIP	844,013.00	-	844,013.00
MV Substations Upgrades and Refurbishment: Gledhow Substation WIP	200,000.00	-	200,000.00
MV Substations Rebuild: SAPPI Substations - KDM WIP	10,000,000.00	-	10,000,000.00
MV Substations Upgrades and Refurbishment: Shakarock Substat WIP	4,164,879.00	-	4,164,879.00
MV Substations Upgrades and Refurbishment: Business Park Sub WIP	50,004.00	-	50,004.00
MV Substations Upgrades and Refurbishment: Ballito Substation WIP	1,000,004.00	-	1,000,004.00
NV Street Lights Cluster A 100 SL 400452122 WIP	1,100,004.00	503,272.57	596,731.43
NV Street Lights Cluster B 37SL 400452123 WIP	1,100,004.00	761,007.02	338,996.98
NV Street Lights Cluster C 100SL 400452124 WIP	1,100,004.00	649,196.58	450,807.42
NV Street Lights Cluster D 100SL 400452125 WIP	1,100,004.00	463,329.82	636,674.18
NV Street Lights Cluster E 100 SL 400452126 WIP	1,100,004.00	621,892.00	478,112.00
NV Street Lights Cluster F 50 SL 400452127 WIP	1,100,004.00	1,092,882.53	7,121.47
NV Street Lights Cluster G 50 SL 400452128 WIP	1,100,004.00	1,100,004.00	-

ELECTRICAL PROJECTS	BUDGET	ACTUALS	AVAILABLE BUDGET
NV Street Lights Refurbishment Cluster A WIP	1,000,000.00	-	1,000,000.00
NV Street Lights Refurbishment Cluster B WIP	1,000,000.00	-	1,000,000.00
Replace 33kV Cable between Lavopiere and Industrial Sub Phase WIP	11,337,401.00	529,248.10	10,808,152.90
Electricity Admin Housing Elect Project WIP	3,000,000.00	80,167.85	2,919,832.15
Electricity Admin Housing Elect Project WIP	7,320,000.00	5,058,821.98	2,261,178.02
LV Network Upgrades Cluster A WIP	294,996.00	-	294,996.00
MV Network Upgrades Cluster E WIP	500,000.00	-	500,000.00
MV Substations Upgrades and Refurbishment: Shakaskraal Subst WIP	1,037,286.00	-	1,037,286.00
NV Street Lights Refurbishment Cluster C WIP	1,000,000.00	-	1,000,000.00
NV Street Lights Refurbishment Cluster D WIP	1,500,000.00	-	1,500,000.00
NV Street Lights Refurbishment Cluster E WIP	500,000.00	-	500,000.00
NV Street Lights Refurbishment Cluster F WIP	500,000.00	-	500,000.00
NV Street Lights Refurbishment Cluster G WIP	1,000,000.00	-	1,000,000.00
Lot 14 Substation WIP	3,800,000.00	-	3,800,000.00
MV Substations Rebuild: SAPPI Substations - DTI WIP	29,356,036.00	-	29,356,036.00
Simbiti Infrastructure Refurbishment	5,000,000.00	-	5,000,000.00
Zimbali Infrastructure Refurbishment	5,000,000.00	-	5,000,000.00
Public building services electrical infrastructure refurbish	2,600,000.00	-	2,600,000.00
Lot 14 Substation WIP	6,086,957.00	-	6,086,957.00
Implementation of KDM Scada System	22,702,744.00	-	22,702,744.00
Network Master Planning (Reticulation)	1,100,000.00	-	1,100,000.00
400 Furniture and Equipment	200,000.00	19,872.00	180,128.00
NV Electricity Admin Safety Equip Fas PPE Port 400461472	99,996.00	-	99,996.00
NV Electricity Admin Tools Equip 400400027	1,000,000.00	-	1,000,000.00
TOTAL ENERGY SOURCES BUDGET	**215,171,404.00**	**20,645,850.07**	**194,525,553.93**

Waste Management

- No expenditure reflected however the business unit has pending order to the value of R 4 206m which relates to:-
  - Cage Truck with canvas and seats – R 2 091m
  - Compactor Truck – R 2 115m

Delivery of the vehicles should occur in the next quarter.

Below is a further summary of the capital expenditure per Business Unit:

Capital Expenditure per municipal business unit for the First Quarter under review.

SUMMARY CAPITAL EXPENDITURE 2022/23

BUSINESS UNIT	APPROVED BUDGET	1st ADJUSTED BUDGET	JULY EXP	AUG EXP	SEPT EXP	YTD EXP.	YTD %	AVAILABLE BALANCE
OFFICE OF THE MUNICIPAL MANAGER	3,692,409	3,692,409	-	-	-	-	0.0%	3,692,409
CORPORATE SERVICES	22,700,000	22,700,000	-	14,889	121,870	136,759	0.6%	22,563,241
FINANCE	6,300,000	500,000	-	16,957	8,310	25,267	5.1%	474,733
EDP	13,209,603	13,209,603	-	1,145,705	2,425,318	3,571,023	27.0%	9,638,580
COMMUNITY SERVICES & PUBLIC AMENITIES	58,016,488	53,016,488	-	576,744	377,569	954,313	1.8%	52,062,175
COMMUNITY SAFETY	24,350,000	24,350,000	-	666,349	860,169	1,526,518	6.3%	22,823,482
CIVIL ENGINEERING & HUMAN SETTLEMENTS	155,730,993	261,350,995	1,685,775	6,696,889	28,341,582	36,724,245	14.1%	224,626,750
ELECTRICAL ENGINEERING	226,015,384	226,015,384	-	11,951,160	8,694,690	20,645,850	9.1%	205,369,534
YOUTH DEVELOPMENT	250,000	250,000	-	-	-	-	0.0%	250,000
TOTAL	**510,264,877**	**605,084,879**	**1,685,775**	**21,068,693**	**40,829,507**	**63,583,975**	**10.5%**	**541,500,904**
			0.3%	*3.5%*	*6.7%*	*10.5%*		*89.5%*

REVENUE & EXPENDITURE INCLUDING "ACCRUALS"

FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE)

Revenue By Source	Adjusted Budget	YTD - September 2022	Estimated Accruals - 10th October 2022	YTD Budget	YTD Variance	YTD Variance %
Property rates	604,724,627	123,797,228		109,949,932	13,847,296	13%
Service charges - electricity revenue	1,058,213,304	205,851,218	72,231,170	264,553,326	13,529,063	5%
Service charges - refuse revenue	81,096,840	21,926,647		20,274,210	1,652,437	8%
Rental of facilities and equipment	3,003,408	637,133		750,852	(113,719)	-15%
Interest earned - external investments	24,935,256	7,676,616	3,228,885	6,233,814	4,671,687	75%
Interest earned - outstanding debtors	9,249,996	1,459,302		2,312,499	(853,198)	-37%
Fines, penalties and forfeits	30,694,848	4,150,065		7,673,712	(3,523,647)	-46%
Licences and permits	733,608	188,581		183,402	5,179	3%
Agency services	13,200,000	2,728,713		3,300,000	(571,287)	-17%
Transfers and subsidies	255,651,592	89,865,245		63,912,898	25,952,347	41%
Other revenue	54,164,904	20,703,067		13,541,226	7,161,841	53%
Gains	3,064,812	-		766,203	(766,203)	-100%
Total Revenue (excluding capital transfers and contributions)	**2,138,733,195**	**478,983,814**	**75,460,055**	**493,452,074**	**60,991,796**	12%
Expenditure By Type						
Employee related costs	544,882,904	118,223,302		136,220,726	(17,997,424)	-13%
Remuneration of councillors	27,116,184	11,266,383		6,779,046	4,487,337	66%
Debt impairment	23,199,996	18,888		5,799,999	(5,781,111)	-100%
Depreciation & asset impairment	100,621,596	22,664,188		25,155,399	(2,491,211)	-10%
Finance charges	25,100,772	336,289		6,275,193	(5,938,904)	-95%
Bulk purchases	916,693,043	235,769,759	70,664,472	229,173,261	77,260,970	34%
Other materials	30,676,360	5,904,795		7,669,090	(1,764,295)	-23%
Contracted services	304,601,684	57,415,506		76,150,421	(18,734,915)	-25%
Transfers and subsidies	15,111,544	1,551,153		3,777,886	(2,226,733)	-59%
Other expenditure	129,611,192	17,795,958		32,402,798	(14,606,840)	-45%
Losses	19,765,994	-		4,941,499	(4,941,499)	-100%
Total Expenditure	**2,137,381,269**	**470,946,220**	**70,664,472**	**534,345,317**	**7,265,375**	1%
Surplus/(Deficit)	**1,351,926**	**8,037,594**	**4,795,584**	**(40,893,243)**	**53,726,421**	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	284,117,204	19,922,239	33,654,763	71,029,301	(17,452,299)	-25%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)				-	-	
	284,117,204	**19,922,239**	**33,654,763**	**71,029,301**	**(17,452,299)**	
Surplus/ (Deficit) for the year	**285,469,130**	**27,959,833**	**38,450,347**	**30,136,058**	**36,274,121**	
Surplus/ (Deficit) for the year including estimated Accruals			**66,410,179**			

SUMMARY CAPITAL BUDGET INCLUDING "ACCRUALS"

SUMMARY CAPITAL EXPENDITURE 2022/23

BUSINESS UNIT	APPROVED BUDGET	1st ADJUSTED BUDGET	JULY EXP	AUG EXP	SEPT EXP	PENDINGS	YTD EXP.	YTD %	AVAILABLE BALANCE
OFFICE OF THE MUNICIPAL MANAGER	3,692,409	3,692,409	-	-	-	61,126	61,126	1.7%	3,631,283
CORPORATE SERVICES	22,700,000	22,700,000	-	14,889	121,870	1,125,475	1,262,234	5.6%	21,437,766
FINANCE	6,300,000	500,000	-	16,957	8,310	13,126	38,392	7.7%	461,608
EDP	13,209,603	13,209,603	-	1,145,705	2,425,318	25,999	3,597,022	27.2%	9,612,581
COMMUNITY SERVICES & PUBLIC AMENITIES	58,016,488	53,016,488	-	576,744	377,569	12,584,009	13,538,321	25.5%	39,478,167
COMMUNITY SAFETY	24,350,000	24,350,000	-	666,349	860,169	17,475,809	19,002,328	78.0%	5,347,672
CIVIL ENGINEERING & HUMAN SETTLEMENTS	155,730,993	261,350,995	1,685,775	6,696,889	28,341,582	40,139,528	76,863,773	29.4%	184,487,222
ELECTRICAL ENGINEERING	226,015,384	226,015,384	-	11,951,160	8,694,690	4,494,494	25,140,344	11.1%	200,875,040
YOUTH DEVELOPMENT	250,000	250,000	-	-	-	71,168	71,168	28.5%	178,832
TOTAL	510,264,877	605,084,879	1,685,775	21,068,693	40,829,507	75,990,733	139,574,708	23.1%	465,510,171
			0.3%	3.5%	6.7%	12.6%	23.1%		76.9%

CASH FLOW STATEMENT – SCHEDULE C7

In terms of MFMA Budget Circular 98, the following movement accounts should only be used for cash inflow and outflow transactions:

Item Assets:

- Collections: Collections received pertaining to a respective account (example is collection on receivables from non-exchange (property rates) and non-exchange (service charges electricity) transactions.
- Acquisitions: Purchases of assets and other expenditure.
- Disposal: Sale of non-current assets (example land).
- Earned: Interest earned on a bank account.

Item Liabilities:

- Receipts: Current year receipts on transfer and subsidies.
- Advances: Advances taken for the year, e.g., for borrowing.
- Repayments: Repayments for the year, e.g., for borrowing.
- Payments: Payments made; example defined benefits.
- Withdrawals: Payments made, examples are for bulk purchases for electricity and bulk purchases water.

The Municipality has currently not fully implemented transactions on the Item Liabilities leg as listed above, thereby resulting in an overstated closing cash balance of R1, 370b. The actual cash closing balance inclusive of Investments at the end of September is R 877, 572m.

If a municipality is not transacting or reporting directly in or from their financial system, then the controls that are built into the system to prevent an unauthorised transaction or reduction in cash reserves will not be triggered, therefore it is imperative that the errors and misallocations be timeously identified and corrected by the Director Expenditure.

KZN292 KwaDukuza - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		565,469	574,186	574,186	46,963	110,527	574,186	(463,659)	-81%	574,186
Service charges		1,223,503	1,090,656	1,090,656	103,189	308,852	965,990	(657,138)	-68%	1,090,656
Other revenue		126,894	195,899	195,506	16 302	35,891	142,172	(106,281)	-75%	195,506
Transfers and Subsidies - Operational		207,697	254,652	255,652	-	111,260	84,643	26,618	31%	255,652
Transfers and Subsidies - Capital		67,902	175,074	284,117	-	-	284,117	(284,117)	-100%	284 117
Interest		28 608	24,935	24 935	3,561	6 875	6,234	641	10%	24 935
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(1,213,716)	(1,873,860)	(1,873 754)	(30,400)	(66,987)	(1,869,866)	(1,802,880)	96%	(1,873,754)
Finance charges		(8,942)	(25,101)	(25 101)	(336)	(339)	(25,101)	(24,764)	99%	(25,101)
Transfers and Grants		(4)	(11,412)	(15,112)	-	-	(15,112)	(15,112)	100%	(15,112)
NET CASH FROM/(USED) OPERATING ACTIVITIES		997,410	405,010	511,086	139,319	506,083	147,263	(358,820)	-244%	511,086
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	620	(620)	-100%	-
Decrease (increase) in non-current investments		-	-	-	-	-	(620)	620	-100%	-
Payments										
Capital assets		(236 404)	(507 367)	(600,610)	(43,168)	(70,639)	(600,610)	(529,970)	88%	(600,610)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(236,404)	(507,367)	(600,610)	(43,168)	(70,639)	(600,610)	(529,970)	88%	(600,610)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	10,000	10,000	-	-	10,000	(10,000)	-100%	10,000
Increase (decrease) in consumer deposits		2,890	1,511	1,511	171	1,049	(48,503)	49,552	-102%	1,511
Payments										
Repayment of borrowing		(872)	(13,037)	(13,037)	(53)	(53)	13 037	13,090	100%	(13,037)
NET CASH FROM/(USED) FINANCING ACTIVITIES		2,018	(1,526)	(1,526)	118	996	(25,465)	(26,461)	104%	(1,526)
NET INCREASE/ (DECREASE) IN CASH HELD		763,024	(103,884)	(91,050)	96,269	436,439	(478,812)			(91,050)
Cash/cash equivalents at beginning:		548,834	827,614	827,614		933,791	827,614			933,791
Cash/cash equivalents at month/year end:		1,311,858	723,729	736,563		1,370,230	348,802			842,740

KWADUKUZA
MUNICIPALITY

1.4 IN YEAR BUDGET STATEMENT TABLES

In year budget statement tables

Due to the legislated formats required for the First Quarter Budget and Performance Assessment, these tables have been included on the attached excel spread sheet.

The following tables are included as part of the First Quarter Budget and Performance Assessment:

- C1 - s71 Monthly Budget Statement Summary
- C2 - Monthly Budget Statement; Financial Performance (Standard Classification)
- C3 - Monthly Budget Statement; Financial Performance (Revenue and Expenditure by municipal vote)
- C4 - Monthly Budget Statement; Financial Performance (Revenue and Expenditure)
- C5 - Monthly Budget Statement; Capital Expenditure (Municipal vote, Standard classification and Funding)
- C6 - Consolidated Monthly Budget Statement; Financial Position
- C7 - Consolidated Monthly Budget Statement; Cash Flow

A detail narrative explanation of the above schedules and other supporting documentation is contained in this document.

KZN292 KwaDukuza - Table C1 Monthly Budget Statement Summary - M03 September

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	554,757	604,725	604,725	55,093	123,797	151,181	(27,384)	-18%	604,725
Service charges	1,089,619	1,139,310	1,139,310	113,442	227,778	284,828	(57,050)	-20%	1,139,310
Investment revenue	32,050	24,935	24,935	4,041	7,677	6,234	1,443	23%	24,935
Transfers and subsidies	219,049	254,652	255,652	310	89,865	63,763	26,102	41%	255,652
Other own revenue	98,609	114,112	114,112	9,777	29,867	28,528	1,339	5%	114,112
Total Revenue (excluding capital transfers and contributions)	1,994,085	2,137,733	2,138,733	182,663	478,984	534,533	(55,549)	-10%	2,138,733
Employee costs	460,814	545,009	544,883	38,685	118,223	136,221	(17,997)	-13%	544,883
Remuneration of Councillors	22,210	27,116	27,116	7,235	11,266	6,779	4,487	66%	27,116
Depreciation & asset impairment	93,577	100,622	100,622	7,395	22,664	25,155	(2,491)	-10%	100,622
Finance charges	18,937	25,101	25,101	336	336	6,275	(5,939)	-95%	25,101
Inventory consumed and bulk purchases	962,155	947,693	947,369	123,331	241,675	238,657	3,018	1%	947,369
Transfers and subsidies	6,658	14,112	15,112	625	1,551	3,628	(2,077)	-57%	15,112
Other expenditure	375,681	476,855	477,179	36,797	75,230	118,980	(43,750)	-37%	477,179
Total Expenditure	1,940,033	2,136,507	2,137,381	214,404	470,946	535,695	(64,749)	-12%	2,137,381
Surplus/(Deficit)	54,052	1,226	1,352	(31,741)	8,038	(1,162)	9,200	-792%	1,352
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	81,433	175,074	284,117	18,943	19,922	152,812	(132,889)	-87%	284,117
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	20,780	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	156,264	176,300	285,469	(12,798)	27,960	151,650	(123,690)	-82%	285,469
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	156,264	176,300	285,469	(12,798)	27,960	151,650	(123,690)	-82%	285,469
Capital expenditure & funds sources									
Capital expenditure	251,954	510,265	605,085	40,775	63,475	81,978	(18,503)	-23%	605,085
Capital transfers recognised	70,413	184,735	279,555	21,466	22,630	50,076	(27,446)	-55%	279,555
Borrowing	–	10,000	10,000	–	–	–	–		10,000
Internally generated funds	160,495	315,530	315,530	19,309	40,846	31,902	8,943	28%	315,530
Total sources of capital funds	230,908	510,265	605,085	40,775	63,475	81,978	(18,503)	-23%	605,085
Financial position									
Total current assets	1,266,063	1,295,976	1,323,189		1,166,958				1,323,189
Total non current assets	2,607,415	2,995,110	3,089,930		2,648,172				3,089,930
Total current liabilities	510,585	743,289	767,790		424,643				767,790
Total non current liabilities	303,344	340,118	328,481		302,302				328,481
Community wealth/Equity	3,084,581	3,207,679	3,316,848		3,088,185				3,316,848
Cash flows									
Net cash from (used) operating	997,410	405,010	511,086	139,319	506,083	147,263	(358,820)	-244%	511,086
Net cash from (used) investing	(236,404)	(507,367)	(600,610)	(43,168)	(70,639)	(600,610)	(529,970)	88%	(600,610)
Net cash from (used) financing	2,018	(1,526)	(1,526)	118	996	(25,465)	(26,461)	104%	(1,526)
Cash/cash equivalents at the month/year end	1,311,859	723,729	736,563	–	1,370,230	348,802	(1,021,428)	-293%	842,740

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	119,199	32,828	17,417	10,097	8,078	7,426	28,487	169,194	392,725
Creditors Age Analysis									
Total Creditors	6,459	54	80	470	23	16	52	865	8,019

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		711,365	752,713	752,713	64,994	173,708	188,178	(14,470)	-8%	752,713
Executive and council		65,367	75,935	75,935	110	22,974	18,984	3,990	21%	75,935
Finance and administration		645,256	675,924	675,924	64,030	149,880	168,961	(19,101)	-11%	675,924
Internal audit		742	854	854	854	854	213	640	300%	854
Community and public safety		91,269	91,765	91,765	13,188	14,211	22,941	(8,730)	-38%	91,765
Community and social services		27,871	20,908	20,908	4,094	4,557	5,227	(670)	-13%	20,908
Sport and recreation		44,877	51,304	51,304	6,319	6,456	12,826	(6,370)	-50%	51,304
Public safety		10,840	12,292	12,292	803	1,166	3,073	(1,907)	-62%	12,292
Housing		7,680	7,261	7,261	1,972	2,032	1,815	217	12%	7,261
Health		–	–	–	–	–	–	–		–
Economic and environmental services		122,908	150,273	260,316	33,625	39,832	146,711	(106,880)	-73%	260,316
Planning and development		36,989	52,476	53,476	11,803	14,893	13,219	1,674	13%	53,476
Road transport		84,326	95,964	205,007	19,989	23,106	133,034	(109,928)	-83%	205,007
Environmental protection		1,593	1,833	1,833	1,833	1,833	458	1,375	300%	1,833
Trading services		1,170,754	1,318,057	1,318,057	89,799	271,156	329,514	(58,358)	-18%	1,318,057
Energy sources		1,071,572	1,212,157	1,212,157	74,199	240,984	303,039	(62,055)	-20%	1,212,157
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		99,182	105,900	105,900	15,600	30,172	26,475	3,697	14%	105,900
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	2,096,297	2,312,807	2,422,850	201,606	498,906	687,345	(188,439)	-27%	2,422,850
Expenditure - Functional										
Governance and administration		270,441	303,018	303,018	28,221	65,118	75,755	(10,636)	-14%	303,018
Executive and council		87,776	96,926	96,926	12,087	22,279	24,232	(1,953)	-8%	96,926
Finance and administration		178,356	199,037	199,037	15,661	41,672	49,759	(8,087)	-16%	199,037
Internal audit		4,309	7,055	7,055	472	1,167	1,764	(597)	-34%	7,055
Community and public safety		271,522	339,478	339,352	24,414	65,498	84,838	(19,340)	-23%	339,352
Community and social services		44,425	59,648	59,648	3,673	10,818	14,912	(4,094)	-27%	59,648
Sport and recreation		95,860	107,494	107,494	8,906	21,661	26,874	(5,213)	-19%	107,494
Public safety		115,962	151,146	151,146	9,897	28,615	37,786	(9,171)	-24%	151,146
Housing		15,276	21,190	21,064	1,938	4,404	5,266	(862)	-16%	21,064
Health		–	–	–	–	–	–	–		–
Economic and environmental services		180,700	224,036	225,036	18,601	47,466	56,109	(8,643)	-15%	225,036
Planning and development		59,045	102,062	103,062	5,216	16,472	25,616	(9,144)	-36%	103,062
Road transport		119,564	118,527	118,527	13,274	30,596	29,632	964	3%	118,527
Environmental protection		2,091	3,446	3,446	110	398	862	(463)	-54%	3,446
Trading services		1,217,370	1,269,975	1,269,975	143,168	292,864	318,994	(26,130)	-8%	1,269,975
Energy sources		1,103,968	1,128,349	1,128,349	133,169	270,199	283,837	(13,638)	-5%	1,128,349
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		113,401	141,626	141,626	9,999	22,664	35,157	(12,492)	-36%	141,626
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	1,940,033	2,136,507	2,137,381	214,404	470,946	535,695	(64,749)	-12%	2,137,381
Surplus/ (Deficit) for the year		156,264	176,300	285,469	(12,798)	27,960	151,650	(123,690)	-82%	285,469

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in the Financial Performance Statement

3. Total Expenditure by functional classification must reconcile to total operating expenditure shown in 'Financial Performance Statement'

4. All amounts must be classified under a functional classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Municipal governance and administration		711,365	752,713	752,713	64,994	173,708	188,178	(14,470)	-8%	752,713
Executive and council		65,367	75,935	75,935	110	22,974	18,984	3,990	0	75,935
Mayor and Council		61,465	71,445	71,445	110	22,974	17,861	5,113	0	71,445
Municipal Manager, Town Secretary and Chief Executive		3,902	4,490	4,490	–	–	1,123	(1,123)	(0)	4,490
Finance and administration		645,256	675,924	675,924	64,030	149,880	168,981	(19,101)	(0)	675,924
Administrative and Corporate Support		37	80	80	–	–	20	(20)	(0)	80
Asset Management		–	–	–	–	–	–	–		–
Finance		639,317	667,011	667,011	57,766	143,193	166,753	(23,560)	(0)	667,011
Fleet Management		–	–	–	–	–	–	–		–
Human Resources		2,038	2,291	2,291	2,291	2,291	573	1,718	0	2,291
Information Technology		1	–	–	–	–	–	–		–
Legal Services		–	–	–	–	–	–	–		–
Marketing, Customer Relations, Publicity and Media Co-ordination		3,238	3,726	3,726	3,726	3,726	932	2,795	0	3,726
Property Services		(13)	31	31	2	6	8	(1)	(0)	31
Risk Management		–	–	–	–	–	–	–		–
Security Services		–	–	–	–	–	–	–		–
Supply Chain Management		639	2,785	2,785	245	664	696	(33)	(0)	2,785
Valuation Service		–	–	–	–	–	–	–		–
Internal audit		742	854	854	854	854	213	640	0	854
Governance Function		742	854	854	854	854	213	640	0	854
Community and public safety		91,269	91,765	91,765	13,188	14,211	22,941	(8,730)	(0)	91,765
Community and social services		27,871	20,908	20,908	4,094	4,557	5,227	(670)	(0)	20,908
Aged Care		–	–	–	–	–	–	–		–
Agricultural		–	–	–	–	–	–	–		–
Animal Care and Diseases		–	–	–	–	–	–	–		–
Cemeteries, Funeral Parlours and Crematoriums		2,818	2,785	2,785	70	211	696	(485)	(0)	2,785
Child Care Facilities		5,958	6,856	6,856	–	–	1,714	(1,714)	(0)	6,856
Community Halls and Facilities		272	459	459	18	85	115	(30)	(0)	459
Consumer Protection		–	–	–	–	–	–	–		–
Cultural Matters		–	–	–	–	–	–	–		–
Disaster Management		3,279	3,767	3,767	3,767	3,767	942	2,825	0	3,767
Education		–	–	–	–	–	–	–		–
Indigenous and Customary Law		–	–	–	–	–	–	–		–
Industrial Promotion		–	–	–	–	–	–	–		–
Language Policy		–	–	–	–	–	–	–		–
Libraries and Archives		6,905	6,807	6,807	196	405	1,702	(1,296)	(0)	6,807
Literacy Programmes		–	–	–	–	–	–	–		–
Media Services		–	–	–	–	–	–	–		–
Museums and Art Galleries		8,645	235	235	44	89	59	30	0	235
Population Development		–	–	–	–	–	–	–		–
Provincial Cultural Matters		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Zoo's		–	–	–	–	–	–	–		–
Sport and recreation		44,877	51,304	51,304	6,319	6,456	12,826	(6,370)	(0)	51,304
Beaches and Jetties		–	–	–	–	–	–	–		–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–		–
Community Parks (including Nurseries)		43,840	50,402	50,402	6,243	6,243	12,601	(6,357)	(0)	50,402
Recreational Facilities		1,038	901	901	76	213	225	(13)	(0)	901
Sports Grounds and Stadiums		–	–	–	–	–	–	–		–
Public safety		10,840	12,292	12,292	803	1,166	3,073	(1,907)	(0)	12,292
Civil Defence		–	–	–	–	–	–	–		–
Cleansing		–	–	–	–	–	–	–		–
Control of Public Nuisances		–	–	–	–	–	–	–		–
Fencing and Fences		–	–	–	–	–	–	–		–
Fire Fighting and Protection		270	511	511	14	180	128	53	0	511
Licensing and Control of Animals		–	–	–	–	–	–	–		–
Police Forces, Traffic and Street Parking Control		10,571	11,781	11,781	788	986	2,945	(1,960)	(0)	11,781
Pounds		–	–	–	–	–	–	–		–
Housing		7,680	7,261	7,261	1,972	2,032	1,815	217	0	7,261
Housing		7,680	7,261	7,261	1,972	2,032	1,815	217	0	7,261
Informal Settlements		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Ambulance		–	–	–	–	–	–	–		–
Health Services		–	–	–	–	–	–	–		–
Laboratory Services		–	–	–	–	–	–	–		–
Food Control		–	–	–	–	–	–	–		–
Health Surveillance and Prevention of Communicable Diseases including immunizations		–	–	–	–	–	–	–		–
Vector Control		–	–	–	–	–	–	–		–
Chemical Safety		–	–	–	–	–	–	–		–
Economic and environmental services		122,908	150,273	260,316	33,625	39,832	146,711	(106,880)	(0)	260,316
Planning and development		36,989	52,476	53,476	11,803	14,893	13,219	1,674	0	53,476
Billboards		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Corporate Wide Strategic Planning (IDPs, LEDs)		2,565	2,137	2,137	2,137	2,137	534	1,603	0	2,137
Central City Improvement District		–	–	–	–	–	–	–		–
Development Facilitation		1,451	2,461	2,461	846	1,336	615	720	0	2,461
Economic Development/Planning		9,009	20,476	21,476	52	55	5,219	(5,164)	(0)	21,476
Regional Planning and Development		–	–	–	–	–	–	–		–
Town Planning, Building Regulations and Enforcement, and City Engineer		23,964	27,401	27,401	8,768	11,365	6,850	4,514	0	27,401
Project Management Unit		–	–	–	–	–	–	–		–
Provincial Planning		–	–	–	–	–	–	–		–
Support to Local Municipalities		–	–	–	–	–	–	–		–
Road transport		84,326	95,964	205,007	19,989	23,106	133,034	(109,928)	(0)	205,007
Public Transport		–	–	–	–	–	–	–		–
Road and Traffic Regulation		9,661	13,200	13,200	1,046	2,729	3,300	(571)	(0)	13,200
Roads		74,666	82,764	191,807	18,943	20,377	129,734	(109,357)	(0)	191,807
Taxi Ranks		–	–	–	–	–	–	–		–
Environmental protection		1,593	1,833	1,833	1,833	1,833	458	1,375	0	1,833
Biodiversity and Landscape		1,593	1,833	1,833	1,833	1,833	458	1,375	0	1,833
Coastal Protection		–	–	–	–	–	–	–		–
Indigenous Forests		–	–	–	–	–	–	–		–
Nature Conservation		–	–	–	–	–	–	–		–
Pollution Control		–	–	–	–	–	–	–		–
Soil Conservation		–	–	–	–	–	–	–		–
Trading services		1,170,754	1,318,057	1,318,057	89,799	271,156	329,514	(58,358)	(0)	1,318,057
Energy sources		1,071,572	1,212,157	1,212,157	74,199	240,984	303,039	(62,055)	(0)	1,212,157
Electricity		1,071,572	1,212,157	1,212,157	74,199	240,984	303,039	(62,055)	(0)	1,212,157
Street Lighting and Signal Systems		–	–	–	–	–	–	–		–
Nonelectric Energy		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Water Treatment		–	–	–	–	–	–	–		–
Water Distribution		–	–	–	–	–	–	–		–
Water Storage		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Public Toilets		–	–	–	–	–	–	–		–
Sewerage		–	–	–	–	–	–	–		–
Storm Water Management		–	–	–	–	–	–	–		–
Waste Water Treatment		–	–	–	–	–	–	–		–
Waste management		99,182	105,900	105,908	15,600	30,172	26,475	3,697	0	105,900
Recycling		–	–	–	–	–	–	–		–
Solid Waste Disposal (Landfill Sites)		–	–	–	–	–	–	–		–
Solid Waste Removal		99,182	105,900	105,900	15,600	30,172	26,475	3,697	0	105,900
Street Cleaning		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Air Transport		–	–	–	–	–	–	–		–
Forestry		–	–	–	–	–	–	–		–
Licensing and Regulation		–	–	–	–	–	–	–		–
Markets		–	–	–	–	–	–	–		–
Tourism		–	–	–	–	–	–	–		–
Total Revenue - Functional	2	2,096,297	2,312,807	2,422,850	201,606	498,906	687,345	(188,439)	(0)	2,422,850
Expenditure - Functional										
Municipal governance and administration		270,441	303,018	303,018	28,221	65,118	75,755	(10,636)	(0)	303,018
Executive and council		87,776	96,926	96,926	12,087	22,279	24,232	(1,953)	(0)	96,926
Mayor and Council		53,583	57,548	57,548	9,168	14,635	14,387	248	0	57,548
Municipal Manager, Town Secretary and Chief Executive		34,193	39,379	39,379	2,920	7,644	9,845	(2,201)	(0)	39,379
Finance and administration		178,356	199,037	199,037	15,661	41,672	49,759	(8,087)	(0)	199,037
Administrative and Corporate Support		21,462	29,200	29,350	2,374	6,128	7,337	(1,210)	(0)	29,350
Asset Management		–	–	–	–	–	–	–		–
Finance		64,660	66,190	66,190	4,293	11,168	16,547	(5,380)	(0)	66,190
Fleet Management		14,487	15,547	15,547	1,114	3,223	3,887	(664)	(0)	15,547
Human Resources		11,448	13,404	13,404	1,666	3,327	3,351	(24)	(0)	13,404
Information Technology		16,580	22,124	21,974	1,338	4,307	5,494	(1,186)	(0)	21,974
Legal Services		–	–	–	–	–	–	–		–
Marketing, Customer Relations, Publicity and Media Co-ordination		8,004	14,519	14,519	782	1,933	3,630	(1,697)	(0)	14,519
Property Services		9,130	10,169	10,169	723	2,464	2,542	(78)	(0)	10,169
Risk Management		–	–	–	–	–	–	–		–
Security Services		24,602	18,756	18,756	2,598	6,881	4,689	2,192	0	18,756
Supply Chain Management		7,984	9,128	9,128	774	2,241	2,282	(41)	(0)	9,128
Valuation Service		–	–	–	–	–	–	–		–
Internal audit		4,309	7,055	7,055	472	1,167	1,764	(597)	(0)	7,055
Governance Function		4,309	7,055	7,055	472	1,167	1,764	(597)	(0)	7,055
Community and public safety		271,522	339,478	339,352	24,414	65,498	84,838	(19,340)	(0)	339,352
Community and social services		44,425	59,648	59,648	3,673	10,818	14,912	(4,094)	(0)	59,648
Aged Care		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2021/22 Audited Outcome	Budget Year 2022/23 Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Agricultural		–	–	–	–	–	–	–		–
Animal Care and Diseases		–	–	–	–	–	–	–		–
Cemeteries, Funeral Parlours and Crematoriums		9,250	11,729	11,729	616	2,117	2,932	(815)	(0)	11,729
Child Care Facilities		7,005	12,409	12,409	770	2,014	3,102	(1,088)	(0)	12,409
Community Halls and Facilities		8,639	11,103	11,103	778	2,103	2,776	(673)	(0)	11,103
Consumer Protection		–	–	–	–	–	–	–		–
Cultural Matters		–	–	–	–	–	–	–		–
Disaster Management		5,770	7,546	7,546	266	1,076	1,887	(811)	(0)	7,546
Education		–	–	–	–	–	–	–		–
Indigenous and Customary Law		–	–	–	–	–	–	–		–
Industrial Promotion		–	–	–	–	–	–	–		–
Language Policy		–	–	–	–	–	–	–		–
Libraries and Archives		12,651	15,147	15,147	1,160	3,255	3,787	(531)	(0)	15,147
Literacy Programmes		–	–	–	–	–	–	–		–
Media Services		–	–	–	–	–	–	–		–
Museums and Art Galleries		1,109	1,714	1,714	84	253	429	(176)	(0)	1,714
Population Development		–	–	–	–	–	–	–		–
Provincial Cultural Matters		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Zoo's		–	–	–	–	–	–	–		–
Sport and recreation		95,860	107,494	107,494	8,906	21,661	26,874	(5,213)	(0)	107,494
Beaches and Jetties		8	–	–	(1)	345	–	345	#DIV/0!	–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–		–
Community Parks (including Nurseries)		58,159	62,107	62,107	6,283	13,330	15,527	(2,197)	(0)	62,107
Recreational Facilities		37,693	45,387	45,387	2,625	7,987	11,347	(3,360)	(0)	45,387
Sports Grounds and Stadiums		–	–	–	–	–	–	–		–
Public safety		115,962	151,146	151,146	9,897	28,615	37,786	(9,171)	(0)	151,146
Civil Defence		–	–	–	–	–	–	–		–
Cleansing		–	–	–	–	–	–	–		–
Control of Public Nuisances		–	–	–	–	–	–	–		–
Fencing and Fences		–	–	–	–	–	–	–		–
Fire Fighting and Protection		44,062	60,449	60,449	3,625	10,287	15,112	(4,825)	(0)	60,449
Licensing and Control of Animals		–	–	–	–	–	–	–		–
Police Forces, Traffic and Street Parking Control		71,900	90,697	90,697	6,272	18,328	22,674	(4,346)	(0)	90,697
Pounds		–	–	–	–	–	–	–		–
Housing		15,276	21,190	21,064	1,938	4,404	5,266	(862)	(0)	21,064
Housing		15,276	21,190	21,064	1,938	4,404	5,266	(862)	(0)	21,064
Informal Settlements		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Ambulance		–	–	–	–	–	–	–		–
Health Services		–	–	–	–	–	–	–		–
Laboratory Services		–	–	–	–	–	–	–		–
Food Control		–	–	–	–	–	–	–		–
Health Surveillance and Prevention of Communicable Diseases including immunizations		–	–	–	–	–	–	–		–
Vector Control		–	–	–	–	–	–	–		–
Chemical Safety		–	–	–	–	–	–	–		–
Economic and environmental services		180,700	224,036	225,036	18,601	47,466	56,109	(8,643)	(0)	225,036
Planning and development		59,045	102,062	103,062	5,216	16,472	25,616	(9,144)	(0)	103,062
Billboards		–	–	–	–	–	–	–		–
Corporate Wide Strategic Planning (IDPs, LEDs)		12,522	32,816	32,816	1,171	3,530	8,204	(4,674)	(0)	32,816
Central City Improvement District		–	–	–	–	–	–	–		–
Development Facilitation		10,710	13,180	13,180	984	3,068	3,295	(227)	(0)	13,180
Economic Development/Planning		14,354	29,999	30,999	1,144	4,513	7,600	(3,087)	(0)	30,999
Regional Planning and Development		–	–	–	–	–	–	–		–
Town Planning, Building Regulations and Enforcement, and City Engineer		21,459	26,067	26,067	1,917	5,361	6,517	(1,156)	(0)	26,067
Project Management Unit		–	–	–	–	–	–	–		–
Provincial Planning		–	–	–	–	–	–	–		–
Support to Local Municipalities		–	–	–	–	–	–	–		–
Road transport		119,564	118,527	118,527	13,274	30,596	28,632	964	0	118,527
Public Transport		–	–	–	–	–	–	–		–
Road and Traffic Regulation		13,144	16,856	16,856	1,043	3,343	4,214	(871)	(0)	16,856
Roads		106,420	101,671	101,671	12,231	27,253	25,418	1,836	0	101,671
Taxi Ranks		–	–	–	–	–	–	–		–
Environmental protection		2,091	3,446	3,446	110	398	862	(463)	(0)	3,446
Biodiversity and Landscape		2,091	3,446	3,446	110	398	862	(463)	(0)	3,446
Coastal Protection		–	–	–	–	–	–	–		–
Indigenous Forests		–	–	–	–	–	–	–		–
Nature Conservation		–	–	–	–	–	–	–		–
Pollution Control		–	–	–	–	–	–	–		–
Soil Conservation		–	–	–	–	–	–	–		–
Trading services		1,217,370	1,269,975	1,269,975	143,168	292,864	318,994	(26,130)	(0)	1,269,975
Energy sources		1,103,968	1,128,349	1,128,349	133,169	270,199	283,837	(13,638)	(0)	1,128,349
Electricity		1,098,468	1,121,114	1,121,114	133,073	269,743	282,028	(12,286)	(0)	1,121,114

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Street Lighting and Signal Systems		5,502	7,235	7,235	96	456	1,809	(1,352)	(0)	7,235
Nonelectric Energy		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Water Treatment		–	–	–	–	–	–	–		–
Water Distribution		–	–	–	–	–	–	–		–
Water Storage		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Public Toilets		–	–	–	–	–	–	–		–
Sewerage		–	–	–	–	–	–	–		–
Storm Water Management		–	–	–	–	–	–	–		–
Waste Water Treatment		–	–	–	–	–	–	–		–
Waste management		113,401	141,626	141,626	9,999	22,664	35,157	(12,492)	(0)	141,626
Recycling		–	–	–	–	–	–	–		–
Solid Waste Disposal (Landfill Sites)		–	–	–	–	–	–	–		–
Solid Waste Removal		103,727	129,584	129,584	9,091	19,937	32,146	(12,209)	(0)	129,584
Street Cleaning		9,675	12,042	12,042	908	2,728	3,010	(283)	(0)	12,042
Other		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Air Transport		–	–	–	–	–	–	–		–
Forestry		–	–	–	–	–	–	–		–
Licensing and Regulation		–	–	–	–	–	–	–		–
Markets		–	–	–	–	–	–	–		–
Tourism		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	1,940,033	2,136,507	2,137,381	214,404	470,946	535,695	(64,749)	(0)	2,137,381
Surplus/ (Deficit) for the year		156,264	176,300	285,469	(12,798)	27,960	151,650	(123,690)	(0)	285,469

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison

2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)

4. All amounts must be classified under a Functional classification. The function 'Other' is only for Abbatoirs, Air Transport, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance	*1,486,653,196*	*1,704,632,837*	*1,791,581,837*	*125,820,204*	*-41,702,898*	*150,646,905*	*#REF!*		*1,791,581,837*
check opexp balance	*1,357,128,357*	*1,586,104,478*	*1,557,502,826*	*163,051,691*	*91,159,573*	*109,569,754*	*-18,410,181*		*1,557,502,826*

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KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2021/22 Audited Outcome	Budget Year Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Chief Operations Officer Business Unit		10,447	11,208	11,208	6,718	6,718	2,802	3,916	139.7%	11,208
Vote 2 - Corporate Services Business Unit		63,541	73,815	73,815	2,401	25,265	18,454	6,811	36.9%	73,815
Vote 3 - Finance Business Unit		639,955	669,796	669,796	58,011	143,857	167,449	(23,592)	-14.1%	669,796
Vote 4 - Economic Development Planning Business Unit		44,662	52,407	53,407	11,543	14,677	13,202	1,475	11.2%	53,407
Vote 5 - Community Services and Public Amenities Business Unit		153,589	167,237	167,237	22,191	37,318	41,809	(4,491)	-10.7%	167,237
Vote 6 - Community Safety Business Unit		24,241	29,276	29,276	5,627	7,673	7,319	354	4.8%	29,276
Vote 7 - Civil Engineering and Human Settlement Business Unit		82,332	90,056	199,099	20,917	22,415	131,557	(109,142)	-83.0%	199,099
Vote 8 - Electrical Engineering Business Unit		1,071,572	1,212,157	1,212,157	74,199	240,984	303,039	(62,055)	-20.5%	1,212,157
Vote 9 - Youth Development Business Unit		5,958	6,856	6,856	–	–	1,714	(1,714)	-100.0%	6,856
Vote 10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
Vote 15 - Null		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	2,096,297	2,312,807	2,422,850	201,606	498,906	687,345	(188,439)	-27.4%	2,422,850
Expenditure by Vote	1									
Vote 1 - Chief Operations Officer Business Unit		53,706	85,435	85,435	4,873	12,850	21,359	(8,509)	-39.8%	85,435
Vote 2 - Corporate Services Business Unit		103,073	122,276	122,276	14,545	28,397	30,569	(2,172)	-7.1%	122,276
Vote 3 - Finance Business Unit		72,643	75,318	75,318	5,067	13,409	18,829	(5,421)	-28.8%	75,318
Vote 4 - Economic Development Planning Business Unit		49,723	74,407	75,407	4,240	13,593	18,702	(5,109)	-27.3%	75,407
Vote 5 - Community Services and Public Amenities Business Unit		224,579	270,939	270,939	20,594	49,054	67,485	(18,431)	-27.3%	270,939
Vote 6 - Community Safety Business Unit		179,985	218,798	218,798	15,141	44,086	54,699	(10,613)	-19.4%	218,798
Vote 7 - Civil Engineering and Human Settlement Business Unit		130,825	133,029	132,903	14,892	34,121	33,226	895	2.7%	132,903
Vote 8 - Electrical Engineering Business Unit		1,118,455	1,143,896	1,143,896	134,283	273,422	287,724	(14,302)	-5.0%	1,143,896
Vote 9 - Youth Development Business Unit		7,043	12,409	12,409	770	2,014	3,102	(1,088)	-35.1%	12,409
Vote 10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
Vote 15 - Null		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	1,940,033	2,136,507	2,137,381	214,404	470,946	535,695	(64,749)	-12.1%	2,137,381
Surplus/ (Deficit) for the year	2	156,264	176,300	285,469	(12,798)	27,960	151,650	(123,690)	-81.6%	285,469

References

1. Insert 'Vote'; e.g. Department, if different to standard classification structure

2. Must reconcile to Monthly Budget Statement - Financial Performance Statement (standard classification)

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Chief Operations Officer Business Unit		10,447	11,208	11,208	6,718	6,718	2,802	3,916	140%	11,208
1.1 - Municipal Managers Office		3,902	4,490	4,490	–	–	1,123	(1,123)	-100%	4,490
1.2 - Internal Audit		742	854	854	854	854	213	640	300%	854
1.3 - Corporate Communications		3,238	3,726	3,726	3,726	3,726	932	2,795	300%	3,726
1.4 - IDP		1,423	823	823	823	823	206	617	300%	823
1.5 - PMS		363	418	418	418	418	105	314	300%	418
1.6 - Public Participation		779	896	896	896	896	224	672	300%	896
1.7 - Null		–	–	–	–	–	–	–		–
1.8 - Null		–	–	–	–	–	–	–		–
1.9 - Null		–	–	–	–	–	–	–		–
1.10 - Null		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services Business Unit		63,541	73,815	73,815	2,401	25,265	18,454	6,811	37%	73,815
2.1 - Council General Expenses		61,465	71,445	71,445	110	22,974	17,861	5,113	29%	71,445
2.2 - Human Resources - Admin		2,038	2,291	2,291	2,291	2,291	573	1,718	300%	2,291
2.3 - Administration: General		37	80	80	–	–	20	(20)	-100%	80
2.4 - Information Technology		1	–	–	–	–	–	–		–
2.5 - Null		–	–	–	–	–	–	–		–
2.6 - Null		–	–	–	–	–	–	–		–
2.7 - Null		–	–	–	–	–	–	–		–
2.8 - Null		–	–	–	–	–	–	–		–
2.9 - Null		–	–	–	–	–	–	–		–
2.10 - Null		–	–	–	–	–	–	–		–
Vote 3 - Finance Business Unit		639,955	669,796	669,796	58,011	143,857	167,449	(23,592)	-14%	669,796
3.1 - Assessment Rates		554,757	604,725	604,725	55,093	123,797	151,181	(27,384)	-18%	604,725
3.2 - Budget and Treasury Office		84,560	62,286	62,286	2,673	19,396	15,572	3,824	25%	62,286
3.3 - Supply Chain Management		639	2,785	2,785	245	664	696	(33)	-5%	2,785
3.4 - Null		–	–	–	–	–	–	–		–
3.5 - Null		–	–	–	–	–	–	–		–
3.6 - Null		–	–	–	–	–	–	–		–
3.7 - Null		–	–	–	–	–	–	–		–
3.8 - Null		–	–	–	–	–	–	–		–
3.9 - Null		–	–	–	–	–	–	–		–
3.10 - Null		–	–	–	–	–	–	–		–
Vote 4 - Economic Development Planning Business Unit		44,662	52,407	53,407	11,543	14,677	13,202	1,475	11%	53,407
4.1 - Museum		8,645	235	235	44	89	59	30	51%	235
4.2 - Economic Develop. & Planning		9,009	20,476	21,476	52	55	5,219	(5,164)	-99%	21,476
4.3 - Environment & Management		1,593	1,833	1,833	1,833	1,833	458	1,375	300%	1,833
4.4 - Development Control		1,451	2,461	2,461	846	1,336	615	720	117%	2,461
4.5 - Town Planning		10,540	13,993	13,993	7,166	7,757	3,498	4,259	122%	13,993
4.6 - Building Control		13,424	13,409	13,409	1,602	3,608	3,352	255	8%	13,409
4.7 - Null		–	–	–	–	–	–	–		–
4.8 - Null		–	–	–	–	–	–	–		–
4.9 - Null		–	–	–	–	–	–	–		–
4.10 - Null		–	–	–	–	–	–	–		–
Vote 5 - Community Services and Public Amenities Busin		153,589	167,237	167,237	22,191	37,318	41,809	(4,491)	-11%	167,237
5.1 - Beach Amenities		–	–	–	–	–	–	–		–
5.2 - Library		6,906	6,807	6,807	196	406	1,702	(1,296)	-76%	6,807
5.3 - Cemetery		2,818	2,785	2,785	70	211	696	(485)	-70%	2,785
5.4 - Admin General		–	–	–	–	–	–	–		–
5.5 - Parks and Gardens		43,840	50,402	50,402	6,243	6,243	12,601	(6,357)	-50%	50,402
5.6 - Sport and Recreation		47	84	84	(1)	5	21	(16)	-74%	84
5.7 - Dolphin Park		524	800	800	65	196	200	(4)	-2%	800
5.8 - Community Halls		272	459	459	18	85	115	(30)	-26%	459
5.9 - Street Sweeping		–	–	–	–	–	–	–		–
5.10 - Refuse Removal		99,182	105,900	105,900	15,600	30,172	26,475	3,697	14%	105,900
Vote 6 - Community Safety Business Unit		24,241	29,276	29,276	5,627	7,673	7,319	354	5%	29,276
6.1 - Law Enforcement Administration		–	–	–	–	–	–	–		–
6.2 - Security Services		–	–	–	–	–	–	–		–
6.3 - Law Enforcement		10,571	11,781	11,781	788	986	2,945	(1,960)	-67%	11,781
6.4 - Fire and Emergency		270	511	511	14	180	128	53	41%	511
6.5 - Disaster Management		3,273	3,767	3,767	3,767	3,767	942	2,825	300%	3,767
6.6 - Marine Safety		466	18	18	11	11	4	7	157%	18
6.7 - Vehicle Testing		3,525	6,000	6,000	388	1,275	1,500	(225)	-15%	6,000
6.8 - Vehicle Licensing		6,136	7,200	7,200	658	1,453	1,800	(347)	-19%	7,200
6.9 - Null		–	–	–	–	–	–	–		–
6.10 - Null		–	–	–	–	–	–	–		–
Vote 7 - Civil Engineering and Human Settlement Busines		82,332	90,056	199,099	20,917	22,415	131,557	(109,142)	-83%	199,099
7.1 - Human Settlements		7,680	7,261	7,261	1,972	2,032	1,815	217	12%	7,261
7.2 - Civil Admin		4,459	5,162	5,162	–	255	1,290	(1,035)	-80%	5,162
7.3 - Civil Buildings		–	1	1	–	–	0	(0)	-100%	1
7.4 - Road and Stormwater		70,206	77,603	186,646	18,943	20,122	128,444	(108,321)	-84%	186,646
7.5 - Staff Housing		(13)	30	30	2	6	8	(1)	-16%	30
7.6 - Null		–	–	–	–	–	–	–		–
7.7 - Null		–	–	–	–	–	–	–		–
7.8 - Null		–	–	–	–	–	–	–		–
7.9 - Null		–	–	–	–	–	–	–		–
7.10 - Null		–	–	–	–	–	–	–		–
Vote 8 - Electrical Engineering Business Unit		1,071,572	1,212,157	1,212,157	74,199	240,984	303,039	(62,055)	-20%	1,212,157
8.1 - Street Lights		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
8.2 - Vehicle and Plant-Electricity		–	–	–	–	–	–	–		–
8.3 - Mechanical Workshop		–	–	–	–	–	–	–		–
8.4 - Electricity: Administration		894,518	1,015,565	1,015,565	50,016	195,928	253,891	(57,963)	-23%	1,015,565
8.5 - Electricity: Urban South		264	473	473	(43)	(10)	118	(128)	-109%	473
8.6 - Electricity: Rural North		–	–	–	–	–	–	–		–
8.7 - Electricity: SAPPI		176,790	196,119	196,119	24,226	45,066	49,030	(3,964)	-8%	196,119
8.8 - Electricity: Urban North		–	–	–	–	–	–	–		–
8.9 - Electricity: Rural South		–	–	–	–	–	–	–		–
8.10 - Electricity Salaries Dist.Acc.		–	–	–	–	–	–	–		–
Vote 9 - Youth Development Business Unit		5,958	6,856	6,856	–	–	1,714	(1,714)	-100%	6,856
9.1 - Youth Development		5,958	6,856	6,856	–	–	1,714	(1,714)	-100%	6,856
9.2 - Null		–	–	–	–	–	–	–		–
9.3 - Null		–	–	–	–	–	–	–		–
9.4 - Null		–	–	–	–	–	–	–		–
9.5 - Null		–	–	–	–	–	–	–		–
9.6 - Null		–	–	–	–	–	–	–		–
9.7 - Null		–	–	–	–	–	–	–		–
9.8 - Null		–	–	–	–	–	–	–		–
9.9 - Null		–	–	–	–	–	–	–		–
9.10 - Null		–	–	–	–	–	–	–		–
Vote 10 - Null		–	–	–	–	–	–	–		–
10.1 - Null		–	–	–	–	–	–	–		–
10.2 - Null		–	–	–	–	–	–	–		–
10.3 - Null		–	–	–	–	–	–	–		–
10.4 - Null		–	–	–	–	–	–	–		–
10.5 - Null		–	–	–	–	–	–	–		–
10.6 - Null		–	–	–	–	–	–	–		–
10.7 - Null		–	–	–	–	–	–	–		–
10.8 - Null		–	–	–	–	–	–	–		–
10.9 - Null		–	–	–	–	–	–	–		–
10.10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
11.1 - Null		–	–	–	–	–	–	–		–
11.2 - Null		–	–	–	–	–	–	–		–
11.3 - Null		–	–	–	–	–	–	–		–
11.4 - Null		–	–	–	–	–	–	–		–
11.5 - Null		–	–	–	–	–	–	–		–
11.6 - Null		–	–	–	–	–	–	–		–
11.7 - Null		–	–	–	–	–	–	–		–
11.8 - Null		–	–	–	–	–	–	–		–
11.9 - Null		–	–	–	–	–	–	–		–
11.10 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
12.1 - Null		–	–	–	–	–	–	–		–
12.2 - Null		–	–	–	–	–	–	–		–
12.3 - Null		–	–	–	–	–	–	–		–
12.4 - Null		–	–	–	–	–	–	–		–
12.5 - Null		–	–	–	–	–	–	–		–
12.6 - Null		–	–	–	–	–	–	–		–
12.7 - Null		–	–	–	–	–	–	–		–
12.8 - Null		–	–	–	–	–	–	–		–
12.9 - Null		–	–	–	–	–	–	–		–
12.10 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
13.1 - Null		–	–	–	–	–	–	–		–
13.2 - Null		–	–	–	–	–	–	–		–
13.3 - Null		–	–	–	–	–	–	–		–
13.4 - Null		–	–	–	–	–	–	–		–
13.5 - Null		–	–	–	–	–	–	–		–
13.6 - Null		–	–	–	–	–	–	–		–
13.7 - Null		–	–	–	–	–	–	–		–
13.8 - Null		–	–	–	–	–	–	–		–
13.9 - Null		–	–	–	–	–	–	–		–
13.10 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
14.1 - Null		–	–	–	–	–	–	–		–
14.2 - Null		–	–	–	–	–	–	–		–
14.3 - Null		–	–	–	–	–	–	–		–
14.4 - Null		–	–	–	–	–	–	–		–
14.5 - Null		–	–	–	–	–	–	–		–
14.6 - Null		–	–	–	–	–	–	–		–
14.7 - Null		–	–	–	–	–	–	–		–
14.8 - Null		–	–	–	–	–	–	–		–
14.9 - Null		–	–	–	–	–	–	–		–
14.10 - Null		–	–	–	–	–	–	–		–
Vote 15 - Null		–	–	–	–	–	–	–		–
15.1 - Null		–	–	–	–	–	–	–		–
15.2 - Null		–	–	–	–	–	–	–		–
15.3 - Null		–	–	–	–	–	–	–		–
15.4 - Null		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
15.5 - Null		–	–	–	–	–	–	–		–
15.6 - Null		–	–	–	–	–	–	–		–
15.7 - Null		–	–	–	–	–	–	–		–
15.8 - Null		–	–	–	–	–	–	–		–
15.9 - Null		–	–	–	–	–	–	–		–
15.10 - Null		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	2,096,297	2,312,807	2,422,850	201,606	498,906	687,345	(188,439)	-27%	2,422,850
Expenditure by Vote	1							–		
Vote 1 - Chief Operations Officer Business Unit		53,706	85,435	85,435	4,873	12,850	21,359	(8,509)	-40%	85,435
1.1 - Municipal Managers Office		28,872	31,046	31,046	2,447	6,219	7,761	(1,542)	-20%	31,046
1.2 - Internal Audit		4,309	7,055	7,055	472	1,167	1,764	(597)	-34%	7,055
1.3 - Corporate Communications		8,004	14,519	14,519	782	1,933	3,630	(1,697)	-47%	14,519
1.4 - IDP		1,769	16,828	16,828	144	431	4,207	(3,776)	-90%	16,828
1.5 - PMS		3,719	5,901	5,901	274	835	1,475	(640)	-43%	5,901
1.6 - Public Participation		7,034	10,087	10,087	753	2,263	2,522	(259)	-10%	10,087
1.7 - Null		–	–	–	–	–	–	–		–
1.8 - Null		–	–	–	–	–	–	–		–
1.9 - Null		–	–	–	–	–	–	–		–
1.10 - Null		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services Business Unit		103,073	122,276	122,276	14,545	28,397	30,569	(2,172)	-7%	122,276
2.1 - Council General Expenses		53,583	57,548	57,548	9,168	14,635	14,387	248	2%	57,548
2.2 - Human Resources - Admin		11,448	13,404	13,404	1,666	3,327	3,351	(24)	-1%	13,404
2.3 - Administration: General		21,462	29,200	29,350	2,374	6,128	7,337	(1,210)	-16%	29,350
2.4 - Information Technology		16,580	22,124	21,974	1,338	4,307	5,494	(1,186)	-22%	21,974
2.5 - Null		–	–	–	–	–	–	–		–
2.6 - Null		–	–	–	–	–	–	–		–
2.7 - Null		–	–	–	–	–	–	–		–
2.8 - Null		–	–	–	–	–	–	–		–
2.9 - Null		–	–	–	–	–	–	–		–
2.10 - Null		–	–	–	–	–	–	–		–
Vote 3 - Finance Business Unit		72,643	75,318	75,318	5,067	13,409	18,829	(5,421)	-29%	75,318
3.1 - Assessment Rates		12,463	13,650	13,650	992	1,430	3,413	(1,983)	-58%	13,650
3.2 - Budget and Treasury Office		52,197	52,540	52,540	3,301	9,738	13,135	(3,397)	-26%	52,540
3.3 - Supply Chain Management		7,984	9,128	9,128	774	2,241	2,282	(41)	-2%	9,128
3.4 - Null		–	–	–	–	–	–	–		–
3.5 - Null		–	–	–	–	–	–	–		–
3.6 - Null		–	–	–	–	–	–	–		–
3.7 - Null		–	–	–	–	–	–	–		–
3.8 - Null		–	–	–	–	–	–	–		–
3.9 - Null		–	–	–	–	–	–	–		–
3.10 - Null		–	–	–	–	–	–	–		–
Vote 4 - Economic Development Planning Business Unit		49,723	74,407	75,407	4,240	13,593	18,702	(5,109)	-27%	75,407
4.1 - Museum		1,109	1,714	1,714	84	253	429	(176)	-41%	1,714
4.2 - Economic Develop. & Planning		14,354	29,999	30,999	1,144	4,513	7,600	(3,087)	-41%	30,999
4.3 - Environment & Management		2,091	3,446	3,446	110	398	862	(463)	-54%	3,446
4.4 - Development Control		10,710	13,180	13,180	984	3,068	3,295	(227)	-7%	13,180
4.5 - Town Planning		7,963	10,608	10,608	655	1,861	2,652	(791)	-30%	10,608
4.6 - Building Control		13,496	15,459	15,459	1,261	3,500	3,865	(364)	-9%	15,459
4.7 - Null		–	–	–	–	–	–	–		–
4.8 - Null		–	–	–	–	–	–	–		–
4.9 - Null		–	–	–	–	–	–	–		–
4.10 - Null		–	–	–	–	–	–	–		–
Vote 5 - Community Services and Public Amenities Busin		224,579	270,939	270,939	20,594	49,054	67,485	(18,431)	-27%	270,939
5.1 - Beach Amenities		10,096	13,056	13,056	716	2,479	3,264	(785)	-24%	13,056
5.2 - Library		12,651	15,147	15,147	1,160	3,255	3,787	(531)	-14%	15,147
5.3 - Cemetery		9,250	11,729	11,729	616	2,117	2,932	(815)	-28%	11,729
5.4 - Admin General		5,322	8,333	8,333	473	1,424	2,083	(659)	-32%	8,333
5.5 - Parks and Gardens		58,159	62,107	62,107	6,283	13,330	15,527	(2,197)	-14%	62,107
5.6 - Sport and Recreation		7,061	7,838	7,838	569	1,682	1,959	(278)	-14%	7,838
5.7 - Dolphin Park		–	–	–	–	–	–	–		–
5.8 - Community Halls		8,639	11,103	11,103	778	2,103	2,776	(673)	-24%	11,103
5.9 - Street Sweeping		9,675	12,042	12,042	908	2,728	3,010	(283)	-9%	12,042
5.10 - Refuse Removal		103,727	129,584	129,584	9,091	19,937	32,146	(12,209)	-38%	129,584
Vote 6 - Community Safety Business Unit		179,985	218,798	218,798	15,141	44,086	54,699	(10,613)	-19%	218,798
6.1 - Law Enforcement Administration		8,415	18,773	18,773	698	2,067	4,693	(2,627)	-56%	18,773
6.2 - Security Services		24,602	18,756	18,756	2,598	6,881	4,689	2,192	47%	18,756
6.3 - Law Enforcement		63,485	71,923	71,923	5,574	16,261	17,981	(1,720)	-10%	71,923
6.4 - Fire and Emergency		44,062	60,449	60,449	3,625	10,287	15,112	(4,825)	-32%	60,449
6.5 - Disaster Management		5,770	7,546	7,546	266	1,076	1,887	(811)	-43%	7,546
6.6 - Marine Safety		20,505	24,493	24,493	1,338	4,171	6,123	(1,952)	-32%	24,493
6.7 - Vehicle Testing		8,662	11,651	11,651	678	2,114	2,913	(799)	-27%	11,651
6.8 - Vehicle Licensing		4,482	5,206	5,206	365	1,229	1,301	(72)	-6%	5,206
6.9 - Null		–	–	–	–	–	–	–		–
6.10 - Null		–	–	–	–	–	–	–		–
Vote 7 - Civil Engineering and Human Settlement Busines		130,825	133,029	132,903	14,892	34,121	33,226	895	3%	132,903
7.1 - Human Settlements		15,276	21,190	21,064	1,938	4,404	5,266	(862)	-16%	21,064
7.2 - Civil Admin		15,058	18,936	18,417	2,230	4,719	4,682	36	1%	18,417
7.3 - Civil Buildings		9,104	10,130	10,130	723	2,464	2,532	(69)	-3%	10,130
7.4 - Road and Stormwater		91,362	82,735	83,254	10,001	22,535	20,736	1,799	9%	83,254
7.5 - Staff Housing		26	39	39	0	0	10	(10)	-99%	39

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
7.6 - Null		–	–	–	–	–	–	–		–
7.7 - Null		–	–	–	–	–	–	–		–
7.8 - Null		–	–	–	–	–	–	–		–
7.9 - Null		–	–	–	–	–	–	–		–
7.10 - Null		–	–	–	–	–	–	–		–
Vote 8 - Electrical Engineering Business Unit		1,118,455	1,143,896	1,143,896	134,283	273,422	287,724	(14,302)	-5%	1,143,896
8.1 - Street Lights		5,502	7,235	7,235	96	456	1,809	(1,352)	-75%	7,235
8.2 - Vehicle and Plant-Electricity		3,732	5,180	5,180	311	788	1,295	(507)	-39%	5,180
8.3 - Mechanical Workshop		10,755	10,367	10,367	803	2,435	2,592	(157)	-6%	10,367
8.4 - Electricity: Administration		1,038,378	1,051,482	1,051,482	128,462	254,828	264,620	(9,792)	-4%	1,051,482
8.5 - Electricity: Urban South		6,025	7,817	7,817	347	1,017	1,954	(937)	-48%	7,817
8.6 - Electricity: Rural North		7,157	8,210	8,210	665	1,841	2,052	(211)	-10%	8,210
8.7 - Electricity: SAPPI		124	897	897	–	1	224	(224)	-100%	897
8.8 - Electricity: Urban North		7,468	7,433	7,433	810	2,112	1,858	254	14%	7,433
8.9 - Electricity: Rural South		2,611	4,105	4,105	453	674	1,026	(352)	-34%	4,105
8.10 - Electricity Salaries Dist.Acc.		36,702	41,171	41,171	2,337	9,270	10,293	(1,023)	-10%	41,171
Vote 9 - Youth Development Business Unit		7,043	12,409	12,409	770	2,014	3,102	(1,088)	-35%	12,409
9.1 - Youth Development		7,043	12,409	12,409	770	2,014	3,102	(1,088)	-35%	12,409
9.2 - Null		–	–	–	–	–	–	–		–
9.3 - Null		–	–	–	–	–	–	–		–
9.4 - Null		–	–	–	–	–	–	–		–
9.5 - Null		–	–	–	–	–	–	–		–
9.6 - Null		–	–	–	–	–	–	–		–
9.7 - Null		–	–	–	–	–	–	–		–
9.8 - Null		–	–	–	–	–	–	–		–
9.9 - Null		–	–	–	–	–	–	–		–
9.10 - Null		–	–	–	–	–	–	–		–
Vote 10 - Null		–	–	–	–	–	–	–		–
10.1 - Null		–	–	–	–	–	–	–		–
10.2 - Null		–	–	–	–	–	–	–		–
10.3 - Null		–	–	–	–	–	–	–		–
10.4 - Null		–	–	–	–	–	–	–		–
10.5 - Null		–	–	–	–	–	–	–		–
10.6 - Null		–	–	–	–	–	–	–		–
10.7 - Null		–	–	–	–	–	–	–		–
10.8 - Null		–	–	–	–	–	–	–		–
10.9 - Null		–	–	–	–	–	–	–		–
10.10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
11.1 - Null		–	–	–	–	–	–	–		–
11.2 - Null		–	–	–	–	–	–	–		–
11.3 - Null		–	–	–	–	–	–	–		–
11.4 - Null		–	–	–	–	–	–	–		–
11.5 - Null		–	–	–	–	–	–	–		–
11.6 - Null		–	–	–	–	–	–	–		–
11.7 - Null		–	–	–	–	–	–	–		–
11.8 - Null		–	–	–	–	–	–	–		–
11.9 - Null		–	–	–	–	–	–	–		–
11.10 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
12.1 - Null		–	–	–	–	–	–	–		–
12.2 - Null		–	–	–	–	–	–	–		–
12.3 - Null		–	–	–	–	–	–	–		–
12.4 - Null		–	–	–	–	–	–	–		–
12.5 - Null		–	–	–	–	–	–	–		–
12.6 - Null		–	–	–	–	–	–	–		–
12.7 - Null		–	–	–	–	–	–	–		–
12.8 - Null		–	–	–	–	–	–	–		–
12.9 - Null		–	–	–	–	–	–	–		–
12.10 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
13.1 - Null		–	–	–	–	–	–	–		–
13.2 - Null		–	–	–	–	–	–	–		–
13.3 - Null		–	–	–	–	–	–	–		–
13.4 - Null		–	–	–	–	–	–	–		–
13.5 - Null		–	–	–	–	–	–	–		–
13.6 - Null		–	–	–	–	–	–	–		–
13.7 - Null		–	–	–	–	–	–	–		–
13.8 - Null		–	–	–	–	–	–	–		–
13.9 - Null		–	–	–	–	–	–	–		–
13.10 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
14.1 - Null		–	–	–	–	–	–	–		–
14.2 - Null		–	–	–	–	–	–	–		–
14.3 - Null		–	–	–	–	–	–	–		–
14.4 - Null		–	–	–	–	–	–	–		–
14.5 - Null		–	–	–	–	–	–	–		–
14.6 - Null		–	–	–	–	–	–	–		–
14.7 - Null		–	–	–	–	–	–	–		–
14.8 - Null		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
14.9 - Null		–	–	–	–	–	–	–		–
14.10 - Null		–	–	–	–	–	–	–		–
Vote 15 - Null		–	–	–	–	–	–	–		–
15.1 - Null		–	–	–	–	–	–	–		–
15.2 - Null		–	–	–	–	–	–	–		–
15.3 - Null		–	–	–	–	–	–	–		–
15.4 - Null		–	–	–	–	–	–	–		–
15.5 - Null		–	–	–	–	–	–	–		–
15.6 - Null		–	–	–	–	–	–	–		–
15.7 - Null		–	–	–	–	–	–	–		–
15.8 - Null		–	–	–	–	–	–	–		–
15.9 - Null		–	–	–	–	–	–	–		–
15.10 - Null		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	1,940,033	2,136,507	2,137,381	214,404	470,946	535,695	(64,749)	(0)	2,137,381
Surplus/ (Deficit) for the year	2	156,264	176,300	285,469	(12,798)	27,960	151,650	(123,690)	(0)	285,469

References

1. Insert 'Vote'; e.g. Department, if different to standard structure

2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')

3. Assign share in 'associate' to relevant Vote

check revenue

check expenditure

KZN292 KwaDukuza - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		554,757	604,725	604,725	55,093	123,797	151,181	(27,384)	-18%	604,725
Service charges - electricity revenue		1,011,945	1,058,213	1,058,213	106,087	205,851	264,553	(58,702)	-22%	1,058,213
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		77,674	81,097	81,097	7,355	21,927	20,274	1,652	8%	81,097
Rental of facilities and equipment		2,051	3,003	3,003	223	637	751	(114)	-15%	3,003
Interest earned - external investments		32,050	24,935	24,935	4,041	7,677	6,234	1,443	23%	24,935
Interest earned - outstanding debtors		6,043	9,250	9,250	479	1,459	2,312	(853)	-37%	9,250
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		19,892	30,695	30,695	1,567	4,150	7,674	(3,524)	-46%	30,695
Licences and permits		912	734	734	78	189	183	5	3%	734
Agency services		9,661	13,200	13,200	1,046	2,729	3,300	(571)	-17%	13,200
Transfers and subsidies		219,049	254,652	255,652	310	89,865	63,763	26,102	41%	255,652
Other revenue		38,840	54,165	54,165	6,383	20,703	13,541	7,162	53%	54,165
Gains		21,210	3,065	3,065	–	–	766	(766)	-100%	3,065
Total Revenue (excluding capital transfers and contributions)		1,994,085	2,137,733	2,138,733	182,663	478,984	534,533	(55,549)	-10%	2,138,733
Expenditure By Type										
Employee related costs		460,814	545,009	544,883	38,685	118,223	136,221	(17,997)	-13%	544,883
Remuneration of councillors		22,210	27,116	27,116	7,235	11,266	6,779	4,487	66%	27,116
Debt impairment		12,726	23,200	23,200	–	19	5,800	(5,781)	-100%	23,200
Depreciation & asset impairment		93,577	100,622	100,622	7,395	22,664	25,155	(2,491)	-10%	100,622
Finance charges		18,937	25,101	25,101	336	336	6,275	(5,939)	-95%	25,101
Bulk purchases - electricity		943,702	916,693	916,693	121,822	235,770	230,923	4,846	2%	916,693
Inventory consumed		18,453	31,000	30,676	1,509	5,905	7,734	(1,829)	-24%	30,676
Contracted services		245,516	304,080	304,602	29,335	57,416	75,822	(18,407)	-24%	304,602
Transfers and subsidies		6,658	14,112	15,112	625	1,551	3,628	(2,077)	-57%	15,112
Other expenditure		96,387	129,809	129,611	7,462	17,796	32,416	(14,620)	-45%	129,611
Losses		21,052	19,766	19,766	–	–	4,942	(4,942)	-100%	19,766
Total Expenditure		1,940,033	2,136,507	2,137,381	214,404	470,946	535,695	(64,749)	-12%	2,137,381
Surplus/(Deficit)		54,052	1,226	1,352	(31,741)	8,038	(1,162)	9,200	(0)	1,352
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		81,433	175,074	284,117	18,943	19,922	152,812	(132,889)	(0)	284,117
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		20,282	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)		498	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		156,264	176,300	285,469	(12,798)	27,960	151,650			285,469
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		156,264	176,300	285,469	(12,798)	27,960	151,650			285,469
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		156,264	176,300	285,469	(12,798)	27,960	151,650			285,469
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		156,264	176,300	285,469	(12,798)	27,960	151,650			285,469

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including capll	2,096,297	2,312,807	2,422,850	201,606	498,906	687,345	2,422,850

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Chief Operations Officer Business Unit		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services Business Unit		–	–	–	–	–	–	–		–
Vote 3 - Finance Business Unit		–	–	200	–	–	–	–		200
Vote 4 - Economic Development Planning Business Unit		14,342	–	11,310	2,425	3,571	–	3,571	#DIV/0!	11,310
Vote 5 - Community Services and Public Amenities Business Unit		5,314	–	36,123	13	419	4,957	(4,538)	-92%	36,123
Vote 6 - Community Safety Business Unit		–	–	1,500	–	–	–	–		1,500
Vote 7 - Civil Engineering and Human Settlement Business Unit		48,645	–	98,126	9,361	15,145	18,000	(2,855)	-16%	98,126
Vote 8 - Electrical Engineering Business Unit		66,584	–	129,778	8,695	18,088	7,716	10,372	134%	129,778
Vote 9 - Youth Development Business Unit		155	–	2,779	–	–	(207)	207	-100%	2,779
Vote 10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
Vote 15 - Null		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	135,041	–	279,815	20,494	37,223	30,466	6,757	22%	279,815
Single Year expenditure appropriation	2									
Vote 1 - Chief Operations Officer Business Unit		500	3,692	3,692	–	–	933	(933)	-100%	3,692
Vote 2 - Corporate Services Business Unit		9,218	22,700	22,700	122	137	3,000	(2,863)	-95%	22,700
Vote 3 - Finance Business Unit		21,197	6,300	300	8	25	100	(75)	-75%	300
Vote 4 - Economic Development Planning Business Unit		172	13,210	1,900	–	–	150	(150)	-100%	1,900
Vote 5 - Community Services and Public Amenities Business Unit		16,883	53,416	14,365	364	535	3,231	(2,696)	-83%	14,365
Vote 6 - Community Safety Business Unit		4,390	24,350	22,850	860	1,527	3,400	(1,873)	-55%	22,850
Vote 7 - Civil Engineering and Human Settlement Business Unit		48,975	155,731	163,225	18,926	21,470	35,698	(14,228)	-40%	163,225
Vote 8 - Electrical Engineering Business Unit		15,578	226,015	96,237	–	2,558	5,000	(2,442)	-49%	96,237
Vote 9 - Youth Development Business Unit		–	4,850	–	–	–	–	–		–
Vote 10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
Vote 15 - Null		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	116,914	510,265	325,270	20,281	26,252	51,512	(25,260)	-49%	325,270
Total Capital Expenditure		251,954	510,265	605,085	40,775	63,475	81,978	(18,503)	-23%	605,085
Capital Expenditure - Functional Classification										
Governance and administration		35,742	44,458	39,337	130	177	5,863	(5,686)	-97%	39,337
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		35,742	44,458	39,337	130	177	5,863	(5,686)	-97%	39,337
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		35,526	88,157	83,157	3,663	7,734	12,057	(4,323)	-36%	83,157
Community and social services		20,495	33,226	28,660	2,790	4,401	3,634	767	21%	28,660
Sport and recreation		10,971	27,805	27,371	13	129	2,947	(2,817)	-96%	27,371
Public safety		2,559	21,500	21,500	860	1,521	3,400	(1,879)	-55%	21,500
Housing		1,500	5,626	5,626	–	1,682	2,076	(394)	-19%	5,626
Health		–	–	–	–	–	–	–		–
Economic and environmental services		96,883	155,078	260,019	28,287	34,918	50,942	(16,024)	-31%	260,019
Planning and development		271	6,504	6,504	–	–	170	(170)	-100%	6,504
Road transport		96,612	148,574	253,515	28,287	34,918	50,772	(15,854)	-31%	253,515
Environmental protection		–	–	–	–	–	–	–		–
Trading services		83,804	222,571	222,571	8,695	20,646	13,116	7,530	57%	222,571
Energy sources		77,601	215,171	215,171	8,695	20,646	11,716	8,930	76%	215,171
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		6,203	7,400	7,400	–	–	1,400	(1,400)	-100%	7,400
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	251,954	510,265	605,085	40,775	63,475	81,978	(18,503)	-23%	605,085
Funded by:										
National Government		57,745	155,253	250,073	21,466	22,630	50,000	(27,370)	-55%	250,073
Provincial Government		8,134	126	126	–	–	76	(76)	-100%	126
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		4,535	29,356	29,356	–	–	–	–		29,356
Transfers recognised - capital		70,413	184,735	279,555	21,466	22,630	50,076	(27,446)	-55%	279,555
Borrowing	6	–	10,000	10,000	–	–	–	–		10,000

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Internally generated funds		160,495	315,530	315,530	19,309	40,846	31,902	8,943	28%	315,530
Total Capital Funding		230,908	510,265	605,085	40,775	63,475	81,978	(18,503)	-23%	605,085

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment

3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations

4. Include expenditure on investment property, intangible and biological assets

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

check balance *21,046,000.4* - - - - - -

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure - Municipal Vote										
Expenditure of multi-year capital appropriation	1									
Vote 1 - Chief Operations Officer Business Unit		–	–	–	–	–	–	–		–
1.1 - Municipal Managers Office		–	–	–	–	–	–	–		–
1.2 - Internal Audit		–	–	–	–	–	–	–		–
1.3 - Corporate Communications		–	–	–	–	–	–	–		–
1.4 - IDP		–	–	–	–	–	–	–		–
1.5 - PMS		–	–	–	–	–	–	–		–
1.6 - Public Participation		–	–	–	–	–	–	–		–
1.7 - Null		–	–	–	–	–	–	–		–
1.8 - Null		–	–	–	–	–	–	–		–
1.9 - Null		–	–	–	–	–	–	–		–
1.10 - Null		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services Business Unit		–	–	–	–	–	–	–		–
2.1 - Council General Expenses		–	–	–	–	–	–	–		–
2.2 - Human Resources - Admin		–	–	–	–	–	–	–		–
2.3 - Administration: General		–	–	–	–	–	–	–		–
2.4 - Information Technology		–	–	–	–	–	–	–		–
2.5 - Null		–	–	–	–	–	–	–		–
2.6 - Null		–	–	–	–	–	–	–		–
2.7 - Null		–	–	–	–	–	–	–		–
2.8 - Null		–	–	–	–	–	–	–		–
2.9 - Null		–	–	–	–	–	–	–		–
2.10 - Null		–	–	–	–	–	–	–		–
Vote 3 - Finance Business Unit		–	–	200	–	–	–	–		200
3.1 - Assessment Rates		–	–	–	–	–	–	–		–
3.2 - Budget and Treasury Office		–	–	200	–	–	–	–		200
3.3 - Supply Chain Management		–	–	–	–	–	–	–		–
3.4 - Null		–	–	–	–	–	–	–		–
3.5 - Null		–	–	–	–	–	–	–		–
3.6 - Null		–	–	–	–	–	–	–		–
3.7 - Null		–	–	–	–	–	–	–		–
3.8 - Null		–	–	–	–	–	–	–		–
3.9 - Null		–	–	–	–	–	–	–		–
3.10 - Null		–	–	–	–	–	–	–		–
Vote 4 - Economic Development Planning Business Unit		14,342	–	11,310	2,425	3,571	–	3,571	#DIV/0!	11,310
4.1 - Museum		14,312	–	9,085	2,425	3,571	–	3,571	#DIV/0!	9,085
4.2 - Economic Develop. & Planning		30	–	2,075	–	–	–	–		2,075
4.3 - Environment & Management		–	–	–	–	–	–	–		–
4.4 - Development Control		–	–	–	–	–	–	–		–
4.5 - Town Planning		–	–	150	–	–	–	–		150
4.6 - Building Control		–	–	–	–	–	–	–		–
4.7 - Null		–	–	–	–	–	–	–		–
4.8 - Null		–	–	–	–	–	–	–		–
4.9 - Null		–	–	–	–	–	–	–		–
4.10 - Null		–	–	–	–	–	–	–		–
Vote 5 - Community Services and Public Amenities Busine		5,314	–	36,123	13	419	4,957	(4,538)	-92%	36,123
5.1 - Beach Amenities		–	–	–	–	–	–	–		–
5.2 - Library		–	–	–	–	–	–	–		–
5.3 - Cemetery		526	–	14,863	–	–	3,207	(3,207)	-100%	14,863
5.4 - Admin General		–	–	–	–	–	–	–		–
5.5 - Parks and Gardens		–	–	–	–	–	–	–		–
5.6 - Sport and Recreation		2,812	–	20,660	13	124	1,750	(1,626)	-93%	20,660
5.7 - Dolphin Park		–	–	–	–	–	–	–		–
5.8 - Community Halls		1,976	–	600	–	295	–	295	#DIV/0!	600
5.9 - Street Sweeping		–	–	–	–	–	–	–		–
5.10 - Refuse Removal		–	–	–	–	–	–	–		–
Vote 6 - Community Safety Business Unit		–	–	1,500	–	–	–	–		1,500
6.1 - Law Enforcement Administration		–	–	–	–	–	–	–		–
6.2 - Security Services		–	–	–	–	–	–	–		–
6.3 - Law Enforcement		–	–	–	–	–	–	–		–
6.4 - Fire and Emergency		–	–	–	–	–	–	–		–
6.5 - Disaster Management		–	–	–	–	–	–	–		–
6.6 - Marine Safety		–	–	–	–	–	–	–		–
6.7 - Vehicle Testing		–	–	1,500	–	–	–	–		1,500
6.8 - Vehicle Licensing		–	–	–	–	–	–	–		–
6.9 - Null		–	–	–	–	–	–	–		–
6.10 - Null		–	–	–	–	–	–	–		–
Vote 7 - Civil Engineering and Human Settlement Business		48,645	–	98,126	9,361	15,145	18,000	(2,855)	-16%	98,126
7.1 - Human Settlements		1,376	–	1,500	–	81	–	81	#DIV/0!	1,500
7.2 - Civil Admin		–	–	–	–	–	–	–		–
7.3 - Civil Buildings		–	–	–	–	–	–	–		–
7.4 - Road and Stormwater		47,269	–	96,626	9,361	15,064	18,000	(2,936)	-16%	96,626
7.5 - Staff Housing		–	–	–	–	–	–	–		–
7.6 - Null		–	–	–	–	–	–	–		–
7.7 - Null		–	–	–	–	–	–	–		–
7.8 - Null		–	–	–	–	–	–	–		–
7.9 - Null		–	–	–	–	–	–	–		–
7.10 - Null		–	–	–	–	–	–	–		–
Vote 8 - Electrical Engineering Business Unit		66,584	–	129,778	8,695	18,088	7,716	10,372	134%	129,778
8.1 - Street Lights		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
8.2 - Vehicle and Plant-Electricity		–	–	–	–	–	–	–		–
8.3 - Mechanical Workshop		–	–	–	–	–	–	–		–
8.4 - Electricity: Administration		22,396	–	73,156	7,484	11,026	4,716	6,310	134%	73,156
8.5 - Electricity: Urban South		–	–	–	–	–	–	–		–
8.6 - Electricity: Rural North		3,963	–	6,000	–	350	–	350	#DIV/0!	6,000
8.7 - Electricity: SAPPI		38,827	–	49,224	1,210	6,712	3,000	3,712	124%	49,224
8.8 - Electricity: Urban North		–	–	–	–	–	–	–		–
8.9 - Electricity: Rural South		1,397	–	1,398	–	–	–	–		1,398
8.10 - Electricity Salaries Dist.Acc.		–	–	–	–	–	–	–		–
Vote 9 - Youth Development Business Unit		155	–	2,779	–	–	(207)	207	-100%	2,779
9.1 - Youth Development		155	–	2,779	–	–	(207)	207	-100%	2,779
9.2 - Null		–	–	–	–	–	–	–		–
9.3 - Null		–	–	–	–	–	–	–		–
9.4 - Null		–	–	–	–	–	–	–		–
9.5 - Null		–	–	–	–	–	–	–		–
9.6 - Null		–	–	–	–	–	–	–		–
9.7 - Null		–	–	–	–	–	–	–		–
9.8 - Null		–	–	–	–	–	–	–		–
9.9 - Null		–	–	–	–	–	–	–		–
9.10 - Null		–	–	–	–	–	–	–		–
Vote 10 - Null		–	–	–	–	–	–	–		–
10.1 - Null		–	–	–	–	–	–	–		–
10.2 - Null		–	–	–	–	–	–	–		–
10.3 - Null		–	–	–	–	–	–	–		–
10.4 - Null		–	–	–	–	–	–	–		–
10.5 - Null		–	–	–	–	–	–	–		–
10.6 - Null		–	–	–	–	–	–	–		–
10.7 - Null		–	–	–	–	–	–	–		–
10.8 - Null		–	–	–	–	–	–	–		–
10.9 - Null		–	–	–	–	–	–	–		–
10.10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
11.1 - Null		–	–	–	–	–	–	–		–
11.2 - Null		–	–	–	–	–	–	–		–
11.3 - Null		–	–	–	–	–	–	–		–
11.4 - Null		–	–	–	–	–	–	–		–
11.5 - Null		–	–	–	–	–	–	–		–
11.6 - Null		–	–	–	–	–	–	–		–
11.7 - Null		–	–	–	–	–	–	–		–
11.8 - Null		–	–	–	–	–	–	–		–
11.9 - Null		–	–	–	–	–	–	–		–
11.10 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
12.1 - Null		–	–	–	–	–	–	–		–
12.2 - Null		–	–	–	–	–	–	–		–
12.3 - Null		–	–	–	–	–	–	–		–
12.4 - Null		–	–	–	–	–	–	–		–
12.5 - Null		–	–	–	–	–	–	–		–
12.6 - Null		–	–	–	–	–	–	–		–
12.7 - Null		–	–	–	–	–	–	–		–
12.8 - Null		–	–	–	–	–	–	–		–
12.9 - Null		–	–	–	–	–	–	–		–
12.10 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
13.1 - Null		–	–	–	–	–	–	–		–
13.2 - Null		–	–	–	–	–	–	–		–
13.3 - Null		–	–	–	–	–	–	–		–
13.4 - Null		–	–	–	–	–	–	–		–
13.5 - Null		–	–	–	–	–	–	–		–
13.6 - Null		–	–	–	–	–	–	–		–
13.7 - Null		–	–	–	–	–	–	–		–
13.8 - Null		–	–	–	–	–	–	–		–
13.9 - Null		–	–	–	–	–	–	–		–
13.10 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
14.1 - Null		–	–	–	–	–	–	–		–
14.2 - Null		–	–	–	–	–	–	–		–
14.3 - Null		–	–	–	–	–	–	–		–
14.4 - Null		–	–	–	–	–	–	–		–
14.5 - Null		–	–	–	–	–	–	–		–
14.6 - Null		–	–	–	–	–	–	–		–
14.7 - Null		–	–	–	–	–	–	–		–
14.8 - Null		–	–	–	–	–	–	–		–
14.9 - Null		–	–	–	–	–	–	–		–
14.10 - Null		–	–	–	–	–	–	–		–
Vote 15 - Null		–	–	–	–	–	–	–		–
15.1 - Null		–	–	–	–	–	–	–		–
15.2 - Null		–	–	–	–	–	–	–		–
15.3 - Null		–	–	–	–	–	–	–		–
15.4 - Null		–	–	–	–	–	–	–		–
15.5 - Null										

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
15.6 - Null		–	–	–	–	–	–	–		–
15.7 - Null		–	–	–	–	–	–	–		–
15.8 - Null		–	–	–	–	–	–	–		–
15.9 - Null		–	–	–	–	–	–	–		–
15.10 - Null		–	–	–	–	–	–	–		–
Total multi-year capital expenditure		135,041	–	279,815	20,494	37,223	30,466	6,757	22%	279,815
Capital expenditure - Municipal Vote										
Expenditue of single-year capital appropriation	1							–		
Vote 1 - Chief Operations Officer Business Unit		500	3,692	3,692	–	–	933	(933)	-100%	3,692
1.1 - Municipal Managers Office		–	–	–	–	–	–	–		–
1.2 - Internal Audit		–	–	–	–	–	–	–		–
1.3 - Corporate Communications		431	1,013	1,013	–	–	913	(913)	-100%	1,013
1.4 - IDP		–	2,659	2,659	–	–	–	–		2,659
1.5 - PMS		69	–	–	–	–	–	–		–
1.6 - Public Participation		–	20	20	–	–	20	(20)	-100%	20
1.7 - Null		–	–	–	–	–	–	–		–
1.8 - Null		–	–	–	–	–	–	–		–
1.9 - Null		–	–	–	–	–	–	–		–
1.10 - Null		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services Business Unit		9,218	22,700	22,700	122	137	3,000	(2,863)	-95%	22,700
2.1 - Council General Expenses		–	–	–	–	–	–	–		–
2.2 - Human Resources - Admin		–	500	500	–	–	–	–		500
2.3 - Administration: General		5,278	18,700	18,700	–	15	3,000	(2,985)	-100%	18,700
2.4 - Information Technology		3,941	3,500	3,500	122	122	–	122	#DIV/0!	3,500
2.5 - Null		–	–	–	–	–	–	–		–
2.6 - Null		–	–	–	–	–	–	–		–
2.7 - Null		–	–	–	–	–	–	–		–
2.8 - Null		–	–	–	–	–	–	–		–
2.9 - Null		–	–	–	–	–	–	–		–
2.10 - Null		–	–	–	–	–	–	–		–
Vote 3 - Finance Business Unit		21,197	6,300	300	8	25	100	(75)	-75%	300
3.1 - Assessment Rates		–	–	–	–	–	–	–		–
3.2 - Budget and Treasury Office		21,197	4,300	300	8	25	100	(75)	-75%	300
3.3 - Supply Chain Management		–	2,000	–	–	–	–	–		–
3.4 - Null		–	–	–	–	–	–	–		–
3.5 - Null		–	–	–	–	–	–	–		–
3.6 - Null		–	–	–	–	–	–	–		–
3.7 - Null		–	–	–	–	–	–	–		–
3.8 - Null		–	–	–	–	–	–	–		–
3.9 - Null		–	–	–	–	–	–	–		–
3.10 - Null		–	–	–	–	–	–	–		–
Vote 4 - Economic Development Planning Business Unit		172	13,210	1,900	–	–	150	(150)	-100%	1,900
4.1 - Museum		–	9,385	300	–	–	–	–		300
4.2 - Economic Develop. & Planning		172	3,075	1,000	–	–	150	(150)	-100%	1,000
4.3 - Environment & Management		–	–	–	–	–	–	–		–
4.4 - Development Control		–	–	–	–	–	–	–		–
4.5 - Town Planning		–	750	600	–	–	–	–		600
4.6 - Building Control		–	–	–	–	–	–	–		–
4.7 - Null		–	–	–	–	–	–	–		–
4.8 - Null		–	–	–	–	–	–	–		–
4.9 - Null		–	–	–	–	–	–	–		–
4.10 - Null		–	–	–	–	–	–	–		–
Vote 5 - Community Services and Public Amenities Busines		16,883	53,416	14,365	364	535	3,231	(2,696)	-83%	14,365
5.1 - Beach Amenities		–	–	–	–	–	–	–		–
5.2 - Library		611	300	300	4	4	–	4	#DIV/0!	300
5.3 - Cemetery		999	12,991	200	–	–	200	(200)	-100%	200
5.4 - Admin General		–	–	–	–	–	–	–		–
5.5 - Parks and Gardens		219	4,584	4,584	–	–	–	–		4,584
5.6 - Sport and Recreation		7,061	22,441	1,347	–	–	1,197	(1,197)	-100%	1,347
5.7 - Dolphin Park		–	–	–	–	–	–	–		–
5.8 - Community Halls		1,789	5,700	534	361	531	434	97	22%	534
5.9 - Street Sweeping		–	–	–	–	–	–	–		–
5.10 - Refuse Removal		6,203	7,400	7,400	–	–	1,400	(1,400)	-100%	7,400
Vote 6 - Community Safety Business Unit		4,390	24,350	22,850	860	1,527	3,400	(1,873)	-55%	22,850
6.1 - Law Enforcement Administration		–	–	–	–	–	–	–		–
6.2 - Security Services		–	–	–	–	–	–	–		–
6.3 - Law Enforcement		954	560	560	27	31	–	31	#DIV/0!	560
6.4 - Fire and Emergency		1,606	20,940	20,940	834	1,490	3,400	(1,910)	-56%	20,940
6.5 - Disaster Management		126	–	–	–	–	–	–		–
6.6 - Marine Safety		880	780	780	–	5	–	5	#DIV/0!	780
6.7 - Vehicle Testing		825	2,070	570	–	–	–	–		570
6.8 - Vehicle Licensing		–	–	–	–	–	–	–		–
6.9 - Null		–	–	–	–	–	–	–		–
6.10 - Null		–	–	–	–	–	–	–		–
Vote 7 - Civil Engineering and Human Settlement Business		48,975	155,731	163,225	18,926	21,470	35,698	(14,228)	-40%	163,225
7.1 - Human Settlements		124	5,626	4,126	–	1,601	2,076	(475)	-23%	4,126
7.2 - Civil Admin		–	–	–	–	–	–	–		–
7.3 - Civil Buildings		334	3,601	4,280	–	15	850	(835)	-98%	4,280
7.4 - Road and Stormwater		48,517	146,504	154,819	18,926	19,855	32,772	(12,916)	-39%	154,819
7.5 - Staff Housing		–	–	–	–	–	–	–		–
7.6 - Null		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
7.7 - Null		–	–	–	–	–	–	–		–
7.8 - Null		–	–	–	–	–	–	–		–
7.9 - Null		–	–	–	–	–	–	–		–
7.10 - Null		–	–	–	–	–	–	–		–
Vote 8 - Electrical Engineering Business Unit		15,578	226,015	96,237	–	2,558	5,000	(2,442)	-49%	96,237
8.1 - Street Lights		–	–	–	–	–	–	–		–
8.2 - Vehicle and Plant-Electricity		–	–	–	–	–	–	–		–
8.3 - Mechanical Workshop		4,562	10,844	10,844	–	–	1,000	(1,000)	-100%	10,844
8.4 - Electricity: Administration		11,016	158,549	85,393	–	2,558	4,000	(1,442)	-36%	85,393
8.5 - Electricity: Urban South		–	–	–	–	–	–	–		–
8.6 - Electricity: Rural North		–	6,000	–	–	–	–	–		–
8.7 - Electricity: SAPPI		–	49,224	–	–	–	–	–		–
8.8 - Electricity: Urban North		–	–	–	–	–	–	–		–
8.9 - Electricity: Rural South		–	1,398	–	–	–	–	–		–
8.10 - Electricity Salaries Dist.Acc.		–	–	–	–	–	–	–		–
Vote 9 - Youth Development Business Unit		–	4,850	–	–	–	–	–		–
9.1 - Youth Development		–	4,850	–	–	–	–	–		–
9.2 - Null		–	–	–	–	–	–	–		–
9.3 - Null		–	–	–	–	–	–	–		–
9.4 - Null		–	–	–	–	–	–	–		–
9.5 - Null		–	–	–	–	–	–	–		–
9.6 - Null		–	–	–	–	–	–	–		–
9.7 - Null		–	–	–	–	–	–	–		–
9.8 - Null		–	–	–	–	–	–	–		–
9.9 - Null		–	–	–	–	–	–	–		–
9.10 - Null		–	–	–	–	–	–	–		–
Vote 10 - Null		–	–	–	–	–	–	–		–
10.1 - Null		–	–	–	–	–	–	–		–
10.2 - Null		–	–	–	–	–	–	–		–
10.3 - Null		–	–	–	–	–	–	–		–
10.4 - Null		–	–	–	–	–	–	–		–
10.5 - Null		–	–	–	–	–	–	–		–
10.6 - Null		–	–	–	–	–	–	–		–
10.7 - Null		–	–	–	–	–	–	–		–
10.8 - Null		–	–	–	–	–	–	–		–
10.9 - Null		–	–	–	–	–	–	–		–
10.10 - Null		–	–	–	–	–	–	–		–
Vote 11 - Null		–	–	–	–	–	–	–		–
11.1 - Null		–	–	–	–	–	–	–		–
11.2 - Null		–	–	–	–	–	–	–		–
11.3 - Null		–	–	–	–	–	–	–		–
11.4 - Null		–	–	–	–	–	–	–		–
11.5 - Null		–	–	–	–	–	–	–		–
11.6 - Null		–	–	–	–	–	–	–		–
11.7 - Null		–	–	–	–	–	–	–		–
11.8 - Null		–	–	–	–	–	–	–		–
11.9 - Null		–	–	–	–	–	–	–		–
11.10 - Null		–	–	–	–	–	–	–		–
Vote 12 - Null		–	–	–	–	–	–	–		–
12.1 - Null		–	–	–	–	–	–	–		–
12.2 - Null		–	–	–	–	–	–	–		–
12.3 - Null		–	–	–	–	–	–	–		–
12.4 - Null		–	–	–	–	–	–	–		–
12.5 - Null		–	–	–	–	–	–	–		–
12.6 - Null		–	–	–	–	–	–	–		–
12.7 - Null		–	–	–	–	–	–	–		–
12.8 - Null		–	–	–	–	–	–	–		–
12.9 - Null		–	–	–	–	–	–	–		–
12.10 - Null		–	–	–	–	–	–	–		–
Vote 13 - Null		–	–	–	–	–	–	–		–
13.1 - Null		–	–	–	–	–	–	–		–
13.2 - Null		–	–	–	–	–	–	–		–
13.3 - Null		–	–	–	–	–	–	–		–
13.4 - Null		–	–	–	–	–	–	–		–
13.5 - Null		–	–	–	–	–	–	–		–
13.6 - Null		–	–	–	–	–	–	–		–
13.7 - Null		–	–	–	–	–	–	–		–
13.8 - Null		–	–	–	–	–	–	–		–
13.9 - Null		–	–	–	–	–	–	–		–
13.10 - Null		–	–	–	–	–	–	–		–
Vote 14 - Null		–	–	–	–	–	–	–		–
14.1 - Null		–	–	–	–	–	–	–		–
14.2 - Null		–	–	–	–	–	–	–		–
14.3 - Null		–	–	–	–	–	–	–		–
14.4 - Null		–	–	–	–	–	–	–		–
14.5 - Null		–	–	–	–	–	–	–		–
14.6 - Null		–	–	–	–	–	–	–		–
14.7 - Null		–	–	–	–	–	–	–		–
14.8 - Null		–	–	–	–	–	–	–		–
14.9 - Null		–	–	–	–	–	–	–		–
14.10 - Null		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Vote 15 - Null		–	–	–	–	–	–	–		–
15.1 - Null		–	–	–	–	–	–	–		–
15.2 - Null		–	–	–	–	–	–	–		–
15.3 - Null		–	–	–	–	–	–	–		–
15.4 - Null		–	–	–	–	–	–	–		–
15.5 - Null		–	–	–	–	–	–	–		–
15.6 - Null		–	–	–	–	–	–	–		–
15.7 - Null		–	–	–	–	–	–	–		–
15.8 - Null		–	–	–	–	–	–	–		–
15.9 - Null		–	–	–	–	–	–	–		–
15.10 - Null		–	–	–	–	–	–	–		–
Total single-year capital expenditure		116,914	510,265	325,270	20,281	26,252	51,512	(25,260)	(0)	325,270
Total Capital Expenditure		251,954	510,265	605,085	40,775	63,475	81,978	(18,503)	(0)	605,085

References

1. Insert 'Vote'; e.g. Department, if different to standard structure

KZN292 KwaDukuza - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2021/22	Budget Year 2022/23			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		177,984	548,476	561,310	114,564	561,310
Call investment deposits		755,807	172,882	172,882	763,008	172,882
Consumer debtors		248,435	384,821	384,821	189,026	384,821
Other debtors		73,325	177,751	192,130	92,617	192,130
Current portion of long-term receivables		286	22	22	281	22
Inventory		10,226	12,024	12,024	7,462	12,024
Total current assets		1,266,063	1,295,976	1,323,189	1,166,958	1,323,189
Non current assets						
Long-term receivables		–	620	620	–	620
Investments		–	–	–	–	–
Investment property		192,670	170,109	170,109	192,670	170,109
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2,413,606	2,779,880	2,874,700	2,454,470	2,874,700
Biological		–	–	–	–	–
Intangible		1,034	44,397	44,397	926	44,397
Other non-current assets		105	105	105	105	105
Total non current assets		2,607,415	2,995,110	3,089,930	2,648,172	3,089,930
TOTAL ASSETS		3,873,478	4,291,086	4,413,119	3,815,130	4,413,119
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		11,690	(12,708)	(1,071)	11,637	(1,071)
Consumer deposits		40,051	40,014	40,014	41,100	40,014
Trade and other payables		388,353	675,649	688,512	301,415	688,512
Provisions		70,491	40,335	40,335	70,491	40,335
Total current liabilities		510,585	743,289	767,790	424,643	767,790
Non current liabilities						
Borrowing		177,052	198,085	186,447	176,010	186,447
Provisions		126,292	142,033	142,033	126,292	142,033
Total non current liabilities		303,344	340,118	328,481	302,302	328,481
TOTAL LIABILITIES		813,929	1,083,407	1,096,271	726,945	1,096,271
NET ASSETS	2	3,059,549	3,207,679	3,316,848	3,088,185	3,316,848
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		3,057,540	3,180,638	3,289,807	3,061,143	3,289,807
Reserves		27,041	27,041	27,041	27,041	27,041
TOTAL COMMUNITY WEALTH/EQUITY	2	3,084,581	3,207,679	3,316,848	3,088,185	3,316,848

References

1. Material variances to be explained in Table SC1

2. Net assets must balance with Total Community Wealth/Equity

check balance	-25,032,494	0	-	-0	-

KZN292 KwaDukuza - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		565,469	574,186	574,186	46,983	110,527	574,186	(463,659)	-81%	574,186
Service charges		1,223,503	1,090,656	1,090,656	103,189	308,852	965,990	(657,138)	-68%	1,090,656
Other revenue		126,894	195,899	195,506	16,302	35,891	142,172	(106,281)	-75%	195,506
Transfers and Subsidies - Operational		207,697	254,652	255,652	–	111,260	84,643	26,618	31%	255,652
Transfers and Subsidies - Capital		67,902	175,074	284,117	–	–	284,117	(284,117)	-100%	284,117
Interest		28,608	24,935	24,935	3,581	6,875	6,234	641	10%	24,935
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(1,213,716)	(1,873,880)	(1,873,754)	(30,400)	(66,987)	(1,869,866)	(1,802,880)	96%	(1,873,754)
Finance charges		(8,942)	(25,101)	(25,101)	(336)	(336)	(25,101)	(24,764)	99%	(25,101)
Transfers and Grants		(4)	(11,412)	(15,112)	–	–	(15,112)	(15,112)	100%	(15,112)
NET CASH FROM/(USED) OPERATING ACTIVITIES		997,410	405,010	511,086	139,319	506,083	147,263	(358,820)	-244%	511,086
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	620	(620)	-100%	–
Decrease (increase) in non-current investments		–	–	–	–	–	(620)	620	-100%	–
Payments										
Capital assets		(236,404)	(507,367)	(600,610)	(43,168)	(70,639)	(600,610)	(529,970)	88%	(600,610)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(236,404)	(507,367)	(600,610)	(43,168)	(70,639)	(600,610)	(529,970)	88%	(600,610)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	10,000	10,000	–	–	10,000	(10,000)	-100%	10,000
Increase (decrease) in consumer deposits		2,890	1,511	1,511	171	1,049	(48,503)	49,552	-102%	1,511
Payments										
Repayment of borrowing		(872)	(13,037)	(13,037)	(53)	(53)	13,037	13,090	100%	(13,037)
NET CASH FROM/(USED) FINANCING ACTIVITIES		2,018	(1,526)	(1,526)	118	996	(25,465)	(26,461)	104%	(1,526)
NET INCREASE/ (DECREASE) IN CASH HELD		763,024	(103,884)	(91,050)	96,269	436,439	(478,812)			(91,050)
Cash/cash equivalents at beginning:		548,834	827,614	827,614		933,791	827,614			933,791
Cash/cash equivalents at month/year end:		1,311,859	723,729	736,563		1,370,230	348,802			842,740

References

1. Material variances to be explained in Table SC1

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KZN292 KwaDukuza - Supporting Table SC1 Material variance explanations - M03 September

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Service charges - electricity revenue	(58,702)	The Billing for September will go through on the 7th of October hence the variance. Also to be noted that the budget was recuded during he Adjusted budget process.	At the last date of every month due to the number of meters that need to be read and, more importantly, the bulk meters are only read either on the last day of a month or the first day of a new month.
	Interest Earned - external investments	1,443	The variance is a result of the timing of the Investment journals captured on the system	
	Transfers and subsidies	26,102	The 1st tranche of Equitable Share received. The varience is due to the timing of grant receipts.	
2	Expenditure By Type			
	Employee Related Costs	(17,997)	The variance is attributable to timing of service related benefit payments and vacant posts anticipated to be filled.	Vacancies to be filled during the current financial year.
	Debt Impairment	(5,781)	Journals are done at year end. This is a non-cash provision that is normaly calculated at the year end	Journals to be captured on a quaterly basis to avoid variences
	Depreciation & asset Impairment	(2,491)	Included in this is the 10m for asset impairment which is calculated at year end	Journals to be captured on aquaterly basis to avoid varlences
	Contracted Services	(18,407)	Timing of Payments to service providers	
3	Capital Expenditure			
	Finance and Administration	(5,686)	There are pending orders to the amount of R8,713 million on the system for the acquisition of the municipal fleet, jet machine and water tanker. The variance will reduce once these are paid.	
	Public Safety	(1,879)	There is a pending order to the amount of R17,386 million on the system for the acquisition of the fire fleet, jet machine and water tanker. The variance will reduce once this is paid.	
	Housing	(394)	No spending for the month of September 2022.	
	Road Transport	(15,854)	There are pending orders to the amount of R37,120 million on the system majory being MIG funded projects . The variance will reduce significantly once these are paid.	
	Planning and Development	(170)	No spending for the month of September 2022.	
	Sports and Recreation	(2,817)	There are pending order for the acquisition of 2x Caged Tipper Trucks, 2x Bakkies and Upgrade to beach facilities. Variance will drop once payments are made.	
	Waste Management	(1,400)	No spending for the month of September 2022. But there are pending orders amounting to R4,205 mil for the purchase of a Compactor Truck and a Caged Truck, respectively .	
4	Financial Position			
	Total Assets	3,815,130	The Municipal PPE is R 2,454,470 and Cash & cash equavalents of R 877,572.	
	Total Current Liabilities	424,643	The Municipality reflects R 301,415 for Trade & Other Payables.	
	Total Non-Current Liabilities	302,302	Borrowings of R176,010 are reflected.	
	Total Equity	3,088,185	R 27m reserves and R 3b Accumulated surplus	
5	Cash Flow			
	Cash Flow from Operating Activities	506,083	Not all payments are being reflected at present destorting the closing balance on the cash&cash equivalents on the system.	

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KZN292 KwaDukuza - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 September

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.9%	5.9%	5.9%	0.1%	2.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	2.0%	1.7%	0.0%	1.7%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		18.7%	26.8%	26.3%	15.8%	26.3%
Gearing	Long Term Borrowing/ Funds & Reserves		654.7%	732.5%	689.5%	650.9%	689.5%
Liquidity							
Current Ratio	Current assets/current liabilities	1	248.0%	174.4%	172.3%	274.8%	172.3%
Liquidity Ratio	Monetary Assets/Current Liabilities		182.9%	97.0%	95.6%	206.7%	95.6%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		16.2%	26.3%	27.0%	58.9%	27.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		23.1%	25.5%	25.5%	24.7%	25.5%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		5.6%	5.9%	5.9%	0.1%	2.4%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN292 KwaDukuza - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2022/23											
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	78,896	7,728	3,129	1,248	1,106	977	4,084	18,399	115,567	25,814	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	33,882	22,936	7,309	7,418	5,632	5,166	19,002	82,548	183,893	119,766	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	4,747	1,417	1,190	893	711	663	2,895	13,232	25,749	18,394	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	54	23	22	21	21	21	102	2,095	2,359	2,260	–	–
Interest on Arrear Debtor Accounts	1810	541	448	401	355	350	352	1,552	17,123	21,121	19,732	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	1,078	276	5,367	162	258	247	852	35,797	44,037	37,315	–	–
Total By Income Source	2000	119,199	32,828	17,417	10,097	8,078	7,426	28,487	169,194	392,725	223,281	–	–
2022/23 - totals only		–	–	–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	2,147	7,058	48	70	168	53	710	2,193	12,446	3,193	–	–
Commercial	2300	50,297	3,763	7,786	694	570	563	2,139	34,391	100,203	38,357	–	–
Households	2400	66,755	22,007	9,583	9,334	7,340	6,810	25,638	132,610	280,076	181,731	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	119,199	32,828	17,417	10,097	8,078	7,426	28,487	169,194	392,725	223,281	–	–

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KZN292 KwaDukuza - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2022/23								
R thousands		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	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	122	–	–	1,971	22	12	0	(197)	1,931
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	6,337	54	80	(1,501)	1	3	51	1,062	6,088
Auditor General	0800	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	6,459	54	80	470	23	16	52	865	8,019

KZN292 KwaDukuza - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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 ³	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												
Municipality														
ABSA Bank		DAILY	LIQUIDITY PLUS			3.60%			Daily	70,475	315			70,790
ABSA Bank (3433)		DAILY	MONEY MKT			3.25%			Daily	3,160	13			3,173
ABSA Bank (6707)		DAILY	MONEY MKT			3.30%			Daily	13,341	57			13,398
INVEST ELECTRICITY RESERVE		Daily	MONEY MRKT			2.15%			Daily	675	2			677
INVEST ELECTRICITY ACCOUNT		Daily	MONEY MRKT			2.15%			Daily	337	1			338
FNB		Daily	MONEY MRKT			2.15%			Daily	17,889	59			17,948
ABSA HOUSING PROJECT		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	4,206				4,206
ABSA GROUTVILLE PRIORITY		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	287	1			288
ABSA SHAYAMOYA		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	831	4			834
ABSA DUBE VILLAGE		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	249	1			250
ABSA STEVE BIKO		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	922	4			926
INVESTEC		12 MONTHS	FIXED			7.34%			365 DAYS	–				–
Nedbank Treasury 166		32 DAY NOTICE	ICE CALL ACCOUNT			3.25%			32 DAYS	65,475	293			65,768
ABSA (5911)		12 MTH	FIXED			3.25%			365 DAYS	6,497	27			6,525
ABSA		MONTHLY	LIQUIDITY PLUS			3.75%			Daily	36,982	161			37,143
ABSA		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	2,662	11			2,673
ABSA (BALLITO JUNCTION)		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	6,265	26			6,291
Nedbank Ballito Junction 000169		12 mnth	FIXED			5.95%			365 DAYS	15,000				15,000
ABSA (DEVELOPERS CONTRI)		MONTHLY	LIQUIDITY PLUS			3.30%			Daily	14,532	63			14,595
ABSA (4472)		MONTHLY	LIQUIDITY PLUS			3.75%			Daily	481,400	1,862	(375,000)	190,586	298,848
Standard Bank Boxers Cash n Carry		12 MTH	FIXED			5.15%			365 DAYS	–				–
Nedbank Traesury Dev Cont (162)		12 MTH	FIXED			5.10%			365 DAYS	3	0			3
Standard Bank KwaDukuza Mall		6 MONTHS	FIXED			5.38%			180 DAYS	9,219		(9,431)		(212)
ABSA developers Contribution 2		12 mnth	FIXED			6.51%			365 DAYS	30,242				30,242
Standard Bank Fixed Costs Clearing Account		32 DAY NOTICE	ICE CALL ACCOUNT			4.00%			32 DAYS	51,339	243			51,581
Investec Eskom Investment Account Deposits		32 DAY NOTICE	ICE CALL ACCOUNT			4.00%			32 DAYS	43,503	225			43,728
Standard Bank Salary Clearing Account		32 DAY NOTICE	ICE CALL ACCOUNT			4.00%			32 DAYS	43,789	207			43,996
Nedbank Treasury Boxers Cash n Carry		6 MONTHS	FIXED			4.07%			180 DAYS	–				–
ABSA developers Contribution 3		12 mnth	FIXED			4.93%			365 DAYS	(0)				(0)
ABSA Boxers Cash n Carry		6 MONTHS	FIXED			4.00%			180 DAYS	24,000				24,000
Nedbank KDM Mall		12 mnth	FIXED			8.55%			365 DAYS	10,000				10,000
														–
Municipality sub-total										953,277	3,577	(384,431)	190,586	763,008
Entities														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2									953,277	3,577	(384,431)	190,586	763,008

References

2. List investments in expiry date order

3. If 'Variable' is selected in column F, input interest rate range

4. Withdrawals to be entered as negative

KZN292 KwaDukuza - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		6,209	12,739	12,739	(109,043)	5,511	12,739	(7,228)	-56.7%	12,739
Expanded Public Works Programme Integrated Grant		1,732	1,868	1,868	–	467	1,868	(1,401)	-75.0%	1,868
Municipal Disaster Relief Grant		–	–	–	(109,043)	–	–	–		–
Local Government Financial Management Grant		1,750	1,750	1,750	–	1,750	1,750	–		1,750
Municipal Infrastructure Grant		2,727	3,294	3,294	–	3,294	3,294	–		3,294
Neighbourhood Development Partnership Grant		–	5,827	5,827	–	–	5,827	(5,827)	-100.0%	5,827
Provincial Government:		10,292	13,901	14,901	(76)	(102)	14,901	(15,003)	-100.7%	14,901
CETA Candidacy Grant		–	1,000	1,000	–	–	1,000	(1,000)	-100.0%	1,000
Community Library Services Grant		726	762	762	–	–	762	(762)	-100.0%	762
Natural Resource Management Project		1,700	1,700	2,700	–	–	2,700	(2,700)	-100.0%	2,700
Provincialisation of Libraries		5,610	5,890	5,890	(76)	(102)	5,890	(5,992)	-101.7%	5,890
Museum Subsidies		225	235	235	–	–	235	(235)	-100.0%	235
Housing Accreditation		2,031	4,314	4,314	–	–	4,314	(4,314)	-100.0%	4,314
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	16,502	26,640	27,640	(109,119)	5,408	27,640	(22,231)	-80.4%	27,640
Capital Transfers and Grants										
National Government:		65,902	174,948	283,991	109,043	124,749	283,991	(159,242)	-56.1%	283,991
Energy Efficiency and Demand Side Management Grant		4,000	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	93,953	93,953	–	–	93,953	(93,953)	-100.0%	93,953
Municipal Infrastructure Grant		58,822	65,577	65,577	–	10,706	65,577	(54,871)	-83.7%	65,577
Integrated National Electrification Programme Grant		3,080	15,418	15,418	–	5,000	15,418	(10,418)	-67.6%	15,418
Municipal Disaster Recovery Grant		–	–	109,043	109,043	109,043	109,043	–		109,043
Provincial Government:		8,987	126	126	–	–	126	(126)		126
Housing Accreditation		–	126	126	–	–	126	(126)	-100.0%	126
Museum Subsidies		2,000	–	–	–	–	–	–		–
DTI Grant KDM Mall		6,987	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–	0.0%	–
Other grant providers:		–	–	–	–	–	–	–	0.0%	–
Total Capital Transfers and Grants	5	74,888	175,074	284,117	109,043	124,749	284,117	(159,368)	-56.1%	284,117
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	91,390	201,714	311,757	(76)	130,158	311,757	(181,599)	-58.3%	311,757

References

1. Each grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation

2. Grant expenditure must be separately listed for each grant received

3. Replacement of RSC levies

4. Housing subsidies for housing where ownership transferred

5. Total recurrent/capital grants and subsidies must reconcile to the 'Financial Performance' Statement

KZN292 KwaDukuza - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		6,209	12,739	12,739	1,455	1,860	3,185	(1,325)	-41.6%	12,739
Expanded Public Works Programme Integrated Grant		1,732	1,868	1,868	–	–	467	(467)	-100.0%	1,868
Municipal Disaster Relief Grant		–	–	–	1,369	1,369	–	1,369	#DIV/0!	–
Local Government Financial Management Grant		1,750	1,750	1,750	86	236	437	(202)	-46.1%	1,750
Municipal Infrastructure Grant		2,727	3,294	3,294	–	255	823	(568)	-69.0%	3,294
Neighbourhood Development Partnership Grant		–	5,827	5,827	–	–	1,457	(1,457)	-100.0%	5,827
Provincial Government:		12,128	13,901	14,901	148	362	3,575	(3,213)	-89.9%	14,901
CETA Candidacy Grant		–	1,000	1,000	–	–	250	(250)	-100.0%	1,000
Natural Resource Management Project		–	1,700	2,700	–	–	525	(525)	-100.0%	2,700
Community Library Services Grant		743	762	762	104	270	191	80	41.9%	762
Provincialisation of Libraries		5,610	5,890	5,890	–	3	1,472	(1,469)	-99.8%	5,890
Museum Subsidies		225	235	235	44	89	59	30	50.8%	235
Housing Accreditation		5,518	4,314	4,314	–	–	1,079	(1,079)	-100.0%	4,314
Title Deeds Restoration Grant		33	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:		18,338	26,640	27,640	1,604	2,222	6,760	(4,538)	-67.1%	27,640
Capital expenditure of Transfers and Grants										
National Government:		65,902	174,948	283,991	17,574	18,553	152,780	(134,227)	-87.9%	283,991
Energy Efficiency and Demand Side Management Grant		4,000	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	93,953	93,953	–	–	23,488	(23,488)	-100.0%	93,953
Municipal Infrastructure Grant		58,822	65,577	65,577	17,574	18,553	16,394	2,159	13.2%	65,577
Integrated National Electrification Programme Grant		3,080	15,418	15,418	–	–	3,854	(3,854)	-100.0%	15,418
Municipal Disaster Recovery Grant		–	–	109,043	–	–	109,043	(109,043)	-100.0%	109,043
Provincial Government:		15,531	126	126	–	–	32	(32)	-100.0%	126
Housing Accreditation		124	126	126	–	–	32	(32)	-100.0%	126
Museum Subsidies		8,420	–	–	–	–	–	–		–
DTI Grant KDM Mall		6,987	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		310	–	–	–	–	–	–		–
Specify (Replace with the name of the Entity)		310	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		81,742	175,074	284,117	17,574	18,553	152,812	(134,258)	-87.9%	284,117
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		100,080	201,714	311,757	19,178	20,775	159,571	(138,796)	-87.0%	311,757

References

KZN292 KwaDukuza - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M03 September

Description	Ref	Budget Year 2022/23				
R thousands		Approved Rollover 2021/22	Monthly Actual	YearTD actual	YTD variance	YTD variance %
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		–	–	–	–	
Provincial Government:		–	–	–	–	
District Municipality:		–	–	–	–	
Other grant providers:		–	–	–	–	
Total operating expenditure of Transfers and Grants:		–	–	–	–	
0						
Capital expenditure of Transfers and Grants						
National Government:		–	–	–	–	
Provincial Government:		–	–	–	–	
District Municipality:		–	–	–	–	
Other grant providers:		–	–	–	–	
Total capital expenditure of Transfers and Grants		–	–	–	–	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	–	–	–	

KZN292 KwaDukuza - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		14,410	18,493	18,493	5,450	8,177	4,623	3,554	77%	18,493
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		5,443	5,933	5,933	1,588	2,496	1,483	1,013	68%	5,933
Cellphone Allowance		2,358	2,689	2,689	197	593	672	(79)	-12%	2,689
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		22,210	27,116	27,116	7,235	11,266	6,779	4,487	66%	27,116
% increase	4		22.1%	22.1%						22.1%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9,373	12,800	12,800	891	2,435	3,200	(765)	-24%	12,800
Pension and UIF Contributions		1,385	2,164	2,164	117	352	541	(189)	-35%	2,164
Medical Aid Contributions		47	87	87	–	–	22	(22)	-100%	87
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		1,273	1,316	1,316	–	–	329	(329)	-100%	1,316
Motor Vehicle Allowance		1,429	1,944	1,944	119	357	486	(129)	-27%	1,944
Cellphone Allowance		119	160	160	11	31	40	(9)	-23%	160
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	1	1	–	–	0	(0)	-100%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		13,625	18,473	18,473	1,138	3,175	4,618	(1,444)	-31%	18,473
% increase	4		35.6%	35.6%						35.6%
Other Municipal Staff										
Basic Salaries and Wages		248,347	302,550	302,424	21,808	65,752	75,606	(9,854)	-13%	302,424
Pension and UIF Contributions		47,466	62,297	62,297	4,243	12,714	15,574	(2,860)	-18%	62,297
Medical Aid Contributions		22,923	27,607	27,607	1,980	5,928	6,902	(973)	-14%	27,607
Overtime		65,270	55,782	55,782	3,592	14,767	13,946	821	6%	55,782
Performance Bonus		20,784	24,263	24,263	2,025	5,101	6,066	(964)	-16%	24,263
Motor Vehicle Allowance		14,670	17,252	17,252	1,307	3,904	4,313	(409)	-9%	17,252
Cellphone Allowance		1,168	1,301	1,301	100	315	325	(10)	-3%	1,301
Housing Allowances		1,092	1,254	1,254	95	339	314	25	8%	1,254
Other benefits and allowances		14,906	18,668	18,668	1,363	4,059	4,667	(608)	-13%	18,668
Payments in lieu of leave		7,119	7,825	7,825	734	1,278	1,956	(678)	-35%	7,825
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	3,444	7,737	7,737	299	892	1,934	(1,042)	-54%	7,737
Sub Total - Other Municipal Staff		447,189	526,536	526,410	37,547	115,049	131,602	(16,554)	-13%	526,410
% increase	4		17.7%	17.7%						17.7%
Total Parent Municipality		483,024	572,125	571,999	45,920	129,490	143,000	(13,510)	-9%	571,999
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Board Fees		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Sub Total - Board Members of Entities	2	–	–	–	–	–	–	–		–
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–		–
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–		–
% increase	4									
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		483,024	572,125	571,999	45,920	129,490	143,000	(13,510)	-9%	571,999
% increase	4		18.4%	18.4%						18.4%
TOTAL MANAGERS AND STAFF		460,814	545,009	544,883	38,685	118,223	136,221	(17,997)	-13%	544,883

#REF!

1. *Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved*
2. *If benefits in kind are provided (e.g. provision of living quarters) the full market value must be shown as the cost to the municipality*
3. *s57 of the Systems Act*
4. *B/A, C/A, D/A*

Column Definitions:

A. Audited actual 2005/06 (audited financial statements). If audited amounts unavailable, unaudited amounts must be provided with a note stating these are unaudited

B. The original budget approved by council for the 2006/07 budget year.

C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.

D. An estimate of final actual amounts (pre audit - 2006/07 budget year) at the time of preparing the budget for the 2007/08 budget year. This may differ from C.

KZN292 KwaDukuza - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Description	Ref	Budget Year 2022/23												2020/21 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
R thousands	1															
Cash Receipts By Source																
Property rates		22,395	41,149	46,983	–	–	–	–	–	–	–	–	–	574,186	584,367	601,898
Service charges - electricity revenue		77,417	110,290	95,979	13,852	13,852	13,852	13,852	13,852	13,852	13,852	13,852	13,852	1,013,614	1,066,928	1,126,006
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse		7,945	10,012	7,210	–	–	–	–	–	–	–	–	–	77,042	80,124	83,329
Rental of facilities and equipment		7,233	329	217	250	250	250	250	250	250	250	250	250	3,249	3,393	3,545
Interest earned - external investments		–	3,294	3,581	2,078	2,078	2,078	2,078	2,078	2,078	2,078	2,078	2,078	24,935	26,088	27,304
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		339	442	415	1	1	1	1	1	1	1	1	1	4,010	4,011	4,011
Licences and permits		70	41	88	61	61	61	61	61	61	61	61	61	734	763	793
Agency services		1,003	1,038	1,200	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200	13,728	14,277
Transfers and Subsidies - Operational		–	111,260	–	19,001	19,001	19,001	19,001	19,001	19,001	19,001	19,001	19,001	254,652	268,623	295,517
Other revenue		4,467	4,626	14,382	4,514	4,514	4,514	4,514	4,514	4,514	4,514	4,514	4,514	174,706	155,302	148,807
Cash Receipts by Source		120,869	282,482	170,055	40,857	40,857	40,857	40,857	40,857	40,857	40,857	40,857	40,857	2,140,328	2,203,327	2,305,488
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	–	–	–	–	–	–	–	–	–	–	175,074	122,605	103,569
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–	–	10,000	30,000	72,000
Increase (decrease) in consumer deposits		811	67	171	–	–	–	–	–	–	–	–	–	1,511	1,662	1,828
Decrease (Increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source		121,680	282,549	170,225	40,857	40,857	40,857	40,857	40,857	40,857	40,857	40,857	40,857	2,326,913	2,357,593	2,482,885
Cash Payments by Type																
Employee related costs		547	242	1,314	–	–	–	–	–	–	–	–	–	575,341	610,220	648,864
Remuneration of councillors		–	–	–	–	–	–	–	–	–	–	–	–			
Interest paid		–	–	336	–	–	–	–	–	–	–	–	–	25,101	27,853	24,314
Bulk purchases - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	844,170	900,172	948,392
Acquisitions - water & other inventory		–	–	–	–	–	–	–	–	–	–	–	–	30,438	31,690	32,995
Contracted services		–	–	10	–	–	–	–	–	–	–	–	–	303,980	273,207	284,378
Grants and subsidies paid - other municipalities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other		–	–	–	–	–	–	–	–	–	–	–	–	11,412	7,637	7,943
General expenses		21,917	13,882	29,075	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	119,952	117,144	125,119

KZN292 KwaDukuza - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Description	Ref	Budget Year 2022/23												2020/21 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
R thousands	1	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Payments by Type		22,463	14,124	30,736	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	1,910,393	1,967,924	2,072,005
Other Cash Flows/Payments by Type																
Capital assets		5,393	22,079	43,168	–	–	–	–	–	–	–	–	–	507,367	349,522	316,544
Repayment of borrowing		–	–	53	–	–	–	–	–	–	–	–	–	13,037	14,341	15,775
Other Cash Flows/Payments																
Total Cash Payments by Type		27,856	36,203	73,956	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	2,430,797	2,331,787	2,404,323
NET INCREASE/(DECREASE) IN CASH HELD		93,824	246,346	96,269	41,116	41,116	41,116	41,116	41,116	41,116	41,116	41,116	41,116	(103,884)	25,806	78,562
Cash/cash equivalents at the month/year beginning:		933,791	1,027,615	1,273,961	1,370,230	1,411,346	1,452,462	1,493,578	1,534,694	1,575,810	1,616,926	1,658,041	1,699,157	827,614	723,729	749,535
Cash/cash equivalents at the month/year end:		1,027,615	1,273,961	1,370,230	1,411,346	1,452,462	1,493,578	1,534,694	1,575,810	1,616,926	1,658,041	1,699,157	1,740,273	723,729	749,535	828,097

References

1. Replace 'budget' heading with adjusted budget, or 'outcome' only for month/s complete
2. Total of monthly amounts must always agree to the approved or adjusted budget
3. Amend 'cash-at-beginning' when prior year actual known (as part of the adjustments budget)

30,736	(259)	(259)	(259)	(259)	(259)	(259)	(259)		(259)	1,910,393	1,967,924
96,269	41,116	41,116	41,116	41,116	41,116	41,116	41,116	41,116	41,116	(103,884)	25,806

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KZN292 KwaDukuza - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue By Source										
Property rates		–	–	–	–	–	–	–		–
Service charges - electricity revenue		–	–	–	–	–	–	–		–
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		–	–	–	–	–	–	–		–
Rental of facilities and equipment		–	–	–	–	–	–	–		–
Interest earned - external investments		–	–	–	–	–	–	–		–
Interest earned - outstanding debtors		–	–	–	–	–	–	–		–
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		–	–	–	–	–	–	–		–
Licences and permits		–	–	–	–	–	–	–		–
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–	–		–
Other revenue		–	–	–	–	–	–	–		–
Gains		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–		–
Expenditure By Type										
Employee related costs		–	–	–	–	–	–	–		–
Remuneration of councillors		–	–	–	–	–	–	–		–
Debt impairment		–	–	–	–	–	–	–		–
Depreciation & asset impairment		–	–	–	–	–	–	–		–
Finance charges		–	–	–	–	–	–	–		–
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		–	–	–	–	–	–	–		–
Contracted services		–	–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–	–		–
Other expenditure		–	–	–	–	–	–	–		–
Losses		–	–	–	–	–	–	–		–
Total Expenditure		–	–	–	–	–	–	–		–
Surplus/(Deficit)		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–		–
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity		–	–	–	–	–	–	–		–
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Total Operating Revenue	1	–	–	–	–	–	–	–		–
Expenditure By Municipal Entity		–	–	–	–	–	–	–		–
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Total Operating Expenditure	2	–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		–	–	–	–	–	–	–		–
Capital Expenditure By Municipal Entity		–	–	–	–	–	–	–		–
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Total Capital Expenditure	3	–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2021/22	Budget Year 2022/23							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	6,515	13,731	13,731	1,883	1,883	13,731	11,848	86.3%	0%
August	22,214	21,449	17,249	20,817	22,700	30,980	8,280	26.7%	4%
September	21,046	24,323	50,998	40,775	63,475	81,978	18,503	22.6%	12%
October	21,623	32,828	62,509	–		144,487	–		
November	20,521	36,672	55,818	–		200,305	–		
December	31,892	41,915	55,877	–		256,182	–		
January	2,640	45,134	60,849	–		317,031	–		
February	9,268	61,930	64,930	–		381,961	–		
March	15,663	67,876	67,710	–		449,671	–		
April	21,792	47,093	46,502	–		496,173	–		
May	31,710	52,666	44,134	–		540,307	–		
June	47,071	64,647	64,778	–		605,085	–		
Total Capital expenditure	251,954	510,265	605,085	63,475					

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KZN292 KwaDukuza - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		78,586	136,959	130,781	9,564	21,317	8,772	(12,545)	-143.0%	130,781
Roads Infrastructure		30,333	55,354	47,437	3,744	7,457	4,772	(2,685)	-56.3%	47,437
Roads		19,523	41,423	8,527	1,348	1,785	391	(1,394)	-356.5%	8,527
Road Structures		4,160	6,081	31,059	433	481	4,381	3,900	89.0%	31,059
Road Furniture		6,650	7,850	7,850	1,963	5,192	–	(5,192)	#DIV/0!	7,850
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		–	–	1,739	–	–	–	–		1,739
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	1,739	–	–	–	–		1,739
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		48,253	79,605	79,605	5,820	13,860	4,000	(9,860)	-246.5%	79,605
Power Plants		–	–	–	–	–	–	–		–
HV Substations		31,964	67,887	67,887	681	8,721	4,000	(4,721)	-118.0%	67,887
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		5,624	1,398	1,398	–	–	–	–		1,398
LV Networks		10,656	10,320	10,320	5,139	5,139	–	(5,139)	#DIV/0!	10,320
Capital Spares		9	–	–	–	–	–	–		–
Water Supply Infrastructure		–	–	–	–	–	–	–		–
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		–	–	–	–	–	–	–		–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	2,000	2,000	–	–	–	–		2,000
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		–	–	–	–	–	–	–		–
Waste Processing Facilities		–	–	–	–	–	–	–		–
Waste Drop-off Points		–	–	–	–	–	–	–		–
Waste Separation Facilities		–	2,000	2,000	–	–	–	–		2,000
Electricity Generation Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines		–	–	–	–	–	–	–		–
Rail Structures		–	–	–	–	–	–	–		–
Rail Furniture		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps		–	–	–	–	–	–	–		–
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Community Assets		33,873	64,947	50,038	2,673	5,108	8,899	3,791	42.6%	50,038
Community Facilities		23,085	42,885	29,410	2,715	4,326	3,434	(892)	-26.0%	29,410
Halls		3,564	11,333	600	–	295	–	(295)	#DIV/0!	600
Centres		–	–	–	–	–	–	–		–
Crèches		–	7,977	2,529	–	–	(207)	(207)	100.0%	2,529
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		14,312	9,085	9,085	2,425	3,571	–	(3,571)	#DIV/0!	9,085
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		30	750	750	–	–	–	–		750

KZN292 KwaDukuza - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Cemeteries/Crematoria		526	12,791	14,863	–	–	3,207	3,207	100.0%	14,863
Police		12	150	150	27	27	–	(27)	#DIV/0!	150
Purls		–	–	–	–	–	–	–		–
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		620	–	434	263	433	434	1	0.2%	434
Markets		–	–	–	–	–	–	–		–
Stalls		–	500	500	–	–	–	–		500
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		4,022	300	500	–	–	–	–		500
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		10,788	22,062	20,628	(41)	782	5,465	4,683	85.7%	20,628
Indoor Facilities		5,251	1,015	1,015	–	–	1,015	1,015	100.0%	1,015
Outdoor Facilities		5,537	21,047	19,613	(41)	782	4,450	3,668	82.4%	19,613
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Monuments		–	–	–	–	–	–	–		–
Historic Buildings		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		1,459	23,425	23,425	834	3,091	4,500	1,409	31.3%	23,425
Operational Buildings		1,459	19,425	19,425	834	1,490	3,000	1,510	50.3%	19,425
Municipal Offices		1,459	19,425	19,425	834	1,490	3,000	1,510	50.3%	19,425
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	–	–	–	–	–	–		–
Laboratories		–	–	–	–	–	–	–		–
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Housing		–	4,000	4,000	–	1,601	1,500	(101)	-6.7%	4,000
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	4,000	4,000	–	1,601	1,500	(101)	-6.7%	4,000
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	23,803	23,803	–	–	2,000	2,000	100.0%	23,803
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	23,803	23,803	–	–	2,000	2,000	100.0%	23,803
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		–	23,803	23,803	–	–	2,000	2,000	100.0%	23,803
Load Settlement Software Applications		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		4,063	3,050	3,050	–	–	100	100	100.0%	3,050
Computer Equipment		4,063	3,050	3,050	–	–	100	100	100.0%	3,050
Furniture and Office Equipment		3,557	2,180	2,230	106	178	50	(128)	-255.7%	2,230
Furniture and Office Equipment		3,557	2,180	2,230	106	178	50	(128)	-255.7%	2,230
Machinery and Equipment		25,868	10,962	11,591	126	131	2,541	2,410	94.8%	11,591
Machinery and Equipment		25,868	10,962	11,591	126	131	2,541	2,410	94.8%	11,591
Transport Assets		10,910	43,403	40,403	–	–	5,400	5,400	100.0%	40,403
Transport Assets		10,910	43,403	40,403	–	–	5,400	5,400	100.0%	40,403
Land		2,750	–	–	–	–	–	–		–
Land		2,750	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on new assets	1	161,065	308,730	285,321	13,303	29,825	32,262	2,437	7.6%	285,321

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) plus Total Capital Expenditure on upgrading of existing assets (SC13e) must reconcile to total capital expenditure in Table C5

check balance	-	-	-	-	-	-		-

KZN292 KwaDukuza - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		65,559	95,707	183,207	21,618	27,402	39,000	11,598	29.7%	183,207
Roads Infrastructure		50,737	78,370	165,870	21,089	26,523	36,000	9,477	26.3%	165,870
Roads		45,138	71,670	125,848	21,089	26,523	30,000	3,477	11.6%	125,848
Road Structures		–	–	33,522	–	–	6,000	6,000	100.0%	33,522
Road Furniture		5,599	6,500	6,500	–	–	–	–		6,500
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		1,497	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		1,497	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		13,325	17,337	17,337	529	879	3,000	2,121	70.7%	17,337
Power Plants		–	–	–	–	–	–	–		–
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		9,362	11,337	11,337	529	529	3,000	2,471	82.4%	11,337
MV Substations		–	–	–	–	–	–	–		–
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		3,963	6,000	6,000	–	350	–	(350)	#DIV/0!	6,000
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		–	–	–	–	–	–	–		–
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		–	–	–	–	–	–	–		–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		–	–	–	–	–	–	–		–
Waste Processing Facilities		–	–	–	–	–	–	–		–
Waste Drop-off Points		–	–	–	–	–	–	–		–
Waste Separation Facilities		–	–	–	–	–	–	–		–
Electricity Generation Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines		–	–	–	–	–	–	–		–
Rail Structures		–	–	–	–	–	–	–		–
Rail Furniture		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps		–	–	–	–	–	–	–		–
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Community Assets		3,738	906	906	–	–	–	–		906
Community Facilities		2,309	506	506	–	–	–	–		506
Halls		713	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–

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KZN292 KwaDukuza - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Libraries		523	–	–	–	–	–	–		–
Cemeteries/Crematoria		999	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		–	–	–	–	–	–	–		–
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		74	506	506	–	–	–	–		506
Markets		–	–	–	–	–	–	–		–
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		1,429	400	400	–	–	–	–		400
Indoor Facilities		1,414	–	–	–	–	–	–		–
Outdoor Facilities		16	400	400	–	–	–	–		400
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Monuments		–	–	–	–	–	–	–		–
Historic Buildings		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		1,376	1,350	1,350	–	81	200	119	59.3%	1,350
Operational Buildings		–	350	350	–	–	200	200	100.0%	350
Municipal Offices		–	350	350	–	–	200	200	100.0%	350
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	–	–	–	–	–	–		–
Laboratories		–	–	–	–	–	–	–		–
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Housing		1,376	1,000	1,000	–	81	–	(81)	#DIV/0!	1,000
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		1,376	1,000	1,000	–	81	–	(81)	#DIV/0!	1,000
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Load Settlement Software Applications		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on renewal of existing assets	1	70,673	97,953	185,463	21,618	27,484	39,200	11,716	29.9%	185,463

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) plus Total Capital Expenditure on upgrading of existing assets (SC13e) must reconcile to total capital expenditure in Table C5

check balance	–	–	–	–	–	–			–

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KZN292 KwaDukuza - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		39,379	47,677	48,196	8,005	15,490	11,971	(3,519)	-29.4%	48,196
Roads Infrastructure		10,943	14,402	14,921	2,939	5,910	3,652	(2,258)	-61.8%	14,921
Roads		6,560	8,207	8,726	2,909	5,606	2,104	(3,502)	-166.5%	8,726
Road Structures		–	–	–	–	–	–	–		–
Road Furniture		4,383	6,195	6,195	30	305	1,549	1,244	80.3%	6,195
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		5,470	6,380	6,380	2,831	4,129	1,595	(2,534)	-158.9%	6,380
Drainage Collection		5,470	6,380	6,380	2,831	4,129	1,595	(2,534)	-158.9%	6,380
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		22,967	26,864	26,864	2,234	5,451	6,716	1,265	18.8%	26,864
Power Plants		–	–	–	–	–	–	–		–
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		–	–	–	–	–	–	–		–
MV Substations		421	2,212	2,212	138	287	553	266	48.2%	2,212
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		22,545	24,652	24,652	2,096	5,164	6,163	998	16.2%	24,652
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		–	–	–	–	–	–	–		–
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		–	–	–	–	–	–	–		–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	31	31	–	–	8	8	100.0%	31
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		–	–	–	–	–	–	–		–
Waste Processing Facilities		–	31	31	–	–	8	8	100.0%	31
Waste Drop-off Points		–	–	–	–	–	–	–		–
Waste Separation Facilities		–	–	–	–	–	–	–		–
Electricity Generation Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines		–	–	–	–	–	–	–		–
Rail Structures		–	–	–	–	–	–	–		–
Rail Furniture		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps		–	–	–	–	–	–	–		–
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Community Assets		1,650	1,824	1,824	108	257	456	199	43.6%	1,824
Community Facilities		1,312	1,436	1,436	70	170	359	189	52.6%	1,436
Halls		1,312	1,436	1,436	70	170	359	189	52.6%	1,436
Centres		–	–	–	–	–	–	–		–
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		–	–	–	–	–	–	–		–
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		–	–	–	–	–	–	–		–
Markets		–	–	–	–	–	–	–		–
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		337	388	388	38	87	97	10	10.3%	388
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		337	388	388	38	87	97	10	10.3%	388
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Monuments		–	–	–	–	–	–	–		–
Historic Buildings		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		3,033	3,548	3,548	265	449	887	438	49.4%	3,548
Operational Buildings		3,033	3,548	3,548	265	449	887	438	49.4%	3,548
Municipal Offices		3,033	3,548	3,548	265	449	887	438	49.4%	3,548
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	–	–	–	–	–	–		–
Laboratories		–	–	–	–	–	–	–		–
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Load Settlement Software Applications		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		215	280	280	3	23	70	47	67.3%	280
Computer Equipment		215	280	280	3	23	70	47	67.3%	280
Furniture and Office Equipment		21	154	157	0	1	39	38	98.0%	157
Furniture and Office Equipment		21	154	157	0	1	39	38	98.0%	157
Machinery and Equipment		2,678	4,284	4,284	127	406	1,071	666	62.1%	4,284
Machinery and Equipment		2,678	4,284	4,284	127	406	1,071	666	62.1%	4,284
Transport Assets		10,007	12,164	12,164	1,000	2,116	3,041	925	30.4%	12,164
Transport Assets		10,007	12,164	12,164	1,000	2,116	3,041	925	30.4%	12,164
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Repairs and Maintenance Expenditure	1	56,982	69,931	70,453	9,507	18,742	17,535	(1,207)	-6.9%	70,453

KZN292 KwaDukuza - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		55,323	51,885	51,885	4,620	14,169	12,971	(1,198)	-9.2%	51,885
Roads Infrastructure		33,727	25,694	25,694	2,801	8,589	6,424	(2,165)	-33.7%	25,694
Roads		33,727	25,694	25,694	2,801	8,589	6,424	(2,165)	-33.7%	25,694
Road Structures		–	–	–	–	–	–	–		–
Road Furniture		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		–	430	430	–	–	108	108	100.0%	430
Drainage Collection		–	430	430	–	–	108	108	100.0%	430
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		21,140	25,327	25,327	1,782	5,466	6,332	865	13.7%	25,327
Power Plants		–	–	–	–	–	–	–		–
HV Substations		5,413	5,672	5,672	450	1,381	1,418	37	2.6%	5,672
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		–	–	–	–	–	–	–		–
MV Substations		–	4,264	4,264	–	–	1,066	1,066	100.0%	4,264
MV Switching Stations		90	–	–	10	30	–	(30)	#DIV/0!	–
MV Networks		7,138	6,458	6,458	601	1,843	1,614	(228)	-14.1%	6,458
LV Networks		3,602	3,962	3,962	296	907	991	83	8.4%	3,962
Capital Spares		4,897	4,971	4,971	426	1,306	1,243	(63)	-5.0%	4,971
Water Supply Infrastructure		11	–	–	1	3	–	(3)	#DIV/0!	–
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		11	–	–	1	3	–	(3)	#DIV/0!	–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		445	434	434	36	111	108	(3)	-2.5%	434
Landfill Sites		410	399	399	32	97	100	3	2.9%	399
Waste Transfer Stations		10	11	11	1	2	3	0	7.0%	11
Waste Processing Facilities		–	–	–	–	–	–	–		–
Waste Drop-off Points		25	24	24	4	12	6	(6)	-97.0%	24
Waste Separation Facilities		–	–	–	–	–	–	–		–
Electricity Generation Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines		–	–	–	–	–	–	–		–
Rail Structures		–	–	–	–	–	–	–		–
Rail Furniture		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps		–	–	–	–	–	–	–		–
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M03 September

Description	Ref	2021/22 Audited Outcome	Budget Year 2022/23 Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								%	
Community Assets		13,492	18,182	18,182	1,148	3,522	4,545	1,023	22.5%	18,182
Community Facilities		11,420	16,026	16,026	972	2,982	4,006	1,025	25.6%	16,026
Halls		554	179	179	60	185	45	(141)	-314.5%	179
Centres		2,621	4,861	4,861	216	662	1,215	553	45.5%	4,861
Crèches		644	697	697	53	162	174	12	6.7%	697
Clinics/Care Centres		6	6	6	0	1	2	0	7.8%	6
Fire/Ambulance Stations		21	23	23	2	5	6	1	9.6%	23
Testing Stations		37	41	41	3	9	10	1	7.2%	41
Museums		–	1,223	1,223	–	–	306	306	100.0%	1,223
Galleries		–	–	–	–	–	–	–		–
Theatres		37	41	41	3	9	10	1	7.2%	41
Libraries		457	773	773	38	117	193	77	39.7%	773
Cemeteries/Crematoria		618	955	955	54	166	239	73	30.7%	955
Police		1	44	44	–	0	11	11	98.2%	44
Purls		29	266	266	2	7	66	59	89.1%	266
Public Open Space		4,812	5,249	5,249	402	1,232	1,312	80	6.1%	5,249
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		1,482	1,560	1,560	131	400	390	(10)	-2.6%	1,560
Markets		97	105	105	8	24	26	2	7.6%	105
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		4	4	4	0	1	1	0	7.4%	4
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		2,073	2,156	2,156	176	540	539	(1)	-0.2%	2,156
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		2,073	2,156	2,156	176	540	539	(1)	-0.2%	2,156
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Monuments		–	–	–	–	–	–	–		–
Historic Buildings		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		4,057	4,647	4,647	334	1,025	1,162	137	11.8%	4,647
Operational Buildings		3,619	4,012	4,012	298	914	1,003	89	8.8%	4,012
Municipal Offices		2,645	2,933	2,933	218	667	733	66	9.0%	2,933
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		816	879	879	68	207	220	12	5.7%	879
Stores		–	–	–	–	–	–	–		–
Laboratories		–	–	–	–	–	–	–		–
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		158	200	200	13	40	50	10	20.3%	200
Capital Spares		–	–	–	–	–	–	–		–
Housing		438	635	635	36	110	159	48	30.4%	635
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		438	635	635	36	110	159	48	30.4%	635
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		532	1,772	1,772	38	108	443	335	75.6%	1,772
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		532	1,772	1,772	38	108	443	335	75.6%	1,772
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		532	1,409	1,409	38	108	352	244	69.3%	1,409
Load Settlement Software Applications		–	–	–	–	–	–	–		–

KZN292 KwaDukuza - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Unspecified		–	362	362	–	–	91	91	100.0%	362
Computer Equipment		2,002	2,041	2,041	207	626	510	(116)	-22.7%	2,041
Computer Equipment		2,002	2,041	2,041	207	626	510	(116)	-22.7%	2,041
Furniture and Office Equipment		1,483	2,048	2,048	171	525	512	(13)	-2.5%	2,048
Furniture and Office Equipment		1,483	2,048	2,048	171	525	512	(13)	-2.5%	2,048
Machinery and Equipment		3,330	4,048	4,048	312	957	1,012	55	5.4%	4,048
Machinery and Equipment		3,330	4,048	4,048	312	957	1,012	55	5.4%	4,048
Transport Assets		5,964	8,000	8,000	565	1,732	2,000	268	13.4%	8,000
Transport Assets		5,964	8,000	8,000	565	1,732	2,000	268	13.4%	8,000
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Depreciation	1	86,183	92,622	92,622	7,395	22,664	23,155	491	2.1%	92,622

KZN292 KwaDukuza - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		18,932	82,586	119,114	4,854	5,166	9,716	4,550	46.8%	119,114
Roads Infrastructure		15,460	3,659	32,703	4,471	4,471	7,000	2,529	36.1%	32,703
Roads		15,460	3,659	13,225	4,235	4,235	2,000	(2,235)	-111.8%	13,225
Road Structures		–	–	19,478	236	236	5,000	4,764	95.3%	19,478
Road Furniture		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		–	–	7,485	–	–	–	–		7,485
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	7,485	–	–	–	–		7,485
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		3,472	78,926	78,926	383	695	2,716	2,021	74.4%	78,926
Power Plants		–	–	–	–	–	–	–		–
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		–	–	–	–	–	–	–		–
MV Substations		995	64,146	64,146	–	–	–	–		64,146
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		–	9,010	9,010	383	383	2,716	2,333	85.9%	9,010
LV Networks		2,477	5,770	5,770	–	312	–	(312)	#DIV/0!	5,770
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		–	–	–	–	–	–	–		–
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		–	–	–	–	–	–	–		–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		–	–	–	–	–	–	–		–
Waste Processing Facilities		–	–	–	–	–	–	–		–
Waste Drop-off Points		–	–	–	–	–	–	–		–
Waste Separation Facilities		–	–	–	–	–	–	–		–
Electricity Generation Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines		–	–	–	–	–	–	–		–
Rail Structures		–	–	–	–	–	–	–		–
Rail Furniture		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps		–	–	–	–	–	–	–		–
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Community Assets		1,086	8,802	8,802	–	–	300	300	100.0%	8,802
Community Facilities		66	–	–	–	–	–	–		–
Halls		–	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–								

KZN292 KwaDukuza - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M03 September

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Libraries		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		–	–	–	–	–	–	–		–
Public Open Space		68	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		–	–	–	–	–	–	–		–
Markets		–	–	–	–	–	–	–		–
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		1,017	8,802	8,802	–	–	300	300	100.0%	8,802
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		1,017	8,802	8,802	–	–	300	300	100.0%	8,802
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Monuments		–	–	–	–	–	–	–		–
Historic Buildings		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		155	11,984	6,184	1,000	1,000	500	(500)	-100.0%	6,184
Operational Buildings		155	11,984	6,184	1,000	1,000	500	(500)	-100.0%	6,184
Municipal Offices		155	9,325	3,525	1,000	1,000	500	(500)	-100.0%	3,525
Pay/Enquiry Points		–	2,659	2,659	–	–	–	–		2,659
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	–	–	–	–	–	–		–
Laboratories		–	–	–	–	–	–	–		–
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Load Settlement Software Applications		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		44	200	200	–	–	–	–		200
Machinery and Equipment		44	200	200	–	–	–	–		200
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on upgrading of existing assets	1	20,217	103,572	134,300	5,854	6,166	10,516	4,350	41.4%	134,300

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) plus Total Capital Expenditure on upgrading of existing assets (SC13e) must reconcile to total capital expenditure in Table C5

check balance	–	–	–	–	–	–	–	–

KWADUKUZA
MUNICIPALITY

2.1 DEBTOR'S ANALYSIS

KZN292 KwaDukuza - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2022/23									
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	78,896	7,728	3,129	1,248	1,106	977	4,084	18,399	115,567	25,814
Receivables from Non-exchange Transactions - Property Rates	1400	33,832	22,936	7,309	7,418	5,632	5,166	19,002	82,548	183,893	119,766
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	4,747	1,417	1,190	893	711	663	2,895	13,232	25,749	18 394
Receivables from Exchange Transactions - Property Rental Debtors	1700	54	23	22	21	21	21	102	2,095	2,359	2,260
Interest on Arrear Debtor Accounts	1810	541	448	401	355	350	352	1,552	17,123	21,121	19,732
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	1,078	276	5,357	162	258	247	852	35,797	44,037	37,315
Total By Income Source	2000	119,199	32,828	17,417	10,097	8,078	7,426	28,487	169,194	392,725	223,281
2022/23 - totals only		–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	2,147	7,058	48	70	168	53	710	2,193	12,446	3,193
Commercial	2300	50,297	3,763	7,786	694	570	563	2,139	34,391	100,203	38,357
Households	2400	66,755	22,007	9,583	9,334	7,340	6,810	25,638	132,610	280,076	181,731
Other	2500	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	119,199	32,828	17,417	10,097	8,078	7,426	28,487	169,194	392,725	223,281

- The above table reflects the consumer and sundry debtors as at end September 2022 as contained on the financial system. A further analysis of the above follows hereunder:

Consumer Debtors

Consumer Debtors as at 30 June 2022						
Rates and Services Debtors						
	30 days	60 days	90 days	120 days	Over 150 days	Total
Rates	18,241,828.99	10,237,910.98	7,152,730.26	5,614,530.63	88,700,984.53	129,947,985.39
Refuse	2,925,872.90	1,065,484.82	831,920.23	786,610.41	14,726,694.40	20,336,582.77
Electricity	14,548,998.01	3,872,231.36	1,727,772.81	1,339,865.13	18,088,171.37	39,577,038.68
Interest/Collection/Sundries/Vat	- 12,412,482.99	2,503,501.15	2,040,769.37	1,310,994.08	48,625,449.88	42,068,231.49
	23,304,216.90	**17,679,128.30**	**11,753,192.68**	**9,052,000.25**	**170,141,300.19**	**231,929,838.32**
	10%	8%	5%	4%	73%	100%

The above table reflects the consumer and sundry debtors as at end June 2022 as contained on the financial system. A further analysis of the above follows hereunder:

Consumer Debtors as at 30 September 2022						
Rates and Services Debtors						
	30 days	60 days	90 days	120 days	Over 150 days	Total
Rates	20,062,403.73	21,282,284.73	1,718,975.41	6,516,476.59	92,220,628.02	141,800,768.47
Refuse	2,495,820.81	1,178,272.49	1,020,182.60	771,039.67	15,215,220.86	20,680,536.43
Electricity	54,705,470.23	5,557,113.64	1,973,751.17	881,427.83	17,919,361.92	81,037,124.79
s/Vat	- 16,562,890.40	2,789,397.58	11,841,932.62	1,699,955.02	49,779,174.62	49,547,569.43
	60,700,804.37	**30,807,068.43**	**16,554,841.79**	**9,868,899.11**	**175,134,385.42**	**293,065,999.12**
	21%	11%	6%	3%	60%	100%

Consumer debtors amounted to R293,065,999.12 as at 30 September 2022. This indicates an increase of R 61,136,160.80 since 30 June 2022. The majority of the debt under this category is over 150 days, however, there has been a significant reduction in debt under this category as compared to 30 June 2022. The effect of the lockdown, natural disasters and the loss of income faced by the consumers, have had a lasting effect and resulted in a rise in overall debt. With the current economic uncertainty and sudden increase in living expenses that the country is facing it is unlikely for the consumer debt to see the significant decrease within the next financial year.

Other significant factors for the increase in debt, amongst others, are electricity back billings from faulty meters, customers making late payments on their accounts as well as high volumes of load shedding diminished our capacity to collect and recover arrear debt.

Sundry Debtors

Sundry Debtors amounts to R 38 614 602 with the majority in the 120 days and over category.

SUNDRY DEBTORS AGE ANALYSIS REPORT

30 September 2022

By Function	Total	Current	30 Days	60 Days	90 Days	120 Days & Over
Housing	8,985,878.73	-	-43,148.25	103,300.16	97,560.01	8,828,166.81
Electricity	80,674.48	-	1,447.96	1,596.84	1,440.09	76,189.59
Other	29,548,049.02	-	364,780.70	305,752.99	60,470.88	28,817,044.45
	38,614,602.23	-	323,080.41	410,649.99	159,470.98	37,721,400.85

By Customer Group	Total	Current	30 Days	60 Days	90 Days	120 Days & Over
SD Business Debtors	1,944,602.97	-	321,970.98	262,366.67	33,914.18	1,326,351.14
SD Govt Debtors	6,843,675.99	-	37,020.00	30,441.67	30,190.08	6,746,024.24
SD Household Debtors	8,906,274.58	-	-46,784.55	110,010.73	91,377.85	8,751,670.55
SD Other Debtors	20,920,048.69	-	10,873.98	7,830.92	3,988.87	20,897,354.92
	38,614,602.23	-	323,080.41	410,649.99	159,470.98	37,721,400.85

There is currently non-alignment between the financial system and the manual ageing of consumer and sundry debtors. The system reflects R 392 725m as outstanding debtors while information reported manually is R 331 680m showing a variance of R 61 045m.

The non-alignment of the debtors' balances is a system issue whereby the ageing reports extracted from the system includes "credit balances" but the National Treasury extract excludes these "credit balances". This has been repeatedly queried and followed up with Munsoft who advised that it is a National Treasury requirement for excluding these balances and Munsoft is still in the process of investigating and resolving the same.

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2.2 CREDITORS ANALYSIS

KZN292 KwaDukuza - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2022/23								
R thousands		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	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	122	–	–	1,971	22	12	0	(197)	1,931
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	6,337	54	80	(1,501)	1	3	51	1,062	6,088
Auditor General	0800	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	6,459	54	80	470	23	16	52	865	8,019

The above table represents the creditor's age analysis as of 30 September 2022. The amount reflected is creditors that are owed as at 30 September 2022. The table is however understated due to the accrual payments in the month of October for services incurred in September:

The creditors aging reflects a total of R 8m outstanding payments at First Quarter as per the financial system. Upon analysis, the total creditors outstanding as at 30th September 2022 amounts to R 97,2 million to date. The breakdown is as follows:

- R 8 million as per the ageing creditors, made up of trade creditors and other creditors as per above table.
- R 8 million related to the waste management and dump fees for services provided in the month of September and only billed in September.
- R 81,2 million for September Eskom bill where the invoice is only sent to the municipality on the 4th of the following month.

The municipality makes an extra effort to ensure that creditors are paid within 30 days as per MFMA.

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MUNICIPALITY

2.3 INVESTMENT PORTFOLIO ANALYSIS

KZN292 KwaDukuza - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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 ³	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												
Municipality						3.60%			Daily	70,475	315			70,790
ABSA Bank		DAILY	LIQUIDITY PLUS			3.25%			Daily	3,160	13			3,173
ABSA Bank (3433)		DAILY	MONEY MKT			3.30%			Daily	13,341	57			13,398
ABSA Bank (6707)		DAILY	MONEY MKT			2.15%			Daily	675	2			677
INVEST ELECTRICITY RESERVE		Daily	MONEY MRKT			2.15%			Daily	337	1			338
INVEST ELECTRICITY ACCOUNT		Daily	MONEY MRKT			2.15%			Daily	17,889	59			17,948
FNB		Daily	MONEY MRKT			3.25%			Daily	4,206				4,206
ABSA HOUSING PROJECT		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	287	1			288
ABSA GROUTVILLE PRIORITY		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	831	4			834
ABSA SHAYAMOYA		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	249	1			250
ABSA DUBE VILLAGE		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	922	4			926
ABSA STEVE BIKO		MONTHLY	LIQUIDITY PLUS			7.34%			365 DAYS	-				-
INVESTEC		12 MONTHS	FIXED			3.25%			32 DAYS	65,475	293			65,768
Nedbank Treasury 166		32 DAY NOTICE	NOTICE CALL ACCOUNT			3.25%			365 DAYS	6,497	27			6,525
ABSA (5911)		12 MTH	FIXED			3.75%			Daily	36,982	161			37,143
ABSA		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	2,662	11			2,673
ABSA		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	6,265	26			6,291
ABSA (BALLITO JUNCTION)		MONTHLY	LIQUIDITY PLUS			5.95%			365 DAYS	15,000				15,000
Nedbank Ballito Junction 000169		12 mnth	FIXED			3.30%			Daily	14,532	63			14,595
ABSA (DEVELOPERS CONTRI)		MONTHLY	LIQUIDITY PLUS			3.75%			Daily	481,400	1,862	(375,000)	190,586	298,848
ABSA (4472)		MONTHLY	LIQUIDITY PLUS			5.15%			365 DAYS	-				-
Standard Bank Boxers Cash n Carry		12 MTH	FIXED			5.10%			365 DAYS	3	0			3
Nedbank Traesury Dev Cont (162)		12 MTH	FIXED			5.38%			180 DAYS	9,219		(9,431)		(212)
Standard Bank KwaDukuza Mall		6 MONTHS	FIXED			6.51%			365 DAYS	30,242				30,242
ABSA developers Contribution 2		12 mnth	FIXED			4.00%			32 DAYS	51,339	243			51,581
Standard Bank Fixed Costs Clearing Account		32 DAY NOTICE	NOTICE CALL ACCOUNT			4.00%			32 DAYS	43,503	225			43,728
Investec Eskom Investment Account Deposits		32 DAY NOTICE	NOTICE CALL ACCOUNT			4.00%			32 DAYS	43,789	207			43,996
Standard Bank Salary Clearing Account		32 DAY NOTICE	NOTICE CALL ACCOUNT			4.07%			180 DAYS	-				-
Nedbank Treasury Boxers Cash n Carry		6 MONTHS	FIXED			4.93%			365 DAYS	(0)				(0)
ABSA developers Contribution 3		12 mnth	FIXED			4.00%			180 DAYS	24,000				24,000
ABSA Boxers Cash n Carry		6 MONTHS	FIXED			8.55%			365 DAYS	10,000				10,000
Nedbank KDM Mall		12 mnth	FIXED							-				-
Municipality sub-total										953,277	3,577	(384,431)	190,586	763,008

The table above provides an analysis of the investments held by KwaDukuza Municipality.

- As it can be noted by the above, we do not have any entities and hence no investments to be recognised on their behalf.
- As at 30th of September 2022, the municipality had R 763, 008m Investment portfolio. A significant portion of this is ring fenced for various statutory and constructive obligations and may therefore not be considered unencumbered cash.
- R 85, 557m in the table above relates to investments that are over 3 months.
- KwaDukuza Municipality's reserves have reduced to approximately 1month cash availability as at the end of September 2022 which is a significant decrease compared to other years. Close monitoring of the collections during October is necessary to ensure that we remain financially viable.

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2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

The table below reflects grant receipts of R 219,2m for the 2022/23 financial year. The 2nd tranche of R 33m MIG receipts which was due in the month of September has been delayed. The reason for the delay was as a result of revised implementation plans being submitted to COGTA. Revised plans needed to be submitted by the Civil and Human Settlements BU due to the reprioritisation of MIG funded capital projects. All compliance schedules have since been submitted by the Municipality and the next tranche of MIG should be received in the upcoming month.

KZN292 KWADUKUZA MUNICIPALITY GRANT REGISTER					
Name of grant	Funder	Opening Balance	Allocation for the year	Receipts	Closing Balance
Operational Grants		- 4,388,225	- 253,951,572	- 94,434,556	- 163,905,241
Equitable Share	NATIONAL	-	- 228,012,000	- 88,924,000	- 139,088,000
Financial Management Grant (FMG)	NATIONAL	-	- 1,750,000	- 1,750,000	-
156065105 Municipal Infrastructure Grant (PMU Operations)	NATIONAL		- 3,293,556	- 3,293,556	-
NDPG Ease of doing business Revenue - Grant	NATIONAL		- 5,827,020		- 5,827,020
Title Deeds Restoration Grant	PROVINCIAL	- 2,688,225		-	- 2,688,225
Natural Resource Management Project Grant (EDTEA)	PROVINCIAL	- 1,700,000		-	- 1,700,000
Housing Accreditation	PROVINCIAL		- 4,314,000		- 4,314,000
Municipal Employment Initiative Grant - Revenue	PROVINCIAL		- 1,000,000		- 1,000,000
03065101 Cyber Cadets (Community Library Services Grant)	PROVINCIAL		- 762,000		- 762,000
EPWP	PROVINCIAL		- 1,868,004	- 467,000	- 1,401,004
Provincialisation - Library Services	PROVINCIAL		- 5,889,996		- 5,889,996
CETA Candidacy	PROVINCIAL		- 1,000,000		- 1,000,000
031055010 Museum Subsidies operational	PROVINCIAL		- 234,996		- 234,996
Capital Grants		- 6,550,354	- 284,117,204	- 124,749,444	- 165,918,114
Municipal Infrastructure Grant (MIG)	NATIONAL	-	- 65,577,456	- 10,706,444	- 54,871,012
Municipal Disaster Response Grant	NATIONAL		- 109,043,000	- 109,043,000	-
Integrated National Electrification Programme Grant (INEP) (Municipal)	NATIONAL	-	- 15,418,000	- 5,000,000	- 10,418,000
NDPG Grant	NATIONAL		- 70,000,000		- 70,000,000
NDPG SCADA Project	NATIONAL		- 22,702,748		- 22,702,748
NDPG Ease of Doing Business	NATIONAL		- 1,250,000		- 1,250,000
Housing Accreditation	PROVINCIAL	- 6,550,354	- 126,000	-	- 6,676,354
		- 10,938,579	- 538,068,776	- 219,184,000	- 329,823,355

The table below, reflects the grant expenditure as at the end of September 2022. R 109,801m has been spent to date with R 89,879m operational grant expenditure and R19,922m capital grant expenditure, indicating that 50% of the grants received to date has been spent.

KZN292 KWADUKUZA MUNICIPALITY GRANT REGISTER					
Name of grant	Funder	Opening Balance	Allocation for the year	Expenditure	Closing Balance
Operational Grants		**4,388,225**	**253,951,576**	**89,879,420**	**164,072,156**
Equitable Share	NATIONAL	-	228,012,000	88,924,000	139,088,000
Financial Management Grant (FMG)	NATIONAL	-	1,750,000	235,907	1,514,093
156065105 Municipal Infrastructure Grant (PMU Operations)	NATIONAL		3,293,556	255,004	3,038,552
NDPG Ease of doing business Revenue - Grant	NATIONAL		5,827,020		5,827,020
Title Deeds Restoration Grant	PROVINCIAL	2,688,225		-	-
Natural Resource Management Project Grant (EDTEA)	PROVINCIAL	1,700,000		-	-
Housing Accreditation	PROVINCIAL		4,314,000		4,314,000
Municipal Employment Initiative Grant - Revenue	PROVINCIAL		1,000,000		1,000,000
03065101 Cyber Cadets (Community Library Services Grant)	PROVINCIAL		762,000	270,382	491,618
EPWP	PROVINCIAL		1,868,004		1,868,004
Provincialisation - Library Services	PROVINCIAL		5,889,996	105,561	5,784,435
CETA Candidacy	PROVINCIAL		1,000,000		1,000,000
031055010 Museum Subsidies operational	PROVINCIAL		235,000	88,567	146,433
Capital Grants		**6,550,354**	**284,117,204**	**19,922,239**	**264,194,965**
Municipal Infrastructure Grant (MIG)	NATIONAL	-	65,577,456	18,553,306	47,024,150
Municipal Disaster Response Grant	NATIONAL		109,043,000	1,368,933	107,674,067
Integrated National Electrification Programme Grant (INEP) (Municipal)	NATIONAL	-	15,418,000		15,418,000
NDPG Grant	NATIONAL		70,000,000		70,000,000
NDPG SCADA Project	NATIONAL		22,702,748		22,702,748
NDPG Ease of Doing Business	NATIONAL		1,250,000		1,250,000
Housing Accreditation	PROVINCIAL	6,550,354	126,000	-	126,000
		10,938,579	**538,068,780**	**109,801,659**	**428,267,121**

- R1,7m EDTEA Natural Resource Grant allocation was received by the EDP business unit in May 2022 and was rolled over into the new financial year. The grant caters for the implementation of Mavivane Riverine Transformational Management project, which will be implemented using labour intensive methods.

- The MIG operational expenditure is in terms of PMU salary costs, while the Housing Accreditation is for salary costs of the Housing section of the civil business unit.

- The Community Library Services and Provincialisation of Library grant will be utilised for maintenance of the libraries as well as salary costs.

- Finance Management Grant is being spent on Finance intern salary, Fixed Assets Project and training for Finance and Internal audit officials.

- Of the budget allocation of R 1,868m for EPWP Skill Development & Training, R688k has been spent to date. The transfer to revenue journal has not yet been done to update the expenditure on this grant.

For further information on grants, reference can be made to SC6 and SC7 of the attached C Schedules.

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2.5 COUNCILOR ALLOWANCES AND EMPLOYEE BENEFITS

KZN292 KwaDukuza - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		14,410	18,493	18,493	5,460	8,177	4,623	3,554	77%	18,493
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		5,443	5,933	5,933	1,586	2,456	1,403	1,015	68%	5,933
Cellphone Allowance		2,359	2,689	2,689	197	593	672	(79)	-12%	2,689
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		22,210	27,116	27,116	7,235	11,266	6,779	4,487	66%	27,116
% increase	4		22.1%	22.1%						22.1%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9,373	12,800	12,800	691	2,435	3,200	(765)	-24%	12,800
Pension and UIF Contributions		1,325	2,164	2,164	117	352	541	(189)	-35%	2,164
Medical Aid Contributions		47	87	87	–	–	22	(22)	-100%	87
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		1,278	1,316	1,316	–	–	329	(329)	-100%	1,316
Motor Vehicle Allowance		1,459	1,944	1,944	119	357	486	(129)	-27%	1,944
Cellphone Allowance		119	160	160	11	31	40	(9)	-23%	160
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	1	1	–	–	0	(0)	-100%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		13,625	18,473	18,473	1,138	3,175	4,618	(1,444)	-31%	18,473
% increase	4		35.6%	35.6%						35.6%
Other Municipal Staff										
Basic Salaries and Wages		248,347	302,550	302,424	21,803	65,752	75,606	(9,854)	-13%	302,424
Pension and UIF Contributions		47,465	62,297	62,297	4,249	12,714	15,574	(2,860)	-18%	62,297
Medical Aid Contributions		22,923	27,607	27,607	1,930	5,926	6,902	(976)	-14%	27,607
Overtime		65,270	55,782	55,782	3,592	14,767	13,945	821	6%	55,782
Performance Bonus		20,784	24,263	24,263	2,025	5,101	6,066	(964)	-16%	24,263
Motor Vehicle Allowance		14,670	17,252	17,252	1,507	3,904	4,313	(409)	-9%	17,252
Cellphone Allowance		1,165	1,301	1,301	109	315	325	(10)	-3%	1,301
Housing Allowances		1,062	1,254	1,254	95	339	314	25	8%	1,254
Other benefits and allowances		14,903	18,664	18,663	1,562	4,059	4,667	(608)	-13%	18,668
Payments in lieu of leave		7,119	7,825	7,825	734	1,278	1,956	(678)	-35%	7,825
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	3,444	7,737	7,737	293	893	1,934	(1,042)	-54%	7,737
Sub Total - Other Municipal Staff		447,189	526,535	526,410	37,547	115,049	131,602	(16,554)	-13%	526,410
% increase	4		17.7%	17.7%						17.7%
Total Parent Municipality		483,024	572,125	571,999	45,920	129,490	143,000	(13,510)	-9%	571,999

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2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

KZN292 KwaDukuza - Supporting Table SC1 Material variance explanations - M03 September

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Service charges - electricity revenue	(58,702)	The Billing for September will go through on the 7th of October hence the variance. Also to be noted that the budget was reduced during he Adjusted budget process.	At the last date of every month due to the number of meters that need to be read and, more importantly, the bulk meters are only read either on the last day of a month or the first day of a new month.
	Interest Earned - external investments	1,443	The variance is a result of the timing of the Investment journals captured on the system	
	Transfers and subsidies	26,102	The 1st tranche of Equitable Share received. The variance is due to the timing of grant receipts.	
2	Expenditure By Type			
	Employee Related Costs	(17,997)	The variance is attributable to timing of service related benefit payments and vacant posts anticipated to be filled	Vacancies to be filled during the current financial year.
	Debt Impairment	(5,761)	Journals are done at year end. This is a non-cash provision that is normaly calculated at the year end	Journals to be captured on a quarterly basis to avoid variances
	Depreciation & asset impairment	(2,491)	Included in this is the 10m for asset impairment which is calculated at year end	Journals to be captured on aquaterly basis to avoid variances
	Contracted Services	(18,407)	Timing of Payments to service providers	
3	Capital Expenditure			
	Finance and Administration	(5,686)	There are pending orders to the amount of R8,713 million on the system for the acquisition of the municipal fleet, jet machine and water tanker. The variance will reduce once these are paid.	
	Public Safety	(1,879)	There is a pending order to the amount of R17,386 million on the system for the acquisition of the fire fleet, jet machine and water tanker. The variance will reduce once this is paid	
	Housing	(394)	No spending for the month of September 2022	
	Road Transport	(15,854)	There are pending orders to the amount of R37,120 million on the system majory being MIG funded projects . The variance will reduce significantly once these are paid	
	Planning and Development	(170)	No spending for the month of September 2022	
	Sports and Recreation	(2,817)	There are pending order for the acquisition of 2x Caged Tipper Trucks, 2x Bakkies and Upgrade to beach facilities. Variance will drop once payments are made	
	Waste Management	(1,400)	No spending for the month of September 2022. But there are pending orders amounting to R4,205 mil for the purchase of a Compactor Truck and a Caged Truck, respectively.	
4	Financial Position			
	Total Assets	3,816,130	The Municipal PPE is R 2,454,470 and Cash & cash equavalents of R 877,572.	
	Total Current Liabilities	424,643	The Municipality reflects R 301,415 for Trade & Other Payables.	
	Total Non-Current Liabilities	302,302	Borrowings of R176,010 are reflected.	
	Total Equity	3,088,185	R 27m reserves and R 3b Accumulated surplus	
5	Cash Flow			
	Cash Flow from Operating Activities	506,083	Not all payments are being reflected at present destorting the closing balance on the cash &cash equivalents on the system.	

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2.7 CAPITAL PROGRAMME PERFORMANCE

KZN292 KwaDukuza - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2021/22	Budget Year 2022/23							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	6,515	13,731	13,731	1 883	1,883	13,731	11,848	86.3%	0%
August	22,214	21,449	17,249	20 817	22,700	30,980	8,280	26.7%	4%
September	21,046	24,323	50,998	40 775	63,475	81,978	18,503	22.6%	12%
October	21,623	32,888	62,509	–		144,487	–		
November	20,521	36,672	55,818	–		200,305	–		
December	31,892	41,915	55,877	–		256,182	–		
January	2,640	45,134	60,849	–		317,031	–		
February	9,258	61,930	64,930	–		381,961	–		
March	15,653	67,876	67,710	–		449,671	–		
April	21,792	47,083	46,502	–		496,173	–		
May	31,710	52,666	44,134	–		540,307	–		
June	47,071	64,647	64,778	–		605,085	–		
Total Capital expenditure	251,954	510,265	605,085	63,475					

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2.8 OTHER SUPPORTING DOCUMENTATION

2.8.1. MFMA S11(4) - Bank Account Withdrawals

2.8.2. Virement Report from the 1st July 2022 to 30th September 2022

2.8.3. Provincial Treasury High Level Assessment on the 2022/23 Approved Budget and KDM response to Provincial Treasury Comments

2.8.4 mSCOA Action Plan

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WITHDRAWAL FROM BANK ACCOUNTS

national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA

D

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/07/2022 to 30/09/2022

NAME OF MUNICIPALITY: KWADUKUZA MUNICIPALITY

Date	Payee	Amount in R'000	Description and Purpose	Authorised by (name)
1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;				
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);				
3. Section 11(d) -Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);				
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including (i) money collected by the municipality on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the municipality for that person or organ of state;				
5. Section 11(f) - Refund money incorrectly paid into a bank account;				
6. Section 11(g) - Refund guarantees, sureties and security deposits;				Nishara Singh (Manager Billing)
July - Sept 2022	Various Consumers	R661 048	Consumer deposits	
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;				
		Nil		
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;				
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.				

DISTRIBUTION	
1. Did the Accounting Officer table in Council a consolidated report of all withdrawals within 30 days after the end of the quarter;	YES / NO
2. Date the consolidated report was tabled; and	DATE : / /20
3. Was the copy of the consolidated report of all withdrawals submitted to the Auditor General	YES / NO

CHIEF FINANCIAL OFFICER

MUNICIPAL MANAGER

Instructions for completing this report:

The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.
This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

Withdrawals that must be reported each quarter:

Distribution:

1. Table this report in a full council meeting, including additional motivation on action taken to rectify within 30 days after the end of each quarter (section 11(4))
2. Submit a copy to the relevant National Treasury, Provincial Treasury and the Auditor-General

1/10/22

P Murugan 04.10.2022

KWADUKUZA
MUNICIPALITY

VIREMENT REPORT FOR JULY 2022 TO SEPTEMBER 2022

PERIOD	JOURNAL	ENTRY_DATE	TRANSACTION_	FISCAL	UPDATED	CAPTURING_OPERATOR	POSTING_OPR	REMARKS	AMOUNT	SEGMENT_DESCRIPTION
202208	42007	8/19/2022	8/19/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 60,000.00	042261689 Fire Fighting Foam
202208	42007	8/19/2022	8/19/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	60,000.00	042261100 Protective Clothing
202208	42011	8/19/2022	8/19/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 195,000.00	042260810 Sundry Oils and fuel
202208	42011	8/19/2022	8/19/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	195,000.00	042261100 Protective Clothing
202208	42012	8/24/2022	8/24/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 3,000.00	215260070 Lease Office Machinery and Equipment
202208	42012	8/24/2022	8/24/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	3,000.00	215235330 Kitchenware
202208	42013	8/24/2022	8/24/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 3,000.00	215260070 Lease Office Machinery and Equipment
202208	42013	8/24/2022	8/24/2022	202208	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	3,000.00	215260330 Refreshments
202208	42015	8/25/2022	8/25/2022	202208	Y	SBU - SBUSISO CELE	BAN - BANELE MSOMI	TRANSFER OF FUNDS	- 4,300.00	030260810 Sundry Oils and Feul
202208	42015	8/25/2022	8/25/2022	202208	Y	SBU - SBUSISO CELE	BAN - BANELE MSOMI	TRANSFER OF FUNDS	4,300.00	030260160 Conferences and Workshops
202209	42019	9/5/2022	9/5/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 519,000.00	156 COVID 19 Health & Safety Requirements
202209	42019	9/5/2022	9/5/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	519,000.00	170235345 Grading of Roads
202209	42021	9/5/2022	9/5/2022	202209	Y	SBU - SBUSISO CELE	AKH - AKHONA BANGISO	FUNDS TRANSFER	- 2,200,000.00	170235653 Pothole Repairs
202209	42021	9/5/2022	9/5/2022	202209	Y	SBU - SBUSISO CELE	AKH - AKHONA BANGISO	FUNDS TRANSFER	2,200,000.00	170235345 Grading of Roads
202209	42023	9/8/2022	9/8/2022	202209	Y	SBU - SBUSISO CELE	AKH - AKHONA BANGISO	TRANSFER OF FUNDS	- 50,000.00	210260920 Telephone Calls and Rentals
202209	42023	9/8/2022	9/8/2022	202209	Y	SBU - SBUSISO CELE	AKH - AKHONA BANGISO	TRANSFER OF FUNDS	50,000.00	210260900 Travel and Subsistence
202209	42024	9/9/2022	9/9/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 4,600.00	022261812 Masakhane Campaign
202209	42024	9/9/2022	9/9/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	4,600.00	Women Support
202209	42025	9/23/2022	9/23/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 235,000.00	Road Cleaning and Sweeping Truck
202209	42025	9/23/2022	9/23/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	235,000.00	1 Ton Bakkie
202209	42026	9/23/2022	9/23/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 1,145,000.00	Road Cleaning and Sweeping Truck
202209	42026	9/23/2022	9/23/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	1,145,000.00	2 x Caged Tipper trucks - cabin crew
202209	42027	9/23/2022	9/23/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	- 420,000.00	Road Cleaning and Sweeping Truck
202209	42027	9/23/2022	9/23/2022	202209	Y	AKH - AKHONA BANGISO	SBU - SBUSISO CELE	TRF OF FUNDS	420,000.00	Compactor Truck
202209	42028	9/27/2022	9/27/2022	202209	Y	SBU - SBUSISO CELE	BAN - BANELE MSOMI	CORRECTION	- 1,145,000.00	2 x Caged Tipper trucks - cabin crew
202209	42028	9/27/2022	9/27/2022	202209	Y	SBU - SBUSISO CELE	BAN - BANELE MSOMI	CORRECTION	1,145,000.00	Cage Truck with canvas and seats
202209	42030	9/29/2022	9/29/2022	202209	Y	SBU - SBUSISO CELE	AKH - AKHONA BANGISO	TRNSFER	- 2,071,304.00	Prefabricated Temporary Structure Creche-Ward 16- WIP
202209	42030	9/29/2022	9/29/2022	202209	Y	SBU - SBUSISO CELE	AKH - AKHONA BANGISO	TRNSFER	2,071,304.00	Cremator Filteration System WIP

KWADUKUZA MUNICIPALITY

PROVINCIAL TREASURY HIGH LEVEL ASSESSMENT ON APPROVED BUDGET

KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

P.O. Box 3613, PIETERMARITZBURG, 3200
Treasury House, 145 Chief Albert Luthuli Street, Pietermaritzburg, 3200
Tel: 033 897 4541 Fax: 033 342 4662
Email address: farhad.cassimjee@kzntreasury.gov.za
Directorate: MUNICIPAL FINANCE MANAGEMENT

Ref: 11/6/13/1(KZN292)-2023
Enquiries: Mr. A. Soopal
Date: 25 August 2022

THE MUNICIPAL MANAGER
KWADUKUZA LOCAL MUNICIPALITY
P O BOX 72
KWADUKUZA
4450

Fax No: 032 – 437 5098

Dear Mr. N. J Mdakane

HIGH LEVEL ASSESSMENT OF THE 2022/23 BUDGET APPROVED IN TERMS OF SECTION 24 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, ACT NO. 56 OF 2003 (MFMA)

1. Reference is made to your 2022/23 Approved Budget that was submitted to Provincial Treasury in accordance with Section 24(3) of the MFMA which states that *the accounting officer of a municipality must submit the approved Annual Budget to the National Treasury and the relevant Provincial Treasury.*

2. Section 23(1)(b) of the MFMA states that *the municipal Council must consider any views of the National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget.* Provincial Treasury has conducted a high level assessment of your Approved Budget with a view of assessing whether the municipality has considered the comments and recommendations provided by Provincial Treasury on your 2022/23 Tabled Budget as required by Section 23(1)(b) of the MFMA.

3. A Council resolution approving the 2022/23 Budget dated 30 May 2022 was received by Provincial Treasury. However, the Council resolution submitted did not contain proof indicating that Provincial Treasury's comments were tabled in Council as requested in Provincial Treasury's assessment letter on the 2022/23 Tabled Budget dated 20 May 2022.

4. Based on the information submitted by your municipality in the 2022/23 Schedule A, mSCOA data strings and other related budget documents, please find the attached feedback emanating from the high level assessment undertaken by Provincial Treasury in Annexure A: *Approved Budget Feedback.* Furthermore, differences between the Schedule A submitted to Provincial Treasury and the ORGB data strings uploaded to the National Treasury GoMuni Upload Portal have been highlighted per line item in Annexure A.

KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

5. It should be noted that the funding position for your 2022/23 Approved Budget was determined based on the information reflected in the audited 2020/21 Annual Financial Statements (AFS), the 2021/22 Adjustments Budget data string (ADJB) and the 2022/23 Approved Budget data string (ORGB) that were submitted to the National Treasury GoMuni Upload Portal together with your 2022/23 Approved Budget which reflect the figures that the municipality has on the financial system. The assessment of your 2022/23 Approved Budget considered the cash flow impact of the budgeted Operating revenue and expenditure (Tables A4/B4) as well as the Capital expenditure (Tables A5/B5) as reflected in the 2021/22 ADJB and 2022/23 ORGB.

6. Based on the assessment of the Cash/Cash equivalents at the year-end as per Table A7: *Budgeted cash flows* and the Surplus/(shortfall) as per Table A8: *Cash backed reserves/accumulated surplus reconciliation* of your 2022/23 Approved Budget in line with the National Treasury Budget funding assessment framework using the audited 2020/21 AFS and data string figures from Tables A4/B4 and A5/B5 that was uploaded to the National Treasury GoMuni Upload Portal and downloaded by Provincial Treasury from the LG Database on 28 July 2022, your municipality's 2022/23 Approved Budget appears to be funded in terms of Section 18 of the MFMA read together with MFMA Circular No. 55.

   Please refer to the attached Annexure A for the high level assessment of your 2022/23 Approved Budget.

7. Provincial Treasury Circular PT/MF 10 of 2021/22 required all municipalities to prepare their 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) budgets on their financial systems as per the guidance provided in MFMA Circular No. 112 dated 06 December 2021 and extract the Schedule A directly from their financial systems to eliminate the possibility of any differences and/or misalignments. In this regard, Provincial Treasury noted with concern that your municipality's figures reflected in the 2022/23 Schedule A1 approved by the Council do not fully align to the figures reflected in the Approved Budget mSCOA data string (ORGB) as highlighted in Annexure A: *Approved Budget Feedback.*

8. The municipality is requested to table in Council this correspondence and the attached Annexure as Provincial Treasury's comments on your 2022/23 Approved Budget at the next Council meeting and provide Provincial Treasury with a copy of the Council resolution and the minutes thereof.

Yours sincerely

Mr. F. Cassimjee
Chief Director: Municipal Finance Management

cc. Mayor
Chief Financial Officer

General Compliance and Other Matters - Approved Budget

Municipality: KwaDukuza Local Municipality
Budget Year: 2022/23

Annexure A: Approved Budget Feedback

Table 1: General Compliance - Approved Budget

No.	Key Focus Areas	Yes/No/ N/A	Comments (if required)
Compliance with MBRR			
1	Has the municipality prepared the Approved Budget as per the prescribed format and content as stipulated in the MBRR? - Schedule A of MBRR		
	Part 1 – Annual Budget		
	- Table of contents		
	- Mayors report		
	- Resolutions		
	- Executive summary		
	- Annual Budget tables		
	Part 2 – Supporting Documentation		
	- Overview of annual budget process		
	- Overview of alignment of annual budget with Integrated Development Plan		
	- Measurable performance objectives and indicators		
	- Overview of budget related policies		
	- Overview of budget assumptions		
	- Overview of budget funding		
	- Expenditure on allocations and grant programmes		
	- Allocations and grants made by the municipality	N/A	
	- Councillor and board member allowances and employee benefits		
	- Monthly targets for revenue, expenditure and cash flow		
	- Annual budgets and Service Delivery and Budget Implementation Plans - Internal departments		
	- Annual budgets and Service Delivery and Budget Implementation Plans - municipal entities and other external mechanisms		
	- Contracts having future budgetary implications		
	- Capital expenditure details		
	- Legislation compliance status		
	- Other supporting documents		
	- Annual budgets of municipal entities attached to the municipalities annual budget	N/A	The municipality does not have a municipal entity.
	- Municipal Manager's quality certification		
Format, Content and mSCOA compliance			
2	2.1. Did the municipality upload the financial data string for the Approved Budget (ORGB) to the GoMuni Upload Portal?		
	2.2. Did the municipality upload the non-financial data string for the Approved Budget (A1F) to the GoMuni Upload Portal?		Although the municipality successfully uploaded their non-financial data string for the Approved Budget (A1F) to the GoMuni Upload Portal, it should be noted that there were significant gaps such as Table A10: Basic Service Delivery measurement not containing information relating to the 2021/22 financial year and Table SA11: Property rates summary reflecting no information which the municipality must address in future submissions.
	2.3. Did the municipality upload the IDP project detail data string (PROR) to the GoMuni Upload Portal?		
	2.4. Was the submitted Annual Budget Schedule A1 extracted directly from the financial system?		
	2.5. Did the Annual Budget Schedule A1 tabled in Council reflect the same figures as those uploaded via the data string (figures on the municipal financial system)?		It was noted that the ORGB data string submitted with respect to the Operating and Capital budgets fully reconcile to the Schedule A tabled in Council. With regards to the budgeted cash flows, a few minor differences were noted between the ORGB data string and Table A7 of the Schedule A tabled to Council with the main difference being with respect to Payments to Suppliers and employees which resulted in the closing cash and cash equivalents as per the ORGB data string (R718.2 million) being lower than the amount of R723.7 million reflected in the Schedule A tabled to Council. Please refer to the analysis of cash flows for discussions over the differences noted.

3	Was the Annual Budget Schedule A1 tabled in Council using Version 6.6 of the mSCOA Chart for the 2022/23 MTREF (MFMA Circular No. 115)?		
	3.1 Are all the tables completed?	[redacted]	The municipality populated all tables in the Schedule A tabled in Council. Notwithstanding this fact, in a number of instances, tables were only partially completed and contained numerous gaps in information. It should be noted that the incomplete budget tables limited Provincial Treasury's assessment of the 2022/23 Final Budget as indicated in the report.
	3.2 Do the audited outcome figures in the budget tables agree to figures in the audited Annual Financial Statements?	[redacted]	A large number of the Audited Outcome figures populated in the 2022/23 Schedule A tabled in Council and the downloaded Schedule A based on the Audited Annual Financial Statement data string (AUDA) do not agree to the 2020/21 Audited AFS resulting in the following variances noted, amongst others: - <u>Operating Statement surplus/(deficit)</u> > 2019/20: Audited AFS: R182.6 million; Schedule A and AUDA : R181.3 million; - <u>Capital Expenditure</u> > 2019/20: Audited AFS: R164.8 million; 2022/23 Schedule A tabled to Council: negative R4.8 million; AUDA: R45.6 million; > 2020/21 Audited AFS: R150.2 million; 2022/23 Schedule A tabled to Council: R73.6 million; AUDA: R182.7 million. It is of further concern that the majority of the Capital sources of funding do not agree to the Capital expenditure reflected over the Audited Outcome period in both the Schedule A tabled in Council and the AUDA. - <u>Cash flow</u> > 2019/20: Audited AFS: R643.6 million; 2022/23 Schedule A tabled to Council: R317.6 million; AUDA: R1.5 billion; > 2020/21: Audited AFS: R835.2 million; 2022/23 Schedule A tabled to Council: R2.6 billion; AUDA: R1.2 billion. Furthermore, in a number of supporting tables, although the municipality populated some information related to the Audited Outcomes, not all Audited outcomes were populated.
	3.3 Do the 2021/22 Original Budget figures in the 2022/23 budget tables agree to the 2021/22 Original Budget figures as per the Council Schedule A1?	[redacted]	It was noted that the 2021/22 Original Budget figures in Tables A4 and A5 in the 2022/23 Final Budget reconcile with the 2021/22 Original Budget as per Schedule A tabled to Council and the 2021/22 ORBB data string. However, differences were noted with respect to Table A7 (Cash flows) wherein the 2021/22 Schedule A reflected R623 million with respect to Closing cash and cash equivalents, while the 2022/23 Schedule A reflected R758.2 million and the 2021/22 ORGB data string reflected R592.3 million. Furthermore, in a number of supporting tables, although the municipality populated the majority of the information related to the Original Budget, not all Original Budget figures were populated .
	3.4 Do the 2021/22 Adjustments Budget figures in the 2022/23 budget tables agree to the 2021/22 Adjustments Budget figures as per the Council Schedule B1?	[redacted]	Some of the figures populated in 2021/22 Adjustments Budget column in the 2022/23 Schedule A tabled in Council do not agree to the 2021/22 Adjustments Budget Schedule B and the 2021/22 ADJB data string as summarised for the below: - <u>Operating Statement (Surplus/(deficit) for the year)</u> 2021/22 Schedule B and 2021/22 ADJB data string: R16.407 million Deficit; 2022/23 Schedule A: R16.9 million Deficit; - <u>Closing cash and cash equivalents</u> 2021/22 Schedule B: R993.1 million; 2021/22 ADJB data string: R764.9 million; 2022/23 Schedule A: R922.1 million Furthermore, in a number of supporting tables, although the municipality populated the majority of the information related to the Adjustments Budget, not all Adjustments Budget figures were populated.
4	If the municipality has a municipal entity, was a consolidated Council budget prepared and submitted?	N/A	The municipality does not have a municipal entity.
5	Has the municipality submitted a signed budget locking certificate within 10 working days after the start of the financial year certifying that the 2022/23 Approved Budget has been locked on the municipality's financial system?		
6	Did the municipality submit a Council resolution/proof indicating that PT's comments were tabled together with the Approved Budget as requested in the Tabled Budget Assessment Letter?	[redacted]	A Council resolution approving the 2022/23 Final Budget dated 30 May 2022 was received by Provincial Treasury. However, the Council resolution submitted did not contain proof indicating that Provincial Treasury's comments were tabled in Council as requested in Provincial Treasury's assessment letter on the 2022/23 Tabled Budget dated 20 May 2022.
7	Did the municipality formally respond to PT's Assessment Letter on the 2022/23 Tabled Budget?	[redacted]	The municipality did not formally respond to Provincial Treasury's Assessment Letter on the Tabled Budget. It should be noted that although no formal responses were received from the municipality, some responses to the concerns raised by Provincial Treasury were obtained at the engagement on the Draft Budget held on 19 May 2022.
8	Did the municipality submit the reconciliation of the Valuation roll to the financial system as per MFMA Circular No. 107? (if applicable)		
9	Were there any discrepancies noted between the Valuation roll and the figures on the financial system? (if applicable)		

Cash funding position of the budget			
Tables A7 :Budget Cash Flow			
10	Has the Council Approved Budget Table A7 been fully completed?		Although the municipality fully populated Table A7, Provincial Treasury raised concerns over the credibility of some of the budgeted amounts. Please refer to the analysis of the cash flows for details.
11	Is the Cash/cash equivalents at the year-end for the Council Approved Budget Cash flow on Table A7 positive for the budget year?		The municipality reflected a positive Cash and cash equivalents balance of R723.7 million in Table A7.
Tables A8: Cash backed reserves/accumulated surplus reconciliation			
12	Has Table A8 in the Council Approved Budget been fully completed?		Similar to Table A7, although the municipality fully populated Table A8, concerns were raised on some of the figures populated. Please refer to the analysis on the Cash backed reserves/accumulated surplus reconciliation for details.
13	Does the Table A8 in the Council Approved Budget reflect a Surplus/(Shortfall) for the budget year?		As per Table A8, the municipality budgeted for a Surplus of R805.3 million for the 2022/23 financial year.
Approved Budget Funding Position			
14	Is the 2022/23 Approved Budgeted funded according to Section 18 of the MFMA based on Provincial Treasury assessment?		The municipality budgeted for a Surplus of R805.3 million for the 2022/23 financial year. Based on Provincial Treasury's assessment of the 2022/23 Final Budget, the 2022/23 Final Budget appears to be funded. The magnitude of projected Surplus may vary when taking into account the concerns raised by Provincial Treasury in Tables A4, A5, A7 and A8. Please refer to the analysis of Tables A7 and A8 for further detail.
15	Has the municipality submitted an Approved updated and/or credible Council approved Budget funding plan together with the Council approved 2022/23 Budget? This also includes municipalities whose Annual Budget has been assessed as Unfunded for the first time.	N/A	The 2022/23 Final Budget is funded therefore a Budget funding plan was not required.
Service level standard			
16	Have the Service level Standards been tabled together with the budget as required by MFMA Circular No. 75?		
17	Have the Service level Standards been incorporated into the budget or submitted together with budget documents?		
Cost containment measures			
18	Has the municipality demonstrated that the Council Approved Cost Containment Policy has been considered in the Approved Budget?		
Aligment of Council Schedule A Annual Budget to IDP strategic objectives			
19	a) Does 'Total Revenue' budget for the IDP strategic objectives in Table SA4 reconcile to 'Total Operating Revenue' in Table A4?		
	b) Does 'Total operating expenditure' for the IDP strategic objectives in Table SA5 reconcile to 'Total operating expenditure' in Table A4?		
	c) Does 'Total capital expenditure' for the IDP strategic objectives in Table SA6 reconcile to 'Total capital expenditure' in Table A5?		
20	Are the IDP strategic objectives of the municipality aligned to the national and provincial priorities?		In the Final Budget narrative report, the municipality included a section outlining the alignment between the IDP strategic objectives to the National and Provincial priorities.
Other matters			
21	Have all allocations as per 2022 DoRB and Provincial allocations in Gazette No. 2381 been included in the 2022/23 Approved Budget?		The municipality has correctly budgeted for all non-agent allocations in Tables A4, A5 and A7 of the 2022/23 Final Budget. Please refer to the discussion of Transfers and subsidies in Tables A4, A5 and A7. However, in the Provincial Gazette No. 2381 dated 24 March 2022, the municipality was allocated an amount of R70.3 million with respect to the ISU Partnership grant and R17.9 million with respect to the HSDG intervention grant from the Department of Human Settlements where the municipality acts as an agent. The municipality correctly excluded these allocations from the Capital budget, however, the cash flow impact should have been taken into account in Table A7 and the allocations should have been disclosed in Tables SA18 and SA19.
22	Is the highest level of Free Basic Services provided for (Council Schedule A Table A10) in line with indigent policy?		
23	Does the Capital budget reflect consistent efforts to address the backlogs in basic services and the renewal of infrastructure of the existing services?		
24	Does the Approved Budget include a list of approved capital projects?		The municipality provided a listing of projects with the respective funding sources in the Final Budget narrative report which corresponds to the total Capital expenditure and Capital expenditure per Functional classification as per Table A5. The municipality populated Table SA36: Detailed capital budget which corresponds to Table A5 in the Schedule A that was tabled to Council, however, the Schedule A contains only a limited number of columns namely "Function", "Project description", "Project No." and "Type" while other columns such as "Own Strategic Objectives", "GPS Coordinates" and "Ward Location" were not reflected.

Municipality: KwaDukuza Local Municipality

Table 2: Budgeted Financial Performance - Operating Revenue and Expenditure - (Table A4)

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
	2022/23				
R thousand					
Revenue By Source					
Property rates	596 502	604 725	604 725	8 223	The municipality increased the budget Property rates from R596.5 million in the 2022/23 Draft Budget to R604.7 million in the Final Budget. The 2022/23 Final Budget represents and increase of 2 percent from the 2021/22 Adjustments Budget of R592.3 million. Provincial Treasury raised a number of concerns at Draft Budget stage regarding the minimal increase and the poor population of supporting tables. Futhermore, concerns were raised regarding the budgeting of Revenue foregone. During the engagement on the Draft Budget, the municipality confirmed that the budget reflected in Table A4 for Property rates and Service charges do take into account Revenue foregone and the cost of Free Basic Services and reflect the net revenue to be generated in the 2022/23 financial year. The municipality indicated in the Final Budget report that tariffs have been budgeted to increase by 5 percent and a 25 percent general rebate would be applicable to consumers in terms of the qualifying criteria set out in the rates policy. The general rebate is not applicable to consumers in the Commercial category. The Final Budget narrative report further provided a rating structure which included rate randages as well as a summary of the different exemptions, rebates and deductions available to different ratepayers. Provincial Treasury is still unable to comment on the reasonableness of the budget for Property rates due to the following: - Tables SA11, SA12a and Table SA12b of the Schedule A tabled in Council and the non-financial data string (A1F) contained numerous information gaps such as contained numerous gaps such as the total value of properties used for rating. As a result, Provincial Treasury was unable to comment on the reasonableness of the Property rates budget in relation to movements in property values. - As per the non-financial data string (A1F), Table SA12a and SA12b reflected no change in the number of properties between the 2021/22 and 2022/23 financial year (56 295). It should be noted that Table SA11: Property rates summary was not populated. As per the Schedule A tabled in Council (Table SA11), the municipality reflected an increase in the number of properties from 45 000 in 2021/22 to 50 000 in 2022/23 which does not reconcile to the figures reflected in the A1F. It should be noted that Table SA12a and 12b did not reconcile to Table SA11 and reflected 56 295 for both financial years. As a result of the inconsistencies noted, Provincial Treasury was unable to comment on the reasonableness of the Property rates budget in relation to movements in the number of properties values. - Despite the municipality indicating that Revenue foregone was taken into consideration in the preparation of the budget for Property rates, the municipality did not reflect any budget with respect to Revenue foregone in Table SA1 for the entire MTREF. - As per the 2021/22 Quarter 4 MFMA Section 52 report, the municipality reported an under-performance of R14.1 million against the budget for Property rates in the 2021/22 financial year which was attributed to incorrect budgeting and the results of the objections process. As per the municipality, the correction of these errors has led to a minimal year on year increase noted above. - As per the Final Budget narrative report, the municipality indicated that a tariff increase of 5 percent have been applied, however, the municipality did not populate Table SA13a, hence, Provincial Treasury is unable ascertain as to whether the municipality has correctly applied the increase in tariffs.
Service charges - electricity revenue	1 058 213	1 058 213	1 058 213		The municipality reflected the same amount of R1.058 billion reflected in the Draft Budget as the Final Budget for Service charges - electricity which represents an increase of 5.6 percent from R1.002 billion in the 2021/22 Adjusted Budget. It should be noted that Provincial Treasury was unable to comment on the reasonableness of the budget for Service charges - electricity due to the uncertainty as to whether the cost of Free basic services had been taken into account and the poor population of supporting tables. The municipality confirmed during the engagement on the Draft Budget that the amount reflected in Table A4 reflected the net revenue to be generated and financial system challenges had resulted in the inconsistencies noted in the supporting tables. As per the Final Budget narrative report, the municipality indicated that 'Council approves various increases in tariff ranging from 3 to 8.61 percent'. Furthermore, with respect to Service charges - electricity and Service charges - refuse, the municipality indicated that Council has embarked on various processes which will improve revenue generation and collection for Service charge namely, various revenue enhancement projects, development of an energy lost task team which will assist in the reduction of energy losses such as theft, a contractor has been appointed for the disconnection/reconnection of electricity as well as meter readings and the implementation of meter replacement programme. Provincial Treasury is still unable to comment on the reasonableness of the budget for Service charges-electricity revenue due to the following: - The Final Budget narrative report did not contain sufficient information to substantiate the budgeted amount. - As per the Final Budget narrative report, the municipality indicated that the tariff increases of between 3 to 8.61 percent have been applied, however, the municipality did not populate tariffs related to electricity in Table SA13a, hence, Provincial Treasury is unable ascertain as to whether the municipality has correctly applied the increase in tariffs. - Despite the assurance provided by the municipality at the engagement on the Draft Budget that the budget for Service charges - electricity considered the cost of Free basic services, the municipality has not populated the cost of Free basic services in Table SA9. Thus, the budget for the cost of Free basic services remains unclear. - In the non-financial data string (A1F), the municipality did not reflect the number of households receiving the minimum service levels and above for the 2021/22 financial year. As per the Schedule A tabled in Council, the municipality reflected an increase in the number of households from 30 907 in the 2021/22 financial year to 31 525 in 2022/23 which amounts to an increase of 1.9 percent. - As per the Quarter 4 MFMA Section 52 report, the municipality reported a favourable variance of R10.8 million for the 2021/22 financial year. Considering the over-generation noted in the 2021/22 financial, the increase in the number of households of 1.9 percent and the tariff increase of between 3 to 8.1 percent, it is unclear as to why there would only be a 5.6 percent increase in the 2022/23 Final Budget when compared to the 2021/22 Adjustments Budget.
Service charges - water revenue	–	–	–	–	
Service charges - sanitation revenue	–	–			

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
R thousand	2022/23				
Service charges - refuse revenue	81 097	81 097	81 097	-	The same amount of R81.1 million as per the Draft Budget was reflected as the Final Budget for Service charges- refuse revenue which represents an increase of 4 percent from R77.98 million in the 2021/22 Adjustments Budget. Similar to Service charges - electricity, Provincial Treasury was unable to comment on the reasonableness of the Draft Budget due to the municipality not providing a basis of calculation in the Draft Budget narrative report and the poor population of supporting tables in the Draft Budget Schedule A. As per the Final Budget narrative report, the municipality indicated that refuse removal tariffs have increased by an average of 6 percent to ensure the sustainability of the service. The municipality further indicated that they intend ensuring that capital assets used to provide the refuse service are maintained, replaced or renewed in order to meet the increasing demand for the refuse removal service. Provincial Treasury is still unable to comment on the reasonableness of the budget for Service charges- refuse revenue due to the following: - The Final Budget narrative report did not contain sufficient information to substantiate the budgeted amount. - As per the explanation provided in the Final Budget narrative report, an average increase in tariffs of 6 percent was applied, however, the municipality did not populate tariffs related to refuse in Table SA13a, hence, Provincial Treasury is unable ascertain as to whether the municipality has correctly applied the increase in tariffs. - In the discussion of Service charges-electricity above, the municipality did not reflect the number of households receiving the minimum service levels and above for the 2021/22 financial year in the non-financial data string (A1F). As per the Schedule A tabled in Council, the municipality reflected an increase in the number of households from 32 785 in the 2021/22 financial year to 33 441 in 2022/23 which amounts to an increase of 2 percent. - Similar to Service charges - electricity, the municipality did not populate the cost of Free basic services in Table SA9, therefore no amount was carried forward to Table SA1. As noted in the discussion of Service charges - electricity above, the municipality confirmed at the engagement on the Draft Budget that the amount reflected in Table A4 represents the net revenue to be generated. Notwithstanding the above, it is unclear as why the increase noted between the 2021/22 Adjustments Budget and the 2022/23 Final Budget would only amount to 4 percent when considering the increase in tariffs of an average of 6 percent and the number of households receiving the service increasing by 2 percent.
Rental of facilities and equipment	3 003	3 003	3 003	-	As noted in the assessment of the 2022/23 Draft Budget, the municipality increased the budget for Rentals of facilities and equipment from R2.8 million in the 2021/22 Adjustments Budget to R3 million in the 2022/23 which represents an increase of 6.3 percent. The municipality did not justify the budget for Rental of facilities and equipment in the Final Budget narrative report. Based on the MFMA Section 71 report for Month 12 (June 2022), the municipality generated R2.1 million or 75 percent) against the 2021/22 Adjustments Budget of R2.8 million with respect to Rentals of facilities and equipment. The municipality noted the poor revenue generation with respect to Rentals of facilities and equipment) in the 2021/22 Quarter 4 MFMA Section 52 report wherein the municipality attributed the poor performance to the lock down restrictions and further stated that the performance in the 2022/23 financial year is expected to improve due to the easing of restrictions. The municipality generated R1.9 million relating to Rentals of facilities and equipment in the 2020/21 financial year as per the 2020/21 Audited AFS. Considering the significant year on year increase in the budget and the low generation noted in the 2020/21 and 2021/22 financial years, it is unclear as to whether the municipality will realise the budgeted revenue. Provincial Treasury will, as part of the In-Year- Monitoring Process, continue to monitor the performance against this budget during the 2022/23 financial year. The actual performance must be considered in the preparation of the 2022/23 Adjustments Budget to be tabled in February 2023.
Interest earned - external investments	24 935	24 935	24 935	-	The 2022/23 Final Budget of R24.9 million for Interest earned-external investments represents a decrease of 5.5 percent from the 2021/22 Adjustment Budget of R26.4 million. Provincial Treasury is unable to comment on the reasonableness of the 2022/23 Final Budget for Interest earned- external investments due to the following: - The municipality did not provide the basis of calculation or the assumptions used to derive the projected amounts in the Final Budget narrative report. - Inconsistencies were noted in the population of Table A6, Tables SA15: Investment particulars by type and Table SA16: Investment particulars by particulars by maturity as outlined below: > As per Table SA16, the municipality reflected 'interest to be realised' of R26.3 million which exceeds the amount of R24.9 million reflected in Table A4; > The municipality reflected three different amounts with respect to the 2022/23 Opening Investments balance (Table A6 (Call investment deposits): R150.6 million, Table SA15: R490.1 million, Table SA16: R490 000); > Three different amounts with respect to the 2022/23 Closing Investments balance (Table A6 (Call investment deposits): R172.9 million, Table SA15: R730.4 million, Table SA16: R730 000). As a result, the level of investments used in the determination of the budget for Interest earned - external investments remained unclear; and > For the majority of the investments listed in Table SA16, the municipality did not reflect the period of the investments.

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
	2022/23				
R thousand					
Interest earned - outstanding debtors	9 250	9 250	9 250	–	The municipality reflected the same amount of R9.3 million reflected in the 2022/23 Draft Budget as the 2022/23 Final Budget for Interest earned - outstanding debtors which represents an increase of 2.8 percent from R9 million in the 2021/22 Adjusted Budget. As noted in the assessment of the 2022/23 Draft Budget, Provincial Treasury raised a number of concerns over the budget for interest earned - outstanding debtors including a lack of clarity regarding the basis of calculation of the budget and the level of debtors reflected in the Draft Schedule A. During the engagement on the Draft Budget, the municipality confirmed that the 2022/23 budget considered the municipality's projected Debtors and was in terms of the Credit control policy. The municipality committed to substantiate the budget in the Final Budget narrative report. Based on a high level recalculation, the budget for interest earned - outstanding debtors as a percentage of Gross debtors amounts to 1.5 percent which appears reasonable in relation percentages achieved in the 2018/19 to the 2020/21 financial years which ranged from 0.9 to 1.6 percent as per the relevant Audited AFS's. Notwithstanding the recalculated ratio above and the confirmation obtained by the municipality at the engagement on the Draft Budget, Provincial Treasury noted the following concerns over the budget for interest earned - outstanding debtors due to the following: - The municipality did not provide a basis of calculation (level of debtors and interest rate) in the Final Budget narrative report. - Concerns were noted over the population of the Consumer Debtors and Provision for Debt Impairment reconciliations in Table SA3 which would have impacted the level of debtors used to project Interest earned on outstanding debtors. Reconciliation of Consumer debtors - In the 2020/21 Audited Outcome column of the Final Budget tabled to Council (Schedule A), the municipality reflected Consumer debtors of R430.9 million which is significantly understated in relation to the Gross debtors balance of R494.2 million reflected in the 2020/21 Audited AFS (Note 9 - Receivables from exchange transactions: R175.6 million and Note 10 - Receivables from non-exchange transactions: R318.6 million). - As per Table SA3 of the Schedule A tabled in Council, projected Debtors at the end of the 2022/23 financial year amounts to R606.1 million which represents an increase from the projected Debtors of R602.1 million in the Draft Budget. Considering the movement in projected Debtors from the 2022/23 Draft and Final Budgets, it is unclear as to how the budget for interest earned-outstanding debtors would remain the same. It should be noted that Provincial Treasury is unable to comment on the reasonableness of the projected 2022/23 Debtors balance of R606.1 million due to the cash inflows related to VAT being budgeted for against Other revenue in Table A7 which was not quantified nor substantiated in the Final Budget narrative report. - The municipality only generated R6 million as per the June 2022 (Month 12) MFMA Section 71 report and has not achieved the budgeted revenue of R9.3 million for the 2021/22 financial year for interest - outstanding debtors. The low generation noted in the 2021/22 financial year could be an indication that the 2022/23 Final Budget may be overstated, notwithstanding the above mentioned inconsistencies in the population of the Consumer Debtors and Provision for Debt Impairment reconciliations figures in Table SA3. The municipality confirmed at the engagement of the Draft Budget that the low generation with respect to Interest earned - outstanding debtors in the 2021/22 financial year was due to the impact of a Debtors Incentive where debtors who made payment arrangements were not charged interest. As per the municipality, the incentive scheme will not be applicable in the 2022/23 financial year and therefore an increase in revenue generated can be expected in the 2022/23 budget year.
Dividends received	–	–	–	–	
Fines, penalties and forfeits	30 695	30 695	30 695	–	As noted in the assessment of the 2022/23 Draft Budget, Provincial Treasury was unable to comment on the reasonableness of the budget for Fines, penalties and forfeits due to the municipality not providing a basis of calculation in the Draft Budget narrative report and the fact that reported revenue as at the end of Month 09 (March 2022) was not on accrual basis. The municipality reflected the same amount of R30.7 million in the 2022/23 Final Budget which represents an increase of 115.1 percent from R14.3 million in the 2021/22 Adjusted Budget. During the engagement on the Draft Budget, the municipality indicated that the significant year on year increase was due to various penalties that were previously budgeted for against other revenue sources being budgeted for against Fines, penalties and forfeits due to the municipality now utilising the correct data string. Furthermore, revenue related to Traffic fines is expected to reflect an increase in the 2022/23 financial year after being impacted by lockdown restrictions in the 2020/21 and 2021/22 financial years. Provincial Treasury is still unable to comment on the reasonableness of the budget for Fines, penalties and forfeits due to the following: - The Final Budget narrative report did not contain any information relating to the budget for Fines, penalties and forfeits nor confirmed the reasons obtained at the engagement on the Draft Budget for the significant year on year increase. - As per the Month 12 MFMA Section 71 report (June 2022), the municipality recognised only R10.7 million or 74.8 percent of the 2020/21 Adjusted Budget as revenue. As stated in the 2021/22 Quarter 4 MFMA Section 52 report, the reported revenue against Fines, penalties and forfeits for Month 12 had not yet considered the journal to be processed in order to align reported revenue to iGRAP1. As a result, Provincial Treasury is unable to comment on the possible impact of performance of the 2021/22 financial year on the 2022/23 Final Budget.
Licences and permits	734	734	734	–	

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Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
	2022/23				
R thousand					
Agency services	13 200	13 200	13 200		As noted in the assessment of the 2022/23 Draft Budget, the municipality increased the budget for Agency services by 0.9 percent from R13.1 million in the 2021/22 Adjustments Budget to R13.2 million in the 2022/23 Draft Budget which remained unchanged in the 2021/22 Final Budget. Similar to the finding noted in the assessment of the 2022/23 Draft Budget, the municipality did not provide any explanation in the Final Budget narrative report for the budgeted amount for Agency services. It is of concern that as per the Month 12 MFMA Section 71 report (June 2022), the municipality generated R10.2 million which is far below the 2021/22 Adjustments Budget of R13.1 million. At the engagement on the Month 11 IYM, the municipality attributed the low performance in the 2021/22 financial year to COVID restrictions that were in place during the financial year and indicated that the demand is expected to recover in the 2022/23 financial year. Considering the uncertainty regarding the recovery of anticipated demand, it is unclear as to whether the municipality will realistically generate the anticipated revenue in respect of Agency services in the 2022/23 financial year.
Transfers and subsidies	254 652	254 652	254 652	–	In Table A4, the municipality reflected an amount of R254.7 million in respect of operational Transfers and subsidies. The municipality reflected a breakdown of the Operational grants in Table SA18 which agreed to the budget for Transfers and subsidies in Table A4. The ORGB data string submitted by the municipality reflected the same amounts with the exception of grouping the Provincial allocations against a single line item "Capacity Building and Other". It was noted that the majority of the allocations reflected in Table SA18 agree to the allocations reflected in the Division of Revenue Bill No. 44173 of 09 March 2022 and the Provincial Gazette No. 2381 dated 24 March 2022 with a portion of the MIG and housing accreditation grants being allocated to Operational transfers and subsidies. However, the municipality reflected 2 allocations which were not reflected in the Division of Revenue Bill No. 44173 of 09 March 2022 and the Provincial Gazette No. 2381 dated 24 March 2022 namely; NDPG - Ease of doing business: R5.8 million and National Resource Management Project: R1.7 million. The municipality confirmed the following regarding budgeted Transfers and subsidies at the engagement on the Draft Budget: > In the assessment of the 2021/22 Original Budget, the municipality budgeted for an amount of R14.3 million as NDPG - Ease of doing business relating to funding from the European Union. The municipality confirmed that the amount of R5.8 million budgeted for against Transfers and subsidies represents the projected value of projects that will be carried forward to the 2022/23 financial year. The municipality did not justify the amount to be rolled over into the 2022/23 financial year in the Final Budget narrative report. Notwithstanding this, as discussed against Transfers and subsidies - capital (Table A5), the municipality confirmed that a further amount of R1.3 million reflected as NDPG Ease of doing business Revenue - Grant in Table SA18 was incorrectly reflected as a Capital grant in the 2022/23 Final Budget and will be classified as an Operational grant during the 2022/23 Adjustments Budget process. > With respect to the National Resource Management Project allocation of R1.7 million, the municipality confirmed that the budgeted amount was based on a signed MOU between the municipality and the Department of Economic Development Tourism and Environmental Affairs. The municipality did not provide the MOU as part of the 2022/23 Final Budget submission.
Other revenue	54 165	54 165	54 165	–	The municipality increased the budget for Other revenue by 50.1 percent to R54.2 million in the 2022/23 Final Budget from the 2021/22 Adjusted Budget amount of R36.1 million. Provincial Treasury was unable to comment on the reasonableness of the budget for Other revenue in the Draft Budget assessment due to the municipality not providing a breakdown of budgeted revenue in the Draft Budget narrative report. The municipality committed to fully justify the budget for Other revenue in the Final Budget submission. Provincial Treasury is still unable to comment on the reasonableness of the budget for Other revenue due to the following: - The municipality did not provide a breakdown of Other revenue in the Final Budget narrative report, despite committing to do so at the engagement on the Draft Budget. As a result, Provincial Treasury is unable to comment on the year on year movements of the budgeted amount for Other revenue and provide further comment on the reasonableness of the 2022/23 Final Budget. It was further noted that the breakdown of Other revenue in Table SA1 which should have reflected the separate line items that constitute the budget for Other revenue was simply reflected as the entire budget for Other revenue against the description "Other revenue" despite being alerted to a similar finding in the 2022/23 Draft Budget. Notwithstanding the above, based on the Month 12 (June 2022) MFMA Section 71 report, the municipality generated an amount of R41 million with respect to Other revenue indicating that the 2021/22 Adjustments Budget of R36.1 million was understated. However, considering that the generated revenue of R41 million is significantly below the 2022/23 projected revenue of R54.2 million, it appears that the 2022/23 budget may be overstated in the absence of information to support the budgeted amount.
Gains	3 065	3 065	3 065	–	As noted during the engagement on the 2022/23 Draft Budget, the municipality indicated that the budget for Gains of R3.1 million related to the increase in the fair value of investment properties. The municipality committed to substantiate the budget for Gains in the Final Budget narrative report. Despite the commitment, no explanation for the 2022/23 Final Budget was noted in the Final Budget narrative report. As a result, Provincial Treasury is unable to comment on the reasonableness of the budgeted amount. It should be noted that the municipality reflected a gain of R1.5 million on the fair value of investments property in the 2020/21 financial year as per the 2020/21 Audited AFS.
Total Revenue (excluding capital transfers and contributions)	2 129 511	2 137 733	2 137 733	0 223	

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
	2022/23				
R thousand					
Expenditure By Type					
Employee related costs	544 984	545 009	545 009	25	As per Table A4, the 2022/23 Final Budget of R545 million represents an increase of 13 percent from the 2021/22 Adjusted Budget of R482.3 million. As noted in the assessment of the 2022/23 Draft Budget, Provincial Treasury raised a number of concerns regarding the population of supporting tables to support the budgeted amount. During the engagement on the Draft Budget, the municipality confirmed that the budget for Employee related costs is based on the organogram and the budgeted positions to be filled. In the Final Budget narrative report, the municipality indicated that an average of 4.9 percent increase for all staff remuneration costs was applied. Provincial Treasury noted the following concerns over the 2022/23 Final Budget for Employee related costs: - As per Table SA24 of the Schedule A and the submitted non-financial data string (A1F), the municipality reflected that Personnel numbers are expected to remain the same at 2 386 for the 2020/21, 2021/22 and 2022/23 financial years which appears unreasonable. It should be noted that the municipality reflected a total of 1 274 employees at the Draft Budget stage. Considering the uncertainty regarding the number of employees, Provincial Treasury is unable to comment on the reasonableness of the budget in relation to movement in the number of employees. - In the Final Budget narrative report, the municipality provided a breakdown of Employee related costs for Senior Managers and Municipal Staff which corresponded to the budget reflected in Table A4, however, a comparative to the 2021/22 financial year was not provided in the breakdown. - Considering the concerns noted regarding the number of employees, Provincial Treasury is unable to comment on the year on year movement of expenditure items which constitute the budget for Employee related with all expenditure items (with the exception of Overtime and Payments in lieu of leave) increasing by more than the 4.9 percent stated in the Final Budget narrative report. - With respect to Senior managers, the information reflected in Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers) of the Schedule A tabled in Council appear to lack credibility as it reflects total remuneration of the Chief Financial Officer amounting to R17.2 million while the non-financial data string (A1F) reflects R2.2 million. - Furthermore, in Table SA23 of the Schedule A tabled in Council, total salaries related to Senior managers amount to R32 million while an amount of R18.4 million is reflected in Tables SA22 and the non-financial data string (A1F) reflects R25.6 million. Furthermore, as per Table SA24 of the Schedule A tabled in Council, the municipality reflected 11 Senior Managers while Table SA23 of the Schedule A tabled in Council reflected only 10. A further different amount of 14 was reflected in the non-financial data string (A1F).
Remuneration of councillors	27 116	27 116	27 116	-	The municipality reflected an amount of R27.1 million as the 2022/23 Final Budget for Remuneration of Councillors which was the same amount reflected in the 2022/23 Draft Budget and represents an increase of 6.3 percent when compared to the amount of from R25.5 million in the 2021/22 Adjusted Budget. Provincial Treasury is still unable to comment on the budgeted amount for Remuneration of Councillors due to the following: - In the Final Budget narrative report, the municipality provided a breakdown Remuneration of Councillors which corresponded to the budget reflected in Table A4, however, a comparative to the 2021/22 financial year was not reflected in the breakdown. As a result, Provincial Treasury is unable to comment on the year on year movement in budgeted Remuneration of Councillors by expenditure type. - Table SA23:Salaries, allowances & benefits (political office bearers/councillors/senior managers) of the Schedule A tabled in Council reflected a different amount of R9.2 million with respect to the Remuneration of Councillors;
Debt impairment	23 200	23 200	23 200	-	The municipality reflected an amount of R23.2 million as the 2022/23 Final Budget for Debt impairment which was the same amount reflected in the 2022/23 Draft Budget and represents an increase of 83.3 percent when compared to the amount of from R12.7 million in the 2021/22 Adjusted Budget. As noted in the assessment of the 2022/23 Draft Budget, Provincial Treasury raised a number of concerns regarding the basis of calculation of the budget for Debt impairment and the poor population of Table SA3. The municipality confirmed at the engagement on the Draft Budget that the budget for Debt impairment of R23.2 million represents both the contribution to Debt impairment and Bad debts to be written off and had considered the results of the cleansing of the debtors book and the consideration over the impact of the debtors incentive scheme. The municipality committed to justify the budget for Debt impairment in the Final Budget narrative report. Provincial Treasury is still unable to comment on the budget for Debt impairment due to the following: - The municipality did not provide a basis of calculation in the Final Budget narrative report regarding the calculation of the Debt impairment expense. - As discussed under Interest earned - outstanding debtors, numerous concerns were raised over the population of the Reconciliation of Consumer debtors where it was noted that Provincial Treasury was unable to comment on the reasonableness of the budgeted levels of Gross Debtors. - Provincial Treasury is unable to comment on the reasonableness of the projected Debt impairment provision due to the following: > In the 2020/21 Audited Outcome column of the Final Budget tabled to Council (Schedule A), the municipality reflected a Debt impairment provision of R201 million which is significantly below the amount of R282.2 million in the 2020/21 Audited AFS. Consequently the balance carried forward to the 2022/23 MTREF is significantly understated.

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
		2022/23			
R thousand					
Debt impairment cont…					> Based on the budgeted contribution of R12.7 million in 2021/22 as per the Adjustments Budget (Table B4) and R23.2 million as per Table A4 in the 2022/23 Final Budget, it can be expected that the debt impairment provision would increase by R35.9 million from the amount of R282.2 million reflected in the 2020/21 Audited AFS to R318.1 million. As per Table SA3, the municipality reflected R221.3 million as the budgeted Provision for Debt Impairment for 2022/23 which appears understated in relation to a recalculated amount of R318.1 million. The incorrect budgeting for Debt Impairment will also have an impact on the calculation of Other working capital requirements which will in turn impact the funding position of the 2022/23 Final Budget. - As per Table SA3, the municipality reflected a contribution to Debt Impairment of R10.8 million and Bad debt written off of R4.2 million amounting to R15 million in total which does not correspond to the budgeted expenditure of R23.2 million in Table A4. - As per the municipality's 2021/22 Quarter 4 MFMA Section 52 report, the municipality reported under-expenditure of R6.5 million against the 2021/22 Adjustments Budget. As per the municipality, the contribution to debt impairment is only calculated at year end. As a result, Provincial Treasury is unable to comment on the impact of the trends in performance on the 2022/23 Final Budget.
Depreciation & asset impairment	100 622	100 622	100 622	–	The 2022/23 Final Budget of R100.6 million for Depreciation and asset impairment represents an increase of 2.2 percent from the amount of R98.4 million in the 2021/22 Adjustments Budget. In the Final Budget narrative report, the municipality indicated that Depreciation and asset impairment is expected to increase as a result of the completion and commissioning of various completed Capital projects. As noted in the assessment of the 2022/23 Draft Budget, Provincial Treasury was unable to comment on the reasonableness of the Draft Budget due to the inconsistencies in the Draft Budget Schedule A and the basis of calculation not being provided in the Draft Budget narrative report. The following were noted with respect to the budget for Depreciation and asset impairment: - In the asset register summary reflected in Table A9, the municipality projected an asset value of R2.990 billion at the end of the 2022/23 financial year. The projected amount appears understated in relation to opening non-current assets of R2.446 billion as per the 2020/21 Audited AFS, budgeted Capital expenditure of R310 million in 2021/22 and R510.3 million in 2022/23 and budgeted Depreciation and asset impairment of R98.4 million in 2021/22 and R100.6 million in 2022/23. Based on these amounts, the expected carrying value of non-current assets would amount to R3.067 billion. As a result, Provincial Treasury is unable to establish the asset values used in the calculation of the 2022/23 Final Budget. - The municipality did not provide the basis for the budgeted expenditure against Depreciation in the Final Budget narrative report. However, it should be noted that the municipality has only incurred R220.4 million or 71.1 percent of their 2021/22 Capital expenditure budget of R310 million as at June 2022 (Month 12). Considering that the municipality has not achieved the planned Capital expenditure in the 2021/22 financial year, the municipality's budgeted Depreciation may be overstated as the PPE values used in the calculation of Depreciation would have been overstated. As per the 2020/21 Audited AFS, Depreciation for the 2020//21 financial year amounted R77.1 million. Based on the MFMA Section 71 report for June 2022 (Month 12), Depreciation amounted to R82.4 million at the end of the 2021/22 financial years. Notwithstanding the above, it was noted that the budgeted Depreciation and asset impairment as a percentage of the budgeted PPE values reflected in Table A9 amounts to 3.4 percent and is in line with the percentages of 3.3 percent to 3.4 percent achieved over the 2018/19 to 2020/21 financial years as per the relevant audited AFS's. Based on the expenditure noted in the 2020/21 financial year of R77.1 million as per the 2020/21 Audited AFS and expenditure of R82.4 million for the 2021/22 financial year, the budget for Depreciation and asset impairment appears overstated unless the municipality fully implements their Capital budget in the 2022/23 financial year, also bearing in mind the concerns raised over possible overstatement of the PPE values above, and the municipality anticipates a significant impairment loss in the 2022/23 financial year.
Finance charges	25 101	25 101	25 101		The municipality reflected the same amount of R25.1 million that was reflected in the 2022/23 Draft Budget in the 2022/23 Final Budget for Finance charges which represents an increase of 29.7 percent from the 2021/22 Adjustments Budget of R25.1 million. During the engagement on the Draft Budget, the municipality confirmed that the budget for Finance charges considered all finance costs to be incurred with respect to provisions and long term borrowings. The municipality committed to substantiate the budget in the Final Budget narrative report. As per the Final Budget narrative report, the municipality indicated that the average cost of long-term borrowings is 12 percent. Provincial Treasury is still unable to establish the reasonableness of the budgeted amount for Finance charges due to the following: - The municipality did not submit the loan amortisation schedule reflecting interest payments nor was any explanation provided in the Final Budget narrative report regarding the breakdown of budgeted Finance charges; - As per Table A6 of the Schedule A, the projected Borrowings as at the end of the 2022/23 financial year was R198.1 million while a different amount of R251.8 million was reflected in Table SA17: Borrowings. As a result, the level of Borrowings used to determine the budget for Finance charges remains unclear.

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
		2022/23			
R thousand					
Bulk purchases - electricity	937 966	916 693	916 693	(21 273)	In the 2022/23 Final Budget, the municipality decreased the budget for Bulk purchases to R916.7 million from the amount of R937.97 million in the 2022/23 Draft Budget which represents a decrease of 2.3 percent from R937.93 million in 2021/22 Adjustments Budget. As per the Final budget narrative report, the municipality indicated that Bulk Purchases amount to approximately R916.6 m. This figure takes into consideration the Eskom increase in tariffs as well as programs to reduce energy losses. The municipality has budgeted for an increase of 6.61 percent in the electricity tariff for the 2022/23 financial year. At the engagement on the 2022/23 Draft Budget, the municipality indicated that steps had been taken to reduce material energy losses significantly from the amount of R161.2 million as per the 2020/21 Audited AFS. Provincial Treasury noted the following concerns over the budgeted amount for Bulk purchases: - The basis of the calculation for the budgeted amount was not clearly provided in the Final Budget narrative report. - As discussed under Service charges-electricity revenue, as per the Schedule A tabled in Council, the municipality reflected an increase in the number of households from 30 907 in the 2021/22 financial year to 31 525 in 2022/23, which results in an increase of 1.9 percent. When considering the additional households and the tariff increase of 6.61 percent, it is unclear as to whether the year on year decrease in the budget for Bulk purchases is justified in the absence of further information regarding the magnitude of the anticipated reduction of energy losses. - As per the municipality's Quarter 4 MFMA Section 52 report, the municipality indicated that they have incurred expenditure which exceeds the 2021/22 Adjustments Budget by R17.1 million. This could be an indication that the municipality may incur unauthorised in the 2022/23 financial year should the anticipated reduction in energy losses not be realised.
Inventory consumed	30 436	31 000	31 000	563	The municipality increased the budget for Inventory consumed from R30.4 million in the 2022/23 Draft Budget to R31 million in the 2022/23 Final Budget. The 2022/23 Final Budget represents an increase of 11.3 percent from R27.9 million in 2021/22 Adjustments Budget. Provincial Treasury is unable to comment on the reasonableness of the 2022/23 Final Budget for Inventory consumed due to the following: - The basis of the calculation was not provided in the Final Budgeted narrative report, despite Provincial Treasury raising a similar finding in the assessment of the 2022/23 Draft Budget. - As per the municipality's June 2022 (Month 12) MFMA Section 71 report, the municipality incurred R19.1 million which is significantly below the 2021/22 Adjustments Budget of R27.9 million. Considering that the 2022/23 Final Budget for Inventory consumed significantly exceeds expenditure incurred in the 2021/22 financial year, it appears that the budget for 2022/23 is overly ambitious, in the absence of any further information. In the 2022/23 Final Budget, an amount of R12.4 million was reflected against Inventory consumed in the breakdown of Repairs and maintenance in Table SA1. Provincial Treasury is unable to comment on the reasonableness of the amount carried forward to Table SA1 as the breakdown of Inventory consumed was not provided in the Final Budget narrative report.
Contracted services	286 841	304 080	304 080	17 238	With respect to Contracted services, the municipality reflected an increase from R286.9 million in the 2022/23 Draft Budget to R304.1 million in the Final Budget. The 2022/23 Final Budget represents an increase of 12.8 percent from R269.5 million in the 2021/22 Adjustments Budget. During the engagement on the Draft Budget, the municipality confirmed that the budget for Contracted Services was considered on a line by line basis in the preparation of the 2022/23 Draft Budget. The municipality committed to provide reasons for significant movements in the Final Budget narrative report. Provincial Treasury's assessment of the budget for Contracted services was limited by the following: - In the Final Budget narrative report, the municipality provided a listing of the entire operational expenditure by function over the MTREF period with no comparatives to the 2021/22 Adjustments Budget. As a result of the classification by function, Provincial Treasury was unable to determine whether the listing provided agreed to the budget for Contracted Services in Table A4. - The municipality did not provide a full listing of contracts for Contracted services in the Final Budget narrative report. Thus, a comparison of the year on year movement in contracts could not be performed which significantly limited Provincial Treasury's analysis of the 2022/23 Final Budget for Contracted services. - Despite committing to provide explanations for significant movements in the Final Budget narrative report, no explanations were noted. - As noted in the Quarter 4 MFMA Section 52 report, the municipality reported under-expenditure of R43 million against Contracted services in the 2021/22 financial year. Considering the low expenditure noted in the 2021/22 financial year and the large year on year increase in the budget, it is unclear as to whether the municipality will fully incur the budget in the 2022/23 financial year. As also noted in the discussion on Repairs and maintenance, the breakdown of Repairs and maintenance in Table SA1 reflected an amount of R57.6 million related to Contracted services. As a result of the municipality not providing a full breakdown of the Contracted services in the Final Budget narrative report, Provincial Treasury was unable to comment as to whether Repairs and maintenance was correctly budgeted for in Table A4. Furthermore, as per the detailed A1 mapping, expenditure related to Repairs and maintaining amounted to only R42.2 million. It should be noted that the budgeted Contracted services as percentage of total Operating expenditure is 14.2 percent and exceeds the guideline of 1 to 5 percent as per MFMA Circular No. 71. As per the same circular, a ratio in excess of the norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
	2022/23				
R thousand					
Transfers and subsidies	13 812	14 112	14 112	300	The municipality increased the budget for Transfers and subsidies from R13.8 million in the 2022/23 Draft Budget to R14.1 million in the 2022/23 Final Budget which represents an increase of 79.8 percent from the 2021/22 Adjustments Budget of R7.9 million. As noted in the assessment of the 2022/23 Draft Budget, Provincial Treasury was unable to comment on the reasonableness of the budget for Transfers and subsidies due to the poor population of Tables SA21. During the engagement on the Draft Budget, the municipality confirmed that a number of projects budgeted for against Transfers and subsidies in the 2021/22 financial year had not been implemented due to lock down restrictions and had been rolled over to the 2022/23 financial year resulting in the large year on year increase in the budget. Provincial Treasury is still unable to comment on the reasonableness of the budget for Transfers and subsidies due to the following: - As noted in the discussion on Contracted services, the municipality provided a breakdown of the full operational budget per Function and not by expenditure type in the Final Budget narrative report. The listing providing did not include the 2021/22 Adjustments Budget, therefore the year on year movement across the line items that constitute the budget for Transfers and subsidies was unable to be ascertained; - The municipality reflected the budget for Transfers and subsidies in Tables SA21: Transfers and grants made by the municipality in the Schedule A tabled in Council with the following concerns being noted: > The municipality did not populate the 2020/21 Audited Outcome column and the 2021/22 Adjustment budget column. > In Table SA21 of the Schedule A tabled in Council, the municipality reflected an amount of R13.8 million as "Cash Transfers to Entities/Other External Mechanisms" which was not broken down per expenditure type and description and did not agree to the amount of R14.1 million in Table A4; > Based on the ORGB data string, the total agrees to Table A4, however, a different classification was noted with "Cash Transfers to Other Organs of State" amounting to R2.8 million, "Cash Transfers to Organisations" amounting to R525 000 and "Cash Transfers to Groups of Individuals" amounting to R10.6 million and "Non cash flow transfers to Households of R200 000". As a result of the different classifications noted, Provincial Treasury is unable to comment on the reasonability of the classification of the budget for Transfers and subsidies.
Other expenditure	118 939	129 609	129 609	10 870	The municipality reflected an increase in the budget for Other expenditure from R116.9 million in the 2022/23 Draft Budget to R129.8 million in the 2022/23 Final Budget. The 2022/23 Final Budget represents an increase of 15 percent from the 2021/22 Adjusted Budget of R112.9 million. It should be noted that Provincial Treasury was unable to comment on the reasonableness of the 2022/23 Draft Budget due to an explanation regarding the budget for Other expenditure not being provided in the Draft Budget narrative report. During the engagement on the Draft Budget, the municipality confirmed that the budget for Other expenditure was considered on a line by line basis in the preparation of the 2022/23 Draft Budget. The municipality committed to provide reasons for significant movements in the Final Budget narrative report. Provincial Treasury is still unable to comment on the reasonableness of the budget for Other expenditure due to the following: - The municipality did not provide the reason for the increase in the budget for Other expenditure as well as reasons for significant movements between expenditure items that constitute the budget for Other expenditure in the Final Budget narrative report despite committing to do so at the engagement on the Draft Budget. The municipality did, however, indicate in the budget assumption section of the Final Budget narrative report that cost containment measures had been applied in the preparation of the 2022/23 Final Budget. - As noted in the discussion on Contracted services, the municipality provided a breakdown of the full operational budget per Function and not by expenditure type. The listing provided did not include the 2021/22 Adjustments Budget, therefore the year on year movement across the line items that constitute the budget for Other expenditure was unable to be ascertained; - As per the Table SA1, the bulk of the budget for Other expenditure (R115.8 million or 89.2 percent) was reflected against the description of the "Other expenditure". As a result, Provincial Treasury is unable to comment on the reasonableness of the budget for Other expenditure and the year on year movement between the different expenditure line items that make up the budgeted amount for Other expenditure.
Losses	19 766	19 766	19 766	-	In the 2022/23 Final Budget, the municipality budgeted for an amount of R19.8 million in respect of Losses which was the same amount reflected in the 2022/23 Draft Budget. As noted in the assessment of the 2022/23 Draft Budget, the municipality did not justify the budget for Losses, however, at the engagement on the Draft Budget, the municipality indicated that the budget for losses relates to items such as the actuarial losses relating to the long service provision and Long services awards. The municipality agreed to provide a breakdown and basis of calculation to support the budgeted amount in the Final Budget narrative report. Despite agreeing to do so, no justification for the budgeted amount was reflected in the Final Budget narrative report. As a result, Provincial Treasury is unable to comment on the budgeted amount for Losses.
Total Expenditure	2 128 785	2 136 507	2 139 507	7 723	
Total Revenue (excluding capital transfers and contributions)	2 129 511	2 137 733	2 137 733	8 223	
Total Expenditure	2 128 785	2 136 507	2 136 507	7 723	
Surplus/(Deficit)	726	1 226	1 226	500	The municipality budgeted for a small Operating surplus of R1.2 million in the 2022/22 budget year. The credibility of the budgeted Operating surplus for the 2022/23 financial year is questionable due to concerns raised with regards to, amongst others: Operating revenue > Property rates, Interest earned -external investments and Service charges - Incomplete information being reflected in the supporting tables to support the budgeted amounts; > Fines, penalties and forfeits and Agency fees appear to be overly optimistic in relation to the 2021/22 financial year revenue generation trends. Operating expenditure > Concerns raised in the budgeted amounts for Debt Impairment, Contracted services, Bulk purchases, Transfers and subsidies, Finance charges and Other expenditure with Provincial Treasury being unable to comment on the reasonableness of some of the budgeted amounts.

Municipality	KwaDukuza Local Municipality

Table 3: Budgeted Capital Expenditure by Functional classification and funding - (Table A5) & R&M/Renewals/Upgrading - (Table SA34(b),(c)&(e))

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
	2022/23				
R thousand					
Capital Expenditure - Functional					
Governance & administration	33 693	44 458	44 458	10 765	
Executive and council				–	
Finance and administration	33 693	44 458	44 458	10 765	
Internal audit				–	
Community & public safety	74 751	88 157	88 157	13 406	
Community and social services	27 455	33 226	33 226	5 770	
Sport and recreation	22 410	27 805	27 805	5 395	
Public safety	16 260	21 500	21 500	5 240	
Housing	5 626	5 626	5 626		
Health				–	
Economic & environmental services	153 037	155 078	155 078	2 041	
Planning and development	6 504	6 504	6 504	–	
Road transport	146 533	148 574	148 574	2 041	
Environmental protection				–	
Trading services	128 300	222 571	222 571	94 271	
Energy sources	122 650	215 171	215 171	92 521	
Water management					
Waste water management				–	
Waste management	5 650	7 400	7 400	1 750	
Other				–	
Total Capital Expenditure - Functional	386 782	510 265	510 265	123 483	The municipality increased the Capital expenditure budget by R123.5 million to R510.3 million in the 2022/23 Final Budget which represents an increase of 64.6 percent from the 2021/22 Adjusted Budget of R310 million. As per the Final Budget narrative report, the municipality indicated that "the capital budget relates to projects for which the Council will be securing the available funding sources either through borrowings, internal capital funds, grants, public contributions and foreign donor funding. Capital expenditure funded by means of a grant can only commence if written or gazetted allocations are in place. Capital expenditure which is not funded via DORA or Provincial Gazetted allocations can only commence if funds are received or a letter of unconditional commitment is received from the funding agency." Based on subsequent discussions with the municipality, the large year on year increase is to take into account projects rolled over from the 2021/22 financial year and to take into account the impact of flood disaster. The municipality indicated in the Final Budget narrative report that the budget would be revisited once disaster funding is secured. Subsequent to the tabling of the 2022/23 Final Budget, the municipality received an allocation of R109 million relating to the disaster grant. An Adjustments Budget to take into the allocation was tabled on 18 August 2022. The municipality has provided a listing of projects with the respective funding sources in the Final Budget narrative report which corresponds to the total Capital expenditure and Capital expenditure per functional classification as per Table A5. In the Council approved Schedule A, the municipality populated Table SA36: Detailed capital budget which corresponds to Table A5, however, the Schedule A contains only a limited number of columns namely "Function", "Project description", "Project No." and "Type" while other columns such as "Own Strategic Objectives", "GPS Coordinates" and "Ward Location" were not reflected in the schedule. Furthermore, the municipality did not populate Table SA35 which indicates that the municipality did not consider the future operational costs and revenue of the projects, including the municipal tax and tariff implications as per Section 19 of the MFMA.
Funded by:					In the Final Budget narrative report, the municipality provided a breakdown of the revenue sources that will be used to fund the Capital expenditure budget which included: > Borrowing: R10 million; > Internally generated funds: R315.5 million; > National allocations of R155.3 million (INEP: R13.4 million; MIG: R57 million and NDPG: R84.8 million); > Department of Trade and Industry: R29.4 million; and > Provincial allocations of R126 000 (Housing accreditation). The revenue sources are discussed in detail below.
National Government	137 550	155 253	155 253	17 703	Similar to prior years, the municipality has budgeted for National allocations exclusive of VAT in Table A5. > MIG (R57 million): The budgeted amount with respect to MIG represents the VAT exclusive amount of the total allocation of R65.6 million (excluding MIG-PMU) reflected in the Division of Revenue Bill No. 44173 of 09 March 2022; > INEP (R13.4 million): The budgeted amount with respect to INEP represents the VAT exclusive amount of the total allocation of R15.4 million reflected in the Division of Revenue Bill No. 44173 of 09 March 2022. The municipality correctly reflected the full allocations in Table SA18 of the Council approved Schedule A and the ORGB data string.

Description	Data String (TABB)	Council Approved Budget (Schedule A1)	Data String (ORGB)	Difference TABB vs. ORGB	Comments
	2022/23				
R thousand National Government cont..					NDPG grant (R84.8 million) During the engagement on the Draft Budget, the municipality confirmed that the budgeted amount with respect to NDPG represents funding from National Government and Funding from the European Union. The municipality committed to provide a detailed breakdown of the budgeted amount in the Final Budget narrative report. Despite this request, no additional information (other than the total amount) was contained in the Final Budget narrative report. Based on subsequent discussions with the municipality, it was confirmed that the total of R84.8 million consist of: > An amount of R60.9 million, being the VAT exclusive amount of the allocation of R70 million reflected in the Division of Revenue Bill No. 44173 of 09 March 2022; > The total 2021/22 budgeted amount of R22.6 million for the NDPG allocation relating to funding from the European Union that was carried forward to the 2022/23 financial year; and > An amount of R1.3 million reflected as NDPG Ease of doing business Revenue - Grant in Table SA18 which should have been allocated to Operational revenue and which will be corrected during the Adjustments Budget process.
Provincial Government	126	126	126	–	The municipality budgeted for an amount of R126 000 against Provincial Government in the 2022/23 Final Budget, being the capital portion of the Housing accreditation grant (Provincial Gazette No. 2381 dated 24 March 2022) reflected in Table SA18.
District Municipality				–	
Transfers and subsidies - capital - (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		29 356	29 356	29 356	As per the Final Budget narrative report, the municipality reflected a new funding source of R29.4 million from Department of Trade and Industry with no further explanation being provided by the municipality. As per subsequent discussions with the municipality, the municipality confirmed that the Department will implement electrical projects within the municipal area. At the Final Budget stage, the MOU had yet to be finalised with the Department and it was unclear as to whether contractors implementing the project would be paid directly by the Department or the municipality. As per the municipality, they would be obligated to pay contractors should the department fail to settle the obligation. In order to be prudent, the municipality budgeted for the amount in the 2022/23 Capital budget pending the finalisation of the agreement. The municipality confirmed that no cash inflow relating to this amount had been taken into account in Table A7. The municipality confirmed that they would amend the budget during the 2022/23 Adjustments Budget process to take into account the finalised MOU.
Transfers recognised - capital	137 676	184 735	184 735	47 059	
Borrowing	10 000	10 000	10 000	–	As per Table A5, the municipality intends funding capital projects to the value of R10 million from Borrowings in the 2022/23 financial year. No further details were provided in the Final budget narrative report.
Internally generated funds	239 106	315 530	315 530	76 424	The municipality increased the budget for internally generated funds from R239.1 million in the 2022/23 Draft Budget to R315.5 million in the 2022/23 Final Budget. The municipality did not give an indication as to how projects to be implemented from internally generated funds would be funded. In the previous years, the municipality has reflected poor performance against internally generated funds. As per the Month 12 (June 2022) of the MFMA Section 71 report, the municipality recognised only R149.96 million or 68.9 percent against the 2021/22 Adjusted Budget of R217.6 million. Based on the historical performance and significant year on year increase, it is unclear as to whether the municipality will be in a position to implement all budgeted projects.
Total Capital Funding	386 782	510 265	510 265	123 483	
Repairs and maintenance (Table SA34(c))	69 102	69 931	69 931	828	The municipality increased the budget for Repairs and maintenance from R69.1 million in the 2022/23 Draft Budget to R69.9 million in 2022/23 Final Budget which represents an increase of 1.2 percent. As per the breakdown of Repairs and maintenance in Table SA1, the budget consists of expenditure related to inventory consumed (R12.4 million) and Contracted services (R57.6 million). As noted in the discussion under Contracted services and Inventory consumed, the municipality did not provide a breakdown of the budgeted expenditure in the Final Budget narrative report thus the breakdown of Repairs and maintenance reflected in Table SA1 could not be ascertained. During the engagement on the Draft Budget, the municipality indicated that the budget for Repairs and maintenance in the Draft Budget was sufficient due to significant expenditure against long term projects aimed at improving the municipality's infrastructure. Considering that there has been an increase noted from the Draft Budget, it can be seen that the municipality considers the budget to be sufficient. Notwithstanding the explanation received by the municipality at the Draft Budget stage, the budgeted amount for Repairs and maintenance represents only 3 percent of the Property, Plant and Equipment (PPE) value of R2.3 billion reflected in the 2020/21 Audited AFS which is below the National Treasury guideline of 8 percent as stipulated in MFMA Circular No. 55.
Renewal of existing assets (Table SA34(b))	95 867	97 963	97 963	2 096	
Upgrading of existing assets (Table SA34(e))	41 592	103 572	103 572	61 980	
Total Renewal and upgrading of Existing Assets	137 459	201 535	201 535	64 076	The 2022/23 Final Budget of R201.5 million with respect to the Renewal and Upgrading of existing assets (Renewals: R97.96 million, Upgrading: R103.6 million) represents 40 percent of the total Capital expenditure budget of R54.2 million and is in line with National Treasury's guideline of 40 percent as per MFMA Circular No. 55.

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Municipality: KwaDukuza Local Municipality

Table 4: Budgeted Cash Flow - (Table A7)

Description	Council Approved Budget (Schedule A1)	Data String (ORGB)	Comments
R thousand	2022/23		
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	574 185	574 185	As per the Final Budget narrative report, the municipality indicated that the measurable performance indicator for revenue collection for Property rates is set at a minimum of 96 percent. In Table A7, the municipality has budgeted to collect R574.2 million or 95 percent of the revenue of R604.7 million to be billed as per Table A4 for Property rates. The budgeted collection rate appears reasonable when compared to the average collection rate of 94.8 percent achieved for the 2018/19, 2019/20 and 2020/21 financial years as per the relevant Audited AFS's.
Service charges	1 090 656	1 090 656	Similar to Property rates, the municipality indicated that the measurable performance indicator for revenue collection for electricity and refuse is set at a minimum of 96 percent. Based on the cash inflows reflected in Table SA30, the municipality budgeted to receive R1.014 billion or 95.8 percent of the budgeted revenue of R1.1 billion for Service charges - electricity and R77 million or 95 percent of the budgeted revenue of R81.1 million for Service charges - refuse in Table A4. The budgeted collection rates appear reasonable when compared to the average collection rate of 99.4 percent for Service charges - electricity and 95.5 percent for Service charges - refuse revenue for the 2018/19, 2019/20 and 2020/21 financial years as per the relevant Audited AFS's.
Service charges - electricity revenue (Table SA30)	1 013 614	1 013 614	
Service charges - refuse revenue (Table SA30)	77 042	77 042	
Other revenue	195 899	195 899	As per Table A7, the municipality budgeted for cash inflows of R27.4 million related to Other revenue. Please refer to the discussion of the various revenue sources below.
Rental of facilities and equipment (Table SA30)	3 249	3 249	Similar to a finding noted at the Draft Budget stage, it is noted that budgeted receipts of R3.2 million with respect to Rentals and facilities exceed corresponding revenue of R3 million in Table A4. During the engagement on the Draft Budget, the municipality committed to investigate the mapping of the cash inflows relating to the budgeted amount. Considering that the same concern is still noted, it appears that cash inflows related to Rentals and facilities is overstated.
Fines, penalties and forfeits (Table SA30)	4 010	4 010	The municipality budgeted to receive R4 million or 13.1 percent of the revenue to be generated with respect to Fines penalties and forfeits of R30.7 million as per Table A4. The assumed collection rate appears reasonable when compared to the average collection rate of 12.7 percent achieved for the 2018/19, 2019/20 and 2020/21 financial years as per the relevant Audited AFS's.
Licences and permits (Table SA30)	734	734	As per Table SA30, the municipality has projected to receive all budgeted revenue relating to Licences and permits (R734 000); Agency services (R13.2 million) which appears reasonable in relation to the nature of these revenue sources.
Agency services (Table SA30)	13 200	13 200	
Other revenue (Table SA30)	174 706	174 705	As per Table SA30, the municipality projected cash inflows of R174.7 million with respect to Other revenue which significantly exceeds the amount of R54.2 million budgeted for Other revenue in Table A4. The municipality did not provide any explanation regarding budgeted cash inflows with respect to Other revenue in the Final Budget narrative report. At the engagement on the Draft Budget, the municipality confirmed that the anticipated receipts related to VAT which were budgeted for against Other revenue in Table SA30. Provincial Treasury is unable to comment on the reasonableness of the budgeted cash inflow related to Other revenue considering that it remains unclear as to how much of the budgeted cash inflow relates to Other revenue and the portion that relates to anticipated VAT receipts. Furthermore, the municipality did not attempt to substantiate the budgeted receipts with respect to VAT in the Final Budget narrative report thus, Provincial Treasury is unable to comment on the reasonableness of the budgeted cash inflow related to VAT.
Government - operating	254 652	254 652	As per Table A7, the municipality budgeted for cash inflows amounting to R254.7 million which corresponds to the budgeted revenue in Table A4. It was noted that the budgeted cash inflow agrees to the allocations reflected in the Division of Revenue Bill No. 44173 of 09 March 2022 and Provincial Gazette No. 2381 dated 24 March 2022 with the exception of the NDPG - Ease of doing business allocation of R5.8 million and the National Resource Management Project: R1.7 million for which the municipality provided explanations for. With the exception of an amount of R1.3 million with respect to the NDPG - Ease of doing business which was incorrectly classified as being Capital in nature, the budgeted cash inflow appears reasonable. Please refer to the Operating section of this report for further discussion.
Government - capital	175 074	175 074	As per Table A7, the municipality budgeted for cash inflows amounting to R175.1 million. The budgeted cash inflow appears reasonable in relation to the non-agent grants reflected in Division of Revenue Bill No. 44173 of 09 March 2022 and Provincial Gazette No. 2381 dated 24 March 2022 and the amount in respect of the NDPG - ease of doing business allocation carried forward to the 2022/23 financial year. Please refer to the Capital section of this report for further discussion. In the Provincial Gazette No. 2381 dated 24 March 2022, the municipality was allocated an amount of R70.3 million with respect to the ISU Partnership grant and R17.9 million with respect to the HSDG intervention grant from the Department of Human Settlements where the municipality acts as an agent. The municipality correctly excluded these allocations from the Capital budget, however, the cash flow impact should have been taken into account in Table A7.
Interest	24 935	24 935	As per Table SA30, the municipality budgeted to receive R24.9 million relating to Interest earned - external investments which corresponds to the interest reflected in Table A4. However, the cash inflow reflected in Table A7 may be impacted by the concerns raised in the revenue section of this report on Interest earned - external investments.
Interest earned - external investments (Table SA30)	24 935	24 935	
Interest earned - outstanding debtors (Table SA30)	–		
Dividends		–	

Description	Council Approved Budget (Schedule A1)	Data String (ORGB)	Comments
R thousand	2022/23		
CASH FLOW FROM OPERATING ACTIVITIES			
Payments			
Suppliers and employees	(1 873 860)	(1 876 252)	Similar to a concern raised at the Draft Budget stage, the cash outflows as per Table SA30 appear to be unreasonable with the municipality reflecting no cash outflows with respect to Remuneration of Councillors and Inventory consumed despite incurring expenditure while the cash outflows related to Bulk purchases, Contracted Services and Other expenditure exceed budgeted expenditure. As per the Final Budget narrative report, the municipality indicated that mapping challenges are still being experienced with respect to budgeted cash flows. As a result, an analysis of cash outflows per expenditure type was not able to be performed. The municipality confirmed that the budgeted cash outflow in Table A7 of the Schedule A tabled in Council is correct. As per Table A7, the total budgeted cash outflows relating to Suppliers and employees of R1.873 billion are less than corresponding expenditure of R1.954 million (excluding non cash and seperately disclosed items) by R79.9 million. It appears that the municipality is anticipating an increase in Creditors in the 2022/23 financial year.
Employee related costs (Table SA30)	(575 341)	(577 712)	
Remuneration of councillors (Table SA30)	–	–	
Bulk purchases (Table SA30)	(874 607)	(874 607)	
Acquisition inventory - water and other inventory (Table SA30)	–	–	
Contracted services (Table SA30)	(303 960)	(303 960)	
Other expenditure (Table SA30)	(119 952)	(119 952)	
Other Cash Flows/Payments (Table SA30)	–	–	
Finance charges	(25 101)	(25 101)	The budgeted cash outflow of R25.1 million for Finance charges reconciled to the expenditure reflected in Table A4. However, Provincial Treasury could not establish the reasonableness of the budget for Finance charges as the municipality did not submit the loan amortisation schedule reflecting interest payments nor was any explanation provided in the Final Budget narrative report which may impact the budgeted cash outflows.
Transfers and subsidies	(11 412)	(11 412)	In Table A4, the municipality budgeted for Transfers and subsidies amounting to R14.1 million. It is unclear as to why the cash outflows reflected in Table A7 (R11.4 million) will be less than the expenditure reflected in Table A4. It should be noted that during the engagement on the Draft Budget, the municipality confirmed that the cash outflow related to Transfers and subsidies is based on the historical projections of cash outflows related to this expenditure type and the fact that certain expenditure budgeted for against Transfers and subsidies are non-cash in nature. However, as noted in the discussion of Transfers and subsidies expenditure, the municipality reflected a non-cash amount of only R200 000 in Table SA21. As a result, cash outflows with respect to Transfers and subsidies still appear to be understated.
NET CASH FROM/(USED) OPERATING ACTIVITIES	405 019	402 630	
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	–	–	
Decrease (Increase) in non-current debtors	–	–	
Decrease (increase) other non-current receivables	–	–	
Decrease (increase) in non-current investments	–	–	
Payments			
Capital assets	(507 357)	(507 367)	The budgeted cash outflow relating to Capital assets of R507.4 million in Table A7 is less than the corresponding Capital expenditure budget of R510.2 million in Table A5. Once again, it appears as if the municipality anticipates an increase in Creditors. As per Table SA3, the municipality projected Creditors amounting to R468.4 million for the 2022/23 financial year. As per the 2020/21 Audited AFS, the municipality ended the 2020/21 financial year with Trade and other payables amounting to R329.1 million. Provincial Treasury is unable to comment on the reasonableness of the projected Creditors balance due to the poor quality of the 2021/22 ADJB data string which reflected cash outflows which significantly exceeded budgeted expenditure. Furthermore, as per the Quarter 4 MFMA Section 52 report, the municipality reflected trade Creditors of R25.8 million as at 30 June 2022 which only takes into account the current age analysis and not total Trade and other payables due to challenges with the Creditors module.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(507 357)	(507 367)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Short term loans	–	–	
Borrowing long term/refinancing	10 000	10 000	As discussed under Finance costs in Table A4, the municipality indicated that an amount of R10 million would be borrowed to finance Capital expenditure. However, no further explanation was provided in the Final Budget narrative report nor were the loan amortisation schedules for the loans or leases taken up by the municipality provided.
Increase (decrease) in consumer deposits	1 511	(1 826)	As per Table A6, the municipality reflected a decrease in Consumer deposits from R38.5 million in the 2021/22 Adjustments Budget to R40 million in the 2022/23 financial year representing an increase of R1.5 million which corresponds to the increase in cash held in Table A7. The municipality did not provide any explanation regarding the budgeted cash inflow in the Final Budget narrative report, thus Provincial Treasury is unable to comment on the budgeted cash flow. As per the municipality, the negative amount of R1.8 million reflected in the ORBG data string is incorrect and the municipality has sought clarity from National Treasury regarding the data string. The amount will be corrected once further guidance is obtained.

(____)

Description	Council Approved Budget (Schedule A1)	Data String (ORGB)	Comments
R thousand	2022/23		
CASH FLOW FROM OPERATING ACTIVITIES			
Payments			
Repayment of borrowing	(13 037)	(13 037)	As noted in Table A4, Provincial Treasury was unable to comment on the budgeted Finance charges as it was unclear whether the interest reflected in the table is reasonable. A similar concern also affects the cash outflow with respect to the Repayment of borrowings. Considering that no amortisation schedule was provided by the municipality, Provincial Treasury is not in position to assess the reasonableness of the budgeted cash outflow for the Repayment of borrowing.
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 526)	(4 563)	
NET INCREASE/ (DECREASE) IN CASH HELD	(103 884)	(109 393)	
Cash/cash equivalents at beginning:	827 614	827 614	As per the 2021/22 Adjustments Budget Schedule B, the municipality projected a Closing cash and cash equivalents balance of R993.1 million (a different amount of negative R512.96 million was reflected in the ADJB data string). Neither of these amounts were carried forward to Table A7 as the Opening cash and cash equivalents balance for the 2022/23 financial year while both the Schedule A tabled in Council and the ORGB data string reflect R827.6 million as the Opening cash and cash equivalents balance for the 2022/23 financial year. No supporting calculation for the projected opening balance was included in the Final Budget narrative by the municipality. As a result, Provincial Treasury is unable to comment on the credibility of the 2022/23 Opening cash and cash equivalents balance carried forward to the MTREF. It should be noted that the municipality closed the 2021/22 financial year with Cash and cash equivalents amounting to R933.1 million as per the Quarter 4 MFMA Section 52 report supported by an investments register and a listing of bank accounts.
Cash/cash equivalents at year end:	723 729	718 221	The municipality budgeted for a Net decrease in cash held of R103.9 million and a Closing cash and cash equivalents of R723.7 million in the 2022/23 financial year in the Final Budget that was tabled to Council. As per the ORGB data string, a slightly lower amount of R109.4 million with respect to the Net Increase in cash held was reflected and R718.2 million was reflected as the Closing cash and cash equivalents. The Net Increase in cash held and Closing cash and cash equivalents are however questionable due to the following, amongst others: - Unsubstantiated receipts related to Other revenue; - Possible understatement of payments made relating to Suppliers and employees and Capital assets; - Lack of supporting information regarding the budgeted cash flows for Finance costs, Borrowing long term/refinancing and Repayments of Borrowings, - Unsubstantiated Increase (decrease) in Consumer deposits; and - Unsubstantiated 2022/23 opening Cash and cash equivalents balance. The municipality is advised to take note of all the concerns raised above under Table A4: Operating revenue and expenditure as well as Table A5: Capital budget and consider the impact of any changes on the budgeted cash flows in the 2022/23 Adjustments Budget.

Municipality:	KwaDukuza Local Municipality	

Table 5 - Cash backed reserves/accumulated surplus reconciliation - (Table A8)

Description	Council Approved Budget (Schedule A1)	Comments
R thousand	2022/23	
Cash and investments available		
Cash/cash equivalents at the year end	723 729	
Other current investments > 90 days	(2 371)	In Table A6, the municipality reflected an amount of R548.5 million against Cash and R172.9 million against Call Investments totalling R721.4 million which appears to be understated and unreasonable in relation to the Closing cash and cash equivalents balance of R723.7 million as per Table A7. The formula in Table A8 balances the Cash and cash equivalents balance reflected in Table A7 to the amounts reflected in Table A6, thus a negative amount of R2.3 million is reflected against Other current investments > 90 days. Considering the different amounts budgeted for as Cash and cash equivalents in Tables A6 and A7, the credibility of the Cash and investments available is questionable
Non current assets - Investments		
Cash and investments available:	721 358	
Applications of cash and investments		
Unspent conditional transfers	12 574	The municipality budgeted for an amount of R12.6 million as Unspent conditional transfers to be cash backed in Table A8 with no basis of the calculation being provided in the Final Budget narrative report. As a result, Provincial Treasury is unable to comment on the reasonableness of the budgeted amount. It should be noted that the municipality has budgeted to fully spend all conditional grants in both the 2021/22 and 2022/23 financial years. As per the 2020/21 Audited AFS, the municipality has grouped the Unspent conditional grants receipts and Public contributions against a single note which amounted to R42.8 million. As per the 2020/21 AFS, the Unspent grant balance is made up of the following; a) National grants (MIG) amounted to R4.9 million which has been approved for Rollover; b) Provincial Grants (Museum subsidy; R6.4 million, Title Dead Restoration; R2.7 million and Library grants; R16 678) of R9.2 million, of which an amount of R6.4 million has been approved for rollover; c) An amount of R10.2 million relating to the housing grant which historicaly has not been included as an Unspent grants to be cash backed by the municipality in the budget; d) Developers contributions of R10.3 million for various projects. e) NDPG Projects (EU Funding): R8.3 million. Unspent National and Provincial Allocations Considering that the municipality has obtained approval for rollover for all National allocations and obtained approval for rollover for an amount of R6.4 million of the total Provincial unspent allocations of R9.2 million, it can be expected that the municipality should have considered at least the amount of R2.8 million not yet approved for rollover as the amount to be cash backed when considering the municipality has budgeted to fully spend all conditional grants in both the 2021/22 and 2022/23 financial years. Provincial Housing grant Based on explanations obtained in prior periods, the Housing accreditation grant is on a claim back basis and thus is not cash backed for budgeting purposes. As noted in the assessment of the Draft Budget, the municipality was requested to confirm if they intended to cash back the amount of R10.2 million reflected in the 2020/21 Audited AFS in the Final Budget narrative report. In the absence of further explanation, it is unclear as to whether the municipality has cash backed any amount in respect of the Provincial Housing grant. Developers contributions In the 2020/21 AFS, the municipality reflected an amount of R10.3 million in respect of developers contributions. As per prior explanations received from the municipality, these are funds that the municipality receives in advance for infrastructure for new developments. Considering that the municipality receives these monies in advance, Provincial Treasury requested the municipality to consider the cash backing of these amounts in the 2022/23 Final Budget. In the absence of further explanation, it is unclear as to whether the municipality has cash backed any amount in respect of Developers contributions. NDPG Projects (EU Funding) - (2020/21 Audited AFS - R8.3 million) As noted in the assessment of the 2021/22 Adjustments Budget, the municipality initially received a portion of the funding obtained from the EU. During the course of the 2021/22 financial year, the treatment of the funding changed. The amount reflected as unspent in the 2020/21 Audited AFS was returned in the 2021/22 financial year. The municipality will now receive the cash inflow only when expenditure is incurred (i.e. on a claim back basis). The municipality indicated at the engagement on the Draft Budget that due to the change in the treatment of the funding, no amount will be need to cash backed in the 2022/23 Final Budget. It should be noted that the municipality has budgeted to incur expenditure against this allocation. Please refer to the discussion of Transfers and subsidies (operational) and Transfers and subsidies (capital). Considering the uncertainty regarding the cash backing of the amounts discussed above, Provincial Treasury is unable to comment on the reasonableness of the budgeted amount with respect to Unspent conditional transfers.
Unspent borrowing	–	
Statutory requirements	–	The municipality did not consider any amount in respect of Statutory requirements which should have at a minimum considered the closing balance for VAT (net receivable or payable) at the end of the 2022/23 budget year.

[______]

Description	Council Approved Budget (Schedule A1)	Comments
R thousand	2022/23	
Other working capital requirements	(96 502)	The municipality budgeted for a favourable Other working capital balance of R96.5 million in the 2022/23 Final Budget. The budget for Other working capital requirements was determined based on net debtors of R564.9 million in the Other working capital requirements calculation and using a Creditors balance of R468.4 million. Debtors: The reasonableness of the net Debtors balance of R564.9 million used in the calculation of Other working capital requirements could not be established mainly due to the poor population of Table SA3. Please refer to discussions against Interest earned -outstanding debtors and Debt impairment in Table A4. Creditors: As discussed under the payments for Capital assets, the reasonableness of the Creditors balance could not be established due to challenges with the extraction of a credible data string related to the payment of Suppliers and employees in the 2021/22 financial year. Based on the findings above, Provincial Treasury is unable to comment on the reasonableness of the 2022/23 Final Budget for Other working capital requirements.
Other provisions	–	In the 2020/21 Audited AFS, the municipality reflected total Non-current provisions amounting to R139.2 million (Employee benefit obligations: R96.7 million; Non-current provisions: R20.3 million and Long service awards: R22.3 million) and Current provisions of R7.8 million (Employee benefit obligations: R3.3 million, Long service awards:R2.6 million and Provision for landfill site: R1.9 million). As per the Final Budget narrative report, the municipality indicated that "*As part of the progressive implementation of the funding and reserves policy, only current provisions will be cash backed in the upcoming financial year. The projected current provisions represent the anticipated maximum cash flow exposure in the 2022/23 budget year.*" Despite the explanation provided by the municipality, no amount was reflected as an amount to be cash backed with respect to Other provisions in Table A8. Consequently, the Other provisions to be cash backed is understated.
Long term investments committed	–	
Reserves to be backed by cash/investments	–	Historically, the municipality budgeted for the Housing development fund against Reserves to be backed by cash/investments. An amount of R8.7 million was reflected against the Housing development fund in the 2020/21 Audited AFS. In the absence of any further explanation, it appears that Reserves to be cash backed by cash/investments is understated. Consequently, the Reserves to be backed by cash/investments is understated.
Total Application of cash and investments:	(83 928)	
Surplus(shortfall)	805 286	The municipality has budgeted for a Surplus of R805.3 million for the 2022/23 financial year. Based on Provincial Treasury's assessment, the municipality's 2022/23 Final Budget appears to be funded. The magnitude of the projected Surplus however may vary when taking into account the concerns raised by Provincial Treasury in Tables A4, A5 as well as A7 and A8, which include amongst others: - Unsubstantiated receipts related to Other revenue; - Possible understatement of payments made relating to Suppliers and employees and Capital assets; - Lack of supporting information regarding budgeted cash flows for Finance costs, Borrowing long term/refinancing and Repayments of Borrowings; - Unsubstantiated 2022/23 opening Cash and cash equivalents balance; - Inconsistencies between Cash and cash equivalents in Tables A6 and A7 causing concerns over the credibility of the Cash and Investments available balance in Table A8; - Unsubstantiated Unspent conditional transfers to be cash backed; - Questionable favourable Other Working capital requirements; and - Not budgeting for Other provisions and Reserves to be backed by cash/investments. Provincial Treasury as part of the in-year monitoring process and the MFMA Section 72 mid-year performance assessment will monitor the performance of the municipality. This together, with the any change in assumptions and correction of errors will inform the municipality's Adjustment Budget to be tabled in terms of Section 28 of the MFMA.

Municipality: KwaDukuza Local Municipality

Table 6: Transfers and Grants Receipts - (Table SA18)

Description	Council Approved Budget (Schedule A1)	Data String (ORGB)	Comments
R thousand	2022/23		
RECEIPTS:			
Operating expenditure			
National Government	240 751	240 751	
Equitable Share	228 012	228 012	It was noted that the operational National allocations reflected in Table SA18 with respect to Equitable share, EPWP and FMG agree to the allocations reflected in the Division of Revenue Bill No. 45903 dated 11 February 2022.
Expanded Public Works Programme Integrated Grant	1 868	1 868	Refer to comment above
Local Government Financial Management Grant	1 750	1 750	Refer to comment above
Municipal Infrastructure Grant	3 294	3 294	Refer to comment against MIG below.
Neighbourhood Development Partnership Grant	5 827	5 827	In the assessment of the 2021/22 Original Budget, the municipality budgeted for an amount of R14.3 million as NDPG - Ease of doing business relating to funding from the European Union. The municipality confirmed that the amount of R5.8 million budgeted for against Transfers and subsidies represents the value of projects that will be carried forward to the 2022/23 financial year, however, the municipality did not justify the amount to be rolled over into the 2022/23 financial year in the Final Budget narrative report.
Provincial Government	13 901	13 901	
Provincialisation of Libraries	5 890		It was noted that the amounts reflected against Provincialisation of Libraries, Museum subsidy, Community Library Service Grant, Housing accreditation (exclusive of an amount R126 000 reflected against capital) and CETA Candidacy agreed to the Provincial allocations reflected in the Provincial Gazette No. 2381 dated 24 March 2022.
Museum Subsidy	235	–	Refer to comment above.
Community Library Service Grant	762	–	Refer to comment above.
Housing Accreditation	4 314	–	Refer to comment above.
CETA Candidacy (Municipal Employment Initiative)	1 000		Refer to comment above.
Natural Resource Management Project	1 700	–	As confirmed during the engagement on the Draft Budget, the municipality confirmed that the budgeted amount of R1.7 million was based on a signed MOU between the municipality and the Department of Economic Development Tourism and Environmental Affairs, however, the municipality did not provide the MOU as part of the 2022/23 Final Budget submission. As a result, Provincial Treasury is unable to provide further comment regarding the budgeted amount.
Capacity Building and Other	–	13 901	As per Table SA18 based on ORGB data string, the municipality reflected a single amount of R13.9 million relating to operational Provincial grants with the description "Capacity building and other" which corresponds to the amount reflected in Table SA18 of the Schedule A tabled in Council. It should be noted that a similar finding was communicated to the municipality as part of the assessment of the 2022/23 Draft Budget.
Capital expenditure			
National Government	174 948	174 948	
Municipal Infrastructure Grant (MIG)	65 577	65 577	It was noted that the capital National allocations reflected in Table SA18 with respect to MIG and INEP agree to the allocations reflected in the Division of Revenue Bill No. 45903 dated 11 February 2022.
Intergrated National Electrification Programme	15 418	15 418	Refer to comment above
Neighbourhood Development Partnership	92 703	93 953	As discussed against in the Capital section of this report, the amount of R93.95 million consists of the following amounts > R70 million reflected in the Division of Revenue Bill No. 44173 of 09 March 2022; > The total 2021/22 budgeted amount of R22.6 million for the NDPG allocation relating to funding from the European Union that was carried forward to the 2022/23 financial year; and > An amount of R1.3 million reflected as NDPG Ease of doing business Revenue - Grant in Table SA18 which should have been allocated to Operational revenue and which will be corrected during the Adjustments Budget process (see line item below).
NDPG Ease of doing business Revenue - Grant	1 250	–	Refer to comment above.
Provincial Government	126	126	
Housing Accreditation	126	126	Refer to comment above.

KWADUKUZA
MUNICIPALITY

KDM RESPONSE TO HIGH LEVEL ASSESSMENT ON APPROVED BUDGET

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29 September 2022

Provincial Treasury - Municipal Finance Management
P.O. Box 3613
Pietermaritzburg
3200
ATT.: FARHAD CASSIMJEE

Dear Sir

PROVINCIAL TREASURY HIGH LEVEL ASSESSMENT ON THE 2022/23 APPROVED BUDGET

The letter has reference to the feedback received from Provincial Treasury, dated 25th August 2022, on the 2022/23 Approved Budget and the population of the 2022/23 compliance A Schedules. KwaDukuza Municipality provides the following responses in terms of the comments and matters raised by Provincial Treasury: -

1. **Point 3 read together with 6. under 'General Compliance & Other matters'** - the Municipality has diligently and consistently reviewed and included the comments received by Provincial Treasury in the Approved Budget Documents under the heading '*Supporting Documentation*'. However, going forward a resolution to this effect will be contained in the Approved Budget resolutions.

2. **Point 7 read together with 2.5. under '*General Compliance & Other matters*'**- In terms of the differences identified in the ORGB data-strings to the Approved compliance A Schedules, clarifications are provided in the table below.

BUDGETED CASH FLOW (TABLE A 7)	
CASH FLOW FROM OPERATING ACTIVITIES	The Suppliers and Employees differs by R2,3m in terms of the automatically populated A schedule to the ORGB data-strings submitted. Provincial Treasury to note that a letter to the financial system service provider has been issued highlighting that the withdrawal data-strings with funding source *'Interest on Outstanding Debtors'* is not recognised on the cash flow mapping.
Financing Activities - Increase / (Decrease) in Consumer Deposits	The Municipality has considered the entire movement in Consumer Deposits (withdrawals and deposits data-strings) whereas NT mapping reflects deposits category only, resulting in this difference.
Cash & Cash Equivalents Closing Balance	The difference is as a result variances highlighted in the table above.

3. In terms of Section 3.2., the audited actuals are generated directly from the system. Unfortunately, a manual mapping process is undertaken to align the AFS disclosure with the nature of the transactions posted in the respective data-strings. With this manual mapping of the AFS, differences result when compared to the automatically generated audited actuals. The Municipality will review the manual processes going forward to ensure alignment with the automatically generated actuals.
4. In terms of Section 3.3 and 3.4., the differences noted on the automatically populated 2021/22 Original and 2021/22 Adjusted Budget columns compared to what was approved and adjusted in the previous financial year. The Municipality is currently engaging with the financial system service provider to ensure that the data is carried forward from the previous Council approved A and B Schedules and not mapped directly from the system as virements are processed within the financial year creating the differences in the budget allocations across categories.

5. In terms of Section 21, the Municipality has not accounted for the two new housing grant allocations on the Provincial Gazette 2381. The R 70,3m ISU Partnership grant and RI7,9m HSDG intervention grant are first time disbursements. In the absence of cash flow for these disbursements or a memorandum of agreement and guidance on the treatment of other housing projects, the Municipality applied prudence in their decision not to account for the funding that may result in overstated cash flows. It must be noted that based on prior experience, the municipality has not received full allocations of gazetted housing grants. It must be mentioned that as at the date of writing this letter no further communication relating to this grant this been received.
6. In terms of the further comments made on the attached Tables presented by Provincial Treasury, the Municipality intends to: -
    - Ensure full breakdown of SA21, transfers & grant information, pulling directly from the financial system.
    - Ensure that the revenue section provide complete, verified information for the supporting schedules SA9, SA11, SA12a, SA12b, SA13a, SA13b and SA14 so that Provincial Treasury can easily analyse the tariff increases for the financial year.
    - Account for the roll-over of R2,3m Title Deeds Restoration Grant during the Adjustment Budget process in February 2023.

Lastly, KwaDukuza Municipality extends their appreciation for the continued and valued support that Provincial treasury has provided.

Yours faithfully

S.M. Rajcoomar

S.M. RAJCOOMAR

CHIEF FINANCIAL OFFICER

KWADUKUZA
MUNICIPALITY

MSCOA ACTION PLAN

MSCOA ACTION PLAN

Municipal Demarcation Code B2

			September 2022'		
Sub-Process	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Action Plan**	**Responsibility Owner**	**Timeframe**
Document Management	Document Management to ensure that all municipal documents are secured and if possible electronically received to achieve the lowest possible foot print. National Archives of South Africa Act, 1996.	***Support secure and reliable document management including, but not limited to:*** Document sharing; Dedicated registry for document filling; Document tracking; Secure access to documents.	There is an approved file plan in place and KZN Archives and Records Services conduct records management practices inspection on annual basis outcome of which is made available to the municipality	Director : Property Admin	Annualy
Document Management	Document Management to ensure that all municipal documents are secured and if possible electronically received to achieve the lowest possible foot print. National Archives of South Africa Act, 1996.	Scanned documents and images to be linked to the each enquiry of the system (e.g. Assistance-to-the-Poor application scanned forms to be linked to the customer identification number on the system)	This will be linked to the document management system across the municipality. Manager : Billing to engage with IT to determine implementation plan.	Manager : Billing	
Reporting mechanisms	National Treasury Portal and other statutory submissions	The annual procurement plan - actual versus budget;	Munsoft system to be investigated. Workflows to be linked to activities and used to inform high level cash flows.	Head : SCM	Timeframes to be re-aligned
Reporting mechanisms	National Treasury Portal and other statutory submissions	The asset maintenance plan - actual versus budget;	No submission requirement exists. To be followed up with Munsoft / NT.	Manager : Assets	
Main Budget	In terms of Section 25 of the Municipal Systems Act, 2000 each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan (the integrated development plan (IDP)) for the development of the municipality which must inform the municipal budget to be mutually credible and reliable and should include the following functionality:	Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).	Munsoft is making more dashboards available to assist with the funding of budgets - driven by the funding segment.	Munsoft	8.0.1
Human Resources (HR) /Payroll	A Human Resource (HR) budget/ payroll module that as a minimum:	Allow the municipality to budget for its full organogram (organisational structure).	Upgrade to SAGE people 300	Director : HR/ Director : Expenditure	Timeframes to be re-aligned
Human Resources (HR) /Payroll	A Human Resource (HR) budget/ payroll module that as a minimum:	Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.	Acheieved	To be updated. Costing completed	
Human Resources (HR) /Payroll	A Human Resource (HR) budget/ payroll module that as a minimum:	Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned

MSCOA ACTION PLAN

Municipal Demarcation Code B2

Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Action Plan	Responsibility Owner	Timeframe
			September 2022'		
Human Resources (HR) /Payroll	A Human Resource (HR) budget/ payroll module that as a minimum:	Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.	Upgrade to SAGE people 300	Director : HR/ Director : Expenditure	Timeframes to be re-aligned
General Ledger (Core Financials)	General Ledger (GL) that as a minimum	Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems for an audit trail.	Upgrade to SAGE people 300	Director : HR/ Director : Expenditure	Timeframes to be re-aligned
General Ledger (Core Financials)	General Ledger (GL) that as a minimum	Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems for an audit trail.	Achieved	Manager : Assets	N/A
Accounts Receivable	Transactions in debtors must reflect in the AR in mSCOA segmentation	Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems.	Integration process to commence immediately.	Manager : Rates	Jul-22
Accounts Payable	Supplier maintenance	Creating a supplier database.	SCM to follow up with Munsoft , Munsoft to provide test information by 25 November 2019 , Testing , training and business process acceptance 15 January 2020 , Go Live 16 January 2020.	Head : SCM	Timeframes to be re-aligned
Accounts Payable	Accounts Payable (AP)	Direct invoice payment such as Eskom;	Categorisation of payments - 21 November 2019 , Investigation with Munsoft on best payment option - 14 January 2020 , Full testing, training and documentation of revised business processes - 29 February 2020 , Go Live 1 March 2020	Director: Expenditure	Timeframes to be re-aligned
Accounts Payable	Accounts Payable (AP)	Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments;	Categorisation of payments - 21 November 2019 , Investigation with Munsoft on best payment option - 14 January 2020 , Full testing, training and documentation of revised business processes - 29 February 2020 , Go Live 1 March 2020	Director: Expenditure	Timeframes to be re-aligned
Accounts Payable	Tax & VAT	Interface to SARS eFiling for automated reconciliations and submissions of disclosures.	Munsoft has all the necessary reports in place assisting the the vat reconciliations and submission. Our support will get in contact with KDM for any outstanding reports of clarity needed.	Munsoft	

MSCOA ACTION PLAN

Municipal Demarcation Code B2

Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	September 2022' Action Plan	Responsibility Owner	Timeframe
Accounts Payable	Fixed Asset Management	Trace all financial asset transactions to the asset level.	Achieved	Manager : Assets	N/A
Accounts Payable	Fixed Asset Management	Ensure that all asset transactions are aligned with mSCOA Regulations.	Achieved	Manager : Assets	N/A
Cost Planning	Incorporate a costing module	Management reporting on all charges should be available for reports as well as dashboard information.	Achieved	Manager : Billing	N/A
Cash Management	*Ad hoc:* The Cash Management System must at least accommodate, but not be limited to:	Interest Received and interest expense reconciliation.	Achieved	Manager : AFS	N/A
Supply Chain Management (SCM)	A Supply chain management system that give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy	Supplier rotation management (parameter driven);	1. NO CHANGES TO THRESHOLDS. 2. MUNSOFT HAD REQUESTED THAT WE ADVERTISE FOR SUPPLIERS TO BE RESGITERED ON OUR DATABASE AND THIS IS IN CONTRADICTION OF MFMA CIRCULAR 81. 3. KDM IS STLL WORKING WITH MUNSOFT TO ENSURE FULL COMPLIANCE. FROM THE LAST MEETING THAT MY TEAM HAD WITH MUNSOFT REGARDING THE CHALLENGES WITH THE SCM MODULE. THE SCM MODULE CANNOT BE FULLY IMPLEMENTED AS THERE ARE OTHER FACTORS THAT MUST BE CONSIDERED FOR EXAMPLE AUTHORIZATION OF THE REQUISITION BY THE BUDGETS OFFICE BEFORE SCM CAN FOLLOW DUE PROCESSES TO REQUEST FOR GOODS. 4. WITH REGARDS TO THE POINTS SYSTEM 80:20 THIS MAY BE SUBJECT TO CHANGE ONCE THE 2022 PPR COMES INTO EFFECT. KDM WANTS TO ENSURE THAT ALL TENDERS THAT HAVE BEEN AWARDED ARE ORDER DRIVEN. 5. MUNSOFT CANNOT PERFROM THE VERIFICATION OF SERVICE PROVIDERS WHO ARE IN THE SERVICE OF THE STATE. MFMA CIRCULAR 81 CLEARLY INFORMS LOCAL GOVERNMENT BY ADOPTION OF THIS CIRCULAR, THAT THE FOLLOWING BENEFITS ARE DERIVED AND ONE OF THOSE ARE THE VERIFICATION OF DIRECTORS IN THE SERVICE OF THE STATE. CURRENTLY WE UTILIZE THE MBD 4 AND THE CSD FOR VERIFICATION OF THOSE IN THE SERVICE OF THE STATE. TO FURTHER MITIGATE OUR RISK, WE HAVE REQUESTED THAT THE AG PERFORM A CAATS ON OUR PAYROLL, CREDITORS MASTER LISTING / PAYMENTS TO DETECT ANY BREACHES. 6. IN MY OPINION, MUNSOFT HAS GOT A LONG WAY TO GO TO ENSURE COMPLIANCE IN THE SCM MODULE.	Head : SCM	Timeframes to be re-aligned
Supply Chain Management (SCM)	A Supply chain management system that give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy	Supply Chain Deviation Management Facility in terms of legislation;	Categorisation of payments - 21 November 2019 , Investigation with Munsoft on best payment option - 14 January 2020 , Full testing, training and documentation of revised business processes - 29 February 2020 , Go Live 1 March 2020	Head : SCM	Timeframes to be re-aligned

MSCOA ACTION PLAN

Municipal Demarcation Code B2

Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	September 2022' Action Plan	Responsibility Owner	Timeframe
Supply Chain Management (SCM)	A Supply chain management system that give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy	Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;	SCM to follow up with Munsoft , Munsoft to provide test information by 25 November 2019 , Testing , training and business process acceptance 15 January 2020 , Go Live 16 January 2020.	Head : SCM	Timeframes to be re-aligned
Supply Chain Management (SCM)	A Supply chain management system that give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy	Integrate with the asset management system;	Achieved - Assest Module is integrated where creditors module is used.	Head : SCM	
Supply Chain Management (SCM)	Contract Management that gives effect to MFMA section 116.	Contract management through workflow and audit trail.	Projects Module to be implemented in conjunction with Legal.	Head : SCM	Timeframes to be re-aligned
Inventory	Inventory / Stores sub system	***Normal functions should be included as standard best practice and should include but not be limited to:*** Warehouse management; Acquisitions; Stock Level Management; Disposals; Automated consumable stores stock count sheets (departmental stores).	System Testing Currently underway. Stock adjustments to be used to capture impairments , etc.	Head : SCM	Timeframes to be re-aligned
Subsidies	Maintain a grant register that as a minimum:	Provide for a grant register linked to ledger accounts.	Partially Achieved	Managers :AFS	Nov-22
Subsidies	Maintain a grant register that as a minimum:	Link to mSCOA funding source with budget control.	Partially Achieved	Manager : AFS	Nov-22
Subsidies	Maintain a grant register that as a minimum:	Provide for reporting in accordance with the mSCOA Regulation and internal control.	Partially Achieved	Manager : AFS	Nov-22
Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:	Manage the full asset life cycle;	Achieved (Maintenance functionality to be addressed)	Manager : Assets	N/A
Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:	Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work in-progress (WIP);	Director SCM/Head SCM to activate the contracts/creditors module to link up to Asset Module.	Manager : Assets	4-Apr-22
Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:	Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components;	Achieved	Manager : Assets	N/A

MSCOA ACTION PLAN

Municipal Demarcation Code B2

Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	September 2022' Action Plan	Responsibility Owner	Timeframe
Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:	Enable *table-to-floor* inspection sheets (electronic devises are preferred) as well as *floor-to-table* look-up methodologies;	Achieved	Manager : Assets	N/A
Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:	Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);	Munsoft has an insurance master file linked to each asset with broker and insucred details attached. A claim register may then be updated in the event of a claim logged witn the insurer. - Achieved	Manager : Assets	N/A
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Organisation Management.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Employee Records Management.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Leave Records Management.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Training and Development Management.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Recruitment and Selection Management.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Performance Management.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Employee Relations.	Upgrade to SAGE people 300	Director : HR	Timeframes to be re-aligned
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Report and create the workflow for collection of all employees and councillors with arrear accounts.	To be considered after upgrade to VIP 300	Assistant Director : Expenditure	Timeframes to be re-aligned

MSCOA ACTION PLAN

Municipal Demarcation Code B2

Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	September 2022' Action Plan	Responsibility Owner	Timeframe
Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control.	Payroll is awaiting approval for the integration on VIP Premier to commence. This will take approx. 2 weeks. Integration on VIP 300 has not been successful and final implementation is outstanding. Integration of VIP 300 will only be considered thereafter.	Assistant Director : Expenditure	Timeframes to be re-aligned
Payroll	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation.	No functionality exists. VIP 300 will be consulted to confirm development timeframes.	Assistant Director : Expenditure	Timeframes to be re-aligned
Credit Control	A credit control and debt collection system that integrate with the revenue management system and that gives effect to Chapter 9 of the Municipal Systems Act, 2000	If the module is a 3rd party solution – It must as a minimum integrate the fees as well as the action history to the billing sub-ledger. This integration must be seamless.	Engagements have commenced with Munsoft on implementation , user access , training and programmatic changes required.	Manager : Income	Timeframes to be re-aligned
Credit Control	Arrear Arrangements	Irrecoverable Debt Write Off process;	A portion of the process shall always remain manual , however arrear arrangements and debt recovery system enhancements have commenced with Munsoft.	Manager : Income	Timeframes to be re-aligned
Credit Control	Legal Process	Councillor Arrear Management.	To be investigated with VIP 300 after implementation.	Manager : Income	Timeframes to be re-aligned
Credit Control	Legal Process	Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid meter blocking/set offs, etc.)	Integration in progress and is nearing finalisation.	Manager : Billing	Timeframes to be re-aligned
Land use	Property maintenance	Property register providing for all land in the municipal area.	Engagements are underway between GIS and Munsoft towards finalisation of integration of the valuation roll.	Director : Development Planning	Timeframes to be re-aligned
Land use	Property maintenance	Integration with billing and valuation systems.	Engagements are underway between GIS and Munsoft towards finalisation of integration of the valuation roll.	Director : Development Planning	Timeframes to be re-aligned
Billing	Revenue management module that give effect to MFMA section 64 that also incorporate:	Calculate and account monthly for the provision of bad debt;	Methodology provided to Munsoft. Changes required to system parameters are currently being finalised with Munsoft.	Manager : Income	Timeframes to be re-aligned

KWADUKUZA
MUNICIPALITY

2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

KWADUKUZA
MUNICIPALITY

2022/23 FIRST QUARTER BUDGET & PERFORMANCE ASSESSMENT - QUALITY CERTIFICATE

I, Mr NJ Mdakane, Municipal Manager of KwaDukuza Municipality, hereby certify that the First Quarter Budget Assessment and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, No. 56 of 2003 and the regulations made under that Act.

MR NJ MDAKANE

Municipal Manager of KwaDukuza Municipality

Signature: ____________________

Date: ________________________