

16900

## FINANCIAL REPORTING AS AT 30 NOVEMBER 2023

*This report is submitted simultaneously to the Financial Services Portfolio Committee, Executive Committee and Council.*

### PURPOSE

To submit for noting the financial position of the uMhlathuze Municipality as at 30 November 2023 as required in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003).

### IDP STRATEGY AND OBJECTIVES

NATIONAL KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
5.1 Sound Financial and Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliant
		5.1.1.2 mSCOA compliant
		5.1.1.3 Review of all related financial policies
		5.1.1.4 Compliance with all MFMA and relevant local government financial legislation
	5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support on Budget and Financial Management matters
		5.2.1.2 Asset Accounting Management
		5.2.1.3 Accurate and timeous billing and receipting of revenue
		5.2.1.4 Apply Adequate Internal controls
		5.2.1.5 Accurate and timeous payments of creditors
		5.2.1.6 Apply adequate financial management methodologies
	5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management
		5.3.1.2 Accurate contracts and logistics management
		5.3.1.3 Apply adequate financial management methodologies

### BACKGROUND

**Section 71** of the Municipal Finance Management Act (MFMA), (Act 56 of 2003) prescribes certain conditions that need to be complied with, in terms of the mentioned Act.

The Accounting Officer of the Municipality must report by no later than ten (10) working days after the end of each month to the Mayor and the relevant Provincial Treasury, a statement in the **prescribed format** on the state of the Municipality's budget.

**Section 66** of the Municipal Finance Management Act further prescribes that all expenditure incurred by the Municipality on staff salaries, allowances and benefits be reported upon in a format and for the prescribed period. It is considered appropriate to report on this section of the Act on a monthly basis to coincide with the reporting requirements of Section 71(1) of the Act.

As mentioned above, the MFMA Section 71 (1) refers to a prescribed format according to which the annual budget is required to be prepared. The National Treasury issued MFMA Circular No 51 (**DMS 633560**) in which this prescribed format was set out.

Furthermore, the National Treasury issued Municipal Budget and Reporting Regulations in terms of Government Gazette Number 32141 dated 17 November 2009. These regulations set out the manner in which Municipalities are required to prepare the 2010/2011 Budget as well as the in-year reporting effective from November 2010.

The objectives of the budget format reforms in terms of these regulations are:

- ❖ To ensure that the Municipal budget and financial reporting formats support the other financial management reforms introduced by the Municipal Finance Management Act (MFMA).
- ❖ To formalise the norms and standards governing Municipal Budget and Financial Reporting formats, so as to improve the credibility, sustainability, transparency, accuracy and reliability of budgets and in-year reports of Municipalities.
- ❖ To improve Council's ability to deliver basic services to all by addressing issues of financial sustainability.
- ❖ To facilitate informed policy choices by Council and medium term planning of service delivery by aligning targets to achieve backlog elimination.

The Minister of Finance has, in terms of Section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs issued the Municipal Regulations on Standard Chart of Accounts as set out in Government Gazette No 37577 (**DMS 974357**) dated 22 November 2014.

These Regulations apply to all Municipalities and Municipal entities and indicate its applicability and relevance to each specific Municipal environment while accommodating organisational uniqueness and structural differences. These regulations took effect from 1 November 2017.

The objective of these regulations is to provide for a national standard, uniform recording and classification of municipal budget and financial information at transactional level by prescribing a standard chart of accounts for municipalities.

Once these regulations are effective, the financial reporting will be aligned (budget reporting and financial statements reporting). The regulations require that the financial system used by Municipalities must be compliant with the Standard Chart of Accounts. This means that the financial systems of Municipalities must be capable to accurately record all financial transactions in terms of the required segments. The current financial system used by the Municipality does not provide for the recording of financial transactions as required by the regulations.

The implementation of these regulations requires that the Municipality must proactively procure a financial system solution that will be compliant with the Standard Chart of Accounts. Of similar importance is the provision for training of responsible officials to ensure that they attend the trainings and workshops to be provided by the National Treasury.

In terms of Council Resolution 8901 dated 26 November 2013, Council was selected as a Pilot Site for the mSCOA implementation.

**Section 1** of the MFMA defines the Service Delivery and Budget Implementation Plan (SDBIP) as:

*“A detailed plan approved by the Mayor of a municipality in terms of Section 53(l)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate:*

- (a) *Projections for each month of-*
  - (i) *Revenue to be collected, by source; and*
  - (ii) *Operational and capital expenditure, by vote.”*

Component 1, comprised of actual revenue collected by source and Component 2, comprised of actual operational and capital expenditure by vote for the month of November 2023 is included under **Annexures AA and AB (DMS 1642785)**.

## TABLE OF CONTENTS

<b>PART 1 - IN-YEAR REPORT</b>	
1.	Mayor's report for the month of November 2023
2.	Resolutions
3.	Executive Summary
3.1	Executive Summary - Operating Budget
3.2	Executive Summary - Cash Flow Situation
3.3	Executive Summary - Grants Balances
3.4	Executive Summary - Capital Budget Summary
3.5	Executive Summary - Expenditure per Category
3.6	Executive Summary - Revenue per Category
3.7	Executive Summary - Surplus and Deficit by Function
3.8	Executive Summary - Creditors Age Analysis
3.9	Executive Summary - Debtors Age Analysis
3.10	Executive Summary - Employee Debt and Councillor Debt
3.11	Executive Summary – Financial Ratios
4.	In-year budget statement tables
<b>PART 2 - SUPPORTING DOCUMENTATION</b>	
5.	Debtors' Analysis
6.	Creditors' Analysis
7.	Investment portfolio analysis
8.	Allocation and grant receipts and expenditure
9.	Councillor allowances and employee benefits
10.	Capital programme performance
11.	Municipal Manager's quality certification

## PART 1 - IN-YEAR REPORTING

### 1. **MAYOR'S REPORT FOR THE MONTH OF NOVEMBER 2023**

In terms of the Budget Regulations, Part 1 in-year reporting, the Mayor is required to provide a report / comments on:

- “(a) **a summary of whether the Municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;**

The Mayor has considered the Section 71 report for the month of November 2023, and the performance of the Municipality against its budget is in line with the Adopted Budget that was approved by Council in May 2023. A detail of all the points highlighted by the Mayor is included in the report.

### **Operational Budget**

The monthly budget statement summary (Table C1) for the month of November 2023 (year to date actual) shows a deficit of R5,6 million. The performance in this area is **Not Acceptable**.

## Capital Budget

Council is in the second quarter of the financial year and capital expenditure is moderate at R339 million (42,28%). This is based on the Adopted Budget of R802,9 million. The performance in this area is **Acceptable**.

## Cash Flow

In terms of Council's Adopted Working Capital Policy, the objective is for Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 0,94:1 (Cash in Bank against average monthly liability's – R318 201 / R340 197). This is below the norm therefore the performance in this area is **Not acceptable**.

## 2. **RESOLUTIONS**

Refer to the recommendations contained in this report.

## 3. **EXECUTIVE SUMMARY**

This section deals with the financial status of the Municipality at an executive level and highlights matters that are of particular importance from the Chief Financial Officer's perspective.

### 3.1 **Operating Budget**

The following table represents an executive summary for the financial period ended 30 November 2023:

DESCRIPTION	ADOPTED BUDGET 2023/2024	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL NOVEMBER 2023 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Revenue (excl capital grants)	4 931 450 700	2 083 547 950	2 137 996 524	102,61%
Expenditure	4 937 023 600	2 073 237 900	2 143 549 901	103,39%
Operating Surplus/(Deficit)	(5 572 900)	10 310 050	(5 553 377)	

Revenue excludes capital grants which are shown under 3.4 Capital Budget Summary source of funding.

Below is the financial performance dashboard extracted from **SAP Reports and Dashboard Module**. It depicts the results as at the end of the month of November 2023 (year to date).

**NB: Management is encouraged to make use of the dashboard for ease of reference on the financial performance and capital expenditure. Department to liaise with the Budget Office and ICT for assistance with reports and dashboard.**



## COU - FINANCIAL PERFORMANCE DASHBOARD FOR: NOVEMBER, 2023



### Operating Revenue (R '000)

4,931,451	Original Budget
0	Adjusted Budget
296,512	Monthly Actual
2,137,997	YTD Actual
1,989,846	YTD Budget
4,931,451	System Budget

### Operating Expenditure (R '000)

4,937,024	Original Budget
0	Adjusted Budget
424,021	Monthly Actual
2,143,550	YTD Actual
2,001,371	YTD Budget
4,937,024	System Budget

### Capital Transfers & Subsidies (R '000)

218,836	Original Budget
0	Adjusted Budget
8,363	Monthly Actual
95,350	YTD Actual
106,208	YTD Budget
218,836	System Budget

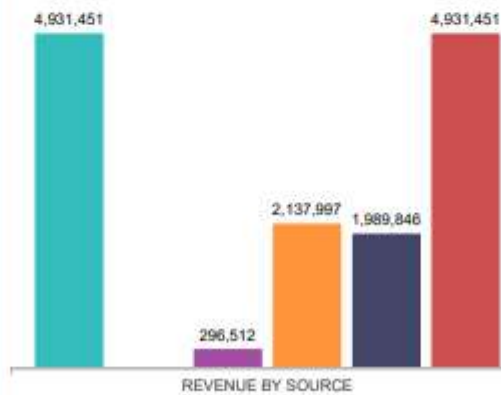
### Surplus/(Deficit) for the year excluding Transfers & Subsidies (R '000)

-5,573	Original Budget
0	Adjusted Budget
-127,509	Monthly Actual
-5,553	YTD Actual
-11,525	YTD Budget
-5,573	System Budget

### Overview Revenue & Expenditure Analysis

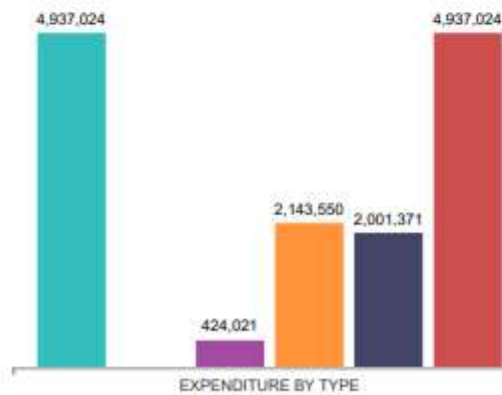
- ☒ Original Budget
- ☐ Adjusted Budget
- ☐ Monthly Actual
- ☐ YTD Actual
- ☐ YTD Budget
- ☐ System Budget

#### Operating Revenue (R '000)



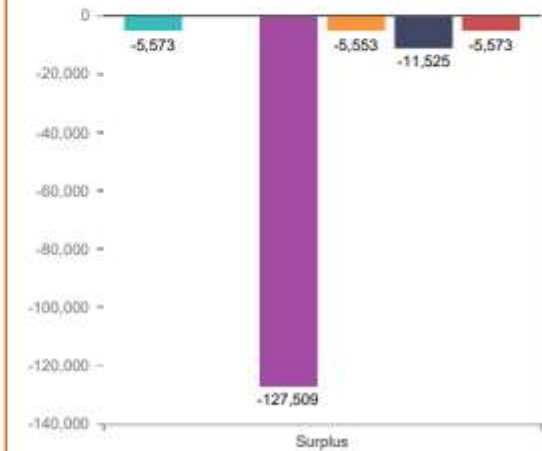
Original Budget  
Adjusted Budget  
Monthly Actuals  
Year to Date Actuals  
Year to Date Budget  
Full Year Forecast

#### Operating Expenditure (R '000)



Original Budget  
Adjusted Budget  
Monthly Actuals  
Year to Date Actuals  
Year to Date Budget  
Full Year Forecast

#### Surplus (R '000)



Original Budget  
Adjusted Budget  
Monthly Actuals  
Year to Date Actuals  
Year to Date Budget  
Full Year Forecast

### 3.2 Cash Flow Situation

#### Council's Working Capital Policy:

In terms of Council's Adopted Working Capital Policy, the objective is for the Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 0,94:1 (318 201/340 197).

This is fundamentally due to over-expenditure in the last financial year. Expenditure of which had to be funded from internal reserves, practice of which is not sustainable. This together with the fact that the Municipality has spent R183m on capex funded by borrowing, loan of which is not yet received from the successful tenderers as at date of this report.

### 3.3 Grants Balances

DESCRIPTION OF GRANT	ADJUSTED GRANTS BUDGET 2023/24	AMOUNT RECEIVED AS AT 30/11/2023	ACTUAL EXPENDITURE AS AT 30/11/2023	% EXPENDITURE TO AMOUNT RECEIVED	% EXPENDITURE TO TOTAL	COMMENTS
<b>NATIONAL TREASURY</b>						
Equitable Share	520 860 000	217 025 000	217 025 000	100%	42%	In terms of the Constitution, this allocation is to provide for an equitable sharing of National Revenue. It is primarily for the provision of Basic Services.
Intergrated Urban Development Grant-IUDG	153 196 000	62 000 000	72 030 731	116%	47%	IUDG aims to provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for investment in economic infrastructure.
Financial Management Grant	2 500 000	2 500 000	672 379	27%	27%	The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement Finamace Management Act (MFMA).
Water services infrastructure grant	40 000 000	22 000 000	19 537 491	89%	49%	This Grants has been reduced with an amount of 15 Million Rands on the amended DoRa issued in october.Reductions are focused on grants and programmes where there has been significant underspending in recent years.
Extended Public Works Pogramme	2 916 000	2 162 000	1 285 417	59%	44%	The grant is for the operational expenditure for EPWP.This grant has been reduced with an amount of R 173 000.00 as per the amended DORA.Reductions are focused on grants and programmes where there has been significant underspending in recent years
Integrated National Electrification Programme Gr	14 000 000	4 000 000	1 125 181	28%	8%	The grant i to provide capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings.Expenditure shown is for the period under review.
Municipal Disaster Recovery Grant	26 590 338	26 590 338	8 815 367	33%	33%	The Grant is for reconstruction and rehabilitation of damaged municipal infrastructure due to the 2022 storms.The amount shown is the rollover of funds that has been fully granted by National Treasury into 2023/2024 financial year.
Energy Efficiency and Demand Management	5 000 000	2 000 000	390 034	20%	8%	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency. No capital expenditure has been incurred in the period under review.
<b>TOTAL NATIONAL TREASURY GRANTS</b>	<b>765 062 338</b>	<b>338 277 338</b>	<b>320 881 600</b>	<b>95%</b>	<b>42%</b>	

DESCRIPTION OF GRANT	ADJUSTED GRANTS BUDGET 2023/24	AMOUNT RECEIVED AS AT 30/11/2023	ACTUAL EXPENDITURE AS AT 30/11/2023	% EXPENDITURE TO AMOUNT RECEIVED	% EXPENDITURE TO TOTAL	COMMENTS
<b>PROVINCIAL TREASURY</b>						
Provincialisation of Libraries	9 593 000	9 593 000	14 679 589	153%	153%	Expenditure shown is the total actual operating costs of the Libraries for the period under review.
Community Library Services Grant (Cyber cadets)	2 033 000	2 032 800	1 333 808	66%	66%	Expenditure shown is the total actual operating costs of the Cyber cadets for the period under review.
Housing Operating Account	4 429 000	4 664 925	9 219 660	198%	208%	Expenditure shown is the total actual operating cost of the Human Settlements Section excluding Hostel Operating costs for the period under review.
Museum Subsidy	249 000	-	1 676 514	0%	673%	The MOA has been finalised and submitted to the province for the transfer of funds expected in January 2024. Expenditure shown is the total actual operating costs of the Museum for the period under review.
<b>TOTAL PROVINCIAL TREASURY GRANTS</b>	<b>16 304 000</b>	<b>16 290 725</b>	<b>26 909 570</b>	<b>0%</b>	<b>165%</b>	
				-		
<b>TOTAL GRANTS AND SUBSIDIES</b>	<b>781 366 338</b>	<b>354 568 063</b>	<b>347 791 170</b>	<b>98%</b>	<b>45%</b>	

### 3.4 Capital Budget Summary

The table below represents Capital Expenditure incurred as at 30 November 2023:

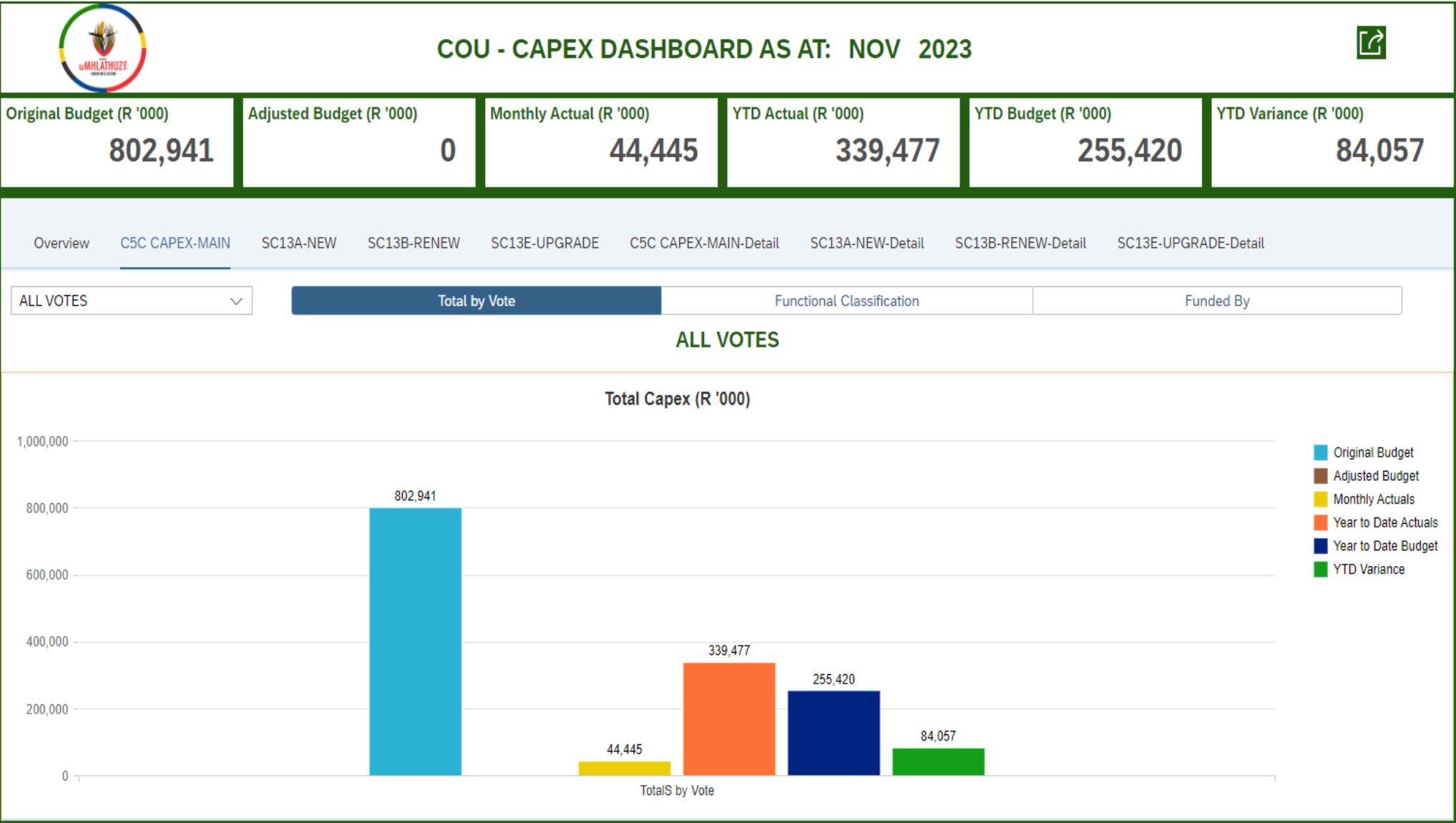
<b>FUNCTION</b>	<b>ADOPTED BUDGET 2023/2024</b>	<b>ACTUAL NOVEMBER 2023 (YTD)</b>	<b>% OF ADOPTED BUDGET SPENT</b>
	<b>R</b>	<b>R</b>	<b>%</b>
Finance and Administration	68 672 500	15 247 475	22,20%
Community and Social Services	71 073 500	2 732 059	3,84%
Energy Sources	125 935 000	29 423 135	23,36%
Executive and Council	118 000	-	0,00%
Environmental Protection	1 248 000	150 370	12,05%
Air Transport - Air port	5 444 000	2 079 399	38,20%
Planning and Development	22 127 000	2 751 384	12,43%
Public Safety	1 785 000	22 203	1,24%
Road Transport	131 940 000	27 529 438	20,87%
Sport and Recreation	34 619 900	38 868 334	112,27%
Waste Management	12 230 000	1 936 068	15,83%
Waste Water Management	125 265 800	56 721 688	45,28%
Water Management	202 482 400	162 015 550	80,01%
	<b>802 941 100</b>	<b>339 477 104</b>	<b>42,28%</b>

#### Capital Expenditure by Source of Funding

<b>SOURCE OF FUNDING</b>	<b>ADOPTED BUDGET 2023/2024</b>	<b>ACTUAL NOVEMBER 2023 (YTD)</b>	<b>% OF ADOPTED BUDGET SPENT</b>
	<b>R</b>	<b>R</b>	<b>%</b>
Borrowing	406 569 000	183 021 813	45,02%
Capital Replacement Reserve	177 535 900	72 220 981	40,68%
Integrated Urban Development Grant	145 536 200	61 983 229	42,59%
Government Grants - National	73 300 000	22 251 082	30,36%
<b>TOTAL</b>	<b>802 941 100</b>	<b>339 477 104</b>	<b>42,28%</b>



Capital Expenditure by vote (departments)



## **Capital Virements:**

The table below represents Capital Virements / Transfers made by the respective departments during the period 1 to 30 November 2023:

FROM				TO			
Date Received	Department	Project Description	Amount	Project Description	Comments by Departments	Amount	RPT Number
14/11/2023	IS - Engineering Services	Rural Sanitation - VIP	4 000 000	Mkhwanazi North - Zone G	Re-Allocation of IUDG funding	4 000 000	177029
14/11/2023	Air Transport	Design of nNseleni Fire Station	3 000 000	Richards Bay Airport: Airside Pavements	Richards Bay Airport-Airside Pavements.	3 000 000	174439
14/11/2023	Air Transport	Construction of Vulindlela Customer care centre	1 930 000	R/Bay Airport: Backup System	Richards Bay Airport Parkhome Offices and Backup System.	1 860 000	174439
				R/Bay Airport: Parkhome Offices		70 000	174439
14/11/2023	Air Transport	Construction of Vulindlela Customer care centre	2 000 000	R/Bay Airport: Airfield Ground Lighting	Funds required to repair the ground lighting on the airfield	2 000 000	174439
21/11/2023	IS - Rural Roads	Dunford Road Culvert	500 000	Rural Roads Offices	Funds required for electrification of satelite offices for rural roads	500 000	176354
21/11/2023	Corporate Services	All Libraries: Staff Chairs	30 000	Richards Bay Library- Upgrading and Renovation	Required for urgent refurbishment/renovation of Richards Bay Library.	200 000	176822
		Phase 1 Construction Dumisani Makhaye Village Hall	40 000				
		Empembeni Cemetery Fencing	130 000				
21/11/2023	Community Services	Empembeni Cemetery Fencing	570 000	Replacement: 3-Tonne Bush Truck for Parks	Required for the procurement of 3 Tonne drop-side Truck.	805 000	176822
		Ride on Mowers (Parks)	235 000				
22/11/2023	Electrical and Energy Services	DMV Phase 6 & 8 Development	4 000	New Furniture and Office Equipment.	Furniture and Office Equipment	4 000	
22/11/2023	Community Services	Furniture & Office Equipment	38 000	New & Replacement of IT Equipment	Procurement of a new Laptop	38 000	
22/11/2023	IS-Water and Sanitation	Replacement of Bulk water meters	500 000	Reduction of Non- Revenue	Required to appoint service provider for the implementation of water conservation	500 000	177029
23/11/2023	Community Services	KwaDlangezwa Swimming pool	116 400	uMhlathuze Stadium Refurbishment	Funds for replacement of trucks and for uMhlathuze stadium.	116 400	176822
		uMhlathuze Stadium Refurbishment	116 400	22 Seater Personnel carrier for parks			
		Ride on Mowers (Parks)	400 000				
		Compaction of Cemeteries	983 600				
23/11/2023	IS-Urban Roads	Mzingazi/Tuzi Gazi Steel Bridge	976 000	Aquadene Housing Access Roads	Required to fund the Aquadene Housing Access Roads	976 000	176354

NOTES:

OFFICIAL FINAL VERSION

RPT 177379  
Page 10 of 26

FROM				TO			
Date Received	Department	Project Description	Amount	Project Description	Comments by Departments	Amount	RPT Number
23/11/2023	Community Services	New IT Equipment for Safer City CCTV centre	253 000	New Firearms.	Required for the procurement of 9mm pistols.	253 000	176822
24/11/2023	Supply Chain Management	Furniture & Office Equipment	124 500	New & Replacement of IT Equipment	Purchase of laptops.	124 500	
28/11/2023	IS-Water and Sanitation	Emmpangeni CBD Market Stalls	7 000 000	Construction of 5ML package plant and 2 X 3ML Reservoirs	Re-Allocation of funding to process invoices for package plant.	15 000 000	177029
		Upgrading of Birdswood pump station capacity	1 000 000				
		Upgrade-Nseleni Sewer	3 000 000				
		Ntambanana Boreholes	3 000 000				
		Replacement of Khoza Pumping Line	1 000 000				
		Trailer mounted 6 inch water pump	500 000	Construction of 5ML package plant and 2 X 3ML Reservoirs		5 100 000	
		Disaster Management Building Renovations	1 000 000				
		Design of eNseleni fire station	2 000 000				
		Esikhaleni Backup System	1 000 000				
		Ngwelezane A pipe replacement	600 000				
		Empangeni B Taxi Rank - Phase 1	5 000 000	Construction of 5ML package plant and 2 X 3ML Reservoirs		8 700 000	
		Upgrade Alton Transfer Station (Phase 1&2)	3 700 000				
28/11/2023	Information Technology	Audio visual systems and Equipment	4 400 000	ICT Vulnerability tools	Required for vulnerability scanning tools and cyber security.	200 000	176105
				ICT Cybersecurity		4 200 000	
30/11/2023	IS-Storm water	Mandlanzini - Phase 1B	7 952 000	Design and construction of central industrial area link road and services.	Funds needed for payment of CIA certificate 30.	8 191 100	176354
		Mzingazi Sewer Reticulation	239 100				
30/11/2023	City Development	Construction of Esikhaleni Business centre- Phase 1	3 330 800	Installation of Air Quality Monitoring Equipment	Required for the Installation of Air Quality Monitoring Equipment	3 330 800	177301

FROM				TO			
Date Received	Department	Project Description	Amount	Project Description	Comments by Departments	Amount	RPT Number
01/12/2023	IS-Water and Sanitation	Upgrading of Valves in Richards Bay	1 500 000	Generators for water treatment facilities.	To cover shortfall for payment of invoices for supply of Generators.	3 074 200	177029
		Ngwelezane A pipe replacement	44 300				
		Upgrading of Valves in Esikhaleni	64 700				
		Upgrade of Waste Water pump at Esikhaleni waste water treatment works	330 300				
		Mechanical Equipment upgrade-Ngwelezane WTW	614 700				
		Empangeni sewer	166 400				
		Upgrade of waste water pump at Alton macerator	25 000				
		Upgrade of waste water pump at Nseleni waste water treatment works	128 800				
		Tools for Water and Sanitation	200 000				
06/12/2023	City Development	Installation of Air Quality Monitoring Equipment	3 330 800	Installation of Air Quality Monitoring Equipment	Correction of Commitment item.	3 330 800	177301
08/12/2023	City Development	Construction of Esikhaleni Business centre- Phase 1	157 400	Tractors for SMME's	Funds required for purchasing of Tractors	157 400	177301
11/12/2023	Electrical and Energy Services	High Maist Lighting Installation (Traditional Areas)	85 000	New Aircon North Services standby quarters.	Northern service electrical standby quarters air conditioner replacement	85 000	177364

FROM				TO			
Date Received	Department	Project Description	Amount	Project Description	Comments by Departments	Amount	RPT Number
11/12/2023	IS-Water and Sanitation	New Water Meters	500 000	Water Treatment Plants Automation-Esikhaleni	Funds required to process invoices for water	2 214 500	177029
		Replacement of Bulk water meters	679 600				
		Laboratory Equipment	877 300				
		Upgrade of Nkoninga Pumpstation	30 200				
		Empangeni Upgrade of waste water treatment plant	439 100	Replacement of Pumps eNseleni.		873 900	
		Waste Water Treatment Facilities	217 700				
		Replacement of Pumps	35 600				
		Replacement of Khoza Pumping Line	65 400				
		Pipe Replacement for various areas	243 500	Replacement of Pumps eNseleni.		1 873 300	
		Upgrade of waste water pump at Arboretum macerator treatment works.	1 332 500				
		Upgrade of waste water pump at Ngwelezane waste water treatment works.	500 000				
		Water Quality Equipment	40 800				
11/12/2023	IS-Water and Sanitation	Refurbishment of Aquadene Hall	1 000 000	Construction of Esikhaleni Fitness centre	To process invoices for the construction of eSikhaleni fitness centre.	5 000 000	177029
		Disaster Building Fencing	1 000 000				
		Arterial framework plan renewal	1 000 000				
		Coastal Erosion Protection	2 000 000				
		Ntambanana Boreholes	1 000 000	Construction of Esikhaleni Fitness centre		4 000 000	
		Pedestrian Bridges	2 000 000				
		Ntambanana Water Reticulation	1 000 000				
			81 277 900			81 277 900	

The acceleration and completion of existing projects is supported. However, it must be noted that transferring funds from budgeted projects may have a negative impact on service delivery. Departments are urged to budget correctly in order to minimise this aforementioned activity and ensure that they adhere to their budgeted amounts. A total of R81,3 million of virements in November 2023 is a concern considering that it is only the fourth month of the financial year.

In terms of the approved Virement Policy, user departments are required to submit a report to Council on any capital virements made and provide reasons as to why these virements were necessary.

### 3.5 Expenditure per Category

The table below represents operating expenditure per category incurred as at 30 November 2023:

EXPENDITURE BY TYPE	ADOPTED BUDGET 2023/2024	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL NOVEMBER 2023 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Employee related costs	1 212 559 100	488 083 300	473 894 937	97,09%
Remuneration of Councillors	35 509 700	14 796 500	12 887 078	87,10%
Bulk Purchases - Electricity	1 492 128 200	656 777 100	625 443 568	95,23%
Inventory consumed - Water	306 540 400	127 725 167	173 907 667	136,16%
Inventory consumed - Materials	154 438 600	64 349 417	70 887 011	110,16%
Debt Impairment	173 882 500	71 699 000	69 014 360	96,26%
Depreciation and asset impairment	320 159 500	133 399 792	129 707 067	97,23%
Finance Charges	130 490 500	54 371 000	53 848 854	99,04%
Contracted Services	409 217 200	180 357 400	207 908 509	115,28%
Transfers and Subsidies	14 758 700	6 149 458	2 533 821	41,20%
Irrecoverable debts written off	-	-	10 884 409	0,00%
Operational costs	343 729 600	132 359 100	145 193 875	109,70%
Losses - Water Inventory (note 1)	343 609 600	143 170 667	167 438 746	116,95%
<b>TOTAL</b>	<b>4 937 023 600</b>	<b>2 073 237 900</b>	<b>2 143 549 901</b>	<b>103,39%</b>

The above table represents operating expenditure per category as at 30 November 2023.

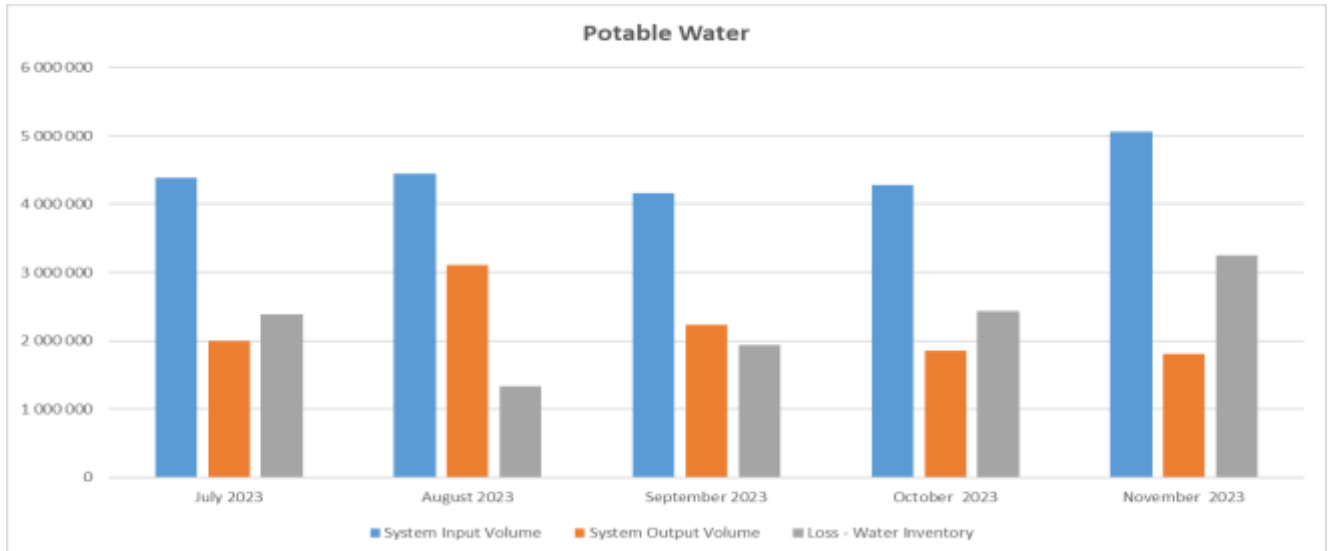
Note 1 and 2 above:

In terms of Version 6.5 of the mSCOA Chart it is required that municipalities account for their water purchases, water production as well their losses in accordance with the water balance model. This model has been derived after consultation with the National Water and Sanitation Department and will ensure that water inventory is correctly reflected.

Water Inventory - in Rands						
Water Inventory	Original Budget			Year to Date Actuals		
	Total	Potable	Clarified	Total	Potable	Clarified
	R	R	R	R	R	R
<b>Output</b>						
Inventory consumed - Water Billed (Authorised)	300 038 800	282 415 300	17 623 500	172 185 809	161 681 856	10 503 953
Inventory consumed - Water Unbilled (Authorised)	6 501 600	6 304 900	196 700	1 721 858	1 616 819	105 040
Total - Inventory consumed - Water	306 540 400	288 720 200	17 820 200	173 907 667	163 298 675	10 608 992
Loss - Water Inventory	343 609 600	341 765 500	1 844 100	167 384 161	167 023 946	360 215
<b>Total Water Inventory (Consumed plus losses)</b>	<b>650 150 000</b>	<b>630 485 700</b>	<b>19 664 300</b>	<b>341 291 828</b>	<b>330 322 620</b>	<b>10 969 207</b>

Water Inventory - in Units (kl)						
Water Inventory	Original Budget			Year to Date Actuals		
	Total	Potable	Clarified	Total	Potable	Clarified
	kl	kl	kl	kl	kl	kl
<b>Output</b>						
Inventory consumed - Water Billed (Authorised)	28 981 398	24 231 398	4 750 000	12 545 743	10 893 061	1 652 682
Inventory consumed - Water Unbilled (Authorised)	593 960	540 960	53 000	125 457	108 931	16 527
Total - Inventory consumed - Water	29 575 358	24 772 358	4 803 000	12 671 201	11 001 992	1 669 209
Loss - Water Inventory	29 820 657	29 323 657	497 000	11 392 057	11 330 871	61 186
% Loss - Water Inventory	50,2%	54,2%	9,4%	47,3%	50,7%	3,5%
<b>Total Water Inventory (Consumed plus losses)</b>	<b>59 396 015</b>	<b>54 096 015</b>	<b>5 300 000</b>	<b>24 063 258</b>	<b>22 332 863</b>	<b>1 730 395</b>

Potable Water Inventory - in Units (kl)					
Water Inventory	July 2023	August 2023	September 2023	October 2023	November 2023
System Input Volume	4 380 459	4 445 271	4 162 506	4 280 083	5 064 544
System Output Volume	1 997 129	3 110 282	2 232 445	1 851 578	1 810 557
Loss - Water Inventory	2 383 330	1 334 989	1 930 061	2 428 505	3 253 987



## Water Losses per Zone

	Zone 1 (Richards Bay , Nseleni, Khoza, Mandlanzini, Meerensee , Mzingazi)	Zone 2 (Empangeni, Ngwelezane, Zungu)	Zone 3 (Esikhaleni, Felixton, Vulendlela, Mkwanzazi North & South)	Zone 4 (Richards Bay - Clarified Water)
	KL	KL	KL	KL
<b>System Input (Purchased and Produced)</b>	2 238 998	1 984 580	840 966	260 093
Kl/Day	74 633	66 153	28 032	8 670
<b>System Out Put -Inventory Consumed</b>	1 140 962	494 061	175 535	327 443
Kl/Day	38 032	16 469	5 851	10 915
Inventory consumed - Water Billed (Authorised)	1 129 665	489 169	173 797	324 201
Inventory consumed - Water Unbilled (Authorised)	11 297	4 892	1 738	3 242
<b>Water Lossess</b>	1 098 036	1 490 519	665 431	-
Kl/Day	36 601	49 684	22 181	-
Water Losses:Apparent Losses:Customer Meter Inaccuracies	98 823	134 147	59 889	-
Water Losses:Apparent Losses:Unauthoried Consumption (Theft)	54 902	74 526	33 272	-
Water Losses:Real Losses:Leakage and Overflows at Storage Tanks/Reservoirs	44 470	60 366	26 950	-
Water Losses:Real Losses:Leakage on Service Connections up to the point of Customer Mete	253 482	344 086	153 615	-
Water Losses:Real Losses:Leakage on Transmission and Distribution Mains	591 457	802 868	358 434	-
Water Losses:Data Transfer and Management Errors	54 902	74 526	33 272	-
<b>% Loss - Water Inventory</b>	49,0%	75,1%	79,1%	0,0%



### 3.6 Revenue per Category

The source of funding for the above comprises the following revenue categories:

REVENUE BY SOURCE	ADOPTED BUDGET 2023/2024	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL NOVEMBER 2023 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
<b>Exchange Revenue</b>				
Service Charges – Electricity revenue	2 150 331 000	893 657 000	860 892 803	96,33%
Service Charges – Water revenue	588 970 400	264 568 000	254 586 513	96,23%
Service charges - Waste Water Management	119 676 200	49 865 083	50 518 649	101,31%
Service charges - Waste management	114 791 500	47 829 792	48 818 177	102,07%
Sale of Goods and Rendering of Services	12 365 800	5 152 417	61 202 655	1187,84%
Agency services	6 364 800	2 652 000	3 480 264	131,23%
Interest earned from Receivables	29 400	12 250	-	0,00%
Interest from Current and Non Current Assets	64 500 000	26 875 000	15 700 326	58,42%
Rent on Land	849 900	354 125	818 603	231,16%
Rental from Fixed Assets	16 073 500	6 697 292	4 291 378	64,08%
Operational Revenue	8 624 600	3 593 583	2 972 042	82,70%
<b>Non-Exchange Revenue</b>				
Property rates	736 829 200	310 500 000	310 129 432	99,88%
Surcharges and Taxes	6 332 000	2 454 900	2 370 049	96,54%
Fines, penalties and forfeits	15 753 500	6 360 800	1 158 953	18,22%
Licence and permits	3 631 700	1 513 208	1 192 306	78,79%
Transfers and subsidies - Operational	551 826 800	238 754 000	243 492 218	101,98%
Interest	-	-	710 288	0,00%
Other Gains	26 281 900	10 950 792	10 988 993	100,35%
Gains - Water Inventory	508 218 500	211 757 708	264 672 875	124,99%
<b>TOTAL OPERATING REVENUE</b>	<b>4 931 450 700</b>	<b>2 083 547 950</b>	<b>2 137 996 524</b>	<b>102,61%</b>

The above table represents operating revenue per category as at 30 November 2023.

**Sale of Goods and Rendering of Services** – This is a result of the change in the Accounting Policy for housing implementation projects emanating from previous year's audit which requires expenditure to be recognised as contracted services and a corresponding contract revenue recognised accordingly in line with GRAP 11. The change in the budget will be accommodated in the Adjustment Budget based on the amount advanced by Human Settlements.

Furthermore, NCT Forestry Corporation was billed R1,2 million for fire services that was provided by Fire Section to respond to conveyor belt fire at the company.

### 3.7 Surplus and Deficit by Function

FUNCTION	ADOPTED BUDGET 2023/24			ACTUAL AS AT 30 NOVEMBER 2023		
	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)
	R'000	R'000	R'000	R'000	R'000	R'000
Executive and Council	934 500	39 252 700	(38 318 200)	365 959	18 795 410	(18 429 451)
Finance and Administration	1 035 106 400	217 576 000	817 530 400	421 782 828	79 792 799	341 990 029
Community and Social Services	19 041 000	152 465 000	(133 424 000)	12 218 782	56 478 125	(44 259 343)
Sport and Recreation	5 451 000	225 553 000	(220 102 000)	4 635 241	86 962 275	(82 327 034)
Public Safety	15 783 000	204 739 600	(188 956 600)	4 170 735	83 222 397	(79 051 662)
Housing	6 476 200	29 963 700	(23 487 500)	61 005 809	68 018 305	(7 012 496)
Environmental Protection	88 600	8 546 400	(8 457 800)	31 430	2 446 016	(2 414 586)
Health	27 500	5 785 500	(5 758 000)	11 458	2 218 346	(2 206 888)
Planning and Development	14 529 300	105 936 200	(91 406 900)	3 372 962	35 296 905	(31 923 943)
Internal Audit	74 100	68 300	5 800	30 901	(1 267 768)	1 298 669
Road Transport	12 699 500	291 821 500	(279 122 000)	13 541 093	122 412 951	(108 871 858)
Air Transport and other	9 622 200	25 235 500	(15 613 300)	381 771	9 675 813	(9 294 042)
Energy sources	2 204 429 900	1 931 199 000	273 230 900	883 902 913	793 046 156	90 856 758
Water management	1 156 968 900	1 158 368 500	(1 399 600)	543 032 749	582 965 959	(39 933 210)
Waste water management	232 580 000	332 291 300	(99 711 300)	98 314 953	126 452 874	(28 137 920)
Waste management	217 638 600	208 221 400	9 417 200	91 196 940	77 033 339	14 163 601
<b>Total</b>	<b>4 931 450 700</b>	<b>4 937 023 600</b>	<b>(5 572 900)</b>	<b>2 137 996 524</b>	<b>2 143 549 901</b>	<b>(5 553 377)</b>

The table above sets out the surplus and deficit for each function. It is important to note that although the trading services namely Energy Sources, Water Management, Waste Water Management and Waste Management are expected to be profitable **only Energy Sources (Electricity) and Waste Management are yielding surpluses on the actuals.**

### 3.8 Creditors Age Analysis

Creditors age analysis by customer type:

Creditors Age Analysis By Customer Type	0 - 30 Days
	<b>R</b>
Bulk Electricity	128 204 247
PAYE deductions	16 893 849
Pensions / Retirement deductions	13 997 925
Trade Creditors	22 419 631
Other	3 250
<b>Total By Customer Type</b>	<b>181 518 902</b>

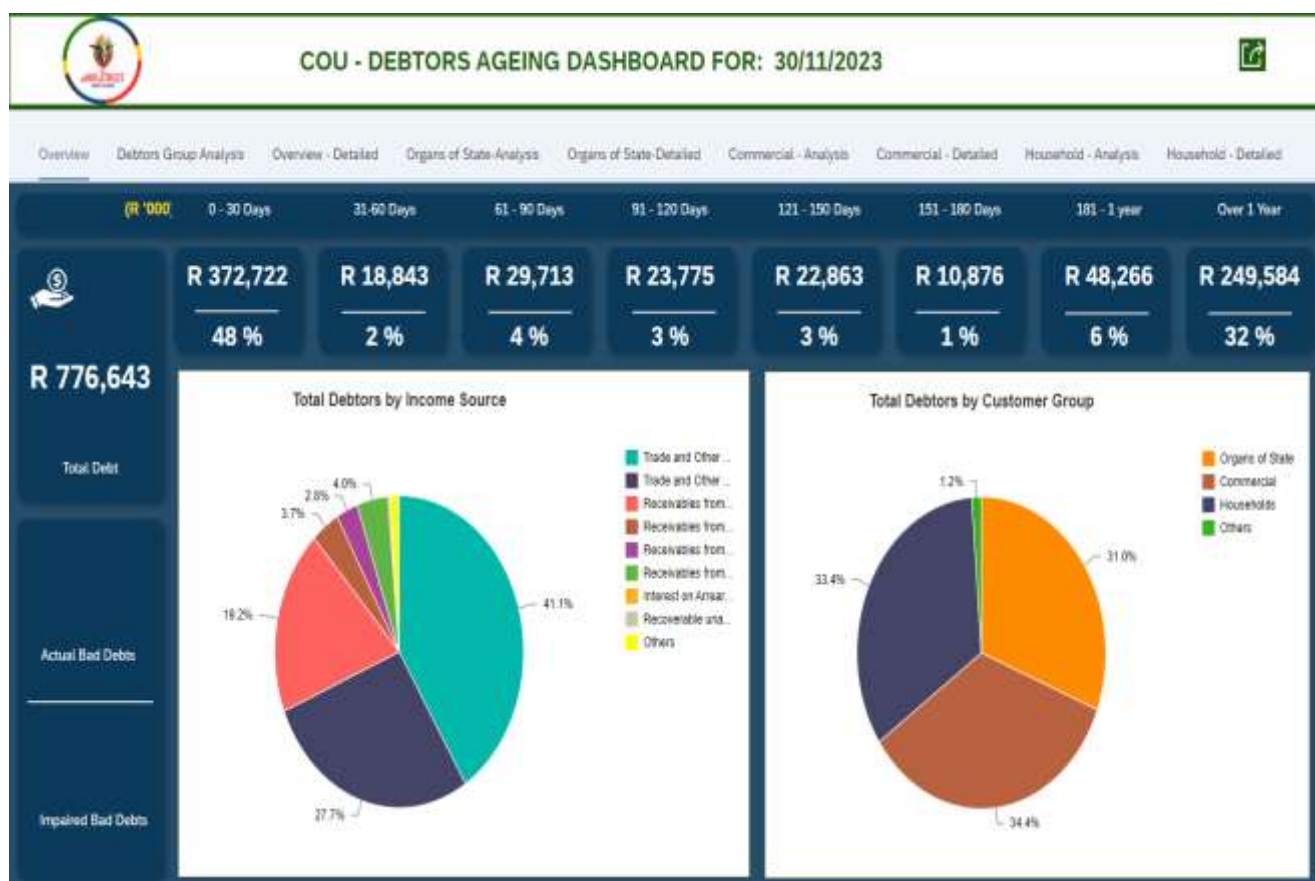


The above table represents the ageing of creditors outstanding as at 30 November 2023. As per the National Treasury Circular 71 uniform ratios the formula to calculate the creditors payment period is as follows - *Trade creditors outstanding/credit purchases (operating and capital) x 365*. Based on the formula, the creditors payment period as at end of November 2023 is **27 days**. It must be noted that amounts over 90 days are invoices that were accrued due to year-end cut-off. However, the final signoff and verification still needs to be done by User Departments.

### 3.9 Debtors Report

#### FINANCIAL REPORTING ON INCOME / DEBT

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Organs of State	137 346 770	8 645 856	17 770 631	76 654 267	240 417 524
Business	170 512 385	5 344 278	4 504 934	86 658 160	267 019 757
Households	63 386 575	4 810 577	7 275 894	184 131 269	259 604 315
Other	1 476 547	42 408	161 672	7 920 666	9 601 292
<b>Total</b>	<b>372 722 276</b>	<b>18 843 119</b>	<b>29 713 130</b>	<b>355 364 362</b>	<b>776 642 888</b>
<b>%</b>	<b>47,99%</b>	<b>2,43%</b>	<b>3,83%</b>	<b>45,76%</b>	



Section 216 (1)(c) of the Constitution and Section 2 of the Municipal Finance Management Act (MFMA) enable the National Treasury to introduce uniform Treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National Treasury determined the formulas for every financial ratio in terms of Circular 71. These formulas will, therefore be used in the reporting.

## Debt Collection Rate

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The following formula and norm is included in the Circular:

<i>Formula (As per circular 71)</i>	<i>Norm</i>
Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100	The norm is <b>95%</b>

PAYMENT RATIO					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
1	Collection Rate - Rolling 12 Months	95%		98%	Please refer to page 5 of MFMA Circular No. 71
			Gross Debtors closing balance Nov2023	856 063 709	
			Gross Debtors opening balance Dec 2022	982 000 322	
			Bad debts written Off Dec 2022 to Nov2023	186 207 505	
			Billed Revenue Dec 2022 - Nov 2023	3 560 236 196	

## ➤ Net Debtors Days

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its consumers for bills / invoices issued to them for services. The Ratio excludes balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful Debts:

<i>Formula (As per circular 71)</i>	<i>Norm</i>
(Gross Debtors - Bad Debt Provision) / Billed Revenue) x 365	The norm is <b>30 Days</b>

NETT DEBTORS IN DAYS					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
2	Net Debtors Days	30 days		73 days	Please refer to page 6 of MFMA Circular No. 71
			Gross Debtors closing balance Nov 2023	856 063 709	
			Bad debts Provision 2023 / 2024	142 600 000	
			Billed Revenue Dec 2022 - Nov 2023	3 560 236 196	

## Government Debt

Government debtors shown as follows:

GOVERNMENT DEPARTMENTS						
National Departments	0-30 days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
National Public Works	5 251 309	40 184	(2 015 999)	133 460	461 144	3 870 098
Dept of Agriculture and Rural Development & land Reform	51 078	48 695	12 173	198 982	181 109	492 037
Department of Water Affairs and Sanitation	-	-	-	-	(814 979)	(814 979)
	<b>5 302 387</b>	<b>88 879</b>	<b>(2 003 826)</b>	<b>332 442</b>	<b>(172 726)</b>	<b>3 547 157</b>
Provincial Departments		31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Public Works	(449 956)	41 651	13 307	8 678 215	8 056 943	16 340 160
Education	2 016 488	120 824	383 631	462 277	5 764 038	8 747 257
Tvet Colleges	3 350 785	444 852	448 240	570 297	1 977 985	6 792 160
Human Settlement	93 830	24 978	3 068	151 719	472 690	746 286
Department of Transport	73 601	16 447	11 831	2 814	50 640	155 333
Department of Health	742 598	7 259	-	2 645	3 568 714	4 321 217
Department of Social Welfare	216 625	41 571	56 241	-	-	314 437
	<b>6 043 972</b>	<b>697 582</b>	<b>916 318</b>	<b>9 867 968</b>	<b>19 891 010</b>	<b>37 416 849</b>
Other Organs of State		31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Transnet	7 925 225	134 694	113 364	436 439	(1 770 526)	6 839 196
ESKOM	223 743	20 153	1 651	2 607	69 532	317 686
Ingonyama Trust Board	799 492	424 700	428 669	1 042 449	19 346 725	22 042 035
Telkom	696 767	714	714	849	12 636	711 680
Foskor	36 270 869	5 317	256 634	1 779 826	-	38 312 646
SA Post Office	49 880	5 945	487	1 328	37 213	94 853
Richards Bay IDZ	3 430 190	-	-	-	-	3 430 190
Mhlathuze Water Board	4 760 120	40	-	-	21 328 753	26 088 912
King Cetshwayo District Municipality	17 761 897	7 180 498	17 954 194	156 090	148 051	43 200 731
	<b>71 918 183</b>	<b>7 772 060</b>	<b>18 755 713</b>	<b>3 419 588</b>	<b>39 172 384</b>	<b>141 037 929</b>

## **Government Debt Comments**

The main issues on Government Debt remain the lack of available budget to the relevant government departments. The debt owing by government departments appear to be a long term issue that will require constant monitoring and intervention.

A dedicated team of officials are working on the Government debt to ensure that the debt remain as low as practically possible.

### **3.10 Employee Debt / Councillor Debt**

At the previous Financial Services Portfolio Committee meeting, Councillors requested that Officials' and Councillors' debt be submitted to Council.

Employees' debt amounts to R379 386,86 as per **Annexure AD - DMS 1642785**.

Councillors' debt amounts to R26 469,08 as per **Annexure AC - DMS 1642785**.

### **3.11 MFMA Circular number 71 Uniform Financial Ratios**

MFMA Circular 71 contained on **DMS 928606** sets out requirements for financial ratios and norms. This Circular covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation. These ratios also aid in long-term financial planning and can be used to track progress over a number of years. Norms or standards have been assigned to each financial ratio.

This template is included as **Annexure AF on DMS 1642785**.

#### 4. **IN-YEAR BUDGET STATEMENT TABLES**

The following monthly budget statement tables (**DMS 1642787**) respectively have been prepared in accordance with the Municipal Budgeting and Reporting Regulations:

TABLE NUMBER	DESCRIPTION	ANNEXURE
Table C1	Monthly Budget Statement Summary	A
Table C2	Monthly Budget Financial Performance (Standard Classification)	B
Table C2C	Monthly Budget Financial Performance (Detail) (Standard Classification)	C
Table C3	Monthly Budget Financial Performance (Revenue and Expenditure by Municipal Vote)	D
Table C3C	Monthly Budget Financial Performance (Detail) (Revenue and Expenditure by Municipal Vote)	E
Table C4	Monthly Budget Financial Performance (Revenue by source and Expenditure by Item)	F
Table C5	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	G
Table C5C	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	H
Table C6	Monthly Budgeted Financial Position	I
Table C7	Monthly Budgeted Cash Flows	J
Table SC1	Material variance explanations	K
Table SC2	Monthly Performance indicators	L
Table SC3	Aged Debtors	M
Table SC4	Aged Creditors	N
Table SC5	Investment Portfolio	O
Table SC6	Transfers and grant receipts	P
Table SC7(1)	Transfers and grant expenditure	Q
Table SC7(2)	Expenditure Against Approved Rollovers	R
Table SC8	Councillor and Staff Benefits	S
Table SC9	Monthly actuals and revised targets for cash receipts (cash flow)	T
Table SC12	Monthly capital expenditure trend	U
Table SC13a	Monthly capital expenditure on new assets by asset class	V
Table SC13b	Monthly capital expenditure on the renewal of existing assets by asset class	W
Table SC13c	Monthly repairs and maintenance expenditure by asset class	X
Table SC13d	Monthly depreciation by asset class	Y
Table SC13e	Monthly capital expenditure on upgrading of existing assets by assets class	Z



## PART 2 - SUPPORTING DOCUMENTATION

### 5. DEBTORS ANALYSIS

Refer to supporting table SC3 - Aged Debtors (**Annexure M**) (**DMS 1642787**) for the month ended 30 November 2023.

### 6. CREDITORS ANALYSIS

Refer to supporting table SC4 - Aged Creditors (**Annexure N**) (**DMS 1642787**) for the month ended 30 November 2023.

### 7. INVESTMENT PORTFOLIO ANALYSIS

Refer to supporting table SC5 - Investment Portfolio (**Annexure O**) (**DMS 1642787**) for the month ended 30 November 2023.

### 8. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Refer to supporting table SC6 - Transfers and grant receipts (**Annexure P**) (**DMS 1642787**) and supporting table SC7 - transfers and grant expenditure (**Annexure Q**) (**DMS 1642787**) for the month ended 30 November 2023.

### 9. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R**) (**DMS 1642787**) for the month ended 30 November 2023.

### 10. CAPITAL PROGRAMME PERFORMANCE

Refer to the following tables for the month ended 30 November 2023:

- ❑ Table C5 - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure G**) (**DMS 1642787**).
- ❑ Table C5C - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure H**) (**DMS 1642787**).
- ❑ Table SC12 - Monthly capital expenditure trend (**Annexure U**) (**DMS 1642787**).
- ❑ Table SC13a - Monthly capital expenditure on new assets by asset class (**Annexure V**) (**DMS 1642787**).
- ❑ Table SC13b - Monthly capital expenditure on the renewal of existing assets by asset class (**Annexure W**) (**DMS 1642787**).
- ❑ Table SC13c - Monthly repairs and maintenance expenditure by asset class (**Annexure X**) (**DMS 1642787**).
- ❑ Table SC13d - Monthly depreciation by asset class (**Annexure Y**) (**DMS 1642787**).
- ❑ Table SC13e - Monthly capital expenditure on upgrading of existing assets by assets class (**Annexure Z**) (**DMS 1642787**).

## **11. MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

Refer to **DMS 1643106 (Annexure AE)**.

### **ENVIRONMENTAL IMPLICATIONS**

None

### **FINANCIAL IMPLICATIONS**

This has been covered in details throughout the report.

### **LEGAL IMPLICATIONS**

The monthly financial report is prepared in terms of Section 71 of the Municipal Finance Management Act, 2003 (MFMA), (Act 56 of 2003).

### **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

Refer to the Executive Summary contained in this report for comments.

### **COMMENTS OF THE CITY MANAGER**

The report is noted by the Office of the City Manager.

### **RECOMMENDED THAT:**

the financial position of the uMhlathuze Municipality as at 30 November 2023, as required in terms of Section 71 and Section 66 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and as set out in the monthly budget statement tables (**DMS 1642787**), be noted.