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## REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL

File Reference:

Report Number: 1

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Designation: Municipal Manager

NOT CONFIDENTIAL

1<sup>st</sup> Level: SMC/OMC

2<sup>nd</sup> Level: AUDIT COMMITTEE

3<sup>rd</sup> Level: PORTFOLIO COMMITTEE

4<sup>th</sup> Level: EXCO: 18 JANUARY 2024

5<sup>th</sup> Level: COUNCIL: 24<sup>th</sup> of January 2024

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**SUBJECT: MID YEAR BUDGET AND PERFORMANCE ASSESSMENT REVIEW  
2023/24 FINANCIAL YEAR**

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**DATE: 12 JANUARY 2024**

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### 1. PURPOSE

1.1 The purpose of this report is to submit the 2023/2024 Mid-year budget and performance assessment review to Council for noting and approval.

### 2. BACKGROUND.

2.1 The Mid-Year budget and performance assessment review 2023/24 financial year is prepared in accordance with the Municipal Finance Management Act 56 of 2003.

2.2 The Organizational Compliance Performance and Knowledge Management unit is responsible for the coalition of the report, the information is solicited from the Budget and Treasury office as well as the Municipal Entity Safe City.

### 3. LEGISLATIVE PROVISIONS / POLICIES

3.1 Section 72 of the Municipal Finance Management Act The Municipal Finance Management Act-56 of 2003: Mid-Year Budget and Performance Assessment.  
(1) The accounting officer of a municipality must by 25 January of each year—

(a) Assess the performance of the municipality during the first half of the financial year, taking into account—

- (i) The monthly statements referred to in section 71 for the first half of the financial year.
  - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
  - (iii) The past year's annual report, and progress on resolving problems identified in the annual report and
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) Submit a report on such assessment to—
- (i) The mayor of the municipality.
  - (ii) The National Treasury; and
  - (iii) The relevant provincial treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (10) of this section.
- (3) The accounting officer must, as part of the review—
- (a) Make recommendations as to whether an adjustments budget is necessary; and
  - (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

#### 4. **MOTIVATION/DISCUSSION**

- 4.1 The contents of this report are presented in accordance with all legislative requirements. The report is consolidated as per section 72 and will include the following:
- (i) The monthly statements referred to in Section 71 for the first half of the financial year.
  - (ii) The municipality's service delivery performance during the first half of the financial year, the past year's annual report, and progress on resolving problems identified in the annual report.
  - (iii) The performance of every municipal entity under the sole or shared control of the Municipality taking into account reports in terms of section 88 from any such entity

**5. COMMENTS FROM THE RELEVANT BUSINESS UNIT OR COMPONENT OF THE BUSINESS UNIT**

**5.1 BUDGET AND TREASURY OFFICE (*Annexure A*)**

**5.1.2 Revenue:** The total year to date actual revenue generated as at the end of December 2023 amounted to R3.512 billion while the projected ytd budget amounted to R4.060 billion (excluding capital transfers and contribution). This means that the municipality generated less than what was projected at the end of the sixth month.

The variance on waste-water management revenue is below 10%, which is an acceptable level. However, revenue from Transfers and subsidies, Interest earned from Receivables, and Agency service have variances of 43%, 72%, and 213% respectively, this means that revenue generated from this source is higher than projected in the annual budget. However, the municipality will continue to monitor these areas closely.

Rental from Fixed Assets, Licence and permits, Fines, penalties and forfeits, Interest and Operational Revenue are less than initially projected in the annual budget. Therefore, the estimates should be adjusted downwards in the adjustments budget.

Overall, in the sixth month of the year, the municipality generated R3.729 billion revenue against year-to-date budget of R4.285 billion (including capital transfers and contribution). The municipality should monitor closely the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue as that may create cash flow problems in a long run.

**Operating Expenditure:** The total year to date actual operating expenditure for the period ending 31 December 2023 amounted to R3.388 billion while the ytd budget amounted to R3.853 billion. Operational expenditure is largely defined by the bulk purchases (electricity) and employee related costs both accounting for 68% of the annual budget expenditure.

Overall, the municipality recorded an operating surplus of R124.263 million on the sixth month of the financial year.

**Capital Expenditure:** The year to date actual capital expenditure for the period ending 31 December 2023 amounted to R264.848 million while the year to date budget amounted to R384.380 million resulting in underperformance of R119.532 million (-31%) of the capital budget. This is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality should therefore put measures in place to ensure the acceleration of expenditure on capital projects thereby improving on delivery of services.

**Grant Receipts:** The total operational and capital grant receipts (excluding equitable share) for the sixth month amounted to R233.732 million while the expenditure amounted to R242.535 million.

**Consumer Debtors:** Consumer debtors at the end of the sixth month (31 December 2023) is at R 6.624 billion. The municipality's debtors are continually increasing which

poses a serious threat to the municipality's future sustainability. A significant amount of debtors relates to household debtors' category which amounts to R5.318 billion, of which R4.841 billion has been outstanding for more than 90 days. Commercial debtors are the second largest category of debtors owed to the municipality amounting to R1.128 billion, of which R816.778 million of those debtors have been outstanding for more than 90 days. The lowest category of debtors owed to the municipality relates to Organ of the state, which amounts to R177.570 million. The municipality will continuously introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

**Creditors:** Creditors owed by the municipality as at the end of mid-year amount to R1.889 billion. The municipality should put measures in place to ensure that creditors are paid within 30 days as legislated.

#### **Parent Municipality (Msunduzi Municipality Only)**

##### **Monthly Budget Statements Summary**

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

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	1 370 173	1 526 985	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Service charges	3 870 497	5 135 631	303 586	1 980 339	2 567 816	(587 477)	-23%	5 135 631
Investment revenue	-	50 691	3 247	17 333	25 346	(8 013)	-32%	50 691
Transfers and subsidies - Operational	-	838 135	264 044	600 979	419 068	181 911	43%	838 135
Other own revenue	1 182 933	569 283	42 018	233 627	284 642	(51 015)	-18%	569 283
	6 423 603	8 120 726	734 993	3 512 261	4 060 363	(548 102)	-13%	8 120 726
<b>Total Revenue (excluding capital transfers and contributions)</b>								
Employee costs	1 466 856	1 781 211	119 791	806 528	890 605	(84 077)	-9%	1 781 211
Remuneration of Councillors	51 818	62 700	4 262	25 883	31 350	(5 467)	-17%	62 700
Depreciation and amortisation	350 684	460 782	30 773	181 732	230 391	(48 659)	-21%	460 782
Interest	143 222	40 401	171 648	52 510	20 200	32 309	160%	40 401
Inventory consumed and bulk purchases	3 089 737	3 484 629	533 588	1 882 132	1 742 315	139 818	8%	3 484 629
Transfers and subsidies	29 562	65 884	6 320	36 908	32 942	3 966	12%	65 884
Other expenditure	1 090 363	1 809 593	109 023	402 306	904 797	(502 491)	-56%	1 809 593
<b>Total Expenditure</b>	<b>6 222 242</b>	<b>7 705 200</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>	<b>7 705 200</b>
<b>Surplus/(Deficit)</b>	<b>201 361</b>	<b>415 526</b>	<b>(240 413)</b>	<b>124 263</b>	<b>207 763</b>	<b>(83 501)</b>	<b>-40%</b>	<b>415 526</b>
Transfers and subsidies - capital (monetary allocations)	324 319	448 700	62 618	216 973	224 350	(7 377)	-3%	448 700
	525 680	864 226	(177 795)	341 236	432 113	(90 877)	-21%	864 226
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>								
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>525 680</b>	<b>864 226</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21%</b>	<b>864 226</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>192 190</b>	<b>72 658</b>	<b>38%</b>	<b>768 760</b>
Capital transfers recognised	363 330	448 700	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	-	200 000	-	-	100 000	(100 000)	-100%	200 000
Internally generated funds	184 460	120 060	17 052	68 734	60 030	8 704	14%	120 060
<b>Total sources of capital funds</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>
<b>Financial position</b>								
Total current assets	3 974 180	2 922 957		3 980 495				2 922 957
Total non current assets	8 372 236	9 291 678		8 199 914				9 291 678
Total current liabilities	3 138 566	1 645 970		2 913 264				1 645 970
Total non current liabilities	658 474	855 013		626 514				855 013
Community wealth/Equity	8 549 376	9 713 651		8 640 630				9 713 651
<b>Cash flows</b>								
Net cash from (used) operating	790 678	946 378	-	-	473 189	473 189	100%	946 378
Net cash from (used) investing	(489 266)	(768 501)	-	-	(384 251)	(384 251)	100%	(768 501)
Net cash from (used) financing	(79 163)	177 000	-	-	88 500	88 500	100%	177 000
Cash/cash equivalents at the month/year end	511 402	766 880	-	-	589 441	589 441	100%	354 877
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	519 285	154 109	142 735	145 660	104 214	610 868	4 792 699	6 623 566
<b>Creditors Age Analysis</b>								
Total Creditors	354 800	35 295	44 259	1 245 081	-	-	-	1 889 368

Table C2 provides the statement of financial performance by standard classification.

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Functional</b>								
<i>Governance and administration</i>	<b>1 955 757</b>	<b>2 375 780</b>	<b>281 638</b>	<b>1 149 589</b>	<b>1 187 890</b>	<b>(38 301)</b>	<b>-3%</b>	<b>2 375 780</b>
Executive and council	5 213	4 979	1 331	2 636	2 490	146	6%	4 979
Finance and administration	1 950 544	2 370 801	280 307	1 146 953	1 185 400	(38 447)	-3%	2 370 801
Internal audit	—	—	—	—	—	—	—	—
<i>Community and public safety</i>	<b>142 629</b>	<b>338 867</b>	<b>20 683</b>	<b>82 118</b>	<b>169 433</b>	<b>(87 315)</b>	<b>-52%</b>	<b>338 867</b>
Community and social services	61 499	276 754	13 245	32 780	138 377	(105 597)	-76%	276 754
Sport and recreation	589	21 223	(1 675)	800	10 612	(9 812)	-92%	21 223
Public safety	24 640	8 569	149	2 618	4 284	(1 667)	-39%	8 569
Housing	55 901	32 321	8 964	45 921	16 160	29 761	184%	32 321
Health	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	<b>200 051</b>	<b>55 601</b>	<b>7 491</b>	<b>49 501</b>	<b>27 800</b>	<b>21 701</b>	<b>78%</b>	<b>55 601</b>
Planning and development	152 415	47 685	3 892	18 386	23 842	(5 457)	-23%	47 685
Road transport	47 242	—	3 576	30 839	—	30 839	#DIV/0!	—
Environmental protection	395	7 916	22	277	3 958	(3 682)	-93%	7 916
<i>Trading services</i>	<b>4 410 211</b>	<b>5 698 134</b>	<b>484 633</b>	<b>2 428 757</b>	<b>2 849 067</b>	<b>(420 310)</b>	<b>-15%</b>	<b>5 698 134</b>
Energy sources	2 724 540	4 028 756	215 401	1 423 833	2 014 378	(590 545)	-29%	4 028 756
Water management	1 249 069	1 300 958	201 627	728 055	650 479	77 576	12%	1 300 958
Waste water management	286 349	209 646	47 197	189 586	104 823	84 763	81%	209 646
Waste management	150 253	158 774	20 408	87 284	79 387	7 897	10%	158 774
Other	39 274	101 045	3 166	19 268	50 522	(31 254)	-62%	101 045
<b>Total Revenue - Functional</b>	<b>6 747 922</b>	<b>8 569 426</b>	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13%</b>	<b>8 569 426</b>
<b>Expenditure - Functional</b>								
<i>Governance and administration</i>	<b>1 085 322</b>	<b>1 480 553</b>	<b>80 369</b>	<b>489 447</b>	<b>740 276</b>	<b>(250 829)</b>	<b>-34%</b>	<b>1 480 553</b>
Executive and council	115 687	258 320	10 828	70 446	129 160	(58 714)	-45%	258 320
Finance and administration	950 235	1 193 778	66 352	410 381	596 889	(186 508)	-31%	1 193 778
Internal audit	19 401	28 455	3 190	8 620	14 228	(5 607)	-39%	28 455
<i>Community and public safety</i>	<b>624 012</b>	<b>537 196</b>	<b>46 154</b>	<b>294 519</b>	<b>268 598</b>	<b>25 922</b>	<b>10%</b>	<b>537 196</b>
Community and social services	147 223	135 893	10 554	73 978	67 947	6 031	9%	135 893
Sport and recreation	140 507	130 425	8 789	68 604	65 212	3 392	5%	130 425
Public safety	232 288	222 097	18 765	108 018	111 049	(3 030)	-3%	222 097
Housing	94 435	35 263	7 178	38 521	17 632	20 889	118%	35 263
Health	9 559	13 517	869	5 398	6 759	(1 360)	-20%	13 517
<i>Economic and environmental services</i>	<b>378 225</b>	<b>513 621</b>	<b>29 078</b>	<b>182 553</b>	<b>256 811</b>	<b>(74 257)</b>	<b>-29%</b>	<b>513 621</b>
Planning and development	93 766	84 863	6 149	40 950	42 431	(1 481)	-3%	84 863
Road transport	259 799	402 476	20 850	128 032	201 238	(73 205)	-36%	402 476
Environmental protection	24 661	26 283	2 078	13 571	13 141	429	3%	26 283
<i>Trading services</i>	<b>4 061 495</b>	<b>5 109 852</b>	<b>812 505</b>	<b>2 384 747</b>	<b>2 554 926</b>	<b>(170 179)</b>	<b>-7%</b>	<b>5 109 852</b>
Energy sources	2 621 122	3 289 792	544 702	1 702 253	1 644 896	57 357	3%	3 289 792
Water management	952 916	1 293 157	201 286	439 756	646 578	(206 822)	-32%	1 293 157
Waste water management	348 154	399 300	54 777	172 612	199 650	(27 038)	-14%	399 300
Waste management	139 303	127 604	11 739	70 127	63 802	6 325	10%	127 604
Other	73 188	63 978	7 300	36 731	31 989	4 742	15%	63 978
<b>Total Expenditure - Functional</b>	<b>6 222 242</b>	<b>7 705 200</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>	<b>7 705 200</b>
<b>Surplus/ (Deficit) for the year</b>	<b>525 680</b>	<b>864 226</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21%</b>	<b>864 226</b>

Table C3 presents the same information as table C2 above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	2022/23		Budget Year 2023/24					Full Year Forecast	
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 1 - City Manager	(15)	–	–	–	–	–	–	–	
Vote 2 - City Finance	1 855 452	2 342 935	277 293	1 141 565	1 171 467	(29 902)	-2,6%	2 342 935	
Vote 3 - Corporate Services	8 603	7 980	1 494	2 798	3 990	(1 192)	-29,9%	7 980	
Vote 4 - Community Services and Social Equity	235 448	497 013	32 166	123 772	248 507	(124 734)	-50,2%	497 013	
Vote 5 - Infrastructure Services	1 628 015	1 520 657	252 902	951 086	760 329	190 757	25,1%	1 520 657	
Vote 6 - Sustainable Development and City Enterprises	248 423	200 280	16 060	83 883	100 140	(16 257)	-16,2%	200 280	
Vote 7 - Electricity	2 771 995	4 000 561	217 696	1 426 129	2 000 280	(574 151)	-28,7%	4 000 561	
<b>Total Revenue by Vote</b>	<b>6 747 922</b>	<b>8 569 426</b>	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13,0%</b>	<b>8 569 426</b>	
<b>Expenditure by Vote</b>									
Vote 1 - City Manager	151 982	300 106	14 165	87 933	150 053	(62 120)	-41,4%	300 106	
Vote 2 - City Finance	362 345	799 188	35 724	189 824	399 594	(209 770)	-52,5%	799 188	
Vote 3 - Corporate Services	163 339	195 633	17 753	92 202	97 817	(5 615)	-5,7%	195 633	
Vote 4 - Community Services and Social Equity	904 577	827 458	57 225	421 937	413 729	8 208	2,0%	827 458	
Vote 5 - Infrastructure Services	1 565 729	2 117 250	277 857	743 679	1 058 625	(314 946)	-29,8%	2 117 250	
Vote 6 - Sustainable Development and City Enterprises	295 042	225 419	26 325	137 116	112 710	24 406	21,7%	225 419	
Vote 7 - Electricity	2 779 228	3 240 145	546 356	1 715 308	1 620 073	95 235	5,9%	3 240 145	
<b>Total Expenditure by Vote</b>	<b>6 222 242</b>	<b>7 705 200</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12,1%</b>	<b>7 705 200</b>	
<b>Surplus/ (Deficit) for the year</b>	<b>525 680</b>	<b>864 226</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21,0%</b>	<b>864 226</b>	

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2023.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue</b>								
Exchange Revenue								
Service charges - Electricity	2 724 540	3 892 818	197 618	1 426 640	1 946 409	(519 769)	-27%	3 892 818
Service charges - Water	824 369	901 572	77 771	394 951	450 786	(55 834)	-12%	901 572
Service charges - Waste Water Management	197 960	202 500	17 671	96 625	101 250	(4 625)	-5%	202 500
Service charges - Waste management	123 629	138 742	10 526	62 122	69 371	(7 249)	-10%	138 742
Agency services	2 599	715	—	1 118	357	760	213%	715
Interest earned from Receivables	221 878	198 174	35 303	170 389	99 087	71 302	72%	198 174
Interest from Current and Non Current Assets		18 052			9 026	(9 026)	-100%	18 052
Rental from Fixed Assets	20 071	104 824	2 814	18 084	52 412	(34 328)	-65%	104 824
Licence and permits		2 452			1 226	(1 226)	-100%	2 452
Operational Revenue	68 506	230 407	3 753	42 272	115 204	(72 932)	-63%	230 407
<b>Non-Exchange Revenue</b>								
Property rates	1 370 173	1 526 985	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Surcharges and Taxes					—	—		—
Fines, penalties and forfeits	20 129	14 660	33	728	7 330	(6 602)	-90%	14 660
Licence and permits	2 415		115	1 037	—	1 037	#DIV/0!	—
Transfers and subsidies - Operational	801 751	838 135	264 044	600 979	419 068	181 911	43%	838 135
Interest	16 957	50 691	3 247	17 333	25 346	(8 013)	-32%	50 691
Gains on disposal of Assets					—	—		—
Other Gains	28 625				—	—		—
Discontinued Operations								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6 423 603</b>	<b>8 120 726</b>	<b>734 993</b>	<b>3 512 261</b>	<b>4 060 363</b>	<b>(548 102)</b>	<b>-13%</b>	<b>8 120 726</b>
<b>Expenditure By Type</b>								
Employee related costs	1 466 856	1 781 211	119 791	806 528	890 605	(84 077)	-9%	1 781 211
Remuneration of councillors	51 818	62 700	4 262	25 883	31 350	(5 467)	-17%	62 700
Bulk purchases - electricity	2 350 401	2 514 000	401 732	1 463 939	1 257 000	206 939	16%	2 514 000
Inventory consumed	739 336	970 629	131 856	418 193	485 315	(67 121)	-14%	970 629
Debt impairment	71 196	600 000	11	3 956	300 000	(296 044)	-99%	600 000
Depreciation and amortisation	350 684	460 782	30 773	181 732	230 391	(48 659)	-21%	460 782
Interest	143 222	40 401	171 648	52 510	20 200	32 309	160%	40 401
Contracted services	799 399	994 211	103 471	311 197	497 105	(185 909)	-37%	994 211
Transfers and subsidies	29 562	65 884	6 320	36 908	32 942	3 966	12%	65 884
Irrecoverable debts written off					—	—		—
Operational costs	186 191	215 382	5 541	87 153	107 691	(20 538)	-19%	215 382
Losses on Disposal of Assets					—	—		—
Other Losses	33 578				—	—		—
<b>Total Expenditure</b>	<b>6 222 242</b>	<b>7 705 200</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>	<b>7 705 200</b>
<b>Surplus/(Deficit)</b>	<b>201 361</b>	<b>415 526</b>	<b>(240 413)</b>	<b>124 263</b>	<b>207 763</b>	<b>(83 501)</b>	<b>(0)</b>	<b>415 526</b>
Transfers and subsidies - capital (monetary allocations)	324 319	448 700	62 618	216 973	224 350	(7 377)	(0)	448 700
<b>Surplus/ (Deficit) for the year</b>	<b>525 680</b>	<b>864 226</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(0)</b>	<b>864 226</b>	

## Capital Expenditure

Table C5 below reports on the capital expenditure by department (municipal vote) for single year as well as multiyear capital appropriations. The bottom part of the schedule looks at the funding sources of the capital projects.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Audited Outcome	2022/23		Budget Year 2023/24				Full Year Forecast		
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %			
<b>R thousands</b>										
<b>Multi-Year expenditure appropriation</b>										
Vote 1 - City Manager	27	-	-	-	-	-	-	-		
Vote 2 - City Finance	9 153	30 000	-	-	7 500	(7 500)	-100%	30 000		
Vote 3 - Corporate Services	938	10 000	-	240	2 500	(2 260)	-90%	10 000		
Vote 4 - Community Services and Social Equity	48 934	24 886	10 210	25 747	6 222	19 525	314%	24 886		
Vote 5 - Infrastructure Services	268 923	318 102	45 569	160 291	79 526	80 765	102%	318 102		
Vote 6 - Sustainable Development and City Enterprises	133 279	144 745	9 955	43 101	36 186	6 915	19%	144 745		
Vote 7 - Electricity	71 071	175 400	7 271	22 966	43 850	(20 884)	-48%	175 400		
<b>Total Capital Multi-year expenditure</b>	<b>532 326</b>	<b>703 134</b>	<b>73 004</b>	<b>252 344</b>	<b>175 784</b>	<b>76 561</b>	<b>44%</b>	<b>703 134</b>		
<b>Single Year expenditure appropriation</b>										
Vote 1 - City Manager	944	5 000	-	(6)	1 250	(2 506)	-200%	5 000		
Vote 2 - City Finance	3 084	-	-	12 508	-	12 508	#DIV/0!	-		
Vote 3 - Corporate Services	3 796	10 000	-	-	2 500	(5 000)	-200%	10 000		
Vote 4 - Community Services and Social Equity	4 980	4 000	-	-	1 000	(2 000)	-200%	4 000		
Vote 5 - Infrastructure Services	793	5 000	-	-	1 250	(2 500)	-200%	5 000		
Vote 6 - Sustainable Development and City Enterprises	1 035	38 026	2	2	9 507	(19 011)	-200%	38 026		
Vote 7 - Electricity	831	3 600	-	-	900	(1 800)	-200%	3 600		
<b>Total Capital single-year expenditure</b>	<b>15 464</b>	<b>65 626</b>	<b>2</b>	<b>12 504</b>	<b>16 407</b>	<b>(20 309)</b>	<b>-124%</b>	<b>65 626</b>		
<b>Total Capital Expenditure</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>192 190</b>	<b>56 252</b>	<b>29%</b>	<b>768 760</b>		
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>										
Executive and council	18 773	51 000	-	12 742	25 500	(12 758)	-50%	51 000		
Finance and administration	750	1 000	(6)	500	(506)	-101%	1 000			
Internal audit	18 024	50 000	-	12 748	25 000	(12 252)	-49%	50 000		
<i>Community and public safety</i>										
Community and social services	57 141	169 252	15 442	57 876	84 626	(26 750)	-32%	169 252		
Sport and recreation	43 937	20 307	9 800	21 387	10 154	11 233	111%	20 307		
Public safety	922	-	(1 780)	1 514	-	1 514	#DIV/0!	-		
Housing	148	4 199	-	-	2 100	(2 100)	-100%	4 199		
Health	12 135	144 745	7 422	34 976	72 373	(37 397)	-52%	144 745		
<i>Economic and environmental services</i>										
Planning and development	277 382	107 006	18 042	81 355	53 503	27 852	52%	107 006		
Road transport	118 612	38 606	1 771	7 363	19 303	(11 940)	-62%	38 606		
Environmental protection	158 749	68 400	16 272	73 991	34 200	39 791	116%	68 400		
<i>Trading services</i>										
Energy sources	191 140	438 702	38 758	112 111	219 351	(107 240)	-49%	438 702		
Water management	64 942	179 000	7 271	22 966	89 500	(66 534)	-74%	179 000		
Waste water management	67 842	133 925	14 887	37 860	66 962	(29 103)	-43%	133 925		
Waste management	48 192	120 778	14 410	48 883	60 389	(11 505)	-19%	120 778		
Other	10 165	5 000	2 190	2 403	2 500	(97)	-4%	5 000		
	3 353	2 800	764	764	1 400	(636)	-45%	2 800		
<b>Total Capital Expenditure - Functional Classification</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>		
<b>Funded by:</b>										
National Government	251 840	312 535	52 479	187 985	156 267	31 718	20%	312 535		
Provincial Government	111 490	136 165	3 475	8 129	68 083	(59 953)	-88%	136 165		
District Municipality	363 330	448 700	55 954	196 114	224 350	(28 236)	-13%	448 700		
Transfers recognised - capital										
Borrowing	200 000									
Internally generated funds	184 460	120 060	17 052	68 734	60 030	8 704	14%	120 060		
<b>Total Capital Funding</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>		

A detailed analysis of the capital expenditure programme is provided in section 2.7 "Capital Expenditure Programme".

Table C6 displays the financial position of the municipality as of 31<sup>st</sup> December 2023.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	511 402	602 411	(29 915)	602 411
Trade and other receivables from exchange transactions	2 157 210	1 296 255	3 123 370	1 296 255
Receivables from non-exchange transactions	765 104	664 796	109 325	664 796
Current portion of non-current receivables	420 123	359 494	425 591	359 494
Inventory				
VAT				
Other current assets	120 340		352 125	
<b>Total current assets</b>	<b>3 974 180</b>	<b>2 922 957</b>	<b>3 980 495</b>	<b>2 922 957</b>
<b>Non current assets</b>				
Investments	953 062	974 256	924 805	974 256
Investment property	7 044 167	7 923 583	7 255 136	7 923 583
Property, plant and equipment		84 451	552	84 451
Biological assets	576	733		733
Living and non-living resources	274 718	287 701		287 701
Heritage assets	23 913	20 954	21 275	20 954
Intangible assets		—		—
Trade and other receivables from exchange transactions		—	(1 854)	—
Non-current receivables from non-exchange transactions		—		—
Other non-current assets	75 800	—		—
<b>Total non current assets</b>	<b>8 372 236</b>	<b>9 291 678</b>	<b>8 199 914</b>	<b>9 291 678</b>
<b>TOTAL ASSETS</b>	<b>12 346 416</b>	<b>12 214 634</b>	<b>12 180 408</b>	<b>12 214 634</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	74 271	83 359	35 276	83 359
Financial liabilities	142 079	140 009	147 224	140 009
Consumer deposits	2 487 458	1 186 051	2 672 519	1 186 051
Trade and other payables from exchange transactions	15 568	—		—
Trade and other payables from non-exchange transactions	8 980	49 000	58 245	49 000
Provision	185 013	187 552		187 552
VAT	225 198			
Other current liabilities				
<b>Total current liabilities</b>	<b>3 138 566</b>	<b>1 645 970</b>	<b>2 913 264</b>	<b>1 645 970</b>
<b>Non current liabilities</b>				
Financial liabilities	50 311	131 184		131 184
Provision	62 175	75 576		75 576
Long term portion of trade payables	545 988		50 311	
Other non-current liabilities		648 252	576 204	648 252
<b>Total non current liabilities</b>	<b>658 474</b>	<b>855 013</b>	<b>626 514</b>	<b>855 013</b>
<b>TOTAL LIABILITIES</b>	<b>3 797 040</b>	<b>2 500 983</b>	<b>3 539 779</b>	<b>2 500 983</b>
<b>NET ASSETS</b>	<b>8 549 376</b>	<b>9 713 651</b>	<b>8 640 630</b>	<b>9 713 651</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated surplus/(deficit)	8 329 636	9 501 123	8 416 573	9 501 123
Reserves and funds	4 605	212 528	224 057	212 528
Other	215 134			
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>8 549 376</b>	<b>9 713 651</b>	<b>8 640 630</b>	<b>9 713 651</b>

## Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Monthly Consolidated Budget Statement Summary - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	1 370 173	1 526 985	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Service charges	3 870 280	5 135 631	303 586	1 980 339	2 567 816	(587 477)	-23%	5 135 631
Investment revenue	–	50 691	3 247	17 333	25 346	(8 013)	-32%	50 691
Transfers and subsidies - Operational	–	838 135	264 044	600 979	419 068	181 911	43%	838 135
Other own revenue	1 183 014	569 283	42 018	233 627	284 642	(51 015)	-18%	569 283
	6 423 468	8 120 726	734 993	3 512 261	4 060 363	(548 102)	-13%	8 120 726
<b>Total Revenue (excluding capital transfers and contributions)</b>								
Employee costs	1 478 590	1 793 148	121 433	812 786	896 574	(83 788)	-9%	1 793 148
Remuneration of Councillors	51 818	62 700	4 262	25 883	31 350	(5 467)	-17%	62 700
Depreciation and amortisation	351 530	461 616	30 838	182 115	230 808	(48 693)	-21%	461 616
Interest	143 222	40 401	171 648	52 510	20 200	32 309	160%	40 401
Inventory consumed and bulk purchases	3 089 796	3 484 629	533 588	1 882 132	1 742 315	139 818	8%	3 484 629
Transfers and subsidies	16 684	51 024	4 518	29 343	25 512	3 831	15%	51 024
Other expenditure	1 091 874	1 810 270	109 118	403 229	905 135	(501 906)	-55%	1 810 270
Total Expenditure	6 223 514	7 703 788	975 406	3 387 998	3 851 894	(463 896)	-12%	7 703 788
<b>Surplus/(Deficit)</b>								
Transfers and subsidies - capital (monetary allocations)	199 954	416 938	(240 413)	124 263	208 469	(84 207)	-40%	416 938
Transfers and subsidies - capital (in-kind)	324 319	448 700	62 618	216 973	224 350	(7 377)	-3%	448 700
	524 273	865 638	(177 795)	341 236	432 819	(91 583)	-21%	865 638
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>								
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	524 273	865 638	(177 795)	341 236	432 819	(91 583)	-21%	865 638
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	547 790	768 760	73 006	264 848	192 190	72 658	38%	768 760
Capital transfers recognised	363 330	448 700	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	–	200 000	–	–	100 000	(100 000)	-100%	200 000
Internally generated funds	184 460	120 060	17 052	68 734	60 030	8 704	14%	120 060
<b>Total sources of capital funds</b>	547 790	768 760	73 006	264 848	384 380	(119 532)	-31%	768 760
<b>Financial position</b>								
Total current assets	3 978 489	2 928 029		3 984 785				2 922 957
Total non current assets	8 379 960	9 298 983		8 207 253				9 291 678
Total current liabilities	3 140 059	1 647 579		2 914 781				1 645 970
Total non current liabilities	658 474	855 013		626 514				855 013
Community wealth/Equity	8 559 916	9 724 420		8 650 744				9 713 651
<b>Cash flows</b>								
Net cash from (used) operating	793 776	946 660	–	–	473 330	473 330	100%	946 660
Net cash from (used) investing	(489 338)	(768 501)	–	–	(384 251)	(384 251)	100%	(768 501)
Net cash from (used) financing	(79 163)	177 000	–	–	88 500	88 500	100%	177 000
<b>Cash/cash equivalents at the month/year end</b>	515 708	767 162	–	–	589 583	589 583	100%	355 159
<b>Debtors &amp; creditors analysis</b>	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>								
Total By Income Source	519 285	154 109	142 735	145 660	104 214	610 868	4 792 699	6 623 566
<b>Creditors Age Analysis</b>								
Total Creditors	354 800	35 295	44 259	1 245 081	–	–	–	1 889 368

KZN225 Msunduzi - Table C2 Monthly Consolidated Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Functional</b>								
<i>Governance and administration</i>	1 955 757	2 375 780	281 638	1 149 589	1 187 890	(38 301)	-3%	2 375 780
Executive and council	5 213	4 979	1 331	2 636	2 490	146	6%	4 979
Finance and administration	1 950 544	2 370 801	280 307	1 146 953	1 185 400	(38 447)	-3%	2 370 801
Internal audit	—	—	—	—	—	—	—	—
<i>Community and public safety</i>	142 494	338 867	20 683	82 118	169 433	(87 315)	-52%	338 867
Community and social services	61 499	276 754	13 245	32 780	138 377	(105 597)	-76%	276 754
Sport and recreation	589	21 223	(1 675)	800	10 612	(9 812)	-92%	21 223
Public safety	24 505	8 569	149	2 618	4 284	(1 667)	-39%	8 569
Housing	55 901	32 321	8 964	45 921	16 160	29 761	184%	32 321
Health	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	200 051	55 601	7 491	49 501	27 800	21 701	78%	55 601
Planning and development	152 415	47 685	3 892	18 386	23 842	(5 457)	-23%	47 685
Road transport	47 242	—	3 576	30 839	—	30 839	#DIV/0!	—
Environmental protection	395	7 916	22	277	3 958	(3 682)	-93%	7 916
<i>Trading services</i>	4 410 211	5 698 134	484 633	2 428 757	2 849 067	(420 310)	-15%	5 698 134
Energy sources	2 724 540	4 028 756	215 401	1 423 833	2 014 378	(590 545)	-29%	4 028 756
Water management	1 249 069	1 300 958	201 627	728 055	650 479	77 576	12%	1 300 958
Waste water management	286 349	209 646	47 197	189 586	104 823	84 763	81%	209 646
Waste management	150 253	158 774	20 408	87 284	79 387	7 897	10%	158 774
Other	39 274	101 045	3 166	19 268	50 522	(31 254)	-62%	101 045
<b>Total Revenue - Functional</b>	<b>6 747 787</b>	<b>8 569 426</b>	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13%</b>	<b>8 569 426</b>
<b>Expenditure - Functional</b>								
<i>Governance and administration</i>	1 085 322	1 480 553	80 369	489 447	740 276	(250 829)	-34%	1 480 553
Executive and council	115 687	258 320	10 828	70 446	129 160	(58 714)	-45%	258 320
Finance and administration	950 235	1 193 778	66 352	410 381	596 889	(186 508)	-31%	1 193 778
Internal audit	19 401	28 455	3 190	8 620	14 228	(5 607)	-39%	28 455
<i>Community and public safety</i>	625 284	537 196	46 154	294 519	268 598	25 922	10%	537 196
Community and social services	147 223	135 893	10 554	73 978	67 947	6 031	9%	135 893
Sport and recreation	140 507	130 425	8 789	68 604	65 212	3 392	5%	130 425
Public safety	233 560	222 097	18 765	108 018	111 049	(3 030)	-3%	222 097
Housing	94 435	35 263	7 178	38 521	17 632	20 889	118%	35 263
Health	9 559	13 517	869	5 398	6 759	(1 360)	-20%	13 517
<i>Economic and environmental services</i>	378 225	513 621	29 078	182 553	256 811	(74 257)	-29%	513 621
Planning and development	93 766	84 863	6 149	40 950	42 431	(1 481)	-3%	84 863
Road transport	259 799	402 476	20 850	128 032	201 238	(73 205)	-36%	402 476
Environmental protection	24 661	26 283	2 078	13 571	13 141	429	3%	26 283
<i>Trading services</i>	4 061 495	5 109 852	812 505	2 384 747	2 554 926	(170 179)	-7%	5 109 852
Energy sources	2 621 122	3 289 792	544 702	1 702 253	1 644 896	57 357	3%	3 289 792
Water management	952 916	1 293 157	201 286	439 756	646 578	(206 822)	-32%	1 293 157
Waste water management	348 154	399 300	54 777	172 612	199 650	(27 038)	-14%	399 300
Waste management	139 303	127 604	11 739	70 127	63 802	6 325	10%	127 604
Other	73 188	63 978	7 300	36 731	31 989	4 742	15%	63 978
<b>Total Expenditure - Functional</b>	<b>6 223 514</b>	<b>7 705 200</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>	<b>7 705 200</b>
<b>Surplus/ (Deficit) for the year</b>	<b>524 273</b>	<b>864 226</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21%</b>	<b>864 226</b>

KZN225 Msunduzi - Table C3 Monthly Consolidated Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - City Manager	(15)	-	-	-	-	-	-	-
Vote 2 - City Finance	1 855 452	2 342 935	277 293	1 141 565	1 171 467	(29 902)	-2,6%	2 342 935
Vote 3 - Corporate Services	8 603	7 980	1 494	2 798	3 990	(1 192)	-29,9%	7 980
Vote 4 - Community Services and Social Equity	235 448	497 013	32 166	123 772	248 507	(124 734)	-50,2%	497 013
Vote 5 - Infrastructure Services	1 628 015	1 520 657	252 902	951 086	760 329	190 757	25,1%	1 520 657
Vote 6 - Sustainable Development and City Enterprises	248 288	200 280	16 060	83 883	100 140	(16 257)	-16,2%	200 280
Vote 7 - Electricity	2 771 995	4 000 561	217 696	1 426 129	2 000 280	(574 151)	-28,7%	4 000 561
<b>Total Revenue by Vote</b>	<b>6 747 787</b>	<b>8 569 426</b>	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13,0%</b>	<b>8 569 426</b>
<b>Expenditure by Vote</b>								
Vote 1 - City Manager	151 982	300 106	14 165	87 933	150 053	(62 120)	-41,4%	300 106
Vote 2 - City Finance	362 345	799 188	35 724	189 824	399 594	(209 770)	-52,5%	799 188
Vote 3 - Corporate Services	163 339	195 633	17 753	92 202	97 817	(5 615)	-5,7%	195 633
Vote 4 - Community Services and Social Equity	904 577	827 458	57 225	421 937	413 729	8 208	2,0%	827 458
Vote 5 - Infrastructure Services	1 565 729	2 117 250	277 857	743 679	1 058 625	(314 946)	-29,8%	2 117 250
Vote 6 - Sustainable Development and City Enterprises	296 315	225 419	26 325	137 116	112 710	24 406	21,7%	225 419
Vote 7 - Electricity	2 779 228	3 240 145	546 356	1 715 308	1 620 073	95 235	5,9%	3 240 145
<b>Total Expenditure by Vote</b>	<b>6 223 514</b>	<b>7 705 200</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12,1%</b>	<b>7 705 200</b>
<b>Surplus/ (Deficit) for the year</b>	<b>524 273</b>	<b>864 226</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21,0%</b>	<b>864 226</b>

KZN225 Msunduzi - Table C4 Monthly Consolidated Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter								
Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue</b>								
Exchange Revenue								
Service charges - Electricity	2 724 323	3 892 818	197 618	1 426 640	1 946 409	(519 769)	-27%	3 892 818
Service charges - Water	824 369	901 572	77 771	394 951	450 786	(55 834)	-12%	901 572
Service charges - Waste Water Management	197 960	202 500	17 671	96 625	101 250	(4 625)	-5%	202 500
Service charges - Waste management	123 629	138 742	10 526	62 122	69 371	(7 249)	-10%	138 742
Sale of Goods and Rendering of Services								
Agency services	2 599	715	—	1 118	357	760	213%	715
Interest earned from Receivables	221 878	198 174	35 303	170 389	99 087	71 302	72%	198 174
Interest from Current and Non Current Assets		18 052			9 026	(9 026)	-100%	18 052
Rent on Land								
Rental from Fixed Assets	20 071	104 824	2 814	18 084	52 412	(34 328)	-65%	104 824
Licence and permits		2 452			1 226	(1 226)	-100%	2 452
Operational Revenue	68 507	230 407	3 753	42 272	115 204	(72 932)	-63%	230 407
Non-Exchange Revenue								
Property rates	1 370 173	1 526 985	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Surcharges and Taxes								
Fines, penalties and forfeits	20 129	14 660	33	728	7 330	(6 602)	-90%	14 660
Licence and permits	2 415		115	1 037	—	1 037	#DIV/0!	—
Transfers and subsidies - Operational	801 751	838 135	264 044	600 979	419 068	181 911	43%	838 135
Interest	17 130	50 691	3 247	17 333	25 346	(8 013)	-32%	50 691
Gains on disposal of Assets								
Other Gains	28 532							—
Discontinued Operations								
Total Revenue (excluding capital transfers and contributions)	6 423 468	8 120 726	734 993	3 512 261	4 060 363	(548 102)	-13%	8 120 726
<b>Expenditure By Type</b>								
Employee related costs	1 478 590	1 793 148	121 433	812 786	896 574	(83 788)	-9%	1 793 148
Remuneration of councillors	51 818	62 700	4 262	25 883	31 350	(5 467)	-17%	62 700
Bulk purchases - electricity	2 350 401	2 514 000	401 732	1 463 939	1 257 000	206 939	16%	2 514 000
Inventory consumed	739 395	970 629	131 856	418 193	485 315	(67 121)	-14%	970 629
Debt impairment	71 196	600 000	11	3 956	300 000	(296 044)	-99%	600 000
Depreciation and amortisation	351 530	461 616	30 838	182 115	230 808	(48 693)	-21%	461 616
Interest	143 222	40 401	171 648	52 510	20 200	32 309	160%	40 401
Contracted services	799 704	994 888	103 489	311 298	497 444	(186 146)	-37%	994 888
Transfers and subsidies	16 684	51 024	4 518	29 343	25 512	3 831	15%	51 024
Irrecoverable debts written off								
Operational costs	187 396	215 382	5 618	87 975	107 691	(19 716)	-18%	215 382
Losses on Disposal of Assets								
Other Losses		33 578						
Total Expenditure	6 223 514	7 703 788	975 406	3 387 998	3 851 894	(463 896)	-12%	7 703 788
Surplus/(Deficit)	199 954	416 938	(240 413)	124 263	208 469	(84 207)	(0)	416 938
Transfers and subsidies - capital (monetary allocations)	324 319	448 700	62 618	216 973	224 350	(7 377)	(0)	448 700
Surplus/ (Deficit) for the year	524 273	865 638	(177 795)	341 236	432 819			865 638

KZN225 Msunduzi - Table C5 Monthly Consolidated Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second								
Vote Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - City Manager	27	-	-	-	-	-	-	-
Vote 2 - City Finance	9 153	30 000	-	-	7 500	(7 500)	-100%	30 000
Vote 3 - Corporate Services	938	10 000	-	240	2 500	(2 260)	-90%	10 000
Vote 4 - Community Services and Social Equity	48 934	24 886	10 210	25 747	6 222	19 525	314%	24 886
Vote 5 - Infrastructure Services	268 923	318 102	45 569	160 291	79 526	80 765	102%	318 102
Vote 6 - Sustainable Development and City Enterprises	133 279	144 745	9 955	43 101	36 186	6 915	19%	144 745
Vote 7 - Electricity	71 071	175 400	7 271	22 966	43 850	(20 884)	-48%	175 400
<b>Total Capital Multi-year expenditure</b>	<b>532 326</b>	<b>703 134</b>	<b>73 004</b>	<b>252 344</b>	<b>175 784</b>	<b>76 561</b>	<b>44%</b>	<b>703 134</b>
<b>Single Year expenditure appropriation</b>								
Vote 1 - City Manager	944	5 000	-	(6)	1 250	(2 506)	-200%	5 000
Vote 2 - City Finance	3 084	-	-	12 508	-	12 508	#DIV/0!	-
Vote 3 - Corporate Services	3 796	10 000	-	-	2 500	(5 000)	-200%	10 000
Vote 4 - Community Services and Social Equity	4 980	4 000	-	-	1 000	(2 000)	-200%	4 000
Vote 5 - Infrastructure Services	793	5 000	-	-	1 250	(2 500)	-200%	5 000
Vote 6 - Sustainable Development and City Enterprises	1 035	38 026	2	2	9 507	(19 011)	-200%	38 026
Vote 7 - Electricity	831	3 600	-	-	900	(1 800)	-200%	3 600
<b>Total Capital single-year expenditure</b>	<b>15 464</b>	<b>65 626</b>	<b>2</b>	<b>12 504</b>	<b>16 407</b>	<b>(20 309)</b>	<b>-124%</b>	<b>65 626</b>
<b>Total Capital Expenditure</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>192 190</b>	<b>56 252</b>	<b>29%</b>	<b>768 760</b>
<b>Capital Expenditure - Functional Classification</b>								
<i>Governance and administration</i>								
Executive and council	18 773	51 000	-	12 742	25 500	(12 758)	-50%	51 000
Finance and administration	750	1 000	(6)	-	500	(506)	-101%	1 000
Internal audit	18 024	50 000	-	12 748	25 000	(12 252)	-49%	50 000
<i>Community and public safety</i>								
Community and social services	57 141	169 252	15 442	57 876	84 626	(26 750)	-32%	169 252
Sport and recreation	43 937	20 307	9 800	21 387	10 154	11 233	111%	20 307
Public safety	922	-	(1 780)	1 514	-	1 514	#DIV/0!	-
Housing	148	4 199	-	-	2 100	(2 100)	-100%	4 199
Health	12 135	144 745	7 422	34 976	72 373	(37 397)	-52%	144 745
<i>Economic and environmental services</i>								
Planning and development	277 382	107 006	18 042	81 355	53 503	27 852	52%	107 006
Road transport	118 612	38 606	1 771	7 363	19 303	(11 940)	-62%	38 606
Environmental protection	158 749	68 400	16 272	73 991	34 200	39 791	116%	68 400
<i>Trading services</i>								
Energy sources	191 140	438 702	38 758	112 111	219 351	(107 240)	-49%	438 702
Water management	64 942	179 000	7 271	22 966	89 500	(66 534)	-74%	179 000
Waste water management	67 842	133 925	14 887	37 860	66 962	(29 103)	-43%	133 925
Waste management	48 192	120 778	14 410	48 883	60 389	(11 505)	-19%	120 778
Other	10 165	5 000	2 190	2 403	2 500	(97)	-4%	5 000
	3 353	2 800	764	764	1 400	(636)	-45%	2 800
<b>Total Capital Expenditure - Functional Classification</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>
<b>Funded by:</b>								
National Government	251 840	312 535	52 479	187 985	156 267	31 718	20%	312 535
Provincial Government	111 490	136 165	3 475	8 129	68 083	(59 953)	-88%	136 165
District Municipality						-		
<b>Transfers recognised - capital</b>	<b>363 330</b>	<b>448 700</b>	<b>55 954</b>	<b>196 114</b>	<b>224 350</b>	<b>(28 236)</b>	<b>-13%</b>	<b>448 700</b>
<b>Borrowing</b>								
<b>Internally generated funds</b>								
	200 000				100 000	(100 000)	-100%	200 000
	184 460	120 060	17 052	68 734	60 030	8 704	14%	120 060
<b>Total Capital Funding</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - Q2 Second Quarter				
Description	2022/23	Budget Year 2023/24		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	515 708	603 974	(25 628)	602 411
Trade and other receivables from exchange transactions	97 088	1 296 255	3 123 370	1 296 255
Receivables from non-exchange transactions	765 104	668 306	109 325	664 796
Current portion of non-current receivables	2 157 210			
Inventory	420 123	359 494	425 591	359 494
VAT			—	
Other current assets	23 255		352 127	
<b>Total current assets</b>	<b>3 978 489</b>	<b>2 928 029</b>	<b>3 984 785</b>	<b>2 922 957</b>
<b>Non current assets</b>				
Investments				
Investment property	953 062	974 256	924 805	974 256
Property, plant and equipment	7 051 890	7 930 888	7 262 476	7 923 583
Biological assets		84 451	552	84 451
Living and non-living resources	576	733		733
Heritage assets	274 718	287 701		287 701
Intangible assets	23 913	20 954	21 275	20 954
Trade and other receivables from exchange transactions		—		—
Non-current receivables from non-exchange transactions		—	(1 854)	—
Other non-current assets	75 800	—		—
<b>Total non current assets</b>	<b>8 379 960</b>	<b>9 298 983</b>	<b>8 207 253</b>	<b>9 291 678</b>
<b>TOTAL ASSETS</b>	<b>12 358 448</b>	<b>12 227 011</b>	<b>12 192 039</b>	<b>12 214 634</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft				
Financial liabilities	74 271	83 359	35 276	83 359
Consumer deposits	142 079	140 009	147 224	140 009
Trade and other payables from exchange transactions	2 487 810	1 186 508	2 672 519	1 186 051
Trade and other payables from non-exchange transactions	15 568	—		—
Provision	9 678	50 151	59 295	49 000
VAT	185 455	187 552	466	187 552
Other current liabilities	225 198			
<b>Total current liabilities</b>	<b>3 140 059</b>	<b>1 647 579</b>	<b>2 914 781</b>	<b>1 645 970</b>
<b>Non current liabilities</b>				
Financial liabilities	50 311	131 184		131 184
Provision	62 175	75 576		75 576
Long term portion of trade payables	545 988		50 311	
Other non-current liabilities		648 252	576 204	648 252
<b>Total non current liabilities</b>	<b>658 474</b>	<b>855 013</b>	<b>626 514</b>	<b>855 013</b>
<b>TOTAL LIABILITIES</b>	<b>3 798 532</b>	<b>2 502 592</b>	<b>3 541 295</b>	<b>2 500 983</b>
<b>NET ASSETS</b>	<b>8 559 916</b>	<b>9 724 420</b>	<b>8 650 744</b>	<b>9 713 651</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated surplus/(deficit)	8 340 176	9 511 892	8 426 687	9 501 123
Reserves and funds	4 605	212 528	224 057	212 528
Other	215 134			
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>8 559 916</b>	<b>9 724 420</b>	<b>8 650 744</b>	<b>9 713 651</b>

KZN225 Msunduzi - Table C5 Monthly Consolidated Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second

Vote Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - City Manager	27	—	—	—	—	—	—	—
Vote 2 - City Finance	9 153	30 000	—	—	7 500	(7 500)	-100%	30 000
Vote 3 - Corporate Services	938	10 000	—	240	2 500	(2 260)	-90%	10 000
Vote 4 - Community Services and Social Equity	48 934	24 886	10 210	25 747	6 222	19 525	314%	24 886
Vote 5 - Infrastructure Services	268 923	318 102	45 569	160 291	79 526	80 765	102%	318 102
Vote 6 - Sustainable Development and City Enterprises	133 279	144 745	9 955	43 101	36 186	6 915	19%	144 745
Vote 7 - Electricity	71 071	175 400	7 271	22 966	43 850	(20 884)	-48%	175 400
<b>Total Capital Multi-year expenditure</b>	<b>532 326</b>	<b>703 134</b>	<b>73 004</b>	<b>252 344</b>	<b>175 784</b>	<b>76 561</b>	<b>44%</b>	<b>703 134</b>
<b>Single Year expenditure appropriation</b>								
Vote 1 - City Manager	944	5 000	—	(6)	1 250	(2 506)	-200%	5 000
Vote 2 - City Finance	3 084	—	—	12 508	—	12 508	#DIV/0!	—
Vote 3 - Corporate Services	3 796	10 000	—	—	2 500	(5 000)	-200%	10 000
Vote 4 - Community Services and Social Equity	4 980	4 000	—	—	1 000	(2 000)	-200%	4 000
Vote 5 - Infrastructure Services	793	5 000	—	—	1 250	(2 500)	-200%	5 000
Vote 6 - Sustainable Development and City Enterprises	1 035	38 026	2	2	9 507	(19 011)	-200%	38 026
Vote 7 - Electricity	831	3 600	—	—	900	(1 800)	-200%	3 600
<b>Total Capital single-year expenditure</b>	<b>15 464</b>	<b>65 626</b>	<b>2</b>	<b>12 504</b>	<b>16 407</b>	<b>(20 309)</b>	<b>-124%</b>	<b>65 626</b>
<b>Total Capital Expenditure</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>192 190</b>	<b>56 252</b>	<b>29%</b>	<b>768 760</b>

KZN225 Msunduzi - Table C5 Monthly Consolidated Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second

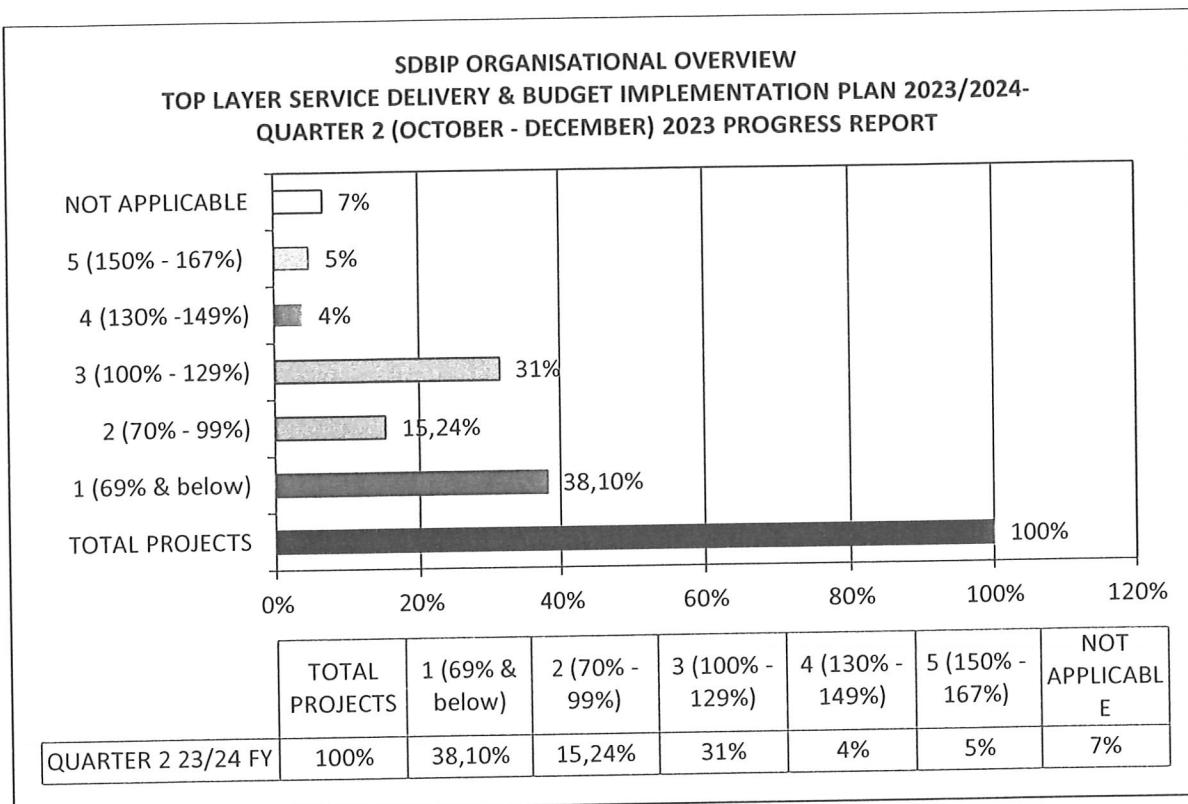
Vote Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Capital Expenditure - Functional Classification</b>								
<b>Governance and administration</b>	<b>18 773</b>	<b>51 000</b>	<b>—</b>	<b>12 742</b>	<b>25 500</b>	<b>(12 758)</b>	<b>-50%</b>	<b>51 000</b>
Executive and council	750	1 000	—	(6)	500	(506)	-101%	1 000
Finance and administration	18 024	50 000	—	12 748	25 000	(12 252)	-49%	50 000
Internal audit	—	—	—	—	—	—	—	—
<b>Community and public safety</b>	<b>57 141</b>	<b>169 252</b>	<b>15 442</b>	<b>57 876</b>	<b>84 626</b>	<b>(26 750)</b>	<b>-32%</b>	<b>169 252</b>
Community and social services	43 937	20 307	9 800	21 387	10 154	11 233	111%	20 307
Sport and recreation	922	—	(1 780)	1 514	—	1 514	#DIV/0!	—
Public safety	148	4 199	—	—	2 100	(2 100)	-100%	4 199
Housing	12 135	144 745	7 422	34 976	72 373	(37 397)	-52%	144 745
Health	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>	<b>277 382</b>	<b>107 006</b>	<b>18 042</b>	<b>81 355</b>	<b>53 503</b>	<b>27 852</b>	<b>52%</b>	<b>107 006</b>
Planning and development	118 612	38 606	1 771	7 363	19 303	(11 940)	-62%	38 606
Road transport	158 749	68 400	16 272	73 991	34 200	39 791	116%	68 400
Environmental protection	22	—	—	—	—	—	—	—
<b>Trading services</b>	<b>191 140</b>	<b>438 702</b>	<b>38 758</b>	<b>112 111</b>	<b>219 351</b>	<b>(107 240)</b>	<b>-49%</b>	<b>438 702</b>
Energy sources	64 942	179 000	7 271	22 966	89 500	(66 534)	-74%	179 000
Water management	67 842	133 925	14 887	37 860	66 962	(29 103)	-43%	133 925
Waste water management	48 192	120 778	14 410	48 883	60 389	(11 505)	-19%	120 778
Waste management	10 165	5 000	2 190	2 403	2 500	(97)	-4%	5 000
Other	3 353	2 800	764	764	1 400	(636)	-45%	2 800
<b>Total Capital Expenditure - Functional Classification</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>

KZN225 Msunduzi - Table C5 Monthly Consolidated Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second

Vote Description	2022/23		Budget Year 2023/24					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Funded by:</b>								
National Government	251 840	312 535	52 479	187 985	156 267	31 718	20%	312 535
Provincial Government	111 490	136 165	3 475	8 129	68 083	(59 953)	-88%	136 165
District Municipality	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparment Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)	363 330	448 700	55 954	196 114	224 350	(28 236)	-13%	448 700
Transfers recognised - capital	200 000	—	—	—	100 000	(100 000)	-100%	200 000
Borrowing	184 460	120 060	17 052	68 734	60 030	8 704	14%	120 060
Internally generated funds	547 790	768 760	73 006	264 848	384 380	(119 532)	-31%	768 760
<b>Total Capital Funding</b>	<b>547 790</b>	<b>768 760</b>	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>

## 5.2.0 ORGANISATIONAL COMPLIANCE, PERFORMANCE AND KNOWLEDGE MANAGEMENT

### 5.2.1 GRAPHICAL REPRESENTATION OF SDBIP PERFORMANCE AT MID YEAR (Annexure B)



### SUMMARY OF MID YEAR PERFORMANCE INDICATORS. - BASIC SERVICES

#### 5.2.3 NKPA SUMMARY OF ACHIEVEMENTS – BASIC SERVICES

TOP LAYER ACHIEVEMENT AS PER NKPA - QUARTER 2 (OCTOBER - DECEMBER) 2023						
INDICATOR ACHIEVEMENT	MUNICIPAL TRANSFORMATION	BASIC SERVICE DELIVERY	LOCAL ECONOMIC DEVELOPMENT	FINANCIAL VIABILITY	GOOD GOVERNANCE AND PUBLIC PARTICIAPTION	CROSS CUTTING
TOTAL NUMBER OF INDICATORS	23	28	14	19	11	12
ACHIEVED	5	19	9	4	6	8
NOT ACHIEVED	16	9	4	13	4	3
NOT APPLICABLE	2	0	1	2	1	1
PERCENTAGE	22,72%	67.85%	69.23%	23, 52%	60.00%	72, 72%

#### **5.2.4 Matters raised by the PMS unit.**

##### **Basic Service Delivery:**

- Landfill site Contractor is still not appointed target was end of September.
- No indicator for new meters to be installed.
- Indicators for Electricity need to be amended for overhead lines maintained.
- POE submission is still not sufficient.
- Registers are not adequately kept by Business units.

##### **MUNICIPAL TRANSFORMATION**

- Vacancy rate for Top management Positions is progressing.
- Slightly behind of the target for training of employees
- Vacancy Rate for Business units not being reported on adequately.

##### **LOCAL ECONOMIC DEVELOPMENT**

- Registers for LED Initiatives need to be kept and submitted to PMS unit as per AG findings.
- Review of indicator descriptions for all indicators

##### **GOOD GOVERNANCE AND PUBLIC PARTICIAPTION**

- N/A

##### **FINANCIAL VIABILITY**

- Non reporting on OPEX & CAPEX by Business units
- 90days to appoint Service Providers is a challenge for SCM.
- Synergy between Electricity, Water & Sanitation and Revenue Management (registers and billing statements)
- POE submission

##### **CROSS CUTTING**

- SPLUMA Applications TID needs to be developed.
- Register and POE for sites bated and visited needs to be developed along with TID information.
- 81 x new housing units constructed, far behind the required actual, the annual target is 988, it does not seem possible that this indicator will be achieved, reasons for deviation state there is slow progress on site with contractors.

### 5.3 Matters Raised in the Auditor General Report (Annexure C)

BASIS FOR QUALIFIED OPINION	REQUIRED ACTION	RESPONSIBLE PERSON
<p><b>Service charges revenue</b>  Financial statement was overstated by R295, 50 million due to the inclusion of items that did not meet the definition of revenue according to <i>GRAP 9: Revenue from exchange transactions</i>.</p>	Comply with GRAP 9: Revenue from exchange transactions	CFO / Senior Manager: Revenue Management (Ms K Shoba)
<p><b>Consumer debtor</b>  Misstatements on consumer debtors due to poor debtor management process. Consumer debtors were not raised for services provided = R225, 87 million. Consumer debtors were overstated by R101, 98 million. Difference of R65, 04 million between the amount disclosed for the corresponding figures in the financial statements and the underlying calculations.</p>	Develop debtor management processes in line with GRAP 104: Financial instruments	CFO / Senior Manager: Expenditure Management (Mr S Nxumalo)
<p><b>Statutory receivables</b>  The provisions for impairment of debtors was not calculated in accordance with GRAP 108: Statutory Receivables. Difference of R100, 15 million between the amount disclosed for the corresponding figures in the financial statements and the underlying calculation.</p> <p>Misstatement of statutory receivables.</p>	Comply with GRAP 108: Statutory Receivables	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)
EMPHASIS OF MATTERS	REQUIRED ACTION	RESPONSIBLE PERSON

<b>Material impairment – receivables from exchange transactions</b> The recoverability of the impairment of R108, 93 million (2021-2022) on receivables from exchange transaction is doubtful.	Conduct quality assurance on all financial statements	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)
<b>Material losses of electricity and water</b> The municipality incurred a total of R746 52million due to illegal connections, infrastructure vandalism, metering inaccuracies, unmetered energy, revenue collection, ageing infrastructure.	100% Implementation of maintenance plans and strengthen revenue collection strategies	CFO DMM: Infrastructure Services DMM: Electricity Services
<b>Restatement of corresponding figures</b> Corresponding figures for 30 June 2022 were restated as a result of errors in the financial statement and for the year ended, 30 June 2023.	Conduct quality assurance on all financial statements	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)
<b>Significant uncertainties</b> The outcomes of legal claims against the municipality could not be determined and no provisions for any liability was made in the financial statements.	Record all legal actions against the municipality and report to TMC on monthly basis	DMM: Corporate Services CFO
<b>Delayed capital projects</b> Capital projects are taking a significantly longer period of time to complete than expected due date due to various reasons.	Review acceleration plans on monthly basis and prepare monthly reports to TMC.	DMM: Infrastructure Services DMM: Electricity DMM: SD & SE DMM: Community Services
<b>Underspending of the conditional grants</b> The municipality materially underspent the budget by R87, 74 million on Greater Edendale Development Initiative.	Prepare a revised project implementation plan and present to TMC	DMM: Sustainable Development
<b>OTHER MATTER</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Unaudited disclosure note</b> The municipality did not disclose particulars of non-compliance with the MFMA in the financial statements.	Conduct quality assurance on all financial statements	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)

<b>ANNUAL PERFORMANCE REPORT</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Inadequate Portfolio of Evidence</b> 137 000x households provided with access to weekly refuse removal	Develop standard operating procedure to measure households with access to weekly refuse removal.	DMM: Community Services / Senior Manager: Waste Management (Mr W Mhlongo)
<b>Inadequate Portfolio of Evidence</b> Reducing total water losses to 28.6%	Develop standard operating procedure to measure the reduction of water losses.	DMM: Infrastructure Services / Senior Manager: Water and Sanitation
<b>Inadequate Portfolio of Evidence</b> KM of road markings done	Develop standard operating procedure to measure completed road markings.	
<b>Inadequate Portfolio of Evidence</b> KM of storm water draining maintained	Develop standard operating procedure to measure the number of kilometres for the maintenance of storm water drainage.	DMM: Infrastructure Services / Senior Manager: Roads and Transportation (Ms L Mngenela)
<b>Inadequate Portfolio of Evidence</b> Square meters of Pedestrian pathways maintained	Develop standard operating procedure to measure square meters of Pedestrian pathways maintained	
<b>Inadequate Portfolio of Evidence</b> KM of Gravel roads upgraded	Develop standard operating procedure to measure the number of kilometres for upgrading gravel roads.	
<b>Inadequate Portfolio of Evidence</b> Sweetwaters Bulk Infrastructure and Network Upgrade completed	Prepare completion certificates that details completed tasks to upgrade Sweetwaters Bulk Infrastructure Network.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozzi)
<b>Inadequate Portfolio of Evidence</b> Mpumuza/Phayiphini Bulk Infrastructure installation and Network upgrade completed	Prepare completion certificates that details completed tasks to upgrade Mpumuza/ Phayiphini Bulk Instructure installation	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozzi)
<b>Inadequate Portfolio of Evidence</b> Mid-Block & T-Joints services relocated	Prepare a detailed report on the relocation of Mid-Block and T-Joints and include job cards.	DMM: Electricity Services and Chief Engineer: Revenue Management (Mr B Khanyile)

<b>Inadequate Portfolio of Evidence</b> 100km x overhead lines maintained and upgraded	Prepare completion certificates that details the number of kilometres for the upgraded and maintained overheads lines.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shoz)
<b>ANNUAL PERFORMANCE REPORT</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Inaccurate reporting</b> 100% households with access to piped water supply (application based)	Prepare accurate monthly register for new applications vs number of installations.	DMM: Infrastructure Service and Chief Engineer: Operations (Mr D Ragoonandan)
<b>Inaccurate reporting</b> 214 VIP units cumulatively installed across Ward 1 - 12	Prepare accurate monthly register for number of installations.	DMM: Infrastructure Service and Senior Technologist (Ms F Mota)
<b>Inaccurate reporting</b> Installation of 105 VIP units across Wards 13 - 39	Prepare accurate monthly register for number of installations.	
<b>Inaccurate reporting</b> Percentage of households with electricity	Prepare and monitor database of registered electricity meters.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shoz)
<b>Inaccurate reporting</b> 100% business applications processed within 21 days	Prepare accurate monthly register for business applications	
<b>Inadequate Portfolio of Evidence</b> 80 Cooperatives and SMMEs supported and visited.	Prepare accurate monthly register for visited and supported Cooperatives and SMMEs	DMM: Sustainable Development and City Entities / Senior Manager: Economic Development (Mr M Khumalo)
<b>Inadequate Portfolio of Evidence</b> 60 Cooperatives and SMMEs supported and visited.	Prepare accurate monthly register for visited and supported Cooperatives and SMMEs	
<b>Inadequate Portfolio of Evidence</b> 4x Skills Development and Support Workshops facilitated for informal Economy	Prepare attendance registers, agenda, minutes, invitation	
<b>Inadequate Portfolio of Evidence</b> 20x Business opportunities created for registered local businesses	Prepare a register for new registered businesses that were offered support by LED	
<b>Inadequate Portfolio of Evidence</b> (80 days) average number of days taken to process development application for approval in terms of SPLUMA	Prepare a monitoring template that will register development applications vs time taken to approve the development	

<b>Inadequate Portfolio of Evidence</b> 100% hand-over of completed housing units to approved beneficiaries.	Prepare a register of completed housing units vs a register beneficiaries	DMM: Sustainable Development / Senior Manager (A): Human Settlement (Mr P Gumede)
<b>ANNUAL PERFORMANCE REPORT</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Key Service Delivery indicator not achieved.</b> <b>52%</b> of households with basic level of electricity vs planned target of <b>75%</b>	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozi)
<b>Key Service Delivery indicator not achieved.</b> <b>1 reservoir</b> constructed vs <b>2 reservoirs</b> that was planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	DMM: Infrastructure Service / Chief Engineer: Operations (Mr D Ragoonandan)
<b>Key Service Delivery indicator not achieved.</b> <b>14.642 km</b> of sanitation pipes installed in various wards vs <b>20.1 km</b> that was planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	DMM: Infrastructure Service / Senior Technologist (Ms F Mota)
<b>Key Service Delivery indicator not achieved.</b> <b>9.542 km</b> of new sewer pipeline installed in ward 16 vs planned <b>9.6km</b>	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	
<b>Key Service Delivery indicator not achieved.</b> <b>2.242 km</b> of new sewer pipeline installed in Ward 18 vs <b>2.5 km</b> planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	
<b>Key Service Delivery indicator not achieved.</b> <b>17 new houses</b> completed for uMgungundlovu Rectification Project vs <b>150 new houses</b> that was planned.	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	DMM: Sustainable Development and City Entities / Senior Manager (A): Human Settlement (Mr P Gumede)
<b>Key Service Delivery indicator not achieved.</b> <b>61 new houses</b> completed at Edendale Unit S phase 8 ext vs <b>75 new houses</b> that was planned.	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	
<b>Key Service Delivery indicator not achieved.</b> <b>0 new houses</b> were completed for Wirewall rectification vs <b>80 new houses</b> that was planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	

<b>Key Service Delivery indicator not achieved.</b> <b>17 new houses</b> completed in Site 11 Housing Project – Woodlands vs <b>140 new houses</b> planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	
<b>Key Service Delivery indicator not achieved.</b> <b>34 new houses</b> completed in Thamboville Housing Project - Glenwood vs <b>140 new houses</b>	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	
<b>MATERIAL MISSTATEMENTS</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
Management did not correct all the misstatements on the annual performance report for basic service delivery, local economic development, and cross cutting	Develop action plan to correct misstatements	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)

<b>NON-COMPLIANCE WITH LEGISLATION</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Legislative requirements</b> The financial statements were not prepared in all material respects in accordance with the required section 122 (1) of the MFMA	Develop compliance checklist of all MFMA requirements	
<b>Legislative requirements</b> An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by Section 64(2) (e) of the MFMA	Develop compliance checklist of all MFMA requirements	CFO / Senior Manager: Revenue Management (Ms K Shoba)
<b>Legislative requirements</b> An effective system of internal control for debtors and revenue was not in place, as required by Section 64 (2) (f) of the MFMA	Develop compliance checklist of all MFMA requirements	
<b>Legislative requirements</b> Accounts for municipal tax and charges for municipal services were not prepared on monthly basis, as required by Section 64 (2) (c) of the MFMA	Develop compliance checklist of all MFMA requirements	
<b>Legislative requirements</b> Money owed by the municipality was not always paid within 30	Develop monthly reports in compliance with MFMA Section 65 (2) (e).	CFO / Senior Manager: Expenditure

days, as required by Section 65 (2) (e) of the MFMA		Management (Mr S Nxumalo)
<b>Legislative requirements</b> Reasonable steps were not taken to prevent irregular expenditure amounting to R58, 68 million as disclosed in note 62 of the annual financial statements, as required by Section 62 (1) (d) of the MFMA.	Forensic Investigation	Senior Manager: Expenditure Management (Mr S Nxumalo) / Senior Manager: Forensic Investigations (Mr S Hlongwane)
<b>Legislative requirements</b> Reasonable steps were not taken to prevent fruitless expenditure amounting to R16, 65 million, as disclosed in note 66 of the annual financial statements, in contravention of Sect 62 (1) (d) of the MFMA	Forensic Investigation	Senior Manager: Forensic Investigations (Mr S Hlongwane)
<b>Legislative requirements</b> Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19 (a).	Forensic Investigation	Senior Manager: Forensic Investigations (Mr S Hlongwane)
NON-COMPLIANCE WITH LEGISLATION	REQUIRED ACTION	RESPONSIBLE PERSON
<b>Legislative requirements</b> Job descriptions were not established for all posts in which appointments were made, as required by Section 66 (1) (b) of the MSA	Develop compliance checklist for MSA requirements.	DMM: Corporate Services / Senior Manager (A): Human Resources (Ms B Hlubi)
<b>Legislative requirements</b> Measurable performance targets were not set for each of the KPIs as required by Section 41 (1) (b) of the MSA and Municipal Planning and Performance Management Regulation 12 (1).	Develop compliance checklist for MSA requirements and Municipal Planning and Performance Management Regulations requirements	Senior Manager: Strategic Planning (Mr I Chetty)
<b>Legislative requirement</b> The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review and reporting processes should be conducted and organised, as require by the Municipal Planning and Performance Management Regulation 7 (1)	Develop compliance checklist for MSA requirements and Municipal Planning and Performance Management Regulations requirements	Senior Manager: Strategic Planning (Mr I Chetty)

## **5.4 SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES – SAFER CITY MUNICIPAL ENTITY PERFORMANCE**

The service that Safe City Msunduzi NPC provides to the Municipality and its communities is of vital importance in order to create an environment and facilities for citizens and visitor's wellbeing, safety and leisure. The surveillance service includes the following:

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### **Street Surveillance:**

Safe City have 71 street CCTV cameras, which are located in the following areas and monitored 24/7.

<b>Area</b>	<b>Number of CCTV cameras</b>
Alan Paton Drive	1
Northdale	4
CBD	56
Freedom Square Taxi	10

### **Primary Substation Surveillance:**

Safe City has 98 CCTV cameras located at the following sub stations and monitored 24/7.

<b>Sub Station</b>	<b>Number of CCTV cameras</b>
Riverside	19
Retief Street	17
Prince Alfred	13
Mkodeni	15
Hesketh	7
Woodburn	8
Northdale	8
Pine Street	11

**Operational Results for July 202 to December 2022:**

**General Incidents Detected by Street Surveillance**

<b>Description</b>	<b>1<sup>st</sup> July 2023 to 31<sup>st</sup> December 2023</b>
Total Incidents Detected	6582
Total Incidents Dispatched	5172
Total Responded	3422
Total not Responded	1750

**Comment:** Total response for the period July to December 2023 is **66%**.

**Municipal Bylaw Detection by Street Surveillance  
Traffic (Road Traffic Ordinance)**

Description	1 <sup>st</sup> July 2023 to 31 <sup>st</sup> December 2023
<b>Road Traffic Ordinance</b>	4073
Double Parking	
Obstruction	
No Parking Zone	
Gridlocks	
Traffic Congestion	
MVA	
<b>Traffic Dept. Dispatch Required</b>	4073
<b>No Traffic Response</b>	1366
<b>Response by Traffic Dept.</b>	2707
<b>Ave Traffic Dept. response Time</b>	110 min

Comment: For the period 1<sup>st</sup> July to 31<sup>st</sup> December 2023 the Traffic Department. Responded to 66% of requests

**Summary: 1<sup>st</sup> July to 31<sup>st</sup> December 2022**

**Automatic Number Plate Recognition (ANPR) Operations**

2023/24	No of Ops	No of Warrants Identified	Rand Value Identified
Year to Date	17	89	R133 300

**Comment:** ANPR operations commenced in the beginning of October 2022.

During November the number operations was limited due to inclement weather.

**Bylaws (General Bylaws)**

Description	1 <sup>st</sup> July 2023 to 31 <sup>st</sup> December 2023
<b>Bylaw Infringements</b>	833
Selling of DVD's	
Illegal Trading	
Littering/Dumping	
Public Nuisance	
Posters	
Illegal Connections	
<b>Security Dept. Dispatch Required</b>	833
<b>No Security Dept. Response</b>	350
<b>Security Dept. Response</b>	483
<b>Ave. Security response time</b>	110 min

**Comment:** For the period 1<sup>st</sup> July to 31<sup>st</sup> December 2023 the Security Dept responded to 58% of requests.

**Other Responses Required:**

Description	1 <sup>st</sup> July 2023 to 31 <sup>st</sup> December 2023
Fire	7
Ave Response Time	9 min
Water	15

**Comment:** All incidents detected received the necessary attention by the relative municipal units.

**Primary Sub Station Surveillance**

Sub Station	Incidents Detected	PA System Used
Riverside	0	0
Retief Street	0	0
Prince Alfred	0	0
Mkodeni	0	0
Hesketh	0	0
Woodburn	0	0
Northdale	0	0
Pine Street	0	0

**Comment:** There were no intrusions at the Primary Electrical Sub Stations which could have caused major power outages

**CBD Regeneration: Waste Collection:**

	1 <sup>st</sup> December 2023 to 31 <sup>st</sup> December 2023
Waste Dept. Required	120
Waste Dept. Response	120

**Comment:** A Peace Officer from Waste Department performs duties in the Control Room from Monday to Friday and over alternative weekends. He monitors the CBD which is under camera surveillance and coordinates with the Waste Department to collect waste detected in camera view

**Maintenance of Equipment:**

	1 <sup>st</sup> July 2023 to 31 <sup>st</sup> December 2023	YTD: Target
<b>Number of Maintenance Schedules conducted</b>	123	120
<b>Camera Downtime</b>	0,93%	<10%

**Comment:** Constant load shedding has become problematic for the aging analogue equipment and needs to be reset on site every time the power is disrupted. Damage to fibre as a result of vehicle accidents also contributed to camera downtime. Despite the inhibiting factors mentioned our technical team still managed to achieve their targets.

**BUDGET SAFE CITY:**

**OPERATIONAL:**

Type	1 <sup>st</sup> July 2023 to 31 <sup>st</sup> December 2023
<b>Operational Cost</b>	R930 487,38
<b>Employee Related Cost</b>	R6 316 718,39
<b>Total</b>	R7 247 205,77

**Comment:** There is a negative variance of R233 832, 11. This negative variance is due to the payment of the staff's annual bonuses In December 2023 and should correct itself towards the end of the financial year 2023/2024

## **Banking Balance**

Safe City has two banking accounts namely:

Cheque Account: Closing Balance @ 31st Dec = R 120 062.36

Money Market: Closing Balance @ 31st Dec = R 4 170 203.38

## **CAPITAL:**

There was no Capital Expenditure.

## **6. IMPLICATIONS:**

### **6.1 FINANCIAL**

As per the details contained in Annexure A

### **6.2 LEGAL**

The report is submitted in compliance with the Municipal Finance Management Act  
S72

### **6.3 COMMUNICATION**

#### **6.3.1 Publication of mid-year budget and performance assessments**

34. (1) within five working days of 25 January each year the municipal manager must make the mid -year budget and performance assessment public by placing it on the municipal website.
- (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including-
  - (a) Summaries in alternate languages predominant in the community, and
  - (b) Information relevant to each ward in the municipality.

## **6.4 SERVICE DELIVERY IMPLICATIONS**

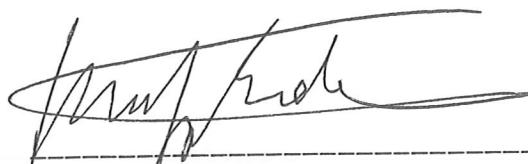
The Service Delivery & Budget Implementation Plan (SDBIP) Report is a reflection of performance of the municipality against pre-determined targets.

## **7. RECOMMENDATIONS**

### **IT IS RECOMMENDED THAT:**

- 7.1 The S72 report on budget performance and performance assessment review inclusive of the Municipal Safe City entity for 2023/24 be approved.
- 7.2 In line with S72 (3) (a) of MFMA adjustment budget is necessary wherein Expenditure is adjusted downwards since the cash collection is below target being informed by S17 (1) (a) of realistically anticipated revenue.
- 7.3 Council to re-enforce Operation Qoqimali to improve cash collections.
- 7.4 General Managers to put in place stringent measures to curb escalating overtime costs and fast track process to fill budgeted critical vacant posts.
- 7.5 Departments to review respective expenditure budget as per 7.1 to serve as input for adjustment budget in terms of S28 of MFMA
- 7.6 The Auditor General recommendations be utilised to make the necessary amendments to the Service Delivery Budget Implementation and Operational Plan for 23/24 Financial Year
- 7.6 The IDP scorecard 23/24 FY be amended to ensure alignment with SDBIP and OP 23/24 as per Internal Audit recommendations.
- 7.7 SDBIP and IDP Amendments to take considerations of KZN CoGTA the MEC letter Recommendations on the Msunduzi Municipality IDP.

## **8. SUBMITTED BY:**



CITY MANAGER

LULAMILE MAPHOLOBA

**ANNEXURES:**

***ANNEXURE A: SECTION 72 REPORT & SECTION 66 REPORT***

***ANNEXURE B: MID-YEAR SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (QUARTER 2)***

***ANNEXURE C: AG ACTION PLAN 2023***

**ANNEXURE A**



Msunduzi Municipality

MFMA s71, s72 & s52 (d) Monthly, Mid-Year & Quarterly Reports

Budget & Treasury Office

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## 1. PART 1 – IN YEAR REPORT

### 1.1 Mayors Report

### 1.2 Resolutions

### 1.3 Executive Summary

#### **Legislative Requirements**

In terms of Section 72 of the MFMA, the Accounting Officer of the Municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year. This mid-year report is a critical stage in the in year reporting cycle of the municipality as it allows the municipality to review any circumstances that may have changed since the preparation of the annual budget.

As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the SDBIP and Annual budget, i.e. Both Operational & Capital, needs to be adjusted. Furthermore, Section 54(f) of the MFMA requires the Mayor to consider and submit a report to Council by 31 January.

#### **FINANCIAL PERFORMANCE**

**Revenue:** The total year to date (ytd) actual revenue generated as at the end of December amounted to R3.512 billion while the projected ytd budget amounted to R4.060 billion (excluding capital transfers and contribution). This means that the municipality generated less than what was projected at the end of the sixth month.

The variance on waste-water management revenue is below 10%, which is an acceptable level. However, revenue from Transfers and subsidies, Interest earned from Receivables, and Agency service have variances of 43%, 72%, and 213% respectively, this means that revenue generated from this source is higher than projected in the annual budget. However, the municipality will continue to monitor these areas closely.

Rental from Fixed Assets, Licence and permits, Fines, penalties and forfeits, Interest and Operational Revenue are less than initially projected in the annual budget. Therefore, the estimates should be adjusted downwards in the adjustments budget.

Overall, in the sixth month of the year, the municipality generated R3.729 billion revenue against year-to-date budget of R4.285 billion (including capital transfers and contribution). The municipality should monitor closely the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue as that may create cash flow problems in a long run.

**Operating Expenditure:** The total year to date (ytd) actual operating expenditure for the period ending 31 December 2023 amounted to R3.388 billion while the ytd budget amounted to R3.853 billion. Operational expenditure is largely defined by the bulk purchases (electricity) and employee related costs both accounting for 68% of the annual budget expenditure.

Overall, the municipality recorded an operating surplus of R124.263 million on the sixth month of the financial year.

**Capital Expenditure:** The year to date actual capital expenditure for the period ending 31 December 2023 amounted to R264.848 million while the year to date budget amounted to R384.380 million resulting in underperformance of R119.532 million (-31%) of the capital budget. This is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality should therefore put measures in place to ensure the acceleration of expenditure on capital projects thereby improving on delivery of services.

**Grant Receipts:** The total operational and capital grant receipts (excluding equitable share) for the sixth month amounted to R233.732 million while the expenditure amounted to R242.535 million.

**Consumer Debtors:** Consumer debtors at the end of the sixth month (31 December 2023) is at R 6.624 billion. The municipality's debtors are continually increasing which poses a serious threat to the municipality's future sustainability. A significant amount of debtors relates to household debtors' category which amount to R5.318 billion, of which R4.841 billion has been outstanding for more than 90 days. Commercial debtors are the second largest category of debtors owed to the municipality amounting to R1.128 billion, of which R816.778 millions of those debtors have been outstanding for more than 90 days. The lowest category of debtors owed to the municipality relates to Organ of the states, which amounts to R177.570 million. The municipality will continuously introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

**Creditors:** Creditors owed by the municipality as at the end of mid-year amount to R1.889 billion. The municipality should put measures in place to ensure that creditors are paid within 30 days as legislated.

## 1.4 In-year Budget Statement Tables

### Parent Municipality (Msunduzi Municipality Only)

#### Monthly Budget Statements Summary

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

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	1 370 173	1 526 985	-	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Service charges	3 870 497	5 135 631	-	303 586	1 980 339	2 567 816	(587 477)	-23%	5 135 631
Investment revenue	-	50 691	-	3 247	17 333	25 346	(8 013)	-32%	50 691
Transfers and subsidies - Operational	-	838 135	-	264 044	600 979	419 068	181 911	43%	838 135
Other own revenue	1 182 933	569 283	-	42 018	233 627	284 642	(51 015)	-18%	569 283
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6 423 603</b>	<b>8 120 726</b>	-	<b>734 993</b>	<b>3 512 261</b>	<b>4 060 363</b>	<b>(548 102)</b>	<b>-13%</b>	<b>8 120 726</b>
Employee costs	1 466 856	1 781 211	-	119 791	806 528	890 605	(84 077)	-9%	1 781 211
Remuneration of Councillors	51 818	62 700	-	4 262	25 883	31 350	(5 467)	-17%	62 700
Depreciation and amortisation	350 684	460 782	-	30 773	181 732	230 391	(48 659)	-21%	460 782
Interest	143 222	40 401	-	171 648	52 510	20 200	32 309	160%	40 401
Inventory consumed and bulk purchases	3 089 737	3 484 629	-	533 588	1 882 132	1 742 315	139 818	8%	3 484 629
Transfers and subsidies	29 562	65 884	-	6 320	36 908	32 942	3 966	12%	65 884
Other expenditure	1 090 363	1 809 593	-	109 023	402 306	904 797	(502 491)	-56%	1 809 593
<b>Total Expenditure</b>	<b>6 222 242</b>	<b>7 705 200</b>	-	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>	<b>7 705 200</b>
<b>Surplus/(Deficit)</b>	<b>201 361</b>	<b>415 526</b>	-	<b>(240 413)</b>	<b>124 263</b>	<b>207 763</b>	<b>(83 501)</b>	<b>-40%</b>	<b>415 526</b>
Transfers and subsidies - capital (monetary)	324 319	448 700	-	62 618	216 973	224 350	(7 377)	-3%	448 700
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>525 680</b>	<b>864 226</b>	-	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21%</b>	<b>864 226</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>525 680</b>	<b>864 226</b>	-	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21%</b>	<b>864 226</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>547 790</b>	<b>768 760</b>	-	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>
Capital transfers recognised	363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	-	200 000	-	-	-	100 000	(100 000)	-100%	200 000
Internally generated funds	184 460	120 060	-	17 052	68 734	60 030	8 704	14%	120 060
<b>Total sources of capital funds</b>	<b>547 790</b>	<b>768 760</b>	-	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>
<b>Financial position</b>									
Total current assets	3 974 180	2 922 957	-		3 980 495				2 922 957
Total non current assets	8 372 236	9 291 678	-		8 199 914				9 291 678
Total current liabilities	3 138 566	1 645 970	-		2 913 264				1 645 970
Total non current liabilities	658 474	855 013	-		626 514				855 013
Community wealth/Equity	8 549 376	9 713 651	-		8 640 630				9 713 651
<b>Cash flows</b>									
Net cash from (used) operating	790 678	946 378	-	-	-	473 189	473 189	100%	946 378
Net cash from (used) investing	(489 266)	(768 501)	-	-	-	(384 251)	(384 251)	100%	(768 501)
Net cash from (used) financing	(79 163)	177 000	-	-	-	88 500	88 500	100%	177 000
<b>Cash/cash equivalents at the month/year end</b>	<b>511 402</b>	<b>766 880</b>	-	-	-	<b>383 440</b>	<b>383 440</b>	<b>100%</b>	<b>354 877</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 DYS</b>	<b>151-180 DYS</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	519 285	154 109	153 995	142 735	145 660	104 214	610 868	4 792 699	6 623 566
<b>Creditors Age Analysis</b>									
Total Creditors	354 800	35 295	209 932	44 259	1 245 081	-	-	-	1 889 368

Table C2 provides the statement of financial performance by standard classification.

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		1 955 757	2 375 780	-	281 638	1 149 589	1 187 890	(38 301)	-3%	2 375 780
Executive and council		5 213	4 979	-	1 331	2 636	2 490	146	6%	4 979
Finance and administration		1 950 544	2 370 801	-	280 307	1 146 953	1 185 400	(38 447)	-3%	2 370 801
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		142 629	338 867	-	20 683	82 118	169 433	(87 315)	-52%	338 867
Community and social services		61 499	276 754	-	13 245	32 780	138 377	(105 597)	-76%	276 754
Sport and recreation		589	21 223	-	(1 675)	800	10 612	(9 812)	-92%	21 223
Public safety		24 640	8 569	-	149	2 618	4 284	(1 667)	-39%	8 569
Housing		55 901	32 321	-	8 964	45 921	16 160	29 761	184%	32 321
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		200 051	55 601	-	7 491	49 501	27 800	21 701	78%	55 601
Planning and development		152 415	47 685	-	3 892	18 386	23 842	(5 457)	-23%	47 685
Road transport		47 242	-	-	3 576	30 839	-	30 839	-	-
Environmental protection		395	7 916	-	22	277	3 958	(3 682)	-93%	7 916
<i>Trading services</i>		4 410 211	5 698 134	-	484 633	2 428 757	2 849 067	(420 310)	-15%	5 698 134
Energy sources		2 724 540	4 028 756	-	215 401	1 423 833	2 014 378	(590 545)	-29%	4 028 756
Water management		1 249 069	1 300 958	-	201 627	728 055	650 479	77 576	12%	1 300 958
Waste water management		286 349	209 646	-	47 197	189 586	104 823	84 763	81%	209 646
Waste management		150 253	158 774	-	20 408	87 284	79 387	7 897	10%	158 774
<i>Other</i>	4	39 274	101 045	-	3 166	19 268	50 522	(31 254)	-62%	101 045
<b>Total Revenue - Functional</b>	2	<b>6 747 922</b>	<b>8 569 426</b>	-	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13%</b>	<b>8 569 426</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		1 085 322	1 480 553	-	80 369	489 447	740 276	(250 829)	-34%	1 480 553
Executive and council		115 687	258 320	-	10 828	70 446	129 160	(58 714)	-45%	258 320
Finance and administration		950 235	1 193 778	-	66 352	410 381	596 889	(186 508)	-31%	1 193 778
Internal audit		19 401	28 455	-	3 190	8 620	14 228	(5 607)	-39%	28 455
<i>Community and public safety</i>		624 012	537 196	-	46 154	294 519	268 598	25 922	10%	537 196
Community and social services		147 223	135 893	-	10 554	73 978	67 947	6 031	9%	135 893
Sport and recreation		140 507	130 425	-	8 789	68 604	65 212	3 392	5%	130 425
Public safety		232 288	222 097	-	18 765	108 018	111 049	(3 030)	-3%	222 097
Housing		94 435	35 263	-	7 178	38 521	17 632	20 889	118%	35 263
Health		9 559	13 517	-	869	5 398	6 759	(1 360)	-20%	13 517
<i>Economic and environmental services</i>		378 225	513 621	-	29 078	182 553	256 811	(74 257)	-29%	513 621
Planning and development		93 766	84 863	-	6 149	40 950	42 431	(1 481)	-3%	84 863
Road transport		259 799	402 476	-	20 850	128 032	201 238	(73 205)	-36%	402 476
Environmental protection		24 661	26 283	-	2 078	13 571	13 141	429	3%	26 283
<i>Trading services</i>		4 061 495	5 109 852	-	812 505	2 384 747	2 554 926	(170 179)	-7%	5 109 852
Energy sources		2 621 122	3 289 792	-	544 702	1 702 253	1 644 896	57 357	3%	3 289 792
Water management		952 916	1 293 157	-	201 286	439 756	646 578	(206 822)	-32%	1 293 157
Waste water management		348 154	399 300	-	54 777	172 612	199 650	(27 038)	-14%	399 300
Waste management		139 303	127 604	-	11 739	70 127	63 802	6 325	10%	127 604
<i>Other</i>		73 188	63 978	-	7 300	36 731	31 989	4 742	15%	63 978
<b>Total Expenditure - Functional</b>	3	<b>6 222 242</b>	<b>7 705 200</b>	-	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>	<b>7 705 200</b>
<b>Surplus/ (Deficit) for the year</b>		<b>525 680</b>	<b>864 226</b>	-	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21%</b>	<b>864 226</b>

Table C3 presents the same information as table C2 above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description R thousands	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Revenue by Vote</u>										
Vote 1 - City Manager	1	(15)	-	-	-	-	-	-	-	-
Vote 2 - City Finance		1 855 452	2 342 935	-	277 293	1 141 565	1 171 467	(29 902)	-2,6%	2 342 935
Vote 3 - Corporate Services		8 603	7 980	-	1 494	2 798	3 990	(1 192)	-29,9%	7 980
Vote 4 - Community Services and Social Equity		235 448	497 013	-	32 166	123 772	248 507	(124 734)	-50,2%	497 013
Vote 5 - Infrastructure Services		1 628 015	1 520 657	-	252 902	951 086	760 329	190 757	25,1%	1 520 657
Vote 6 - Sustainable Development and City Enterprises		248 423	200 280	-	16 060	83 883	100 140	(16 257)	-16,2%	200 280
Vote 7 - Electricity		2 771 995	4 000 561	-	217 696	1 426 129	2 000 280	(574 151)	-28,7%	4 000 561
<b>Total Revenue by Vote</b>	<b>2</b>	<b>6 747 922</b>	<b>8 569 426</b>	<b>-</b>	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13,0%</b>	<b>8 569 426</b>
<u>Expenditure by Vote</u>										
Vote 1 - City Manager	1	151 982	300 106	-	14 165	87 933	150 053	(62 120)	-41,4%	300 106
Vote 2 - City Finance		362 345	799 188	-	35 724	189 824	399 594	(209 770)	-52,5%	799 188
Vote 3 - Corporate Services		163 339	195 633	-	17 753	92 202	97 817	(5 615)	-5,7%	195 633
Vote 4 - Community Services and Social Equity		904 577	827 458	-	57 225	421 937	413 729	8 208	2,0%	827 458
Vote 5 - Infrastructure Services		1 565 729	2 117 250	-	277 857	743 679	1 058 625	(314 946)	-29,8%	2 117 250
Vote 6 - Sustainable Development and City Enterprises		295 042	225 419	-	26 325	137 116	112 710	24 406	21,7%	225 419
Vote 7 - Electricity		2 779 228	3 240 145	-	546 356	1 715 308	1 620 073	95 235	5,9%	3 240 145
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>6 222 242</b>	<b>7 705 200</b>	<b>-</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12,1%</b>	<b>7 705 200</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>525 680</b>	<b>864 226</b>	<b>-</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21,0%</b>	<b>864 226</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2023.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description R thousands	Ref	2022/23		Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
<b>Revenue</b>											
Exchange Revenue											
Service charges - Electricity		2 724 540	3 892 818		197 618	1 426 640	1 946 409	(519 769)	-27%		
Service charges - Water		824 369	901 572		77 771	394 951	450 786	(55 834)	-12%		
Service charges - Waste Water Management		197 960	202 500		17 671	96 625	101 250	(4 625)	-5%		
Service charges - Waste management		123 629	138 742		10 526	62 122	69 371	(7 249)	-10%		
Sale of Goods and Rendering of Services									-		
Agency services		2 599	715		-	1 118	357	760	213%		
Interest							-	-	-		
Interest earned from Receivables		221 878	198 174		35 303	170 389	99 087	71 302	72%		
Interest from Current and Non Current Assets			18 052				9 026	(9 026)	-100%		
Dividends							-	-	-		
Rent on Land							-	-	-		
Rental from Fixed Assets		20 071	104 824		2 814	18 084	52 412	(34 328)	-65%		
Licence and permits							-	-	-		
Operational Revenue		68 506	230 407		3 753	42 272	115 204	(72 932)	-63%		
<b>Non-Exchange Revenue</b>											
Property rates		1 370 173	1 526 985		122 098	679 983	763 493	(83 509)	-11%		
Surcharges and Taxes							-	-	-		
Fines, penalties and forfeits		20 129	14 660		33	728	7 330	(6 602)	-90%		
Licence and permits		2 415	2 452		115	1 037	1 226	(189)	-15%		
Transfers and subsidies - Operational		801 751	838 135		264 044	600 979	419 068	181 911	43%		
Interest		16 957	50 691		3 247	17 333	25 346	(8 013)	-32%		
Fuel Levy							-	-	-		
Operational Revenue							-	-	-		
Gains on disposal of Assets							-	-	-		
Other Gains		28 625					-	-	-		
Discontinued Operations							-	-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>6 423 603</b>	<b>8 120 726</b>		<b>-</b>	<b>734 993</b>	<b>3 512 261</b>	<b>4 060 363</b>	<b>(548 102)</b>	<b>-13%</b>	<b>8 120 726</b>
<b>Expenditure By Type</b>											
Employee related costs		1 466 856	1 781 211		119 791	806 528	890 605	(84 077)	-9%		
Remuneration of councillors		51 818	62 700		4 262	25 883	31 350	(5 467)	-17%		
Bulk purchases - electricity		2 350 401	2 514 000		401 732	1 463 939	1 257 000	206 939	16%		
Inventory consumed		739 336	970 629		131 856	418 193	485 315	(67 121)	-14%		
Debt impairment		71 196	600 000		11	3 956	300 000	(296 044)	-99%		
Depreciation and amortisation		350 684	460 782		30 773	181 732	230 391	(48 659)	-21%		
Interest		143 222	40 401		171 648	52 510	20 200	32 309	160%		
Contracted services		799 399	994 211		103 471	311 197	497 105	(185 909)	-37%		
Transfers and subsidies		29 562	65 884		6 320	36 908	32 942	3 966	12%		
Irrecoverable debts written off							-	-	-		
Operational costs		186 191	215 382		5 541	87 153	107 691	(20 538)	-19%		
Losses on Disposal of Assets							-	-	-		
Other Losses		33 578					-	-	-		
<b>Total Expenditure</b>		<b>6 222 242</b>	<b>7 705 200</b>		<b>-</b>	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>	<b>7 705 200</b>
<b>Surplus/(Deficit)</b>		<b>201 361</b>	<b>415 526</b>		<b>-</b>	<b>(240 413)</b>	<b>124 263</b>	<b>207 763</b>	<b>(83 501)</b>	<b>(0)</b>	<b>415 526</b>
Transfers and subsidies - capital (monetary allocations)		324 319	448 700			62 618	216 973	224 350	(7 377)	(0)	448 700
Transfers and subsidies - capital (in-kind)								-			
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>525 680</b>	<b>864 226</b>		<b>-</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>			<b>864 226</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>525 680</b>	<b>864 226</b>		<b>-</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>			<b>864 226</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>525 680</b>	<b>864 226</b>		<b>-</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>			<b>864 226</b>
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
<b>Surplus/ (Deficit) for the year</b>		<b>525 680</b>	<b>864 226</b>		<b>-</b>	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>			<b>864 226</b>

## Capital Expenditure

Table C5 below reports on the capital expenditure by department (municipal vote) for single year as well as multiyear capital appropriations. The bottom part of the schedule looks at the funding sources of the capital projects.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - City Manager		27	-	-	-	-	-	-	-	-
Vote 2 - City Finance		9 153	30 000	-	-	-	15 000	(15 000)	-100%	30 000
Vote 3 - Corporate Services		938	10 000	-	-	240	5 000	(4 760)	-95%	10 000
Vote 4 - Community Services and Social Equity		48 934	24 886	-	10 210	25 747	12 443	13 303	107%	24 886
Vote 5 - Infrastructure Services		268 923	318 102	-	45 569	160 291	159 051	1 240	1%	318 102
Vote 6 - Sustainable Development and City Enterprises		133 279	144 745	-	9 955	43 101	72 373	(29 272)	-40%	144 745
Vote 7 - Electricity		71 071	175 400	-	7 271	22 966	87 700	(64 734)	-74%	175 400
<b>Total Capital Multi-year expenditure</b>	4,7	532 326	703 134	-	73 004	252 344	351 567	(99 223)	-28%	703 134
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - City Manager		944	5 000	-	-	(6)	2 500	(2 506)	-100%	5 000
Vote 2 - City Finance		3 084	-	-	-	12 508	-	12 508	-	-
Vote 3 - Corporate Services		3 796	10 000	-	-	-	5 000	(5 000)	-100%	10 000
Vote 4 - Community Services and Social Equity		4 980	4 000	-	-	-	2 000	(2 000)	-100%	4 000
Vote 5 - Infrastructure Services		793	5 000	-	-	-	2 500	(2 500)	-100%	5 000
Vote 6 - Sustainable Development and City Enterprises		1 035	38 026	-	2	2	19 013	(19 011)	-100%	38 026
Vote 7 - Electricity		831	3 600	-	-	-	1 800	(1 800)	-100%	3 600
<b>Total Capital single-year expenditure</b>	4	15 464	65 626	-	2	12 504	32 813	(20 309)	-62%	65 626
<b>Total Capital Expenditure</b>		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		18 773	51 000	-	-	12 742	25 500	(12 758)	-50%	51 000
Executive and council		750	1 000			(6)	500	(506)	-101%	1 000
Finance and administration		18 024	50 000			12 748	25 000	(12 252)	-49%	50 000
Internal audit		-	-			-	-	-	-	-
<i>Community and public safety</i>		57 141	169 252	-	15 442	57 876	84 626	(26 750)	-32%	169 252
Community and social services		43 937	20 307		9 800	21 387	10 154	11 233	111%	20 307
Sport and recreation		922	-		(1 780)	1 514	-	1 514	-	-
Public safety		148	4 199		-	-	2 100	(2 100)	-100%	4 199
Housing		12 135	144 745		7 422	34 976	72 373	(37 397)	-52%	144 745
Health		-	-		-	-	-	-	-	-
<i>Economic and environmental services</i>		277 382	107 006	-	18 042	81 355	53 503	27 852	52%	107 006
Planning and development		118 612	38 606		1 771	7 363	19 303	(11 940)	-62%	38 606
Road transport		158 749	68 400		16 272	73 991	34 200	39 791	116%	68 400
Environmental protection		22	-		-	-	-	-	-	-
<i>Trading services</i>		191 140	438 702	-	38 758	112 111	219 351	(107 240)	-49%	438 702
Energy sources		64 942	179 000		7 271	22 966	89 500	(66 534)	-74%	179 000
Water management		67 842	133 925		14 887	37 860	66 962	(29 103)	-43%	133 925
Waste water management		48 192	120 778		14 410	48 883	60 389	(11 505)	-19%	120 778
Waste management		10 165	5 000		2 190	2 403	2 500	(97)	-4%	5 000
Other		3 353	2 800		764	764	1 400	(636)	-45%	2 800
<b>Total Capital Expenditure - Functional Classification</b>	3	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
<b>Funded by:</b>										
National Government		251 840	312 535		52 479	187 985	156 267	31 718	20%	312 535
Provincial Government		111 490	136 165		3 475	8 129	68 083	(59 953)	-88%	136 165
District Municipality								-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public										
Transfers recognised - capital	6	363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing		200 000					100 000	(100 000)	-100%	200 000
Internally generated funds		184 460	120 060		17 052	68 734	60 030	8 704	14%	120 060
<b>Total Capital Funding</b>		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760

A detailed analysis of the capital expenditure programme is provided in section 2.7 "Capital Expenditure Programme".

Table C6 displays the financial position of the municipality as at 31 December 2023.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2022/23		Budget Year 2023/24		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		511 402	602 411		(29 915)	602 411
Trade and other receivables from exchange transactions		2 157 210	1 296 255		3 123 370	1 296 255
Receivables from non-exchange transactions		765 104	664 796		109 325	664 796
Current portion of non-current receivables						
Inventory		420 123	359 494		425 591	359 494
VAT						
Other current assets		120 340			352 125	
<b>Total current assets</b>		<b>3 974 180</b>	<b>2 922 957</b>		<b>3 980 495</b>	<b>2 922 957</b>
<b>Non current assets</b>						
Investments						
Investment property		953 062	974 256		924 805	974 256
Property, plant and equipment		7 044 167	7 923 583		7 255 136	7 923 583
Biological assets			84 451		552	84 451
Living and non-living resources		576	733			733
Heritage assets		274 718	287 701			287 701
Intangible assets		23 913	20 954		21 275	20 954
Trade and other receivables from exchange transactions			—			—
Non-current receivables from non-exchange transactions			—		(1 854)	—
Other non-current assets		75 800	—			—
<b>Total non current assets</b>		<b>8 372 236</b>	<b>9 291 678</b>		<b>8 199 914</b>	<b>9 291 678</b>
<b>TOTAL ASSETS</b>		<b>12 346 416</b>	<b>12 214 634</b>		<b>12 180 408</b>	<b>12 214 634</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Financial liabilities		74 271	83 359		35 276	83 359
Consumer deposits		142 079	140 009		147 224	140 009
Trade and other payables from exchange transactions		2 487 458	1 186 051		2 672 519	1 186 051
Trade and other payables from non-exchange transactions		15 568	—			—
Provision		8 980	49 000		58 245	49 000
VAT		185 013	187 552			187 552
Other current liabilities		225 198				
<b>Total current liabilities</b>		<b>3 138 566</b>	<b>1 645 970</b>		<b>2 913 264</b>	<b>1 645 970</b>
<b>Non current liabilities</b>						
Financial liabilities		50 311	131 184			131 184
Provision		62 175	75 576			75 576
Long term portion of trade payables		545 988			50 311	
Other non-current liabilities			648 252		576 204	648 252
<b>Total non current liabilities</b>		<b>658 474</b>	<b>855 013</b>		<b>626 514</b>	<b>855 013</b>
<b>TOTAL LIABILITIES</b>		<b>3 797 040</b>	<b>2 500 983</b>		<b>3 539 779</b>	<b>2 500 983</b>
<b>NET ASSETS</b>	2	<b>8 549 376</b>	<b>9 713 651</b>		<b>8 640 630</b>	<b>9 713 651</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		8 329 636	9 501 123		8 416 573	9 501 123
Reserves and funds		4 605	212 528		224 057	212 528
Other		215 134				
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>8 549 376</b>	<b>9 713 651</b>		<b>8 640 630</b>	<b>9 713 651</b>

## Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	1 370 173	1 526 985	-	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Service charges	3 870 280	5 135 631	-	303 586	1 980 339	2 567 816	(587 477)	-23%	5 135 631
Investment revenue	-	50 691	-	3 247	17 333	25 346	(8 013)	-32%	50 691
Transfers and subsidies - Operational	-	838 135	-	264 044	600 979	419 068	181 911	43%	838 135
Other own revenue	1 183 014	569 283	-	42 018	233 627	284 642	(51 015)	-18%	569 283
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6 423 468</b>	<b>8 120 726</b>	-	<b>734 993</b>	<b>3 512 261</b>	<b>4 060 363</b>	<b>(548 102)</b>	<b>-13%</b>	<b>8 120 726</b>
Employee costs	1 478 590	1 793 148	-	121 433	812 786	896 574	(83 788)	-9%	1 793 148
Remuneration of Councillors	51 818	62 700	-	4 262	25 883	31 350	(5 467)	-17%	62 700
Depreciation and amortisation	351 530	461 616	-	30 838	182 115	230 808	(48 693)	-21%	461 616
Interest	143 222	40 401	-	171 648	52 510	20 200	32 309	160%	40 401
Inventory consumed and bulk purchases	3 089 796	3 484 629	-	533 588	1 882 132	1 742 315	139 818	8%	3 484 629
Transfers and subsidies	16 684	51 024	-	4 518	29 343	25 512	3 831	15%	51 024
Other expenditure	1 091 874	1 810 270	-	109 118	403 229	905 135	(501 906)	-55%	1 810 270
<b>Total Expenditure</b>	<b>6 223 514</b>	<b>7 703 788</b>	-	<b>975 406</b>	<b>3 387 998</b>	<b>3 851 894</b>	<b>(463 896)</b>	<b>-12%</b>	<b>7 703 788</b>
<b>Surplus/(Deficit)</b>	<b>199 954</b>	<b>416 938</b>	-	<b>(240 413)</b>	<b>124 263</b>	<b>208 469</b>	<b>(84 207)</b>	<b>-40%</b>	<b>416 938</b>
Transfers and subsidies - capital (monetary)	324 319	448 700	-	62 618	216 973	224 350	(7 377)	-3%	448 700
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>524 273</b>	<b>865 638</b>	-	<b>(177 795)</b>	<b>341 236</b>	<b>432 819</b>	<b>(91 583)</b>	<b>-21%</b>	<b>865 638</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>524 273</b>	<b>865 638</b>	-	<b>(177 795)</b>	<b>341 236</b>	<b>432 819</b>	<b>(91 583)</b>	<b>-21%</b>	<b>865 638</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>547 790</b>	<b>768 760</b>	-	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>
Capital transfers recognised	363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	-	200 000	-	-	-	100 000	(100 000)	-100%	200 000
Internally generated funds	184 460	120 060	-	17 052	68 734	60 030	8 704	14%	120 060
<b>Total sources of capital funds</b>	<b>547 790</b>	<b>768 760</b>	-	<b>73 006</b>	<b>264 848</b>	<b>384 380</b>	<b>(119 532)</b>	<b>-31%</b>	<b>768 760</b>
<b>Financial position</b>									
Total current assets	3 978 489	2 928 029	-		3 984 785				2 922 957
Total non current assets	8 379 960	9 298 983	-		8 207 253				9 291 678
Total current liabilities	3 140 059	1 647 579	-		2 914 781				1 645 970
Total non current liabilities	658 474	855 013	-		626 514				855 013
Community wealth/Equity	8 559 916	9 724 420	-		8 650 744				9 713 651
<b>Cash flows</b>									
Net cash from (used) operating	793 776	946 660	-	-	-	473 330	473 330	100%	946 660
Net cash from (used) investing	(489 338)	(768 501)	-	-	-	(384 251)	(384 251)	100%	(768 501)
Net cash from (used) financing	(79 163)	177 000	-	-	-	88 500	88 500	100%	177 000
<b>Cash/cash equivalents at the month/year end</b>	<b>515 708</b>	<b>767 162</b>	-	-	-	<b>589 583</b>	<b>589 583</b>	<b>100%</b>	<b>355 159</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 DYS</b>	<b>151-180 DYS</b>	<b>181 DYS-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	519 285	154 109	153 995	142 735	145 660	104 214	610 868	4 792 699	6 623 566
<b>Creditors Age Analysis</b>									
Total Creditors	354 800	35 295	209 932	44 259	1 245 081	-	-	-	1 889 368

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2022/23		Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
<b>Revenue - Functional</b>									
<i>Governance and administration</i>		1 955 757	2 375 780	-	281 638	1 149 589	1 187 890	(38 301)	-3%
Executive and council		5 213	4 979	-	1 331	2 636	2 490	146	6%
Finance and administration		1 950 544	2 370 801	-	280 307	1 146 953	1 185 400	(38 447)	-3%
Internal audit		-	-	-	-	-	-	-	-
<i>Community and public safety</i>		142 494	338 867	-	20 683	82 118	169 433	(87 315)	-52%
Community and social services		61 499	276 754	-	13 245	32 780	138 377	(105 597)	-76%
Sport and recreation		589	21 223	-	(1 675)	800	10 612	(9 812)	-92%
Public safety		24 505	8 569	-	149	2 618	4 284	(1 667)	-39%
Housing		55 901	32 321	-	8 964	45 921	16 160	29 761	184%
Health		-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		200 051	55 601	-	7 491	49 501	27 800	21 701	78%
Planning and development		152 415	47 685	-	3 892	18 386	23 842	(5 457)	-23%
Road transport		47 242	-	-	3 576	30 839	-	30 839	-
Environmental protection		395	7 916	-	22	277	3 958	(3 682)	-93%
<i>Trading services</i>		4 410 211	5 698 134	-	484 633	2 428 757	2 849 067	(420 310)	-15%
Energy sources		2 724 540	4 028 756	-	215 401	1 423 833	2 014 378	(590 545)	-29%
Water management		1 249 069	1 300 958	-	201 627	728 055	650 479	77 576	12%
Waste water management		286 349	209 646	-	47 197	189 586	104 823	84 763	81%
Waste management		150 253	158 774	-	20 408	87 284	79 387	7 897	10%
Other	4	39 274	101 045	-	3 166	19 268	50 522	(31 254)	-62%
<b>Total Revenue - Functional</b>	2	<b>6 747 787</b>	<b>8 569 426</b>	-	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13%</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>		1 085 322	1 480 553	-	80 369	489 447	740 276	(250 829)	-34%
Executive and council		115 687	258 320	-	10 828	70 446	129 160	(58 714)	-45%
Finance and administration		950 235	1 193 778	-	66 352	410 381	596 889	(186 508)	-31%
Internal audit		19 401	28 455	-	3 190	8 620	14 228	(5 607)	-39%
<i>Community and public safety</i>		625 284	537 196	-	46 154	294 519	268 598	25 922	10%
Community and social services		147 223	135 893	-	10 554	73 978	67 947	6 031	9%
Sport and recreation		140 507	130 425	-	8 789	68 604	65 212	3 392	5%
Public safety		233 560	222 097	-	18 765	108 018	111 049	(3 030)	-3%
Housing		94 435	35 263	-	7 178	38 521	17 632	20 889	118%
Health		9 559	13 517	-	869	5 398	6 759	(1 360)	-20%
<i>Economic and environmental services</i>		378 225	513 621	-	29 078	182 553	256 811	(74 257)	-29%
Planning and development		93 766	84 863	-	6 149	40 950	42 431	(1 481)	-3%
Road transport		259 799	402 476	-	20 850	128 032	201 238	(73 205)	-36%
Environmental protection		24 661	26 283	-	2 078	13 571	13 141	429	3%
<i>Trading services</i>		4 061 495	5 109 852	-	812 505	2 384 747	2 554 926	(170 179)	-7%
Energy sources		2 621 122	3 289 792	-	544 702	1 702 253	1 644 896	57 357	3%
Water management		952 916	1 293 157	-	201 286	439 756	646 578	(206 822)	-32%
Waste water management		348 154	399 300	-	54 777	172 612	199 650	(27 038)	-14%
Waste management		139 303	127 604	-	11 739	70 127	63 802	6 325	10%
Other		73 188	63 978	-	7 300	36 731	31 989	4 742	15%
<b>Total Expenditure - Functional</b>	3	<b>6 223 514</b>	<b>7 705 200</b>	-	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12%</b>
<b>Surplus/ (Deficit) for the year</b>		<b>524 273</b>	<b>864 226</b>	-	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21%</b>

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description R thousands	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Revenue by Vote</b>	1									
Vote 1 - City Manager		(15)	-	-	-	-	-	-	-	
Vote 2 - City Finance		1 855 452	2 342 935	-	277 293	1 141 565	1 171 467	(29 902)	-2,6%	2 342 935
Vote 3 - Corporate Services		8 603	7 980	-	1 494	2 798	3 990	(1 192)	-29,9%	7 980
Vote 4 - Community Services and Social Equity		235 448	497 013	-	32 166	123 772	248 507	(124 734)	-50,2%	497 013
Vote 5 - Infrastructure Services		1 628 015	1 520 657	-	252 902	951 086	760 329	190 757	25,1%	1 520 657
Vote 6 - Sustainable Development and City Enterprises		248 288	200 280	-	16 060	83 883	100 140	(16 257)	-16,2%	200 280
Vote 7 - Electricity		2 771 995	4 000 561	-	217 696	1 426 129	2 000 280	(574 151)	-28,7%	4 000 561
<b>Total Revenue by Vote</b>	2	<b>6 747 787</b>	<b>8 569 426</b>	-	<b>797 611</b>	<b>3 729 234</b>	<b>4 284 713</b>	<b>(555 479)</b>	<b>-13,0%</b>	<b>8 569 426</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - City Manager		151 982	300 106	-	14 165	87 933	150 053	(62 120)	-41,4%	300 106
Vote 2 - City Finance		362 345	799 188	-	35 724	189 824	399 594	(209 770)	-52,5%	799 188
Vote 3 - Corporate Services		163 339	195 633	-	17 753	92 202	97 817	(5 615)	-5,7%	195 633
Vote 4 - Community Services and Social Equity		904 577	827 458	-	57 225	421 937	413 729	8 208	2,0%	827 458
Vote 5 - Infrastructure Services		1 565 729	2 117 250	-	277 857	743 679	1 058 625	(314 946)	-29,8%	2 117 250
Vote 6 - Sustainable Development and City Enterprises		296 315	225 419	-	26 325	137 116	112 710	24 406	21,7%	225 419
Vote 7 - Electricity		2 779 228	3 240 145	-	546 356	1 715 308	1 620 073	95 235	5,9%	3 240 145
<b>Total Expenditure by Vote</b>	2	<b>6 223 514</b>	<b>7 705 200</b>	-	<b>975 406</b>	<b>3 387 998</b>	<b>3 852 600</b>	<b>(464 602)</b>	<b>-12,1%</b>	<b>7 705 200</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>524 273</b>	<b>864 226</b>	-	<b>(177 795)</b>	<b>341 236</b>	<b>432 113</b>	<b>(90 877)</b>	<b>-21,0%</b>	<b>864 226</b>

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>									
<b>Revenue</b>									
Exchange Revenue									
Service charges - Electricity		2 724 323	3 892 818		197 618	1 426 640	1 946 409	(519 769)	-27%
Service charges - Water		824 369	901 572		77 771	394 951	450 786	(55 834)	-12%
Service charges - Waste Water Management		197 960	202 500		17 671	96 625	101 250	(4 625)	-5%
Service charges - Waste management		123 629	138 742		10 526	62 122	69 371	(7 249)	-10%
Sale of Goods and Rendering of Services									-
Agency services		2 599	715		-	1 118	357	760	213%
Interest								-	-
Interest earned from Receivables		221 878	198 174		35 303	170 389	99 087	71 302	72%
Interest from Current and Non Current Assets			18 052				9 026	(9 026)	-100%
Dividends							-	-	-
Rent on Land							-	-	-
Rental from Fixed Assets		20 071	104 824		2 814	18 084	52 412	(34 328)	-65%
Licence and permits							-	-	-
Operational Revenue		68 507	230 407		3 753	42 272	115 204	(72 932)	-63%
<b>Non-Exchange Revenue</b>							-	-	-
Property rates		1 370 173	1 526 985		122 098	679 983	763 493	(83 509)	-11%
Surcharges and Taxes							-	-	-
Fines, penalties and forfeits		20 129	14 660		33	728	7 330	(6 602)	-90%
Licence and permits		2 415	2 452		115	1 037	1 226	(189)	-15%
Transfers and subsidies - Operational		801 751	838 135		264 044	600 979	419 068	181 911	43%
Interest		17 130	50 691		3 247	17 333	25 346	(8 013)	-32%
Fuel Levy							-	-	-
Operational Revenue							-	-	-
Gains on disposal of Assets							-	-	-
Other Gains		28 532					-	-	-
Discontinued Operations							-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		6 423 468	8 120 726	-	734 993	3 512 261	4 060 363	(548 102)	-13%
<b>Expenditure By Type</b>									
Employee related costs		1 478 590	1 793 148		121 433	812 786	896 574	(83 788)	-9%
Remuneration of councillors		51 818	62 700		4 262	25 883	31 350	(5 467)	-17%
Bulk purchases - electricity		2 350 401	2 514 000		401 732	1 463 939	1 257 000	206 939	16%
Inventory consumed		739 395	970 629		131 856	418 193	485 315	(67 121)	-14%
Debt impairment		71 196	600 000		11	3 956	300 000	(296 044)	-99%
Depreciation and amortisation		351 530	461 616		30 838	182 115	230 808	(48 693)	-21%
Interest		143 222	40 401		171 648	52 510	20 200	32 309	160%
Contracted services		799 704	994 888		103 489	311 298	497 444	(186 146)	-37%
Transfers and subsidies		16 684	51 024		4 518	29 343	25 512	3 831	15%
Irrecoverable debts written off							-	-	-
Operational costs		187 396	215 382		5 618	87 975	107 691	(19 716)	-18%
Losses on Disposal of Assets							-	-	-
Other Losses		33 578					-	-	-
<b>Total Expenditure</b>		6 223 514	7 703 788	-	975 406	3 387 998	3 851 894	(463 896)	-12%
<b>Surplus/(Deficit)</b>		199 954	416 938	-	(240 413)	124 263	208 469	(84 207)	(0)
Transfers and subsidies - capital (monetary allocations)		324 319	448 700		62 618	216 973	224 350	(7 377)	(0)
Transfers and subsidies - capital (in-kind)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		524 273	865 638	-	(177 795)	341 236	432 819		865 638
Income Tax									
<b>Surplus/(Deficit) after income tax</b>		524 273	865 638	-	(177 795)	341 236	432 819		865 638
Share of Surplus/Deficit attributable to Joint Venture									
Share of Surplus/Deficit attributable to Minorities									
<b>Surplus/(Deficit) attributable to municipality</b>		524 273	865 638	-	(177 795)	341 236	432 819		865 638
Share of Surplus/Deficit attributable to Associate									
Intercompany/Parent subsidiary transactions									
<b>Surplus/ (Deficit) for the year</b>		524 273	865 638	-	(177 795)	341 236	432 819		865 638

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Multi-Year expenditure appropriation</u>	2									
Vote 1 - City Manager		27	-	-	-	-	-	-	-	-
Vote 2 - City Finance		9 153	30 000	-	-	-	15 000	(15 000)	-100%	30 000
Vote 3 - Corporate Services		938	10 000	-	-	240	5 000	(4 760)	-95%	10 000
Vote 4 - Community Services and Social Equity		48 934	24 886	-	10 210	25 747	12 443	13 303	107%	24 886
Vote 5 - Infrastructure Services		268 923	318 102	-	45 569	160 291	159 051	1 240	1%	318 102
Vote 6 - Sustainable Development and City Enterprises		133 279	144 745	-	9 955	43 101	72 373	(29 272)	-40%	144 745
Vote 7 - Electricity		71 071	175 400	-	7 271	22 966	87 700	(64 734)	-74%	175 400
Total Capital Multi-year expenditure	4,7	532 326	703 134	-	73 004	252 344	351 567	(99 223)	-28%	703 134
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - City Manager		944	5 000	-	-	(6)	2 500	(2 506)	-100%	5 000
Vote 2 - City Finance		3 084	-	-	-	12 508	-	12 508	-	-
Vote 3 - Corporate Services		3 796	10 000	-	-	-	5 000	(5 000)	-100%	10 000
Vote 4 - Community Services and Social Equity		4 980	4 000	-	-	-	2 000	(2 000)	-100%	4 000
Vote 5 - Infrastructure Services		793	5 000	-	-	-	2 500	(2 500)	-100%	5 000
Vote 6 - Sustainable Development and City Enterprises		1 035	38 026	-	2	2	19 013	(19 011)	-100%	38 026
Vote 7 - Electricity		831	3 600	-	-	-	1 800	(1 800)	-100%	3 600
Total Capital single-year expenditure	4	15 464	65 626	-	2	12 504	32 813	(20 309)	-62%	65 626
Total Capital Expenditure		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		18 773	51 000	-	-	12 742	25 500	(12 758)	-50%	51 000
Executive and council		750	1 000			(6)	500	(506)	-101%	1 000
Finance and administration		18 024	50 000			12 748	25 000	(12 252)	-49%	50 000
Internal audit		-	-			-	-	-	-	-
<i>Community and public safety</i>		57 141	169 252	-	15 442	57 876	84 626	(26 750)	-32%	169 252
Community and social services		43 937	20 307		9 800	21 387	10 154	11 233	111%	20 307
Sport and recreation		922	-		(1 780)	1 514	-	1 514	-	-
Public safety		148	4 199		-	-	2 100	(2 100)	-100%	4 199
Housing		12 135	144 745		7 422	34 976	72 373	(37 397)	-52%	144 745
Health		-	-		-	-	-	-	-	-
<i>Economic and environmental services</i>		277 382	107 006	-	18 042	81 355	53 503	27 852	52%	107 006
Planning and development		118 612	38 606		1 771	7 363	19 303	(11 940)	-62%	38 606
Road transport		158 749	68 400		16 272	73 991	34 200	39 791	116%	68 400
Environmental protection		22	-			-	-	-	-	-
<i>Trading services</i>		191 140	438 702	-	38 758	112 111	219 351	(107 240)	-49%	438 702
Energy sources		64 942	179 000		7 271	22 966	89 500	(66 534)	-74%	179 000
Water management		67 842	133 925		14 887	37 860	66 962	(29 103)	-43%	133 925
Waste water management		48 192	120 778		14 410	48 883	60 389	(11 505)	-19%	120 778
Waste management		10 165	5 000		2 190	2 403	2 500	(97)	-4%	5 000
Other		3 353	2 800		764	764	1 400	(636)	-45%	2 800
Total Capital Expenditure - Functional Classification	3	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
<u>Funded by:</u>										
National Government		251 840	312 535		52 479	187 985	156 267	31 718	20%	312 535
Provincial Government		111 490	136 165		3 475	8 129	68 083	(59 953)	-88%	136 165
District Municipality								-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public										
Transfers recognised - capital	6	363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing			200 000					100 000	(100 000)	-100%
Internally generated funds		184 460	120 060		17 052	68 734	60 030	8 704	14%	120 060
Total Capital Funding		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		515 708	603 974		(25 628)	602 411
Trade and other receivables from exchange transactions		97 088	1 296 255		3 123 370	1 296 255
Receivables from non-exchange transactions		765 104	668 306		109 325	664 796
Current portion of non-current receivables		2 157 210	359 494		425 591	359 494
Inventory		420 123			—	
VAT		23 255			352 127	
Other current assets						
<b>Total current assets</b>		<b>3 978 489</b>	<b>2 928 029</b>		<b>—</b>	<b>3 984 785</b>
<b>Non current assets</b>						
Investments		953 062	974 256		924 805	974 256
Investment property		7 051 890	7 930 888		7 262 476	7 923 583
Property, plant and equipment			84 451		552	84 451
Biological assets		576	733			733
Living and non-living resources		274 718	287 701			287 701
Heritage assets		23 913	20 954		21 275	20 954
Intangible assets						
Trade and other receivables from exchange transactions			—			—
Non-current receivables from non-exchange transactions		75 800	—		(1 854)	—
Other non-current assets						—
<b>Total non current assets</b>		<b>8 379 960</b>	<b>9 298 983</b>		<b>—</b>	<b>8 207 253</b>
<b>TOTAL ASSETS</b>		<b>12 358 448</b>	<b>12 227 011</b>		<b>—</b>	<b>12 192 039</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		74 271	83 359		35 276	83 359
Financial liabilities		142 079	140 009		147 224	140 009
Consumer deposits		2 487 810	1 186 508		2 672 519	1 186 051
Trade and other payables from exchange transactions		15 568	—			—
Trade and other payables from non-exchange transactions		9 678	50 151		59 295	49 000
Provision		185 455	187 552		466	187 552
VAT		225 198				
Other current liabilities						
<b>Total current liabilities</b>		<b>3 140 059</b>	<b>1 647 579</b>		<b>—</b>	<b>2 914 781</b>
<b>Non current liabilities</b>						
Financial liabilities		50 311	131 184			131 184
Provision		62 175	75 576			75 576
Long term portion of trade payables		545 988			50 311	
Other non-current liabilities			648 252		576 204	648 252
<b>Total non current liabilities</b>		<b>658 474</b>	<b>855 013</b>		<b>—</b>	<b>626 514</b>
<b>TOTAL LIABILITIES</b>		<b>3 798 532</b>	<b>2 502 592</b>		<b>—</b>	<b>3 541 295</b>
<b>NET ASSETS</b>	2	<b>8 559 916</b>	<b>9 724 420</b>		<b>—</b>	<b>8 650 744</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		8 340 176	9 511 892		8 426 687	9 501 123
Reserves and funds		4 605	212 528		224 057	212 528
Other		215 134				
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>8 559 916</b>	<b>9 724 420</b>		<b>—</b>	<b>8 650 744</b>
						<b>9 713 651</b>

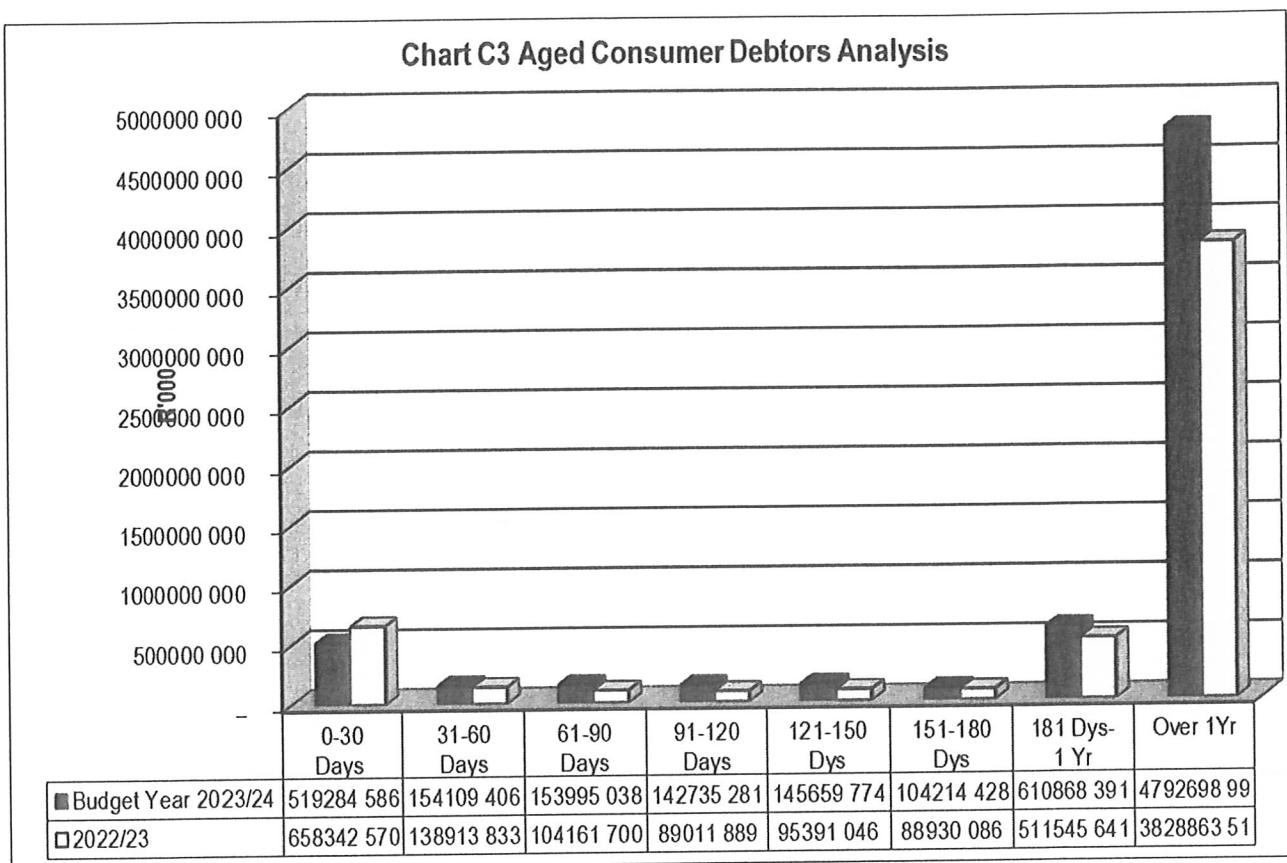
## PART 2 = SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

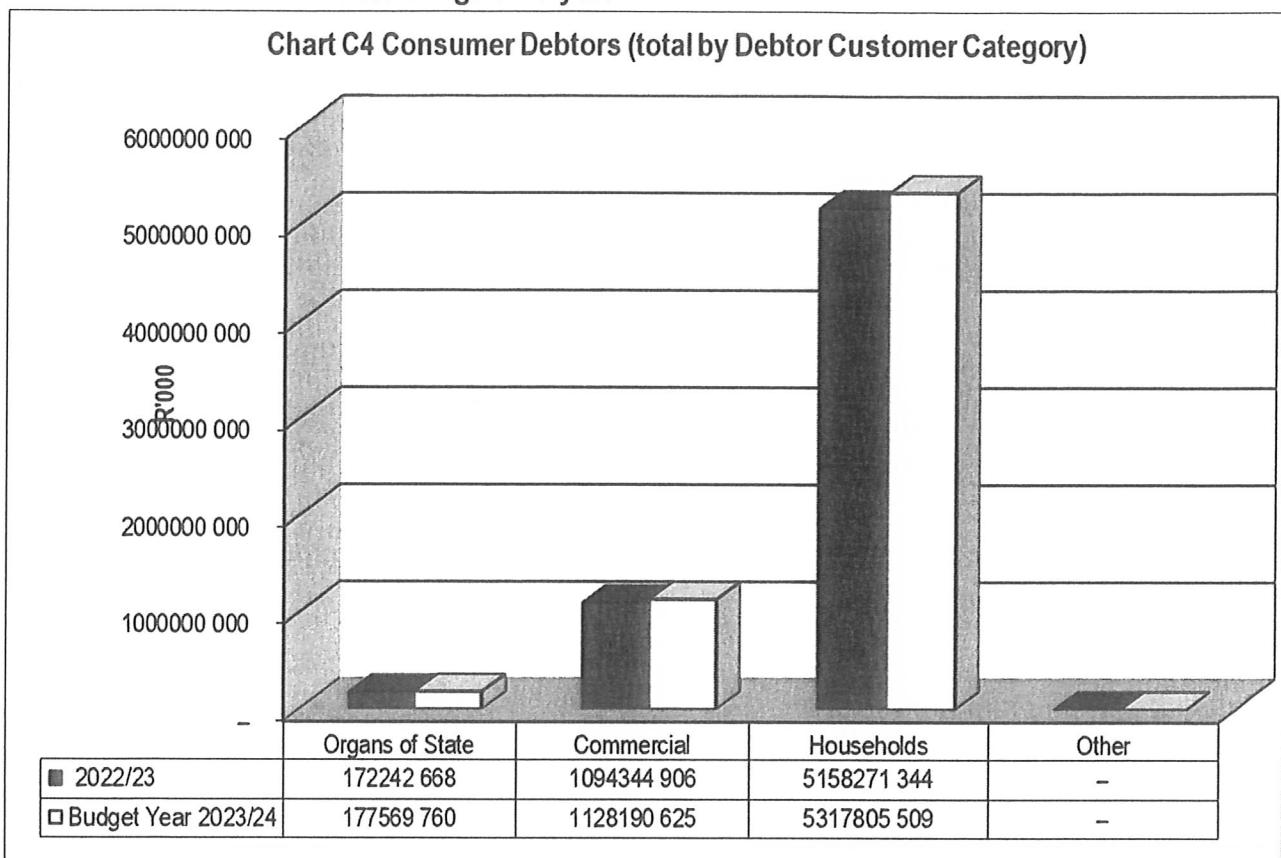
The table presented below summarises the Debtors Age Analysis as at 31 December 2023.

Table 2.1.1: Debtors Age Analysis by Income Source

Chart 1: Debtors Age Analysis by Customer Group



**Chart 2: Year on Year Debtors Age Analysis**



The information presented in the chart above reflects an increase in the outstanding debtor's balances when compared to the prior month balance bringing the total outstanding debtors balance to R 6.624 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 80% of the total municipal debt as detailed below:

- ✓ Households 80%
- ✓ Commercial 17%
- ✓ Organs of State 3%
- ✓ Other 0%

## 2.2 Creditors Analysis

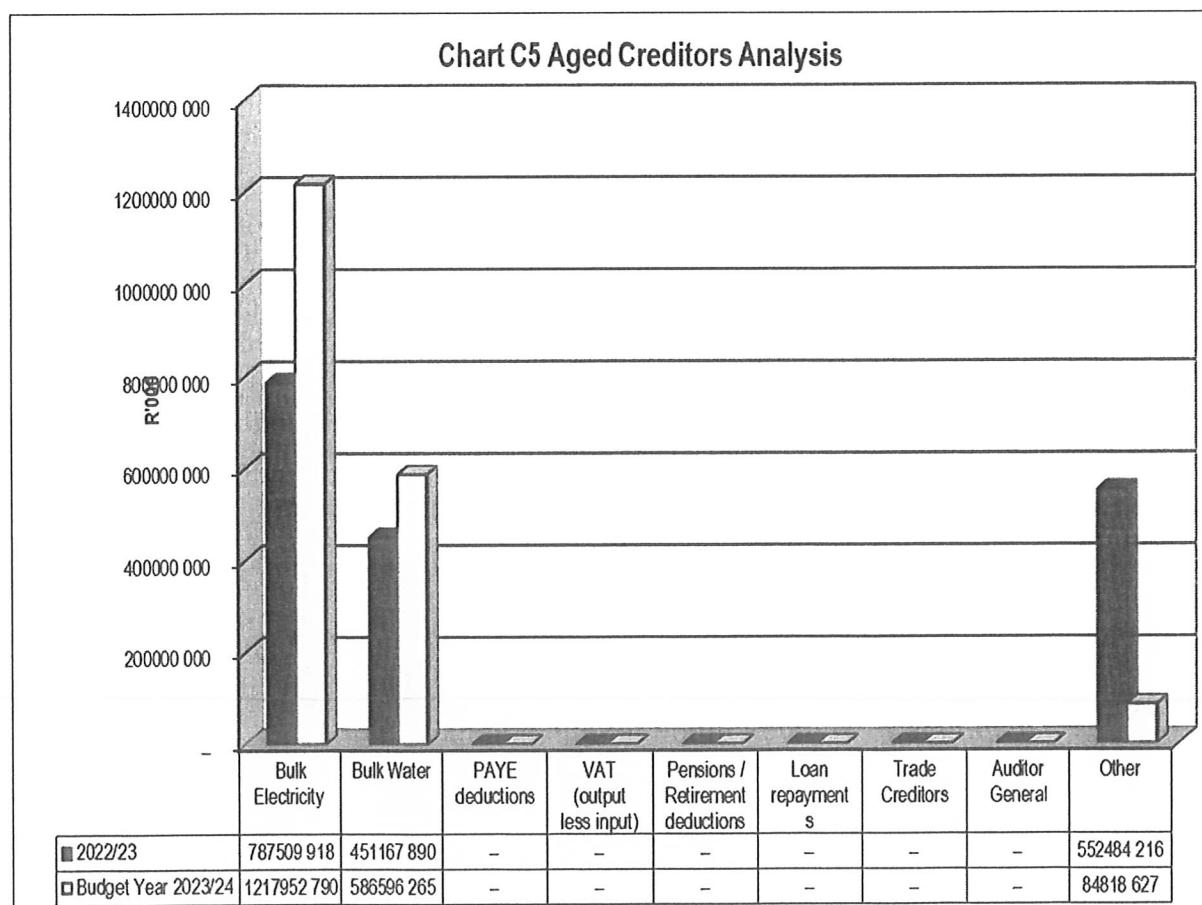
Table SC 4 below presents the aged creditors as at 31 December 2023

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description R thousands	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		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	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	267 262	(3 013)	165 100	15 856	772 748				1 217 953	787 510
Bulk Water	0200	83 110	15 937	18 337	18 775	450 438				586 596	451 168
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700									-	
Auditor General	0800									-	
Other	0900	4 428	22 371	26 496	9 628	21 896				84 819	552 484
<b>Total By Customer Type</b>	<b>1000</b>	<b>354 800</b>	<b>35 295</b>	<b>209 932</b>	<b>44 259</b>	<b>1 245 081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 889 368</b>	<b>1 791 162</b>

The chart below presents a comparison of the age creditors between the current and prior year and for December month.

Chart 3: Creditors Analysis



## 2.3 Investment Portfolio Analysis

The following information presents the short term investments balances broken down per investment type as at 31 December 2023.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - Q2 Second Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands			Yrs/Months											
<b>Municipality</b>														
Municipal Infrastructure Grant										45 046		(45 020)		26
Unspent Conditional Grant										111 917	221	(23 222)	4 679	93 596
Housing Accreditation										10 350	70	(492)		9 928
Municipal Housing Account										54 484	583	(1 861)		53 206
Housing Projects: Principal-Agent										15 346	32			15 378
Compensation Fund (COD)										23 255				23 255
Airport Development Fund										27	0			27
Insurance Fund										7 498	52			7 549
Val Recovery on Prov. Grants										977	7			984
Val Refunds										4 764	33			4 796
Call - General Reserves										24 000	343 741	(331 000)		36 741
7 Day Notice - General Reserves										74 946	519			75 464
1 Day Notice - General Reserves										30 940	234			31 174
Municipality sub-total										403 549		(401 594)	4 679	352 125
<b>Entities</b>														
Entities sub-total										-	-	-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>									<b>403 549</b>		<b>(401 594)</b>	<b>4 679</b>	<b>352 125</b>

The total consolidated investment balances as at 31 December 2023 is R352.125 million

## 2.4 Allocation and Grant receipts and Expenditure

**Grant Receipts:** The total year to date operational and capital grant receipts for the month of December 2023 amounted to R809.149 million that is inclusive of equitable share of R575.417 million, operating transfers and grants of R41.136 million and Capital transfers of R192.596 million.

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2022/23		Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>RECEIPTS:</b>	1,2										
<b>Operating Transfers and Grants</b>											
<b>National Government:</b>											
Local Government Equitable Share	765 767	805 981	–	257 982	600 701	201 495	197 710	98,1%	805 981		
Finance Management	696 056	767 222		255 741	575 417	383 611	191 806	50,0%	767 222		
Municipal Systems Improvement	1 950	1 950			1 950	975	975	–	1 950		
EPWP Incentive	5 228	4 979		2 241	3 485	2 490	996	40,0%	4 979		
Water Services Operating Subsidy	55 555										
Public Transport Infrastructure											
Energy Efficiency and Demand Management											
Municipal Water Infrastructure Grant	22 000				13 945	11 000	2 945	26,8%	22 000		
Operating costs-MIG	6 977	9 830			5 904	4 915	989	20,1%	9 830		
<b>Provincial Government:</b>	35 985	32 003	–	57	15 853	8 038	7 814	97,2%	32 003		
Provincial Government											
Human Settlements - Housing Development	2 831				929		929				
Arts and Culture- Community Library Services	16 172				13 538		13 538				
Arts and Culture- Provincialisation											
Arts and Culture-Museum Subsidies						6 829	(6 829)	-100,0%	13 658		
Arts and Culture-Museum Subsidies - Tatham Art Gallery	91	13 658			120		120				
Tatham Art Gallery-OPERATING- ART BANK					57	57	9 172	(9 172)	-100,0%	18 345	
Housing Projects-OPERATING	2 051	18 345									
Greater Edendale Development Initiative	14 671					209	–	209	–		
SETA- Bursaries for Non Employees- OPERATING	168					1 000	–	1 000	–		
Municipal Employment Initiative - OPERATING											
Informal Economy Infrastructure Development											
<b>District Municipality:</b>											
<i>[insert description]</i>											
<b>Other grant providers:</b>											
<i>[insert description]</i>											
<b>Total Operating Transfers and Grants</b>	5	801 751	837 984	–	258 039	616 553	209 534	205 524	98,1%	837 984	
<b>Capital Transfers and Grants</b>											
<b>National Government:</b>											
Municipal Infrastructure Grant (MIG)	286 472	312 535	–	2 000	185 846	78 134	29 579	37,9%	312 535		
Public Transport and Systems	220 149	238 929			141 691	119 464	22 227	18,6%	238 929		
Neighbourhood Development Partnership	–					–	–				
Dept of Mineral/Electricity	34 499	33 606			13 100	16 803	(3 703)	-22,0%	33 606		
Integrated National Electrification Programme	–					–	–				
Municipal Systems Improvement	27 380	7 000			6 000	3 500	2 500	71,4%	7 000		
Water Services Infrastructure Grant	4 444	28 000			22 055	14 000	8 055	57,5%	28 000		
Energy Efficiency and Demand Management	–	5 000		2 000	3 000	2 500	500	20,0%	5 000		
Other capital transfers/grants <i>[insert desc]</i>											
<b>Provincial Government:</b>											
Human Settlement - Housing Accreditation	37 847	136 165	–	315	6 750	34 041	(27 292)	-80,2%	136 165		
Housing	418	700				350	(350)	-100,0%	700		
<b>Provincial Government:</b>											
Arts and Culture- Community Library Services					900	210	690	328,6%	420		
Arts and Culture-Museum Subsidies - Tatham Art Gallery		420			451	–	451				
PMB Airport- CAPITAL	348				3 000	1 500	1 500	100,0%	3 000		
Housing Projects -Capital	2 875	3 000				7 425	(7 425)	-100,0%	14 850		
Human Settlement	14 850					58 098	(58 098)	-100,0%	116 195		
Greater Edendale Development Initiative-CAPITAL	5 022	116 195			315	1 399	–	1 399			
Operation Dlulismalando-Capital	11 683										
Youth Enterprise Park-CAPITAL	198										
Eastwood Primary Substation-CAPITAL	16 130										
Municipal Disaster Response Grant	620										
Corridor Development	487										
Informal Economy Infrastructure Development	66	1 000				1 000	500	500	100,0%	1 000	
<b>District Municipality:</b>											
<i>[insert description]</i>											
<b>Other grant providers:</b>											
<i>[insert description]</i>											
<b>Total Capital Transfers and Grants</b>	5	324 319	448 700	–	2 315	192 596	112 175	2 287	2,0%	448 700	
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	1 126 071	1 286 684	–	260 354	809 149	321 709	207 812	64,6%	1 286 684	

**Grants Expenditure:** The YTD budget grant expenditure for the month of December 2023 amounted to R643.418 million (including equitable share) and YTD actual expenditure amounted to R817.952 million.

KZN225 Msunduzi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description R thousands	Ref	2022/23		Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>EXPENDITURE</b>											
<b>Operating expenditure of Transfers and Grants</b>											
<b>National Government:</b>		<b>765 767</b>	<b>805 981</b>	<b>-</b>	<b>261 322</b>	<b>590 156</b>	<b>402 991</b>	<b>187 165</b>	<b>46,4%</b>	<b>805 981</b>	
Local Government Equitable Share		696 056	767 222		255 741	575 417	383 611	191 806	50,0%	767 222	
Finance Management		1 950	1 950		76	787	975	(188)	-19,3%	1 950	
Municipal Systems Improvement					1	1		1			
EPWP Incentive		5 228	4 979		1 331	2 635	2 490	145	5,8%	4 979	
Water Services Operating Subsidy		55 555			3 688	8 683		8 683			
Public Transport Infrastructure								-			
Energy Efficiency and Demand Management								-			
Municipal Water Infrastructure Grant							11 000	(11 000)	-100,0%		
Operating costs-MIG		6 977	22 000		485	2 633	4 915	(2 282)	-46,4%	22 000	
		9 830								9 830	
<b>Provincial Government:</b>		<b>35 985</b>	<b>32 154</b>	<b>-</b>	<b>2 723</b>	<b>10 823</b>	<b>16 077</b>	<b>(5 254)</b>	<b>-32,7%</b>	<b>32 154</b>	
Provincial Government:								-			
Human Settlements - Accredited Municipalities					255	2 307		2 307			
Human Settlements - Accredited Municipal RO								-			
Human Settlements - Housing Development		2 831			1 724	6 710		6 710			
Arts and Culture- Community Library Services		16 172						-			
Arts and Culture- Provincialisation								-			
Arts and Culture-Museum Subsidies			13 658				6 829	(6 829)	-100,0%	13 658	
Arts and Culture-Museum Subsidies - Tatham Art Gallery		91	151		15	32	-	32			
COGTA							76	(76)	-100,0%	151	
Municipal Employment Initiative - OPERATING							-	-			
SETA- Bursaries for Non Employees- OPERATING		168			69	69	-	69			
Greater Eendale Development Initiative					661	661	-	661			
Housing Projects -OPERATING		2 051	18 345				9 172	(9 172)	-100,0%	18 345	
Informal Economy Infrastructure Development		14 671					-	-			
KZN-Military Veterans						1 045		1 045		-	
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>[insert description]</i>								-			
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>[insert description]</i>								-			
<b>Total operating expenditure of Transfers and Grants:</b>		<b>801 751</b>	<b>838 135</b>	<b>-</b>	<b>264 044</b>	<b>600 979</b>	<b>419 068</b>	<b>181 911</b>	<b>43,4%</b>	<b>838 135</b>	
<b>Capital expenditure of Transfers and Grants</b>											
<b>National Government:</b>		<b>286 472</b>	<b>312 535</b>	<b>-</b>	<b>51 554</b>	<b>176 335</b>	<b>156 267</b>	<b>20 067</b>	<b>12,8%</b>	<b>312 535</b>	
Municipal Infrastructure Grant (MIG)		220 149	238 929		42 852	150 185	119 464	30 720	25,7%	238 929	
Public Transport and Systems					-	-	-	-			
Neighbourhood Development Partnership		34 499	33 606		1 478	-	16 803	(16 803)	-100,0%	33 606	
Dept of Mineral/Electricity					-	-	-	-			
Integrated National Electrification Programme		27 380	7 000		1 603	6 580	3 500	3 080	88,0%	7 000	
Municipal Systems Improvement					-	-	-	-			
Water Services Infrastructure Grant		4 444	28 000		4 355	16 335	14 000	2 335	16,7%	28 000	
Energy Efficiency and Demand Management			5 000		1 266	3 234	2 500	734	29,4%	5 000	
Other capital transfers/grants [insert desc]							-				
<b>Provincial Government:</b>		<b>37 847</b>	<b>136 165</b>	<b>-</b>	<b>11 064</b>	<b>40 638</b>	<b>68 083</b>	<b>(27 444)</b>	<b>-40,3%</b>	<b>136 165</b>	
Human Settlement		5 022						-			
Human Settlement - Housing Accreditation		418	700		2	2	350	(348)	-99,4%	700	
Housing							-	-			
<b>Provincial Government:</b>											
Arts and Culture- Community Library Services			420				210	(210)	-100,0%	420	
Arts and Culture-Museum Subsidies - Tatham Art Gallery		348					-	-			
PMB Airport- CAPITAL		2 875	3 000		764	764	1 500	(736)	-49,1%	3 000	
Housing Projects -Capital			14 850		7 589	33 554	7 425	26 129	351,9%	14 850	
Human Settlement			116 195				58 098	(58 098)	-100,0%	116 195	
<b>Informal Economy Infrastructure Development</b>		66	1 000		204	-	500	(500)	-100,0%	1 000	
Greater Eendale Development Initiative-CAPITAL		11 683			-	6 318		6 318		-	
Youth Enterprise Park-CAPITAL		198									
Jika Joe Community Residential Units-CAPITAL					(168)		-	-			
Municipal Disaster Response Grant		620					-	-			
Corridor Development		487					-	-			
Eastwood Primary Substation-CAPITAL		16 130			2 673	-					
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>0</i>								-			
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>0</i>								-			
<b>Total capital expenditure of Transfers and Grants</b>		<b>324 319</b>	<b>448 700</b>	<b>-</b>	<b>62 618</b>	<b>216 973</b>	<b>224 350</b>	<b>(7 377)</b>	<b>-3,3%</b>	<b>448 700</b>	
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>1 126 071</b>	<b>1 286 835</b>	<b>-</b>	<b>326 662</b>	<b>817 952</b>	<b>643 418</b>	<b>174 534</b>	<b>27,1%</b>	<b>1 286 835</b>	

## Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									D
	1	A	B	C					
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		41 150	3 618		3 372	20 599	1 809	18 791	1039%
Pension and UIF Contributions		2 495	3 295		225	1 334	1 648	(313)	-19%
Medical Aid Contributions		1 822	8 001		169	1 024	4 000	(2 977)	-74%
Motor Vehicle Allowance		2 551	39 273		219	1 275	19 636	(18 361)	-94%
Cellphone Allowance		3 719	747		272	1 611	373	1 238	332%
Housing Allowances		81	7 767		7	48	3 883	(3 835)	-99%
Other benefits and allowances		(0)			(2)	(10)		(10)	-
<b>Sub Total - Councillors</b>		<b>51 818</b>	<b>62 700</b>		<b>4 262</b>	<b>25 883</b>	<b>31 350</b>	<b>(5 467)</b>	<b>-17%</b>
% increase	4		21,0%						62 700 21,0%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		8 621	8 727		867	3 865	4 363	(498)	-11%
Pension and UIF Contributions		816	687		104	513	343	170	49%
Medical Aid Contributions		199	60 106		12	85	30 053	(29 968)	-100%
Motor Vehicle Allowance		993	2 559		70	475	1 279	(805)	-63%
Cellphone Allowance		110	171		8	50	85	(35)	-41%
Housing Allowances		203	70 026		17	103	35 013	(34 910)	-100%
Post-retirement benefit obligations									-
<b>Sub Total - Senior Managers of Municipality</b>		<b>11 064</b>	<b>142 275</b>		<b>1 078</b>	<b>5 092</b>	<b>71 138</b>	<b>(66 046)</b>	<b>-93%</b>
% increase	4		1186,0%						142 275 1186,0%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		991 780	1 030 081		80 464	558 007	515 040	42 966	8%
Pension and UIF Contributions		180 566	291 354		15 529	94 264	145 677	(51 413)	-35%
Medical Aid Contributions		63 939	122 280		6 338	38 471	61 140	(22 669)	-37%
Overtime		120 003	101 320		8 636	57 845	50 660	7 185	14%
Motor Vehicle Allowance		30 212	36 572		2 656	16 069	18 266	(2 217)	-12%
Cellphone Allowance		4 908	5 141		446	2 668	2 570	97	4%
Housing Allowances		4 538	4 916		391	2 373	2 458	(85)	-3%
Other benefits and allowances		34 345	39 950		2 247	15 595	19 975	(4 381)	-22%
Payments in lieu of leave		-	-						-
Long service awards		25 501	18 330		2 006	16 146	9 165	6 981	76%
Post-retirement benefit obligations		-	-						-
Entertainment									-
Scarcity									-
Acting and post related allowance									-
In kind benefits									-
<b>Sub Total - Other Municipal Staff</b>		<b>1 455 792</b>	<b>1 649 944</b>		<b>118 713</b>	<b>801 437</b>	<b>824 972</b>	<b>(23 535)</b>	<b>-3%</b>
% increase	4		13,3%						1 649 944 13,3%
<b>Total Parent Municipality</b>		<b>1 518 673</b>	<b>1 854 919</b>		<b>124 052</b>	<b>832 411</b>	<b>927 459</b>	<b>(95 049)</b>	<b>-10%</b>
Unpaid salary, allowances & benefits in arrears:			~ ~ ~						~ ~ ~
<b>Board Members of Entities</b>									
Basic Salaries and Wages		251	231		51	152	115	37	32%
<b>Board Fees</b>									
<b>Sub Total - Executive members Board</b>		<b>251</b>	<b>231</b>		<b>51</b>	<b>152</b>	<b>115</b>	<b>37</b>	<b>32%</b>
% increase	2		-7,9%						-
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages		805	858		124	433	429	4	1%
Pension and UIF Contributions		2			3	17	15	1	8%
Medical Aid Contributions		31	31		3	15	15	-	-
Motor Vehicle Allowance		30	30		3	5	5	-	-
Cellphone Allowance		11	11		1	5	5	-	-
Post-retirement benefit obligations									-
Entertainment									-
Scarcity									-
Acting and post related allowance									-
In kind benefits									-
<b>Sub Total - Senior Managers of Entities</b>		<b>879</b>	<b>929</b>		<b>130</b>	<b>470</b>	<b>465</b>	<b>5</b>	<b>1%</b>
% increase	4		5,8%						-
<b>Other Staff of Entities</b>									
Basic Salaries and Wages		8 474	8 737		1 269	4 525	4 368	157	4%
Pension and UIF Contributions		657	600		47	284	300	(16)	-5%
Medical Aid Contributions		1 083	866		92	561	433	128	30%
Overtime		381	367		37	162	184	(22)	-12%
Motor Vehicle Allowance		102	102		9	51	51	-	-
Cellphone Allowance		106	106		9	53	53	-	-
Other benefits and allowances		52							-
Entertainment									-
Scarcity									-
Acting and post related allowance									-
In kind benefits									-
<b>Sub Total - Other Staff of Entities</b>		<b>10 856</b>	<b>10 778</b>		<b>1 462</b>	<b>5 636</b>	<b>5 389</b>	<b>247</b>	<b>5%</b>
% increase	4		-0,7%						-
<b>Total Municipal Entities</b>		<b>11 985</b>	<b>11 938</b>		<b>1 643</b>	<b>6 258</b>	<b>5 969</b>	<b>289</b>	<b>5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>1 530 659</b>	<b>1 866 857</b>		<b>125 695</b>	<b>838 669</b>	<b>933 428</b>	<b>(94 760)</b>	<b>-10%</b>
% increase	4		22,0%						21,2%
<b>TOTAL MANAGERS AND STAFF</b>		<b>1 478 590</b>	<b>1 803 926</b>		<b>121 383</b>	<b>812 634</b>	<b>901 963</b>	<b>(89 329)</b>	<b>-10%</b>
									<b>1 792 219</b>

## **Councillor Allowances**

The expenditure on councillor allowances has variance of -17% as at 31 December 2023, which is a little bit higher than acceptable threshold of -10%. The year to date budget for remuneration of councillor's is R31.350 million while the actual expenditure incurred was R25.883 million resulting in under expenditure performance.

## **Employee Benefits**

The total consolidated salaries actual expenditure as at 31 December 2023 amounted to R812.786 million, against the year to date budget of R896.574 million, resulting in an under-expenditure of R83.788 million.

## 2.5 Parent Municipality Financial Performance

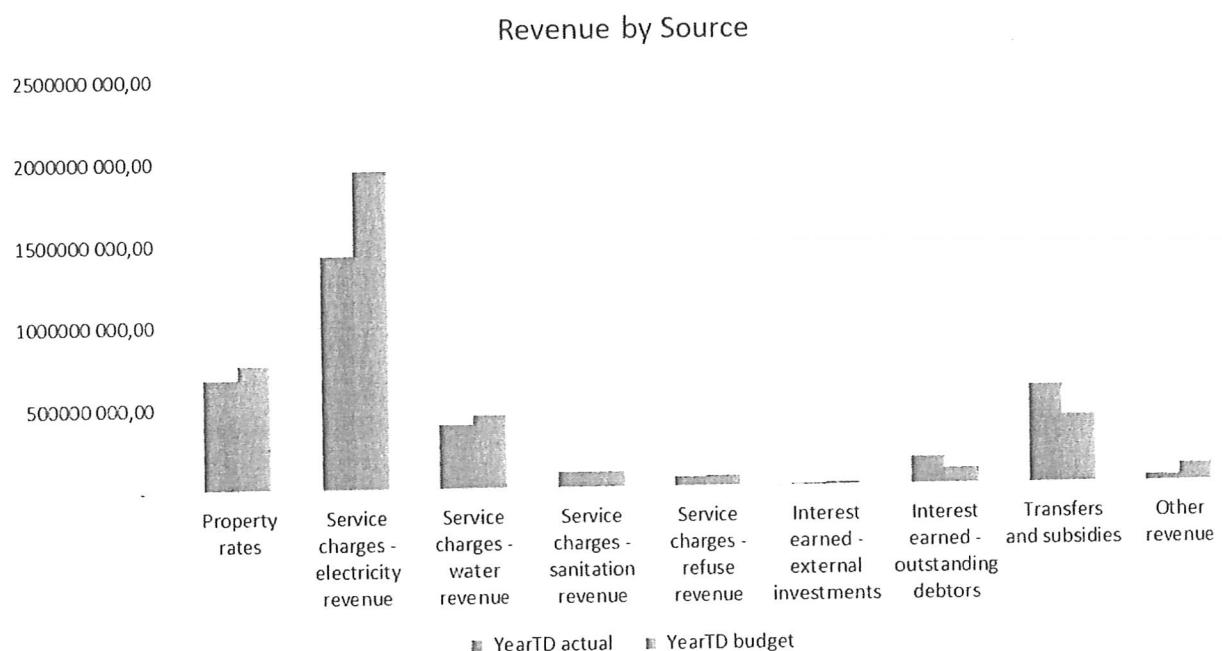
### REVENUE ANALYSIS

The financial performance section analyses material variances between the actual targets as at year to date and the budget for the same period. This report analyses each major component under following headings:

- ✓ Revenue by Source and
- ✓ Operational Expenditure by Type

#### 2.5.1 FINANCIAL PERFORMANCE

Chart 4: Revenue Analysis



**Service Charges – Electricity Revenue:** This is a major revenue source of the Municipality contributing 41% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges had a -27% variance when compared to the Year to date Budget, which is not acceptable variance as it is more than 10%.

**Property Rates** is the second largest contributor to the operating revenue basket making up 19% of the total operating revenue. There is a -11% variance when comparing year to date actual and year to date budget which is not an acceptable variance.

**Transfers recognised – Operational** is made up of all operational grants funding mainly from the National & Provincial Government Departments, the largest of these being the equitable share.

**Service charges - Water:** The revenue earned from water charges shared 11% of the total operating revenue. There is a slight under performance of -12% when comparing YTD actual to YTD Budget.

**Service charges - Waste Water Management:** reflects an under performance of -5% when comparing the YTD actual revenue to the YTD budget.

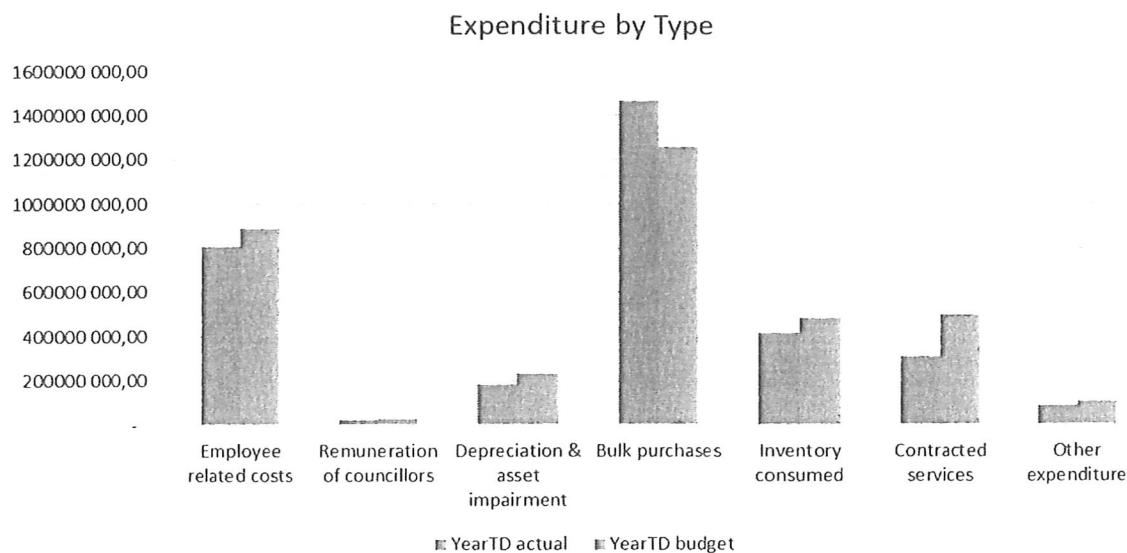
**Service charges - Waste management:** reflects an under performance of -10% when comparing the YTD actual revenue to the YTD budget.

**Interest earned from Receivables:** Contributed 5% to the total operating revenue whilst Operational Revenue contributed 1% to the total operating revenue received as at 31 December 2023.

## OPERATIONAL EXPENDITURE

The chart below presents the Sixth Month YTD operational expenditure movements against the YTD budgets.

**Chart 5: Expenditure by category**



**Bulk Purchases:** YTD budget figure was R 1.257 billion while the actual costs incurred R1.464 billion resulting in over-expenditure of R206.939.000 million. The budget for Bulk Purchases will need to be adjusted upwards in the mid-year adjustment.

**Employee Related Costs:** There is an under expenditure of R84.077 million in respect of actual YTD expenditure on employee related costs against the YTD budget. This is due to post that are vacant and yet to be filled. A detailed line item and business unit analysis of the employee related cost is contained in the MFMA S66 report on staff benefits.

**Operational costs:** YTD budget figure was R107.691 million while the actual costs incurred was R87.153 million resulting in an under-expenditure of R20.538 million.

**Interest:** YTD budgeted figure for finance charges for as 31 December 2023 amounted to R20.200 million and the Actual YTD was R52.510 million which resulted in variance of R32.309 million.

**Contracted Services:** YTD Actual for contracted services amounted to R311.197 million, whilst the budget amounted to R497.105 million, which resulted in variance of R185.909 million.

**Inventory Consumed:** YTD actual figure for inventory consumed as at 31 December amounted to R418.193 million, which is inclusive of water bulk purchases of R347.398 million.

## 2.6 Municipal Entity Financial Performance

Safe City Msunduzi NPC - Table F1 Monthly Budget Statement Summary - M06 December

Description	2022/23 R thousands	Current Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	173	80	-	20	114	40	0	184%	-
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	13 189	14 029	-	3 507	7 013	7 013	(0)	0%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>13 362</b>	<b>14 109</b>	<b>-</b>	<b>3 527</b>	<b>7 127</b>	<b>7 053</b>	<b>74</b>	<b>1%</b>	<b>-</b>
Employee costs	11 888	11 993	-	1 643	6 258	5 996	261	4%	-
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	846	834	-	65	384	417	(33)	-8%	-
Interest	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	2 035	2 034	-	95	923	994	(71)	-7%	-
<b>Total Expenditure</b>	<b>14 770</b>	<b>14 861</b>	<b>-</b>	<b>1 802</b>	<b>7 565</b>	<b>7 408</b>	<b>157</b>	<b>2%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>(1 407)</b>	<b>(752)</b>	<b>-</b>	<b>1 725</b>	<b>(438)</b>	<b>(355)</b>	<b>(83)</b>	<b>23%</b>	<b>-</b>
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1 407)</b>	<b>(752)</b>	<b>-</b>	<b>1 725</b>	<b>(438)</b>	<b>(355)</b>	<b>(83)</b>	<b>23%</b>	<b>-</b>
Income Tax	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(1 407)</b>	<b>(752)</b>	<b>-</b>	<b>1 725</b>	<b>(438)</b>	<b>(355)</b>	<b>(83)</b>	<b>23%</b>	<b>-</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial position</b>									
Total current assets	4 309	5 072	-		4 290				5 072
Total non current assets	7 724	7 305	-		7 340				7 305
Total current liabilities	-	-	-		-				-
Total non current liabilities	-	-	-		-				-
Community wealth/Equity	-	10 768	-		10 114				10 768
<b>Cash flows</b>									
Net cash from (used) operating	3 098	282	-	1 784	(66)	41	(107)	-263%	-
Net cash from (used) investing	(72)	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>4 306</b>	<b>4 589</b>	<b>-</b>	<b>1 784</b>	<b>(66)</b>	<b>4 347</b>	<b>(4 413)</b>	<b>-102%</b>	<b>1 280</b>
<b>Debtors &amp; creditors analysis</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	-	-	-	-	-	-	-	0%	-
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	0%	-

## 2.7 Capital Programme Performance

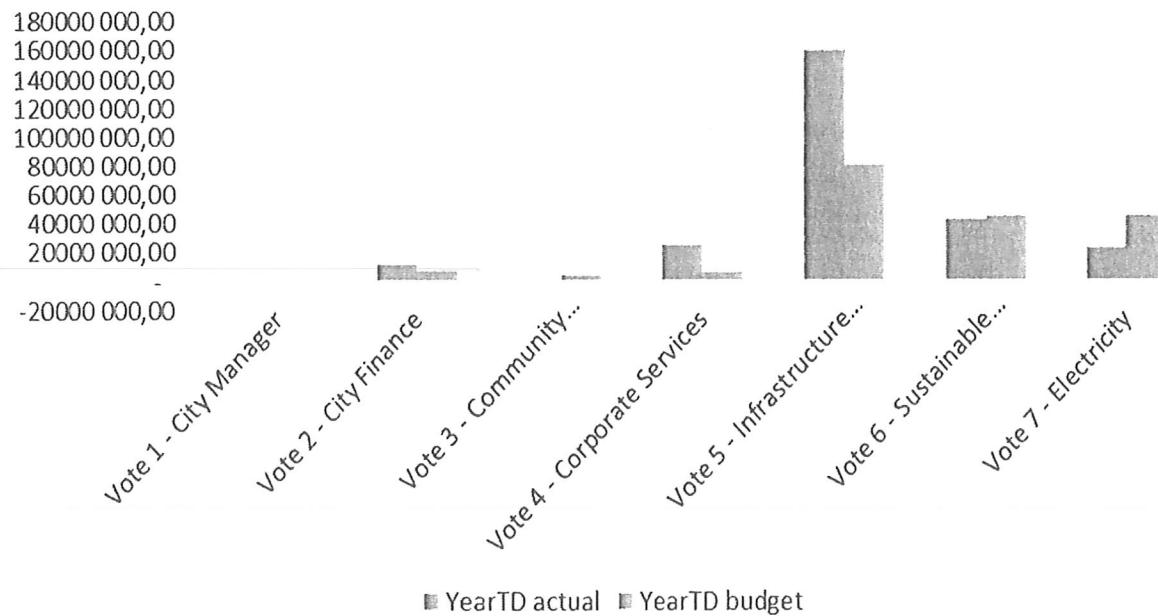
This next section looks at the performance of the capital expenditure programme. This performance is illustrated in the table and charts that follow.

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

Month	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>								
<b>Monthly expenditure performance trend</b>								
July	45 649	64 063		16 310	16 310	64 063	47 754	74,5%
August	45 649	64 063		37 530	53 840	128 127	74 287	58,0%
September	45 649	64 063		51 171	105 010	192 190	87 180	45,4%
October	45 649	64 063		7 816	112 827	256 253	143 427	56,0%
November	45 649	64 063		79 015	191 842	320 317	128 475	40,1%
December	45 649	64 063		73 006	264 848	384 380	119 532	31,1%
January	45 649	64 063			448 443		—	
February	45 649	64 063			512 507		—	
March	45 649	64 063			576 570		—	
April	45 649	64 063			640 633		—	
May	45 649	64 063			704 697		—	
June	45 649	64 063			768 760		—	
<b>Total Capital expenditure</b>	<b>547 790</b>	<b>768 760</b>	<b>—</b>	<b>264 848</b>				

The Total Capital Expenditure as at the end of December amounted to R264.848 million.

### Capital Expenditure by Vote



KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q2 Second Quarter

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		83 119	291 588	-	11 987	45 460	145 794	100 334	68,8%	291 588
Roads Infrastructure		2 070	2 250	-	71	250	1 125	875	77,8%	2 250
Roads		2 070	2 250	-	71	250	1 125	875	77,8%	2 250
Electrical Infrastructure		63 108	194 000	-	5 052	17 295	97 000	79 705	82,2%	194 000
Power Plants		63 108	194 000	-	5 052	17 295	97 000	79 705	82,2%	194 000
Water Supply Infrastructure		4 743	29 860	-	6 865	7 091	14 930	7 839	52,5%	29 860
Dams and Weirs										
Boreholes										
Reservoirs		4 743	29 860	-	6 865	7 091	14 930	7 839	52,5%	29 860
Sanitation Infrastructure		11 811	65 478	-	-	20 824	32 739	11 915	36,4%	65 478
Pump Station		11 811	65 478	-	-	20 824	32 739	11 915	36,4%	65 478
Reticulation		1 388	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 388	-	-	-	-	-	-	-	-
Landfill Sites										
<u>Community Assets</u>		37 937	25 607	-	764	12 325	12 804	479	3,7%	25 607
Community Facilities		37 937	25 607	-	764	12 325	12 804	479	3,7%	25 607
Halls		35 824	25 607	-	(0)	11 561	12 804	1 243	9,7%	25 607
Centres										
Cemeteries/Crematoria		198								
Police		1 907								
Taxi Ranks/Bus Terminals		8			764	764		(764)		
Capital Spares										
<u>Other assets</u>		12 611	145 545	-	7 420	34 974	72 773	37 799	51,9%	145 545
Operational Buildings		8 244	10 000	-	-	1 420	5 000	3 580	71,6%	10 000
Municipal Offices		(155)								
Pay/Enquiry Points										
Building Plan Offices										
Workshops		8 399	10 000	-	-	1 420	5 000	3 580	71,6%	10 000
Yards										
Housing		4 367	135 545	-	7 420	33 554	67 773	34 219	50,5%	135 545
Staff Housing		4 367	135 545	-	7 420	33 554	67 773	34 219	50,5%	135 545
Social Housing										
Capital Spares										
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<u>Intangible Assets</u>		7 986	30 000	-	-	-	15 000	15 000	100,0%	30 000
Servitudes		7 986	30 000	-	-	-	15 000	15 000	100,0%	30 000
Licences and Rights		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>		6 316	15 000	-	2	12 569	7 500	(5 069)	-67,6%	15 000
Furniture and Office Equipment		6 316	15 000	-	2	12 569	7 500	(5 069)	-67,6%	15 000
<u>Machinery and Equipment</u>		9 073	199	-	-	1 878	100	(1 779)	-1787,9%	199
Machinery and Equipment		9 073	199	-	-	1 878	100	(1 779)	-1787,9%	199
<u>Transport Assets</u>		7 760	-	-	-	(65)	-	65		-
Transport Assets		7 760	-	-	-	(65)	-	65		-
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on new assets	1	164 802	507 940	-	20 174	107 141	253 970	146 828	57,8%	507 940

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Q2

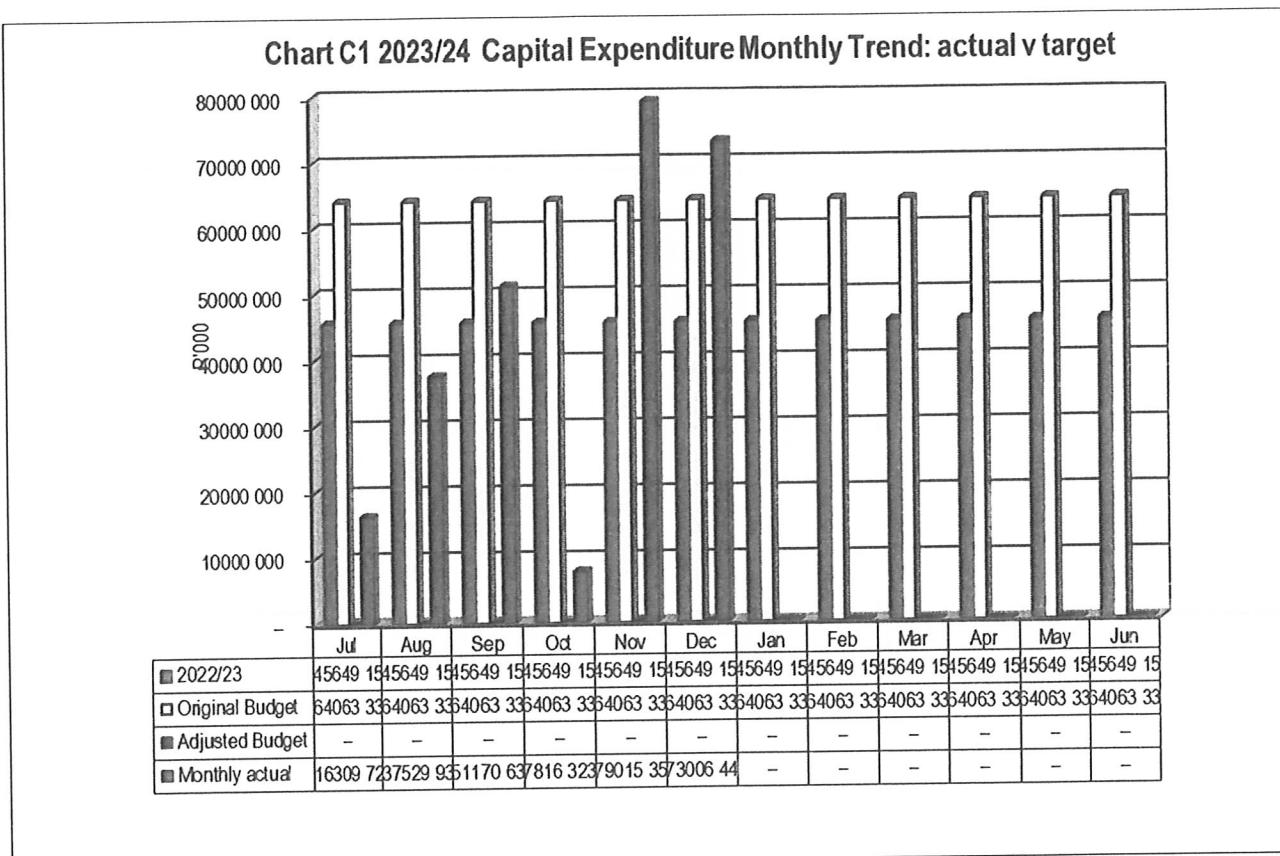
Description R thousands	Ref 1	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		115 551	47 356	-	15 364	50 752	23 678	(27 074)	-114,3%	47 356
Roads Infrastructure		115 551	33 150	-	12 012	43 235	16 575	(26 660)	-160,8%	33 150
Roads		115 551	33 150	-	12 012	43 235	16 575	(26 660)	-160,8%	33 150
Sanitation Infrastructure		-	-	-	3 353	7 517	-	(7 517)	-	-
Pump Station									-	
Reticulation					3 353	7 517		(7 517)	-	
Waste Water Treatment Works									-	
Coastal Infrastructure		-	14 206	-	-	-	7 103	7 103	100,0%	14 206
Sand Pumps									-	
Piers									-	
Revetments									-	
Promenades							7 103	7 103	100,0%	14 206
Capital Spares									-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres									-	
Core Layers									-	
Distribution Layers									-	
Capital Spares									-	
<b>Community Assets</b>		175	8 000	-	-	-	4 000	4 000	100,0%	8 000
Community Facilities		175	8 000	-	-	-	4 000	4 000	100,0%	8 000
Halls									-	
Markets		175	8 000				4 000	4 000	100,0%	8 000
Stalls									-	
<b>Other assets</b>		130	-	-	1 250	3 261	-	(3 261)	-	-
Operational Buildings		130	-	-	1 250	3 261	-	(3 261)	-	-
Municipal Offices					1 250	3 261		(3 261)	-	
Pay/Enquiry Points									-	
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									-	
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes									-	
Licences and Rights									-	
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment									-	
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									-	
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment									-	
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets									-	
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land									-	
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									-	
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection									-	
Zoological plants and animals									-	
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection									-	
Zoological plants and animals									-	
<b>Total Capital Expenditure on renewal of existing assets</b>	1	115 855	55 356	-	16 614	54 013	27 678	(26 335)	-95,1%	55 356

KZN225 Msunduzi - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Q2

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		228 972	189 765	-	26 428	92 416	94 882	2 467	2,6%	189 765
Roads Infrastructure		122 865	38 400	-	2 939	33 140	19 200	(13 940)	-72,6%	38 400
Roads		122 865	38 400	-	2 939	33 140	19 200	(13 940)	-72,6%	38 400
Electrical Infrastructure		5 702	-	-	2 219	5 825	-	(5 825)	-	-
Power Plants		5 702	-	-	2 219	5 825	-	(5 825)	-	-
Water Supply Infrastructure		60 284	106 065	-	16 946	39 368	53 032	13 664	25,8%	106 065
Dams and Weirs		60 284	106 065	-	16 946	39 368	53 032	13 664	25,8%	106 065
Distribution		60 284	106 065	-	16 946	39 368	53 032	13 664	-	-
Distribution Points		60 284	106 065	-	16 946	39 368	53 032	13 664	-	-
PRV Stations		60 284	106 065	-	16 946	39 368	53 032	13 664	-	-
Capital Spares		60 284	106 065	-	16 946	39 368	53 032	13 664	-	-
Sanitation Infrastructure		35 610	40 300	-	2 133	11 769	20 150	8 381	41,6%	40 300
Pump Station		35 610	40 300	-	2 133	11 769	20 150	8 381	41,6%	40 300
Reticulation		35 610	40 300	-	2 133	11 769	20 150	8 381	41,6%	40 300
Waste Water Treatment Works		35 610	40 300	-	2 133	11 769	20 150	8 381	41,6%	40 300
Solid Waste Infrastructure		4 511	5 000	-	2 190	2 314	2 500	186	7,4%	5 000
Landfill Sites		4 511	5 000	-	2 190	2 314	2 500	186	7,4%	5 000
-		4 511	5 000	-	(1 780)	433	-	(433)	-	-
<u>Community Assets</u>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	(1 780)	433	-	(433)	-	-
Indoor Facilities		-	-	-	(1 780)	433	-	(433)	-	-
Outdoor Facilities		-	-	-	(1 780)	433	-	(433)	-	-
Capital Spares		-	-	-	(1 780)	433	-	(433)	-	-
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<u>Other assets</u>		38 161	10 700	-	11 571	10 845	5 350	(5 495)	-102,7%	10 700
Operational Buildings		38 161	10 700	-	11 571	10 845	5 350	(5 495)	-102,7%	10 700
Municipal Offices		38 161	10 700	-	11 571	10 845	5 350	(5 495)	-102,7%	10 700
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		-	5 000	-	-	-	2 500	2 500	100,0%	5 000
Transport Assets		-	5 000	-	-	-	2 500	2 500	100,0%	5 000
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing	1	267 133	205 465	-	36 218	103 694	102 732	(962)	-0,9%	205 465

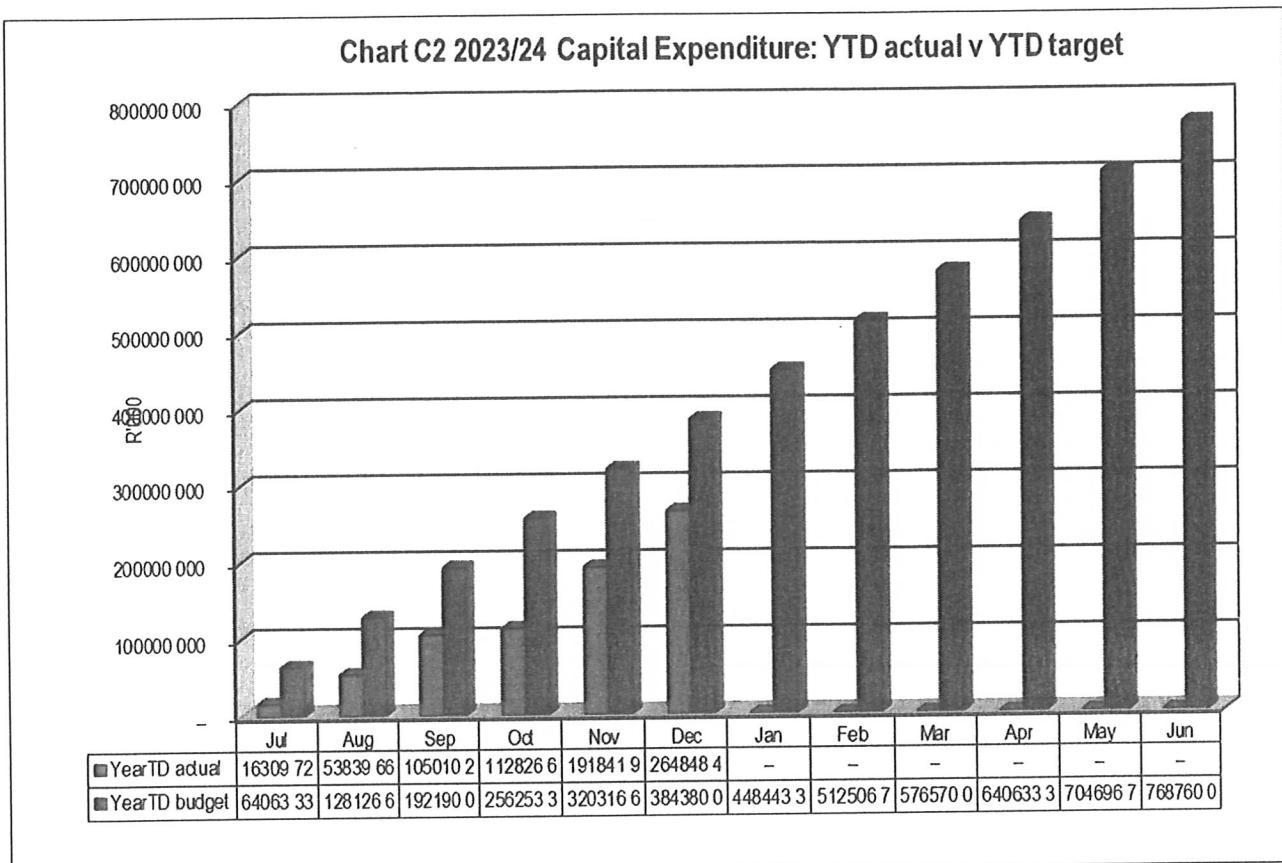
The chart below displays a comparison between the previous year's capital expenditure performances to that of the current year for the month under review.

**Chart 6: Capital Expenditure Monthly Trend**



The chart below, on the other hand, tracks the capital expenditure's cumulative balances budget versus actual.

**Chart 7: Capital Expenditure: YTD Actual vs. YTD Target**



In Year report of Municipal Entities is attached to the Municipality's in-year report

## 2.8 Municipal Manager's Quality's Certification

## Quality Certificate

I, L. MAPHOLOBA, the municipal manager of MSUNDUZI LOCAL MUNICIPALITY, hereby certify that –

- the monthly budget statement

for the month of DECEMBER 2023/ SECTION 52D/ SECTION 71/ SECTION 72 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **LULAMILE MAPHOLOBA**

Municipal manager of: **MSUNDUZI MUNICIPALITY**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### Acknowledgement of receipt

## Report in terms of S71 (1)/S52D/S72 of MFMA

Received on behalf of Mayor: \_\_\_\_\_  
Name & Surname

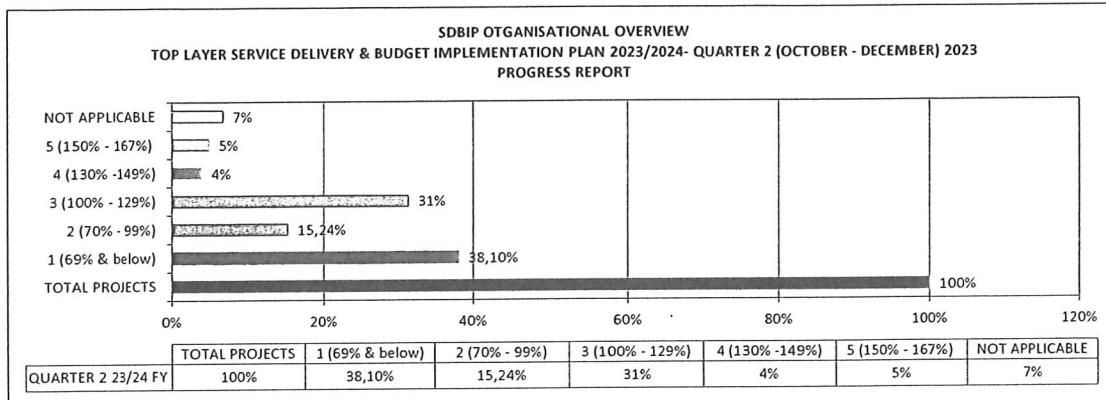
Signature:

Date of receipt:

## SDBIP ORGANISATIONAL OVERVIEW

TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER)  
2023 PROGRESS REPORT

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
	N/A	TOTAL PROJECTS	N/A	
1		NIL ACHIEVED	69% and below	
2		TARGET PARTIALLY MET	70% - 99%	
3		TARGET MET	100% - 129%	
4		TARGET EXCEEDED	130% - 149%	
5		TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

**1 TOP LAYER SDBIP ORGANISATIONAL OVERVIEW**1,1 **TOTAL PROJECTS:** 105**2,1 GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS**

2.1.1 A total of 105 Capital Projects were reported on the SDBIP for the QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT

2.1.2 38.10% of the projects were reported as having achieved a 1 on the SDBIP for the QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT

2.1.3 15.24% of the projects were reported as having achieved a 2 on the SDBIP for the QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT

2.1.4 31% of the projects were reported as having achieved a 3 on the SDBIP for the QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT

2.1.5 4% of the projects were reported as having achieved a 4 on the SDBIP for the QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT

2.1.6 5% of the projects were reported as having achieved a 5 on the SDBIP for the QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT

2.1.7 7% of the projects were reported as not applicable due to not having any targets on the SDBIP for the QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT

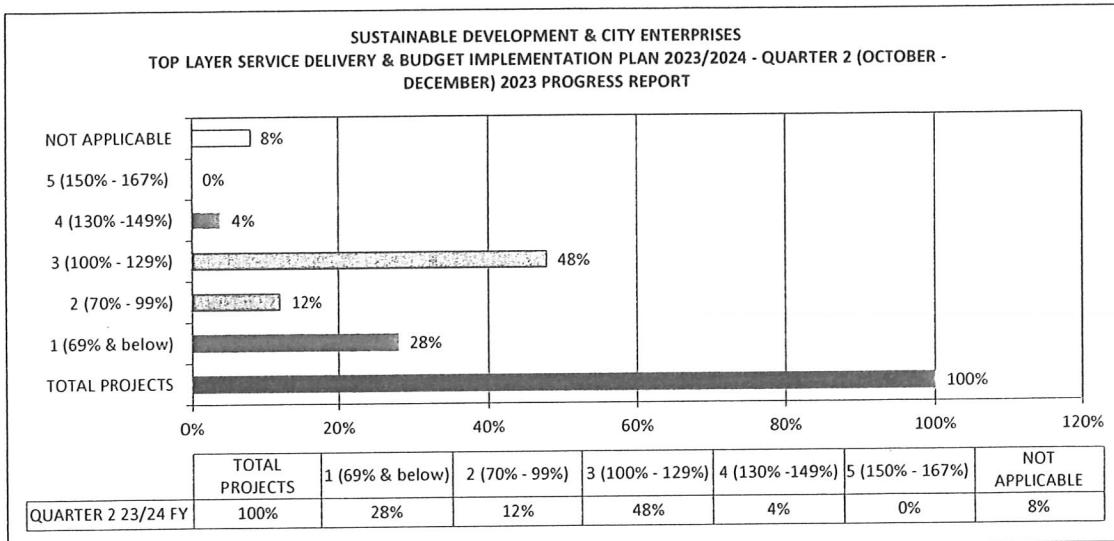
**SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES OVERVIEW**  
**TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT**

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
N/A		TOTAL PROJECTS	N/A	
1		NIL ACHIEVED	69% and below	
2		TARGET PARTIALLY MET	70% - 99%	
3		TARGET MET	100% - 129%	
4		TARGET EXCEEDED	130% - 149%	
5		TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

**1 SUSTAINABLE DEVELOPMENT & CITY ENTERPRISE OVERVIEW**

**1,1 TOTAL PROJECTS:** 25

**2,1 GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS**



INDEX	TOP LEVEL PERFORMANCE INDICATOR	GOALS	STRATEGIC OBJECTIVE	PROGRAMME	ACTIVITIES / STATUS Q3/Q4	WADU	UNIT OF MEASURE	ANNUAL BUDGET INFORMATION	QUARTER 3 OCTOBER - DECEMBER 2023 PRIORITIES REPORT			RESPONSIBLE GOVERNMENT DEPARTMENT	
									QUARTER 2 JUNIOR	QUARTER 3 ACTUAL	ACTUAL / QUARTER 3 (APPLIED)	THREATEN TO IMPAIRMENT CORRECTIVE MEASURES	
C	C1	SOURCE 01	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	Community Work Creation	Number of work opportunities created through LED development initiatives, including Capital Projects	All	1000 x work opportunities created through LED development initiatives, including Capital Projects by the 30th of June 2023	N/A	500 x work opportunities created through LED development initiatives, including Capital Projects by the 30th of December 2023	N/A	500 x work opportunities created through LED development initiatives, including Capital Projects by the 30th of December 2023	N/A	DEVELOPMENT SERVICES
C	C2	SOURCE 02	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	5.1 Improved Business Licensing	Business Registration Database	All	600 x Businesses visited and registered in the Business database by the 30th of June 2023	N/A	600 x Businesses visited and registered in the Business database by the 30th of June 2023	N/A	600 x Businesses visited and registered in the Business database by the 30th of June 2023	N/A	DEVELOPMENT SERVICES
C	C3	SOURCE 03	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	GOAL 5: ECONOMIC GROWTH AND DEVELOPMENT	5.2 Improved Business Licensing	All	100% Business Licensing Applications processed within 21 days in terms of Business Act for the 22/23 FY by the 30th of June 2023	N/A	100% Business Licensing Applications processed within 21 days in terms of Business Act for the 22/23 FY by the 30th of June 2023	N/A	100% Business Licensing Applications processed within 21 days in terms of Business Act for the 22/23 FY by the 30th of June 2023	N/A	DEVELOPMENT SERVICES
C	C4	SOURCE 04	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	GOAL 5: ECONOMIC GROWTH AND DEVELOPMENT	5.2 Improved Business Licensing	All	600 businesses to be visited and inspected for valid Business Licences by the 30th of June 2023	N/A	720 x Businesses to be visited and inspected for valid Business Licences by the 30th of June 2024	N/A	720 x Businesses to be visited and inspected for valid Business Licences by the 30th of June 2024	N/A	DEVELOPMENT SERVICES
C	C5	SOURCE 05	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	GOAL 5: ECONOMIC GROWTH AND DEVELOPMENT	5.2 Improved Business Licensing	All	600 businesses to be visited and inspected for valid Business Licences by the 30th of June 2023	N/A	600 businesses to be visited and inspected for valid Business Licences by the 30th of June 2023	N/A	600 businesses to be visited and inspected for valid Business Licences by the 30th of June 2023	N/A	DEVELOPMENT SERVICES
C	C6	SOURCE 06	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	GOAL 5: ECONOMIC GROWTH AND DEVELOPMENT	5.2 Improved Business Licensing	All	Announced Incentive policy, implementation scheme and expansion	N/A	Announced Incentive Policy Reviewed	N/A	Announced Incentive Policy Reviewed	N/A	DEVELOPMENT SERVICES
C	C7	SOURCE 07	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	GOAL 5: ECONOMIC GROWTH AND DEVELOPMENT	5.2 Improved Business Licensing	All	Implementation of business incentives	N/A	Implementation of business incentives	N/A	Implementation of business incentives	N/A	DEVELOPMENT SERVICES
C	C8	SOURCE 08	INDPA 3 - LOCAL ECONOMIC DEVELOPMENT	GOAL 5: ECONOMIC GROWTH AND DEVELOPMENT	5.2 Improved Business Licensing	All	Incentive policy will be implemented and reviewed after the 30th of December 2023	N/A	Incentive policy will be implemented and reviewed after the 30th of December 2023	N/A	Incentive policy will be implemented and reviewed after the 30th of December 2023	N/A	DEVELOPMENT SERVICES

Performance Reporting 2023/2024 FY - QUARTER 2 (October, December) 2023 Mid-Year Report																	
Strategic Objective	Key Result Area	Key Result	Annual Budget Information								Town Planning & Environment Management and Development Services						
			Target	Actual	Variance	% Complete	Budget	Spent	Variance	% Complete	Target	Actual	Variance	% Complete	Budget	Spent	Variance
C2: GROWING THE REGIONAL ECONOMY	GOAL 5: LOCAL ECONOMIC DEVELOPMENT	SDCE 07 INDIA 3 - LOCAL ECONOMIC DEVELOPMENT	5.2 Improved Investment Attraction, Retention and expansion	Economic Development	22	-	SPLUMA	N/A	-	10%	Implementation of the Economic Centre Promenade 1 Phase 1	10%	Project completed by the 31st of December 2023	Jan-24	N/A	Settlement Agreement was reached on 10th October 2023. Project completed by the 31st of December 2023.	TOWN PLANNING & ENVIRONMENTAL MANAGEMENT AND DEVELOPMENT SERVICES
C2: GROWING THE REGIONAL ECONOMY	GOAL 5: LOCAL ECONOMIC DEVELOPMENT	SDCE 09 INDIA 6 - LOCAL ECONOMIC DEVELOPMENT	6.1 Land Acquisition and Development	Land Acquisition	10	-	SPLUMA	N/A	-	10%	Implementation of the Economic Centre Promenade 1 Phase 1	10%	Project completed by the 31st of December 2023	Jan-24	N/A	Settlement Agreement was reached on 10th October 2023. Project completed by the 31st of December 2023.	TOWN PLANNING & ENVIRONMENTAL MANAGEMENT AND DEVELOPMENT SERVICES
F1: 1. BUILDING A CAPABLE & INFORMED MUNICIPALITY	GOAL 5: LOCAL ECONOMIC DEVELOPMENT	SDCE 10 INDIA 7 - LOCAL ECONOMIC DEVELOPMENT	7.1 Growing the Regional Economy	Local Economic Development	10 to 24	-	Local Authority	All	-	100%	Promenade 1 road	100%	Project completed by the 31st of December 2023	Dec-23	N/A	Promenade 1 road completed by the 31st of December 2023.	TOWN PLANNING & ENVIRONMENTAL MANAGEMENT AND DEVELOPMENT SERVICES
C1: 5 - GROWING THE REGIONAL ECONOMY	GOAL 5: LOCAL ECONOMIC DEVELOPMENT	SDCE 11 INDIA 8 - LOCAL ECONOMIC DEVELOPMENT	8.1 Growing the Regional Economy	Local Economic Development	10 to 24	-	Local Authority	All	-	100%	Promenade 1 road	100%	Project completed by the 31st of December 2023	Dec-23	N/A	Promenade 1 road completed by the 31st of December 2023.	TOWN PLANNING & ENVIRONMENTAL MANAGEMENT AND DEVELOPMENT SERVICES
C3: 5 - GROWING THE REGIONAL ECONOMY	GOAL 5: LOCAL ECONOMIC DEVELOPMENT	SDCE 12 INDIA 9 - LOCAL ECONOMIC DEVELOPMENT	9.1 Growing the Regional Economy	Local Economic Development	10 to 24	-	Local Authority	All	-	100%	Promenade 1 road	100%	Project completed by the 31st of December 2023	Dec-23	N/A	Promenade 1 road completed by the 31st of December 2023.	TOWN PLANNING & ENVIRONMENTAL MANAGEMENT AND DEVELOPMENT SERVICES
Quarter 3 (October - December) 2023 Progress Report																	
Settlement Agreement was reached on 10th October 2023. Project completed by the 31st of December 2023.																	
Project was delayed due to finalisation of compensation.																	
Settlement Agreement was reached on 10th October 2023. Project completed by the 31st of December 2023.																	
Promenade 1 road completed by the 31st of December 2023.																	
Implementation of the Economic Centre Promenade 1 Phase 1																	
Implementation of the Economic Centre Promenade 1 Phase 1																	
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ANNUAL BUDGET INFORMATION									
PERFORMANCE REPORTING (2023/2024 FY - QUARTER 2 OCTOBER - DECEMBER) 2023 Progress Report		QUARTER 2 (October - December) 2023 Progress Report		QUARTER 3 (January - March) 2024 Progress Report		QUARTER 4 (April - June) 2024 Progress Report		FUTURE (July - September) 2024 Progress Report	
Strategic Area	Strategic Objective	Strategic Initiatives	Strategic Outcomes	Strategic Initiatives	Strategic Outcomes	Strategic Initiatives	Strategic Outcomes	Strategic Initiatives	Strategic Outcomes
F 1- SDACE 21: INDIA 6 - SPATIAL CROSS CUTTING & HUMAN SETTLEMENTS	F 1- BUILDING A CAPABLE & DEVELOPMENTAL MUNICIPALITY	F 3 SPATIAL CROSS CUTTING	NIPA 6 - HUMAN SETTLEMENTS	H.3 Housing Sector Plan	No. of new houses constructed	R 118 364 537.64 DHRS	N/A	D6	HUMAN SETTLEMENTS
F 1- SDACE 22: INDIA 6 - SPATIAL CROSS CUTTING & ECONOMIC MUNICIPALITY	F 1- BUILDING A CAPABLE & DEVELOPMENTAL MUNICIPALITY	F 3 SPATIAL CROSS CUTTING	NIPA 6 - HUMAN SETTLEMENTS	H.3 Housing Sector Plan	No. of new houses constructed	R 118 364 537.64 DHRS	N/A	D6	HUMAN SETTLEMENTS
F 1- SDACE 24: INDIA 6 - CROSS CUTTING & FINANCIAL SUSTAINABILITY	F 1- BUILDING A CAPABLE & DEVELOPMENTAL MUNICIPALITY	F 3 FINANCIAL SUSTAINABILITY	NIPA 6 - FINANCIAL VIABILITY & MANAGEMENT	G.3 Improved expenditure management	100% Capital Expenditure	100% Capital Expenditure	N/A	N/A	N/A
D 1- SDACE 25: INDIA 6 - FINANCIAL SUSTAINABILITY	D 1- BUILDING FINANCIAL SUSTAINABILITY	D 2 FINANCIAL SUSTAINABILITY	NIPA 4: FINANCIAL VIABILITY & MANAGEMENT	G.4 Improved expenditure management	100% Operational Expenditure	100% Operational Expenditure	N/A	N/A	N/A
D 1- SDACE 26: INDIA 6 - FINANCIAL SUSTAINABILITY	D 1- BUILDING FINANCIAL SUSTAINABILITY	D 2 FINANCIAL SUSTAINABILITY	NIPA 4: FINANCIAL VIABILITY & MANAGEMENT	G.4 Improved expenditure management	100% Operational Expenditure	100% Operational Expenditure	N/A	N/A	N/A



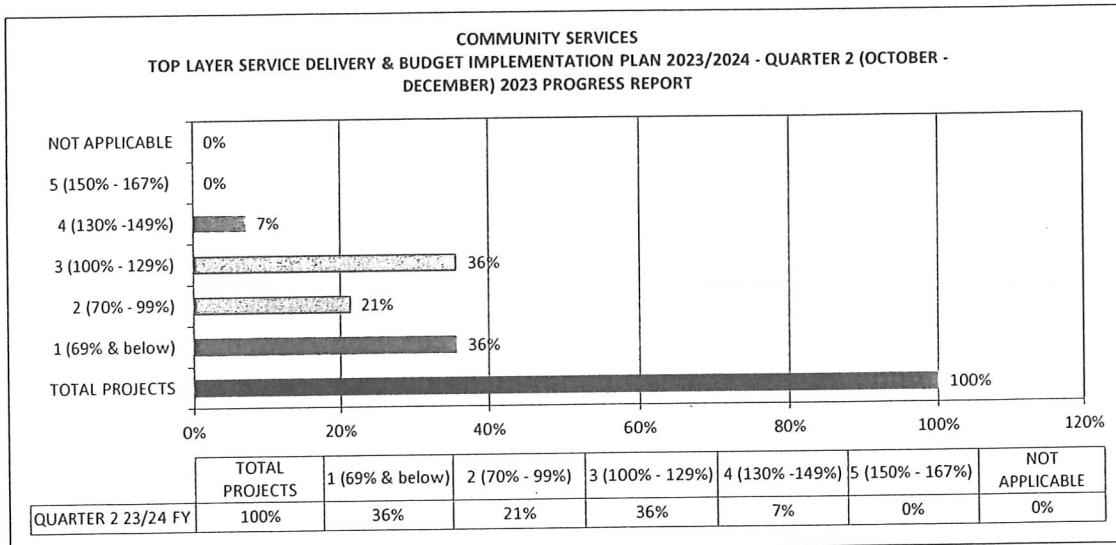
**COMMUNITY SERVICES OVERVIEW**  
**TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT**

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
N/A		TOTAL PROJECTS	N/A	
1		NIL ACHIEVED	69% and below	
2		TARGET PARTIALLY MET	70% - 99%	
3		TARGET MET	100% - 129%	
4		TARGET EXCEEDED	130% - 149%	
5		TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

**1 COMMUNITY SERVICES OVERVIEW**

1,1 **TOTAL PROJECTS:** 14

2,1 **GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS**







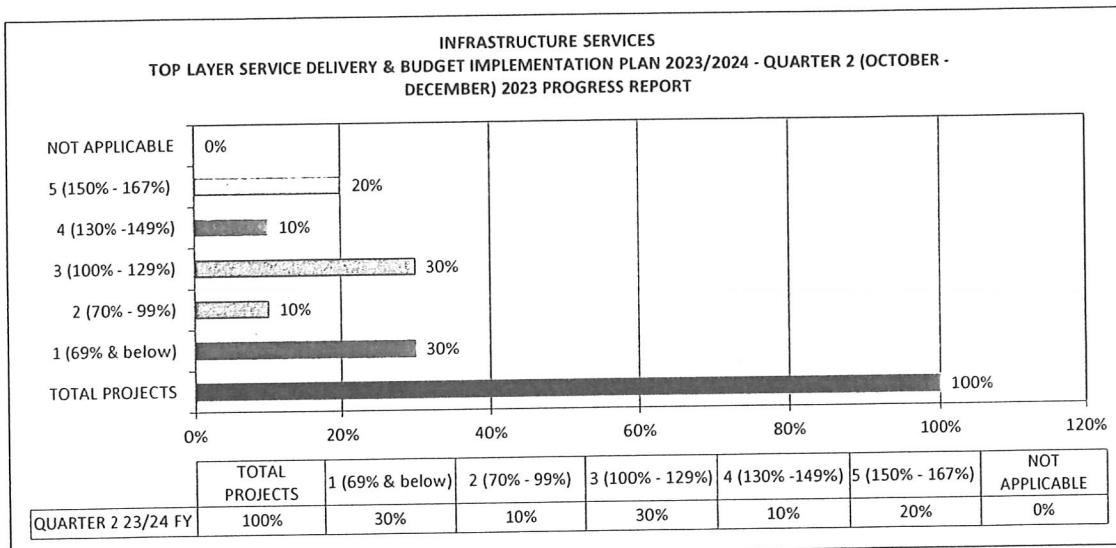
**INFRASTRUCTURE SERVICES OVERVIEW**  
**TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT**

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
	N/A	TOTAL PROJECTS	N/A	
	1	NIL ACHIEVED	69% and below	
	2	TARGET PARTIALLY MET	70% - 99%	
	3	TARGET MET	100% - 129%	
	4	TARGET EXCEEDED	130% -149%	
	5	TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

**1 INFRASTRUCTURE SERVICES OVERVIEW**

**1,1 TOTAL PROJECTS:** 20

**2,1 GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS**



Category	Sub-Category	Type	Status	Last Update	Current Status		Historical Status		Future Outlook	
					Active	In Progress	Completed	Pending	Planned	On Track
Project Alpha	Phase 1	Initiation	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 1	Design	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 1	Development	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 1	Testing	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 1	Deployment	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 2	Initiation	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 2	Design	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 2	Development	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 2	Testing	Planned	2023-01-01	0	0	0	0	1	On Track
Project Alpha	Phase 2	Deployment	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 1	Initiation	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 1	Design	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 1	Development	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 1	Testing	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 1	Deployment	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 2	Initiation	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 2	Design	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 2	Development	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 2	Testing	Planned	2023-01-01	0	0	0	0	1	On Track
Project Beta	Phase 2	Deployment	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 1	Initiation	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 1	Design	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 1	Development	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 1	Testing	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 1	Deployment	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 2	Initiation	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 2	Design	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 2	Development	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 2	Testing	Planned	2023-01-01	0	0	0	0	1	On Track
Project Gamma	Phase 2	Deployment	Planned	2023-01-01	0	0	0	0	1	On Track

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	8010	8011	8012	8013	8014	8015	8016	8017	8018	8019	8020	8021	8022	8023	8024	8025	8026	8027	8028	8029	8030	8031	8032	8033	8034	8035	8036	8037	8038	8039	8040	8041	8042	8043	8044	8045	8046	8047	8048	8049	8050	8051	8052	8053	8054	8055	8056	8057	8058	8059	8060	8061	8062	8063	8064	8065	8066	8067	8068	8069	8070	8071	8072	8073	8074	8075	8076	8077	8078	8079	8080	8081	8082	8083	8084	8085	8086	8087	8088	8089	80810	80811	80812	80813	80814	80815	80816	80817	80818	80819	80820	80821	80822	80823	80824	80825	80826	80827	80828	80829	80830	80831	80832	80833	80834	80835	80836	80837	80838	80839	80840	80841	80842	80843	80844	80845	80846	80847	80848	80849	80850	80851	80852	80853	80854	80855	80856	80857	80858	80859	80860	80861	80862	80863	80864	80865	80866	80867	80868	80869	80870	80871	80872	80873	80874	80875	80876	80877	80878	80879	80880	80881	80882	80883	80884	80885	80886	80887	80888	80889	80890	80891	80892	80893	80894	80895	80896	80897	80898	80899	80900	80901	80902	80903	80904	80905	80906	80907	80908	80909	80910	80911	80912	80913	80914	80915	80916	80917	80918	80919	80920	80921	80922	80923	80924	80925	80926	80927	80928	80929	80930	80931	80932	80933	80934	80935	80936	80937	80938	80939	80940	80941	80942	80943	80944	80945	80946	80947	80948	80949	80950	80951	80952	80953	80954	80955	80956	80957	80958	80959	80960	80961	80962	80963	80964	80965	80966	80967	80968	80969	80970	80971	80972	80973	80974	80975	80976	80977	80978	80979	80980	80981	80982	80983	80984	80985	80986	80987	80988	80989	80990	80991	80992	80993	80994	80995	80996	80997	80998	80999	809100	809101	809102	809103	809104	809105	809106	809107	809108	809109	809110	809111	809112	809113	809114	809115	809116	809117	809118	809119	809120	809121	809122	809123	809124	809125	809126	809127	809128	809129	809130	809131	809132	809133	809134	809135	809136	809137	809138	809139	809140	809141	809142	809143	809144	809145	809146	809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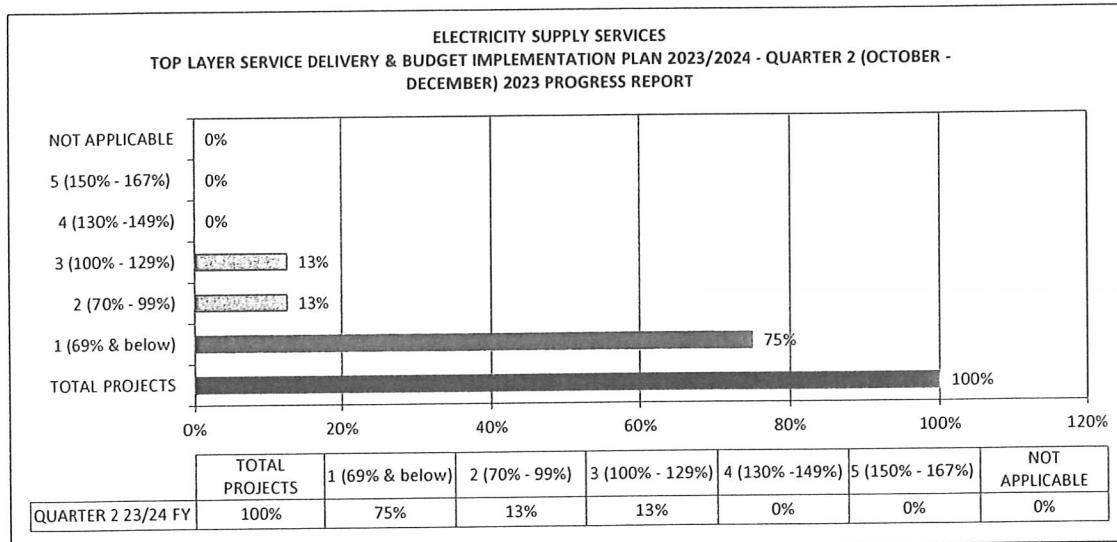
**ELECTRICITY SUPPLY SERVICES OVERVIEW**  
**TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT**

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
	N/A	TOTAL PROJECTS	N/A	
Grey	1	NIL ACHIEVED	69% and below	KEY
Light Grey	2	TARGET PARTIALLY MET	70% - 99%	
Medium Grey	3	TARGET MET	100% - 129%	
Dark Grey	4	TARGET EXCEEDED	130% - 149%	
Black	5	TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

1 **ELECTRICITY SUPPLY SERVICES OVERVIEW**

1,1 **TOTAL PROJECTS:** 8

2,1 **GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS**



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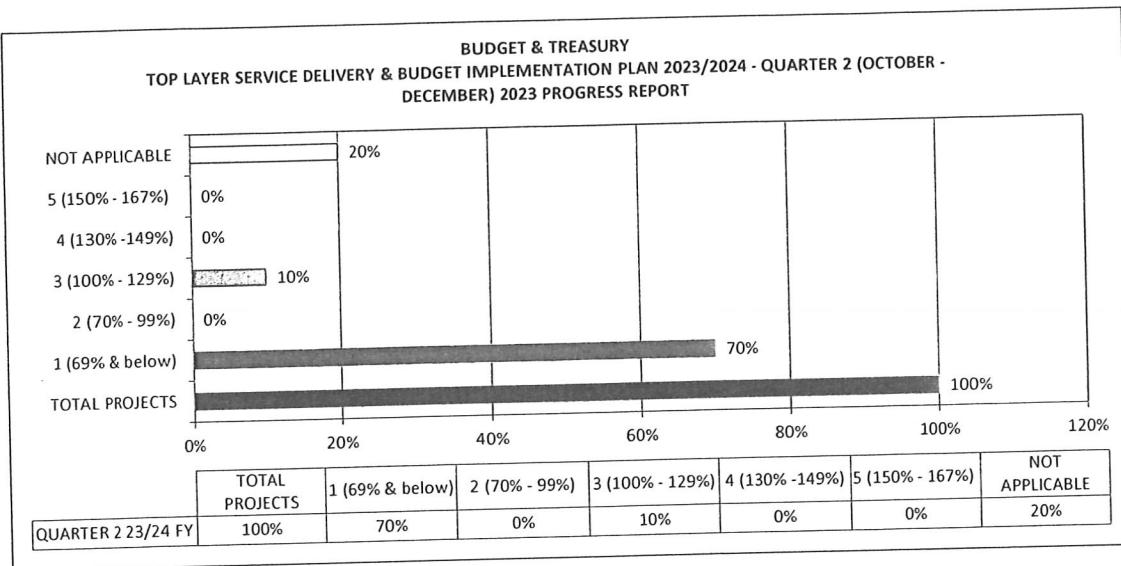
**BUDGET & TREASURY OVERVIEW**  
**TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT**

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
	N/A	TOTAL PROJECTS	N/A	
	1	NIL ACHIEVED	69% and below	
	2	TARGET PARTIALLY MET	70% - 99%	
	3	TARGET MET	100% - 129%	
	4	TARGET EXCEEDED	130% - 149%	
	5	TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

**1 BUDGET & TREASURY OVERVIEW**

1,1 **TOTAL PROJECTS:** 10

2,1 **GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS**





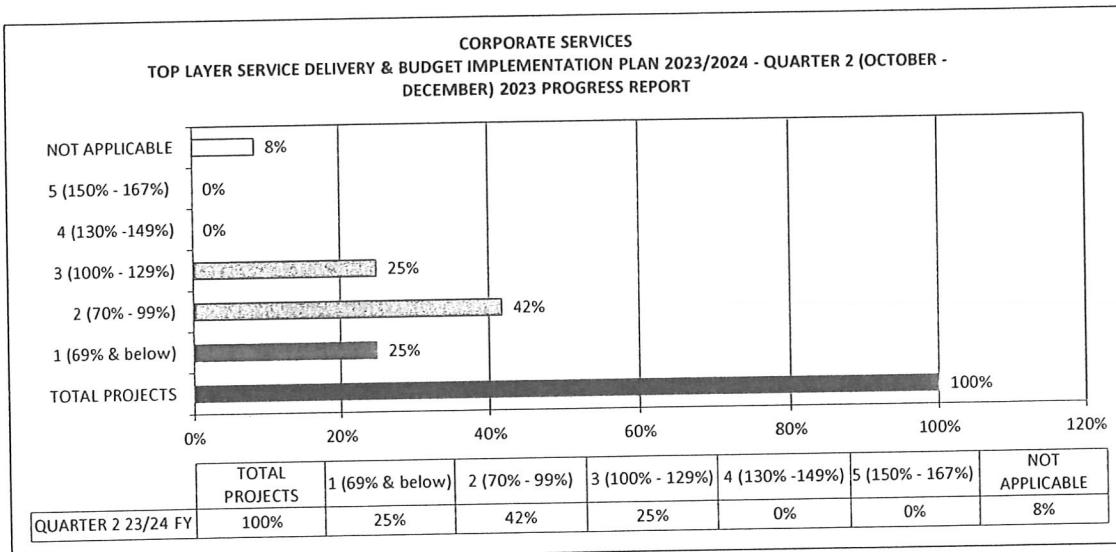
**CORPORATE SERVICES OVERVIEW**  
**TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT**

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
	N/A	TOTAL PROJECTS	N/A	
<span style="background-color: #808080;"></span>	1	NIL ACHIEVED	69% and below	
<span style="background-color: #C0C0C0;"></span>	2	TARGET PARTIALLY MET	70% - 99%	
<span style="background-color: #808000;"></span>	3	TARGET MET	100% - 129%	
<span style="background-color: #008000;"></span>	4	TARGET EXCEEDED	130% - 149%	
<span style="background-color: #000080;"></span>	5	TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

**1      CORPORATE SERVICES OVERVIEW**

**1,1      TOTAL PROJECTS:**                          12

**2,1      GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS**



INDEX	10 <sup>9</sup> REFERENCE	GOAL	STRATEGIC OBJECTIVES	PROJECT	WARD	BASELINE / STATUS QUO	MEASURABLE OBJECTIVES	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	ANNUAL BUDGET	WITHING SOURCE	WEBC NUMBER	BUDGET SPEND DATE	QUARTER 2 2023/2024 BY PROGRESS REPORT						
															QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5,Net-Aplicable)	REASON FOR DEVIATION	IMPLEMENTATION MEASURE	SOURCE DOCUMENT	
A A1	CS 01	NPA 1 - BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	Goal 1: MUNICIPAL TRANSFORM & MATURITY & ORGANIZATIONAL DEVELOPMENT	1.4 Human Resources Management and policy development	N/A	Facilitate the training of employees in the Workplace Skills Plan	Number of people trained in the Workplace Skills Plan	494	Number of people developed through the Human Resource Development Strategy	605	Training of 605 employees by accredited training providers based on PDPs received from Business Units and in accordance to the approved 23/24 Workplace Skills Plan facilitated by the 31st of December 2023	R12 915 720	Open and LGETA Funding	4500422010 & 4500422000 and other Business Units Budgets	31/DEC/2023	R58 250 Training of 150 employees by accredited training providers based on PDPs received from Business Units and in accordance to the approved 23/24 Workplace Skills Plan facilitated by the 31st of December 2023	Training of 139 employees by accredited training providers based on PDPs received from Business Units and in accordance to the approved 23/24 Workplace Skills Plan facilitated by the 31st of December 2023	1/09/2023 - 09/09	The implementation of training cannot take place due to the delay from the appointment of Training providers.	Continue to follow up with the Supply Chain Unit on the appointment of Training providers.	Emails to the Supply Chain Unit.
A A1	CS 02	NPA 1 - BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	Goal 1: MUNICIPAL TRANSFORM & MATURITY & ORGANIZATIONAL DEVELOPMENT	1.4 Human Resources Management and policy development	N/A	Filling of Top Management positions	Number of Top Management positions filled	N/A	Number of Top Management positions filled by people from special focus groups	N/A	1. Top Management Position (Deputy Municipal Manager: CSE) NOT filled by people from special focus group by the 31st of December 2023	N/A	N/A	N/A	31/Mar-24	Advert and Council Resolution	2/09/2023 - 09/09	The DMMCE has been appointed, however, the timeframes as per the regulations are not adhered to going forward	Report to be submitted to the panel on 17 October 2023		
A A1	CS 03	NPA 1 - BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	Goal 1: MUNICIPAL TRANSFORM & MATURITY & ORGANIZATIONAL DEVELOPMENT	1.4 Human Resources equity plan	N/A	Filling of Employment Equity Plan Targets	Percentage of Employment Equity Plan Targets achieved	N/A	% of Employment Equity Plan Targets achieved in Municipal Business Units by the 31st of December 2023	N/A	100 % of Employment Equity Plan Targets achieved in Municipal Business Units by the 30th of June 2024	N/A	N/A	N/A	N/A	100 % of Employment Equity Plan Targets achieved in Municipal Business Units by the 31st of December 2023	100 % of Employment Equity Plan Targets achieved in Municipal Business Units by the 30th of June 2024	100 % of Employment Equity Plan Targets achieved in Municipal Business Units by the 30th of June 2024	100 % of Employment Equity Plan Targets achieved in Municipal Business Units by the 30th of June 2024	100 % of Employment Equity Plan Targets achieved in Municipal Business Units by the 30th of June 2024	100 % of Employment Equity Plan Targets achieved in Municipal Business Units by the 30th of June 2024
A A2	CS 04	NPA 1 - IMPROVING INFRASTRUCTURE EFFICIENCY	Goal 2: DEVELOPED AND MAINTAINED INFRASTRUCTURE	2.4 ICT SYSTEMS	N/A	Partial Business System Replacement	Outdated Servers, Data Storage, Network switches and Routers replaced	N/A	Outdated Servers, Data Storage, Network switches and Routers replaced	N/A	100% of Servers, Data Storage, Network switches and Routers replaced by the 30th of June 2024	R20 million	Council Funded	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A	N/A

Performance Reporting - 2023/2024 FY - Quarter 2 Progress Report									
Quarter 2 2023/2024 FY Progress Report									
Index	Top Reference	Sub Reference	National Key Performance Area	Strategic Objectives	Programme	Project	Ward	Measurable Objectives	Baseline / Status Quo
B	B2	C5 05	2 - BACK TO BASICS	Goal 2: Developed and Maintained Infrastructure	ICT INFRASTRUCTURE	Monitoring of the ICT Infrastructure	N/A	Average % uptime of all information and communication technology	Server infrastructure monthly reports
B	B1	C5 06	3 - IMPROVING INFRASTRUCTURE EFFICIENCY	Goal 2: Developed and Maintained Infrastructure	ICT BUSINESS SYSTEMS	SMART APP Deployment and Implemented	N/A	Muniduri SMART APP implementation	Muniduri SMART APP implementation
E	E1	C5 07	2 - BACK TO BASICS	Goal 1: Developed and Maintained Organizational Development	SECRETARIAT & AUXILIARY SERVICES	Holding of Council and Committee Meetings	N/A	100% of Secretariat & Auxiliary Services provided within Muniduri Municipality	100% of Secretariat & Auxiliary Services provided within Muniduri Municipality
A	A1	C5 08	14 - BUILDING A CAPABLE & MUNICIPAL MUNICIPALITY	Goal 1: Governance and policy	Legal Services	All Legal Services provided with all legislative provisions	N/A	100% of Legal Services provided within Muniduri Municipality	100% of Legal Services provided within Muniduri Municipality
Quarter 2 Target									
Quarter 2 Actual									
Quarter 2 Actual									
Actual (1,2,3,4,5,6,7,8,9,10,11)									
Reason for deviation									
Stage: 3/3									
Timeline to corrective measures									
Source document									
Server Uptime report									
Signed-off project scoping deliverables									
Smart app sign-off or the project scope and deliverables by the 31st of December 2023									
Sign-off of the project scoping and deliverables by the 31st of December 2023									
Sign-off of the project scoping and deliverables by the 31st of December 2023									
Smart app sign-off or the project scope and deliverables was signed and approved in November 2023									
Finalize the submission of the report to the Top Management Committee.									
Purchase of modern and efficient machinery equipment.									
Still in the process of capturing the resolutions for Q1. The process is taking slightly longer than planned since the updated format includes carrying forward of those resolutions not implemented from the previous month.									
Finalize the submission of the report to the Top Management Committee.									
Corporate Communication Screenshots copies of weekly calendars.									
Corporate Communication Screenshots copies of monthly calendar, incoming Job Registers (Book work & Lithographic Printing) and Cover Reports and TMC Resolution									
Signed Minutes, Corporate Communication Screenshots copies of weekly calendars.									
The brief was completed and returned to BU by 2 day as LA was still researching.									
Template, briefs, contra ct, agreement, options, litigation register, summons, notice of intent to defend, Court book and court roll, workflow template/ labour iteration register and presentation sheets									

2. PERFORMANCE REPORTING 2023/2024 FY - QUARTER 2 2023 PROGRESS REPORT									
QUARTER 2 2023/2024 FY PROGRESS REPORT					QUARTER 2 2023/2024 FY PROGRESS REPORT				
INDEX	TOP REFERENCE	COS REFERENCE	SOP REFERENCE	NATIONAL KEY PERFORMANCE AREA	GOAL	STRATEGIC OBJECTIVES	PROGRAMME	PROJECT	WARD
D	D2	4-	C5 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	GOAL 4: FINANCIAL VIABILITY & MANAGEMENT	4.3 Improved expenditure management	Expenditure	Operational Expenditure	N/A
D	D2	4-	C5 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	GOAL 4: FINANCIAL VIABILITY & MANAGEMENT	4.3 Improved expenditure management	Expenditure	Operational Expenditure	N/A
O	O2	4.	C5 09	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	GOAL 4: FINANCIAL VIABILITY & MANAGEMENT	4.3 Improved expenditure management	Capital Expenditure	Operational Expenditure	N/A
O	O2	4.	C5 09	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	GOAL 4: FINANCIAL VIABILITY & MANAGEMENT	4.3 Improved expenditure management	Capital Expenditure	Operational Expenditure	N/A
ANNUAL TARGET									
31 DECEMBER 2023									
WBS/G NUMBER									
FUNDING SOURCE									
ANNUAL BUDGET									
UNIT OF MEASURE									
INNOVATOR									
ANNUAL TARGET									
100% of Capital Expenditure spent for the Corporate Services BU by the 31st of December 2023									
ACTUAL									
(1,2,3,4,5, Not Applicable)									
QUARTER 2 ACTUAL									
60% of Capital Expenditure spent for the Corporate Services BU by the 31st of December 2023									
REASON FOR DEVIATION									
N/A									
CORRECTIVE MEASURE									
N/A									
TIMELINE TO IMPLEMENT CORRECTIVE MEASURES									
N/A									
SOURCE DOCUMENT									
Budget Report									

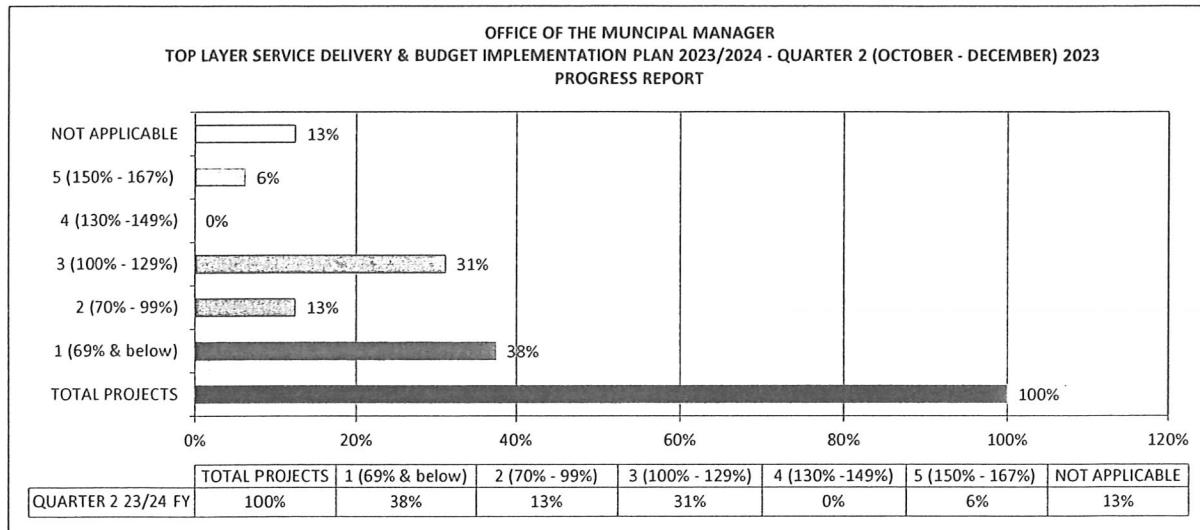
**OFFICE OF THE MUNICIPAL MANAGER OVERVIEW**  
**TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024 - QUARTER 2 (OCTOBER - DECEMBER) 2023 PROGRESS REPORT**

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
■	N/A	TOTAL PROJECTS	N/A	KEY
	1	NIL ACHIEVED	69% and below	
	2	TARGET PARTIALLY MET	70% - 99%	
	3	TARGET MET	100% - 129%	
	4	TARGET EXCEEDED	130% - 149%	
	5	TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

1 OFFICE OF THE MUNICIPAL MANAGER OVERVIEW

1,1 TOTAL PROJECTS: 16

2,1 GRAPHICAL REPRESENTATION OF PERFORMANCE: PROJECTS



Performance Reporting 2023/2024 FY - Quarter 2 2023 Progress Report																		
Quarter 2 2023/2024 FY Progress Report																		
Index	Top Reference	QoS Reference	SDP Reference	National Key Performance Area	Goal	Strategic Objectives	Programme	Project	Ward	Measurable Objectives	Baseline / Status quo	Background	Unit of Measure	Annual Budget	Planning Source	Web/Git Number	Last Update At	Last Update Date
A	A1	MMHO 01	MMHO 02	NPA 1 - MUNICIPAL TRANSITION & MATURITY & ORGANIZATIONAL DEVELOPMENT	Goal 1:	1.2	PMS	All activities completed as per Departmental Operational Plan	N/A	100% of PMS Activities completed as per Departmental Operational Plan	New KPI	N/A	100% of PMS Activities completed as per Departmental Operational Plan	R 421 600,00	COUNCIL AH-000	07/04/2023/78	N/A	100% of PMS Activities completed as per Departmental Operational Plan by the 30th of December 2023
A	A1	MMHO 01	MMHO 03	NPA 1 - MUNICIPAL TRANSITION & MATURITY & ORGANIZATIONAL DEVELOPMENT	Goal 1:	1.2	PUPR	All activities completed as per Departmental Operational Plan	N/A	100% of PUPR Activities completed as per Departmental Operational Plan	Reports on the by-law enforcement in the CBD	N/A	100% of PUPR Activities completed as per Departmental Operational Plan	50 000 [Sound Systems and screens]	N/A	N/A	N/A	100% of PUPR Activities completed as per Departmental Operational Plan by the 30th of December 2023
A	A1	MMHO 01	MMHO 04	NPA 1 - MUNICIPAL TRANSITION & MATURITY & ORGANIZATIONAL DEVELOPMENT	Goal 1:	1.2	CDS	All activities completed as per Departmental Operational Plan	N/A	100% of CDS Activities completed as per Departmental Operational Plan	4x CDS, IDP and PMS alignment meeting in 2021/2022 financial year	N/A	100% of CDS Activities completed as per Departmental Operational Plan	N/A	N/A	N/A	N/A	100% of CDS Activities completed as per Departmental Operational Plan by the 30th of December 2023
A	A1	MMHO 01	MMHO 05	NPA 1 - MUNICIPAL TRANSITION & MATURITY & ORGANIZATIONAL DEVELOPMENT	Goal 1:	1.2	CDP	All activities completed as per Departmental Operational Plan	N/A	100% of CDP Activities completed as per Departmental Operational Plan	Invitations to presentations	N/A	100% of CDP Activities completed as per Departmental Operational Plan	N/A	N/A	N/A	N/A	100% of CDP Activities completed as per Departmental Operational Plan by the 30th of December 2023

Quarterly Performance Reporting - 2023/2024 - Quarter 3: 2023 Priorities Report										
Project	Programme	Strategic Objectives	National Key Performance Area	Top Reference Index	Sub Reference	WBS/Global Number	Annual Budget	Funding Source	WBS/Global Number	Budget Spent At Date
Baseline/Status Quo	Target	Actual	Reason for Deviation	Concurrent Measure	Next Initiation	Source Document				
Actual (1/2/3/4/5, Not Applicable)	Actual (1/2/3/4/5, Not Applicable)	Actual (1/2/3/4/5, Not Applicable)	Actual (1/2/3/4/5, Not Applicable)	Actual (1/2/3/4/5, Not Applicable)	Actual (1/2/3/4/5, Not Applicable)	Actual (1/2/3/4/5, Not Applicable)				
E2 14-BUILDING A CAPABLE & ENTHUSIASTIC PUBLIC MUNICIPALITY	NPA 05-GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Developed Governance and policy and strengthen Efficiency Levels of Corporate Services	Increase performance and strengthen levels of Corporate Services	Implementations N/A	6 x Bi-monthly meetings of the Municipal Baho Pele forum to monitor the implementation of Batho Pele Principles and Customer Service Charter	N/A	150k 000	Council	104 209 N/A	2/17/2023 - 95% Purchase Order has been issued on time which led to delays by service provider will delivery in six weeks
E2 14-BUILDING A CAPABLE & ENTHUSIASTIC PUBLIC MUNICIPALITY	NPA 06-GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Developed Governance and policy and strengthen Communication and Stakeholder Relations	Developed Governance and policy and strengthen Communication and Stakeholder Relations	Implementation of the approved communications activity plan	100% implementation of the approved communications activity plan	N/A	150k 000	Council	104 209 N/A	2/17/2023 - 95% Purchase Order has been issued on time which led to delays by service provider will delivery in six weeks
E2 14-BUILDING A CAPABLE & ENTHUSIASTIC PUBLIC MUNICIPALITY	NPA 07-GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Developed Governance and policy and strengthen Communication and Stakeholder Relations	Developed Governance and policy and strengthen Communication and Stakeholder Relations	Strengthening Communications and Stakeholder Relations	12 x Stakeholder engagement	Municipal Communications Strategy	N/A	N/A	13 X Stakeholder engagement on Radio Station conducted by 31st of December 2023	\$150k - 100% N/A
E2 14-BUILDING A CAPABLE & ENTHUSIASTIC PUBLIC MUNICIPALITY	NPA 08-GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Developed Governance and policy and strengthen Communication and Stakeholder Relations	Developed Governance and policy and strengthen Communication and Stakeholder Relations	Strengthening Communications and Stakeholder Relations	4 x media engagement	Municipal Communications Strategy	N/A	N/A	6 x Stakeholder engagement on Radio Station conducted by 31st of December 2023	3/10/2023 - 120% N/A
E2 14-BUILDING A CAPABLE & ENTHUSIASTIC PUBLIC MUNICIPALITY	NPA 09-GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Developed Governance and policy and strengthen Communication and Stakeholder Relations	Developed Governance and policy and strengthen Communication and Stakeholder Relations	Performance and Efficiency Levels of Corporate Services	12x	Number of monthly customer satisfaction surveys conducted by the 30th of June 2024	N/A	N/A	12x Call Centre customer satisfaction surveys conducted by the 31st of December 2023	3/10/2023 - 120% N/A

PERFORMANCE REPORTING 2023/2024 FY - QUARTER 2 2023 PROGRESS REPORT	QUARTER 2 2023/2024 FY PROGRESS REPORT																												
INDEX	TOP REFERENCE	COS REFERENCE	SDG REFERENCE	NATIONAL KEY AREA	GOAL	PROGRAMME	PROJECT	WARD	MEASURABLE OBJECTIVES	MEASURABLE OUTCOMES	BASELINE / STATUS QTD	ANNUAL TARGET	NUMBER OF MEASURE	ANNUAL BUDGET	PURDING SOURCE	WBS/GID NUMBER	BUDGET SPENT AS AT 31 DECEMBER 2023	QUARTER 2 TARGET		QUARTER 2 ACTUAL		REASON FOR DEVIATION		CORRECTIVE MEASURE		IMPLEMENTATIVE MEASURE		SOURCE DOCUMENT	
																		ACTUAL (1,2,3,4,5,6,7,8)	ACTUAL (1,2,3,4,5,6,7,8)	ACTUAL (1,2,3,4,5,6,7,8)	ACTUAL (1,2,3,4,5,6,7,8)	ACTUAL (1,2,3,4,5,6,7,8)	ACTUAL (1,2,3,4,5,6,7,8)	ACTUAL (1,2,3,4,5,6,7,8)	ACTUAL (1,2,3,4,5,6,7,8)				
E2	14.- BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	MMDO 11	NPA5.- GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Governance and policy development and strengthen Communitca and Stakeholder Relations	SPEAKER'S OFFICE	WARD COMMITTEE E OVERSIGHT	All	41 x wards with functional War Rooms by the 30th of June 2024	39 x wards with functional War Rooms during the 2022-2023 FY	37 wards with functional Ward Committees by the 30th of June 2024	N/A	41 x wards with functional War Rooms by the 30th of June 2024	41 x wards with functional Ward Committees by the 30th of June 2024	N/A	N/A	N/A	N/A	N/A	31/06/2023 - 22/06/2023	Target met.	N/A	September Sectoral Reports.							
E2	14.- BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	MMDO 12	NPA5.- GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Governance and policy development and strengthen Communitca and Stakeholder Relations	MPAC	OVERSIGHT PROCESS PLAN	All	1x Oversight Processes plan for the 2022/2023 FY prepared & submitted to Council by the 31st of January 2022	1x Oversight Processes plan for the 2022/2023 FY prepared & submitted to Council by the 31st of January 2022	1x Oversight Processes plan for the 2022/2023 FY prepared & submitted to Council by the 31st of January 2022	N/A	1x Oversight Processes plan for the 2022/2023 FY prepared & submitted to Council by the 31st of January 2022	1x Oversight Processes plan for the 2022/2023 FY prepared & submitted to Council by the 31st of January 2022	N/A	N/A	N/A	N/A	N/A	1x Oversight Process plan for the 2022/2023 FY prepared & submitted to Council by the 31st of December 2023	0 x Oversight Process plan for the 2022/2023 FY prepared & submitted to Council by the 31st of December 2023	N/A	N/A	N/A	N/A					
E2	14.- BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	MMDO 13	NPA5.- GOOD GOVERNANCE & PUBLIC PARTICIPATION	Goal 1: Governance and policy development and strengthen Communitca and Stakeholder Relations	MPAC	OVERSIGHT REPORT	All	1x Oversight Report 22/22 FY tabled and adopted by Council by the 31st March 2022	1x Oversight Report 22/22 FY tabled and adopted by Council by the 31st March 2022	1x Oversight Report 22/22 FY tabled and adopted by Council by the 31st March 2022	N/A	1x Oversight Report 22/22 FY tabled and adopted by Council by the 31st March 2022	1x Oversight Report 22/22 FY tabled and adopted by Council by the 31st March 2022	N/A	N/A	N/A	N/A	N/A	11/03/2023 - 22/03/2023	NOT APPLICABLE	N/A	N/A	N/A	N/A					
A1	8.- BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	MMDO 14	NPA1.- MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Goal 1: Governance and policy development and strengthen Communitca and Stakeholder Relations	Risk Management	IMPLEMENTATION	All	1.1 Fight corruption and bribery	1.1 Fight corruption and bribery	1.1 Fight corruption and bribery	N/A	Annual Risk Management Plan for the 2023/24 financial year which is informed by Risk Management Policy, Risk Management Methodology and Risk Management Charter	Annual Risk Management Plan for the 2023/24 financial year which is informed by Risk Management Policy, Risk Management Methodology and Risk Management Charter	N/A	N/A	N/A	N/A	N/A	10/03/2023 - 20/03/2023	(1) To continue to engage the Provincial Treasury to agree on the date for the Training - Thus far they were able to deliver the training for the 3rd quarter of the year.	(1) To continue to engage the Provincial Treasury to agree on the date for the Training - Thus far they were able to deliver the training for the 3rd quarter of the year.	(1) To continue to engage the Provincial Treasury to agree on the date for the Training - Thus far they were able to deliver the training for the 3rd quarter of the year.	(1) To continue to engage the Provincial Treasury to agree on the date for the Training - Thus far they were able to deliver the training for the 3rd quarter of the year.	(1) To continue to engage the Provincial Treasury to agree on the date for the Training - Thus far they were able to deliver the training for the 3rd quarter of the year.	Risk Management Implementation plan.				

Performance Reporting 2023/2024 FY - Quarter 2 Progress Report									
Quarter 2 2023/2024 Progress Report									
Indicator	Metric ID	Title	Source Document	Corrective Measure	Reason for Deviation	Actual (1,2,3,4,5 Not Applicable)	Quarter 2 Actual	Quarter 2 Target	Quarter 2 2023/2024
WBS/Gantt Chart	N/A	WBS/Gantt Chart	N/A	N/A	All Internal audit assignments completed as per approved Annual Audit Plan by the 31st of December 2023	2 (00% - 99%)	Of the 3 audits that were planned to be completed in Quarter 1 only 2 were completed due to delay by the client. Further 10 audits from 2022/23 annual plan were completed during this quarter	Being done in October 2023	Will be completed by 31 October 2024
Budget Spent vs. Budget	N/A	Budget Spent vs. Budget	N/A	N/A	All Internal audit assignments NOT completed as per timeframes in the approved Annual Audit Plan by the 31st of December 2023	1 (2,3,4,5 Not Applicable)	All internal audit assignments NOT completed as per the approved Annual Audit Plan by the 31st of December 2023	Not applicable	Not applicable
Funding Source	N/A	Funding Source	N/A	N/A	All Internal audit assignments completed as per the approved Annual Audit Plan by the 30th of June 2024	1 (2,3,4,5 Not Applicable)	1 plan was approved	Not applicable	N/A
Annual Budget	N/A	Annual Budget	N/A	N/A	Internal Audit Plan Annually	N/A	Development Plan & Calendar of activities for 2024/25	Date on which the submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Unit of Measure	N/A	Unit of Measure	N/A	N/A	Number of Internal audit assignments completed as per approved Annual Audit Plan Annually	N/A	Internal Audit Plan Annually	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Indicator	N/A	Indicator	N/A	N/A	All Internal audit assignments completed as per the approved Annual Audit Plan Annually	N/A	Internal Audit Plan Annually	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Baseline / Status QoO	N/A	Baseline / Status QoO	N/A	N/A	Internal Audit Plan Annually	N/A	Internal Audit Plan Annually	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Measurable Objectives	N/A	Measurable Objectives	N/A	N/A	Internal Audit Plan Annually	N/A	Internal Audit Plan Annually	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Programme	N/A	Programme	N/A	N/A	Implementation of the Annual Audit Plan each year	N/A	Implementation of the Annual Audit Plan each year	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Project	N/A	Project	N/A	N/A	Assurance Services	N/A	Assurance Services	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Strategic Objectives	Goal 1:	Goal 1: 1.1 Fight Governance, fraud and corruption and policy and political corruption	N/A	N/A	Internal Audit Committee	N/A	Internal Audit Committee	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
National Key Performance Area	NMIO 15	NMIO 15: MUNICIPAL TRANSITION & ORGANIZATIONAL DEVELOPMENT	N/A	N/A	Annual Work Plan & Calendar of activities	N/A	Annual Work Plan & Calendar of activities	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
SDG Reference	A1	A1: BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	NMIO 16	NMIO 16: MUNICIPAL TRANSITION & ORGANIZATIONAL DEVELOPMENT	Annual Audit Committee	N/A	Annual Audit Committee	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
CDG Reference	A	A: 1.1.1 Fight Governance, fraud and corruption and policy and political corruption	Goal 1:	Goal 2: 1.1.1 Fight Governance, fraud and corruption and policy and political corruption	Development Plan & Calendar of activities	N/A	Development Plan & Calendar of activities	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A
Index	A1	A1: BUILDING A CAPABLE & DEVELOPMENT MUNICIPALITY	NMIO 16	NMIO 16: MUNICIPAL TRANSITION & ORGANIZATIONAL DEVELOPMENT	Annual Audit Committee	N/A	Annual Audit Committee	internal audit submission of an Audit Committee Annual Work Plan & Calendar of activities for 2024/25	N/A

## ANNEXURE C

### 2022-2023 Audit Action Plan

BASIS FOR QUALIFIED OPINION	REQUIRED ACTION	RESPONSIBLE PERSON
<b>Service charges revenue</b> Financial statement was overstated by R295, 50 million due to the inclusion of items that did not meet the definition of revenue according to GRAP 9: <i>Revenue from exchange transactions</i> .	Comply with GRAP 9: Revenue from exchange transactions	CFO / Senior Manager: Revenue Management (Ms K Shoba)
<b>Consumer debtor</b> Misstatements on consumer debtors due to poor debtor management process. Consumer debtors were not raised for services provided = R225, 87 million. Consumer debtors were overstated by R101, 98 million. Difference of R65, 04 million between the amount disclosed for the corresponding figures in the financial statements and the underlying calculations.	Develop debtor management processes in line with GRAP 104: Financial instruments	CFO / Senior Manager: Expenditure Management (Mr S Nxumalo)
<b>Statutory receivables</b> The provisions for impairment of debtors was not calculated in accordance with GRAP 108: Statutory Receivables. Difference of R100, 15 million between the amount disclosed for the corresponding figures in the financial statements and the underlying calculation.  Misstatement of statutory receivables.	Comply with GRAP 108: Statutory Receivables	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)

<b>EMPHASIS OF MATTERS</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Material impairment – receivables from exchange transactions</b> The recoverability of the impairment of R108, 93 million (2021-2022) on receivables from exchange transaction is doubtful.	Conduct quality assurance on all financial statements	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)
<b>Material losses of electricity and water</b> The municipality incurred a total of R746 52million due to illegal connections, infrastructure vandalism, metering inaccuracies, unmetered energy, revenue collection, ageing infrastructure.	100% Implementation of maintenance plans and strengthen revenue collection strategies	CFO DMM: Infrastructure Services DMM: Electricity Services
<b>Restatement of corresponding figures</b> Corresponding figures for 30 June 2022 were restated as a result of errors in the financial statement and for the year ended, 30 June 2023.	Conduct quality assurance on all financial statements	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)
<b>Significant uncertainties</b> The outcomes of legal claims against the municipality could not be determined and no provisions for any liability was made in the financial statements.	Record all legal actions against the municipality and report to TMC on monthly basis	DMM: Corporate Services CFO
<b>Delayed capital projects</b> Capital projects are taking a significantly longer period of time to complete than expected due date due to various reasons.	Review acceleration plans on monthly basis and prepare monthly reports to TMC.	DMM: Infrastructure Services DMM: Electricity DMM: SD & SE DMM: Community Services
<b>Underspending of the conditional grants</b> The municipality materially underspent the budget by R87, 74 million on Greater Edendale Development Initiative.	Prepare a revised project implementation plan and present to TMC	DMM: Sustainable Development
<b>OTHER MATTER</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>

<b>ANNUAL PERFORMANCE REPORT</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Unaudited disclosure note</b> The municipality did not disclose particulars of non-compliance with the MFMA in the financial statements.	Conduct quality assurance on all financial statements	CFO / Senior Manager: Finance Governance and Performance Management (Mr O Lang)
<b>Inadequate Portfolio of Evidence</b> 137 000x households provided with access to weekly refuse removal	Develop standard operating procedure to measure households with access to weekly refuse removal.	DMM: Community Services / Senior Manager: Waste Management (Mr W Mhlongo)
<b>Inadequate Portfolio of Evidence</b> Reducing total water losses to 28.6%	Develop standard operating procedure to measure the reduction of water losses.	DMM: Infrastructure Services / Senior Manager: Water and Sanitation
<b>Inadequate Portfolio of Evidence</b> KM of road markings done	Develop standard operating procedure to measure completed road markings.	
<b>Inadequate Portfolio of Evidence</b> KM of storm water draining maintained	Develop standard operating procedure to measure the number of kilometres for the maintenance of storm water drainage.	DMM: Infrastructure Services / Senior Manager: Roads and Transportation (Ms L Mrngene)
<b>Inadequate Portfolio of Evidence</b> Square meters of pedestrian pathways maintained	Develop standard operating procedure to measure square meters of pedestrian pathways maintained	
<b>Inadequate Portfolio of Evidence</b> KM of Gravel roads upgraded	Develop standard operating procedure to measure the number of kilometres for upgrading gravel roads.	
<b>Inadequate Portfolio of Evidence</b> Sweetwaters Bulk Infrastructure and Network Upgrade completed	Prepare completion certificates that details completed tasks to upgrade Sweetwaters Bulk Infrastructure Network.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozzi)
<b>Inadequate Portfolio of Evidence</b> Mpumuzwa/Phayiphini Bulk Infrastructure installation and Network upgrade completed	Prepare completion certificates that details completed tasks to upgrade Mpumuzwa/ Phayiphini Bulk Infrastructure installation	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozzi)
<b>Inadequate Portfolio of Evidence</b> Mid-Block & T-Joints services relocated	Prepare a detailed report on the relocation of Mid-Block and T-Joints and include job cards.	DMM: Electricity Services and Chief Engineer: Revenue Management (Mr B Khanyile)

<b>ANNUAL PERFORMANCE REPORT</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
Inadequate Portfolio of Evidence 100km x overhead lines maintained and upgraded	Prepare completion certificates that details the number of kilometres for the upgraded and maintained overheads lines.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozzi)
<b>Inaccurate reporting</b> 100% households with access to piped water supply (application based)	Prepare accurate monthly register for new applications vs number of installations.	DMM: Infrastructure Service and Chief Engineer: Operations (Mr D Ragoonandan)
<b>Inaccurate reporting</b> 2114 VIP units cumulatively installed across Ward 1 - 12	Prepare accurate monthly register for number of installations.	DMM: Infrastructure Service and Senior Technologist (Ms F Mota)
<b>Inaccurate reporting</b> Installation of 105 VIP units across Wards 13 - 39	Prepare accurate monthly register for number of installations.	DMM: Infrastructure Service and Senior Technologist (Ms F Mota)
<b>Inaccurate reporting</b> Percentage of households with electricity	Prepare and monitor database of registered electricity meters.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozzi)
<b>Inaccurate reporting</b> 100% business applications processed within 21 days	Prepare accurate monthly register for business applications	
<b>Inadequate Portfolio of Evidence</b> 80 Cooperatives and SMMEs supported and visited.	Prepare accurate monthly register for visited and supported Cooperatives and SMMEs	DMM: Sustainable Development and City Entities / Senior Manager: Economic Development (Mr M Khumalo)
<b>Inadequate Portfolio of Evidence</b> 60 Cooperatives and SMMEs supported and visited.	Prepare accurate monthly register for visited and supported Cooperatives and SMMEs	
<b>Inadequate Portfolio of Evidence</b> 4x Skills Development and Support Workshops facilitated for informal Economy	Prepare attendance registers, agenda, minutes, invitation	
<b>Inadequate Portfolio of Evidence</b> 20x Business opportunities created for registered local businesses	Prepare a register for new registered businesses that were offered support by LED	
<b>Inadequate Portfolio of Evidence</b> (80 days) average number of days taken to process development application for approval in terms of SPLUMA	Prepare a monitoring template that will register development applications vs time taken to approve the development	

<b>ANNUAL PERFORMANCE REPORT</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
Inadequate Portfolio of Evidence 100% hand-over of completed housing units to approved beneficiaries.	Prepare a register of completed housing units vs a register beneficiaries	DMM: Sustainable Development / Senior Manager (A): Human Settlement (Mr P Gumede)
<b>Key Service Delivery indicator not achieved.</b> 52% of households with basic level of electricity vs planned target of 75%	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	DMM: Electricity Services / Chief Engineer: Operations Maintenance (Mr W Shozi)
<b>Key Service Delivery indicator not achieved.</b> <i>1 reservoir</i> constructed vs <i>2 reservoirs</i> that was planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	DMM: Infrastructure Service / Chief Engineer: Operations (Mr D Ragoonandan)
<b>Key Service Delivery indicator not achieved.</b> 14.642 km of sanitation pipes installed in various wards vs <i>20.1 km</i> that was planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	DMM: Infrastructure Service / Senior Technologist (Ms F Mota)
<b>Key Service Delivery indicator not achieved.</b> 9.542 km of new sewer pipeline installed in ward 16 vs planned <i>9.6km</i>	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	
<b>Key Service Delivery indicator not achieved.</b> 2.242 km of new sewer pipeline installed in Ward 18 vs <i>2.5 km</i> planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis.	
<b>Key Service Delivery indicator not achieved.</b> <i>17 new houses</i> completed for uMgungundlovu Rectification Project vs <i>150 new houses</i> that was planned.	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	
<b>Key Service Delivery indicator not achieved.</b> <i>61 new houses</i> completed at Edendale Unit S phase 8 ext vs <i>75 new houses</i> that was planned.	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	DMM: Sustainable Development and City Entities / Senior Manager (A): Human Settlement (Mr P Gumede)
<b>Key Service Delivery indicator not achieved.</b> <i>0 new houses</i> were completed for Wirewall rectification vs <i>80 new houses</i> that was planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	
<b>Key Service Delivery indicator not achieved.</b> <i>17 new houses</i> completed in Site 11 Housing Project – Woodlands vs <i>140 new houses</i> planned	Prepare accurate business plan to achieve planned targets and review it on quarterly basis	

<b>MATERIAL MISSTATEMENTS</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<p><b>Key Service Delivery indicator not achieved.</b>  <b>34 new houses completed in Thamboville Housing Project -</b>  <b>Glenwood vs 140 new houses</b></p>	<p>Prepare accurate business plan to achieve planned targets and review it on quarterly basis</p>	<p>CFO / Senior Manager: Finance Governance and Performance Management (Mr O Langa)</p>

<b>NON-COMPLIANCE WITH LEGISLATION</b>	<b>REQUIRED ACTION</b>	<b>RESPONSIBLE PERSON</b>
<b>Legislative requirements</b> The financial statements were not prepared in all material respects in accordance with the required section 122 (1) of the MFMA	Develop compliance checklist of all MFMA requirements	
<b>Legislative requirements</b> An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by Section 64(2) (e) of the MFMA	Develop compliance checklist of all MFMA requirements	CFO / Senior Manager: Revenue Management (Ms K Shoba)
<b>Legislative requirements</b> An effective system of internal control for debtors and revenue was not in place, as required by Section 64 (2) (f) of the MFMA	Develop compliance checklist of all MFMA requirements	
<b>Legislative requirements</b> Accounts for municipal tax and charges for municipal services were not prepared on monthly basis, as required by Section 64 (2) (c) of the MFMA	Develop compliance checklist of all MFMA requirements	
<b>Legislative requirements</b> Money owed by the municipality was not always paid within 30 days, as required by Section 65 (2) (e) of the MFMA	Develop monthly reports in compliance with MFMA Section 65 (2) (e).	CFO / Senior Manager: Expenditure Management (Mr S Nxumalo)
<b>Legislative requirements</b> Reasonable steps were not taken to prevent irregular expenditure amounting to R58, 68 million as disclosed in note 62 of the annual financial statements, as required by Section 62 (1) (d) of the MFMA.	Forensic Investigation	Senior Manager: Expenditure Management (Mr S Nxumalo) / Senior Manager: Forensic Investigations (Mr S Hlongwane)
<b>Legislative requirements</b> Reasonable steps were not taken to prevent fruitless expenditure amounting to R16, 65 million, as disclosed in note 66 of the annual financial statements, in contravention of Sect 62 (1) (d) of the MFMA	Forensic Investigation	

NON-COMPLIANCE WITH LEGISLATION	REQUIRED ACTION	RESPONSIBLE PERSON
<b>Legislative requirements</b> Some goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19 (a).	Forensic Investigation	Senior Manager: Forensic Investigations (Mr S Hlongwane)
<b>Legislative requirements</b> Job descriptions were not established for all posts in which appointments were made, as required by Section 66 (1) (b) of the MSA	Develop compliance checklist for MSA requirements.	DMM: Corporate Services / Senior Manager (A): Human Resources (Ms B Hlubu)
<b>Legislative requirements</b> Measurable performance targets were not set for each of the KPIs as required by Section 41 (1) (b) of the MSA and Municipal Planning and Performance Management Regulation 12 (1).	Develop compliance checklist for MSA requirements and Municipal Planning and Performance Management Regulations requirements	Senior Manager: Strategic Planning (Mr I Chetty)
<b>Legislative requirement</b> The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review and reporting processes should be conducted and organised, as required by the Municipal Planning and Performance Management Regulation 7 (1)	Develop compliance checklist for MSA requirements and Municipal Planning and Performance Management Regulations requirements	Senior Manager: Strategic Planning (Mr I Chetty)

MATERIAL IRREGULARITIES	REQUIRED ACTIONS	RESPONSIBLE PERSON
<b>Loss of prepaid electricity revenue</b> Prepaid electricity consumers who are on prepaid meters did not purchase electricity during the year and management did not interrupt or stop this practice because the prescribed internal audit process was not conducted timeously.	Prepare and submit monthly reports to AG on the implementation of the action plan.	DMM: Electricity Services and Chief Engineer: Revenue Management (Mr B Khanyile)
<b>Failure to implement credit control and debt collection policy – consumer debtors</b> The municipality failed to take reasonable steps to implement the credit control and debt collection policy, as the municipality did not disconnect nor restrict services or make arrangements for the recovery of the debt owed to the municipality with consumer debtors.	Prepare and submit monthly reports to AG on the implementation of the action plan.	CFO / Senior Manager: Revenue Management (Ms K Shoba)
<b>Failure to recover revenue from the sale of timber.</b> The municipality failed to collect revenue from a service provider as per the agreement between the service provider and the municipality for the disposal of timber. This resulted in non-compliance with Section 64 (2) (a) of the MFMA and is likely to result in a material financial loss for the Msunduzi Municipality.	Prepare and submit monthly progress reports to AG	Senior Manager: Strategic Planning (Mr I Chetty)