



2021/22

**SECTION 72 MID-YEAR BUDGET
AND PERFORMANCE ASSESSMENT
REPORT**

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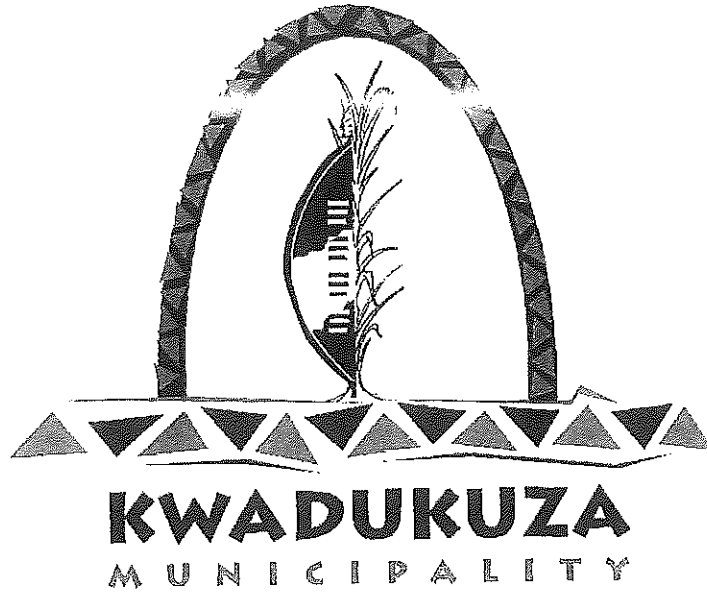
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1.1 MAYORS REPORT

MAYORS REPORT TO BE TABLED



1.2 RESOLUTIONS

Mid-Year budget and performance assessment resolutions

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

1. **THAT** the December 2021/22 Section 71(1) Monthly Budget Assessment Statement in the C Schedule (Annexure A) format as per GOVERNMENT GAZETTE No. 32141 dated 17 APRIL 2009 be noted and approved.
2. **THAT** the report be submitted timeously to National Treasury, Provincial Treasury, and other organ of state as per the requirement of GOVERNMENT GAZETTE No.32141 dated 17 APRIL 2009.
3. **THAT** the December 2021/22 Section 71(1) Monthly Budget Assessment Statement be tabled before Council.
4. **THAT** the report is hereby tabled in terms of S72 of the MFMA, Act No. 56 of 2003
5. **THAT** the transactions resulting in the overstated closing balance on the Cash flow be timeously corrected by the Director Expenditure.
6. **THAT** Council NOTES the withdrawals from bank account, attached under 'Supporting Documents' in the report, in terms of Municipal Finance Management Act, Sec 11 (4).



1.3 EXECUTIVE SUMMARY

The analysis below is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at the 31st December 2021. It is incumbent on the necessary user business units and user departments to ensure the completeness, validity and accuracy of the information provided for purposes of the assessment.

OPERATING BUDGET

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

DESCRIPTION	2021/22 APPROVED BUDGET R'000	2021/22 YTD BUDGET R'000	ACTUALS AS AT 31/12/2021 R'000
Total Revenue	2 059 853	1,029,927	925,273
Total Expenditure	2 076 260	1,038,130	883,146
Operating Surplus	(16 407)	(8 203)	42,127
Transfers recognised – capital	88 744	44,372	46,661
Contributions recognised – capital	18 180	9,090	9,761
Surplus for the year	90 517	45,259	98,549

In terms of the Mid-Year assessment, the actual revenue billed and/or collected to date is R 925, 273m. The negative variance of approximately R 104, 654m or -10% is realised at the end of the mid-year under review. The actual expenditure to date is R 883, 146m. A negative variance of R 154, 984m or -15% has resulted at the end of the Mid-Year under review. For the purposes of this report, the operating budget will be discussed under the following broad headings:

- **Revenue and Expenditure**

TABLE C4: FINANCIAL PERFORMANCE

KZN262 KwaDukuza - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

KZN292 KwaDukuza - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Property rates		533,546	577,128	577,128	49,164	258,636	288,564	(29,928)	-10%	577,128
Service charges - electricity revenue		879,909	1,076,385	1,076,385	83,759	427,972	538,192	(110,220)	-20%	1,076,385
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		67,757	67,978	67,978	6,245	38,115	33,969	2,126	6%	67,978
Rental of facilities and equipment		1,938	3,426	3,426	185	1,098	1,713	(615)	-36%	3,426
Interest earned - external investments		29,453	27,024	27,024	4,273	10,990	13,512	(2,532)	-19%	27,024
Interest earned - outstanding debtors		4,472	9,000	9,000	546	2,903	4,500	(1,597)	-35%	9,000
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		10,288	18,246	18,246	720	4,329	9,123	(4,794)	-53%	18,246
Licences and permits		447	703	703	15	708	351	356	101%	703
Agency services		9,468	13,085	13,085	832	5,235	6,543	(1,308)	-20%	13,085
Transfers and subsidies		220,539	228,202	228,202	67,404	157,391	114,101	43,290	38%	228,202
Other revenue		47,313	35,758	35,758	4,631	19,906	17,879	2,028	11%	35,758
Gains		2,125	2,919	2,919	-	-	1,459	(1,459)	-100%	2,919
Total Revenue (excluding capital transfers and contributions)		1,848,251	2,059,853	2,059,853	217,773	925,273	1,029,927	(104,654)	-10%	2,059,853

Expenditure By Type										
Employee related costs		425,155	511,232	511,232	43,649	228,297	255,616	(27,326)	-11%	511,232
Remuneration of councillors		22,848	25,399	25,399	1,926	11,189	12,700	(1,511)	-12%	25,399
Debt impairment		11,198	163,109	163,109	15	3,856	81,554	(77,699)	-95%	163,109
Depreciation & asset impairment		101,126	98,446	98,446	7,163	41,301	49,223	(7,922)	-16%	98,446
Finance charges		20,024	24,894	24,894	9,315	9,672	12,447	(2,775)	-22%	24,894
Bulk purchases - electricity		778,281	887,793	887,793	67,263	426,379	443,897	(17,517)	-4%	887,793
Inventory consumed		11,452	21,860	21,728	2,819	10,194	10,950	(736)	-7%	21,860
Contracted services		198,700	224,624	224,554	27,620	107,238	112,312	(5,074)	-5%	224,624
Transfers and subsidies		3,549	7,030	7,050	639	3,453	3,515	(62)	-2%	7,030
Other expenditure		105,439	111,872	112,055	13,372	41,576	55,938	(14,360)	-26%	111,872
Losses		5,285	-	-	-	-	-	-	-	-
Total Expenditure		1,683,056	2,076,260	2,076,260	173,781	883,146	1,038,130	(154,984)	-15%	2,076,260
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		54,962	89,744	89,744	10,675	46,561	44,372	2,289	0	89,744
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		22,904	18,180	18,180	230	9,761	9,090	671	0	18,180
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		243,061	90,518	90,518	54,897	98,548	45,259			90,518
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		243,061	90,518	90,518	54,897	98,548	45,259			90,518
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		243,061	90,518	90,518	54,897	98,548	45,259			90,518
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		243,061	90,518	90,518	54,897	98,548	45,259			90,518

DISCUSSION

REVENUE

The reasons for the R 104, 654 m negative variance will be discussed with reference to Table C4 of the Budget Statement Tables, and is explained as follows:

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

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

Service Charges – Refuse Revenue

- Revenue received from refuse services is R36,115m reflecting a positive variance of R2,126m.
- The variance in this revenue category is due to a higher billing as at 31st December 2021 than anticipated which was due to new billings in the South Section as well monthly updating of S78. Should this trend continue, the budget will be reviewed during the adjustment budget process to ensure that the budget is in line with the billing trends for the financial year.

Licences & Permits

- Reflects a positive variance of R356k from year-to-date budget as a result of incorrectly receipting a payment refund, in the first quarter, to the value of R 448k to the Beach permits line item. The treatment of the payment refund has not yet been finalised by the Director Expenditure as such the posting is yet to be corrected.

Transfers and Subsidies

- Transfers and Subsidies reflects a positive variance of R43, 920m as of 31st December 2021.
- The transfer recognised - Operational revealed a positive variance due to the anticipated timing of grant receipts. The variance will reduce as the year progresses. The R198m Equitable Share grant allocation is received in 3 tranches, of which R148m has been received by the end of December 2021 resulting in the positive variance as reflected under Transfers and Subsidies.
- A breakdown of the operational grant transfers can be reviewed on SC6 of the attached C Schedules.

Other Revenue

- Other Revenue reflects a positive variance of R2, 028m. The table below reflects the Other Revenue budget and actuals as of 31st December 2021.
- The main reason for the variance is the recognition of R6, 467m against a budget allocation of R8,5m for Collection Charges. This revenue stream will be closely monitored and should this trend continue will be adjusted during the Adjustment Budget process.
- Commission as reflected below relates to Administrative Handling fees and has been incorrectly posted to a line item with no budget allocation. In prior years, there has been a challenge in analysing revenue trends under the 'Other Revenue' category, as various transactions were continuously captured in line items with no budget allocations. However, transactions have been closely monitored on a monthly basis and timeously followed up with the relevant officials. Acting Director Revenue is currently resolving the outstanding matters, and these will be finalised by the end of February 2022.

OTHER REVENUE	TOTAL BUDGET	YTD ACTUALS
Administrative Handling Fees	- 2,669,992.00	- 139,777.33
Advertisements	- 4,902,761.00	- 2,115,252.17
Building Plan Approval	- 8,925,004.00	- 4,995,143.52
Cemetery and Burial	- 734,996.00	- 595,580.81
Cleaning and Removal	- 157,500.00	- 21,096.18
Clearance Certificates	- 834,996.00	- 364,736.87
Collection Charges	- 8,500,000.00	- 6,467,171.88
Commission	-	- 832,192.58
Computer Services	- 5,254.00	- 4,984.39
Discounts and Early Settlements	- 12,000.00	-
Encroachment Fees	- 63,000.00	- 74,568.16
Entrance Fees	- 210,004.00	- 40,086.94
Fire Services	- 189,000.00	- 3,887.14
Incidental Cash Surpluses	- 1,845,000.00	- 1,921,654.10
Insurance Refund	- 120,000.00	- 145,569.52
Legal Fees	- 313,000.00	- 173,913.04
Library Fees	- 63,000.00	-
Management Fees	- 1,500,000.00	- 315,653.38
Membership Fees	- 2,104.00	-
Parking Fees	- 230,996.00	-
Photo copies Faxes and Telephone charges	- 143,496.00	- 16,803.80
Sale of Goods	- 1,134,000.00	- 441,209.38
Sale of Property	-	- 122,695.65
Town Planning and Servitudes	- 3,189,503.00	- 1,134,848.04
Valuation Services	- 12,000.00	- 13,169.59
Grand Total	- 35,757,606.00	- 19,906,386.87

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

Property Rates

- Property Rates reflects a negative variance of R29, 928m. The variance in this revenue category is as a result of the system proportioning the 2021/22 Property Rates budget into 12 equal instalments over the period July 2021 to June 2022, however municipal rates are billed and payable over a period of 11 months, starting from the month of August 2021 to June 2022.
- A detailed analysis of the above variance has been undertaken by the Acting Director Revenue as the impact of the annual billings and outcomes of the valuation roll objections are to be considered in order to more accurately predict the rates billing for the full financial year.
- The decrease in Rates revenue due to rates objections is R14 061 226.80 as provided by the Acting Director Revenue.

	BATCH 1	BATCH 2	BATCH 3	BATCH 4
TOTAL VALUE OF CREDIT ADJUSTMENTS	(394,706.93)	(334,278.99)	(1,182,051.31)	(454,154.03)
TOTAL VALUE OF DEBIT ADJUSTMENTS	7,292.09	6,434.88	93,307.31	-
TOTAL NET IMPACT OF ADJUSTMENTS FOR ONE MONTH	(387,414.84)	(327,844.11)	(1,088,744.00)	(454,154.03)
DECREASE IN RATES REVENUE FOR THE YEAR	-387 414.84 x 11 months (4 261 563.24)	-327 844.11 x 11 (3,606,285.21)	-1 088 744 x 11 (1,197,684.00)	-454 154.03 x 11 (4,995,694.33)
OVERALL TOTAL				(14,061,226.80)

Service Charges – Electricity Revenue

- Service Charges- electricity reflects a negative variance of R110, 220m. The variance in this revenue category is as a result of the December billing that is still to be processed on the financial system. The billing is usually done on the 7th of the subsequent month whereas the report is based on the figures as at the end of each month.

- It must be noted that it is practically impossible to run the billing as at the last date of every month due to the number of meters that need to be read and, more importantly, the bulk meters are only read either on the last day of a month or the first day of a new month. It must further be noted that bulk meters' account for the majority of our electricity consumption.
- Furthermore, MSCOA does not allow municipalities to accrue revenue and expenditure in year. Accruals are only permitted as at the financial year end. The system hard closes on the last day of each and every month.
- The Electricity billing for December is R 70, 075m which has been billed on the 7th of January 2022. If this billing were to be considered, there would be a negative variance of approximately R40, 145m. This high negative variance is concerning, and it is highly probable that the revenue stream will be downwardly adjusted during the Adjustment Budget process. This projected reduction in electricity revenue is being discussed with the Electricity Business unit.

Interest on External Investments

- Reflects a R2, 532m variance from the budgeted revenue. The variance is a result of the timing of the Investment journals captured on the financial system. The bank statements are received on the 1st of each month, and interest is then captured onto the financial system. This is similar to the above where there is a timing difference allocated to the month end close off, of the financial system in accordance with the mSCOA Regulations.
- At present the interest received is approximately R1, 546m and has been captured on the system during the first week of January 2022. The true variance on this line item is therefore just under R1m.

Rental of Facilities and Equipment

- The Municipality has received R1,098m of the total revenue budget of R3, 426m. Decreased revenue has been observed under rental of council assets and hiring of halls and sporting facilities.

- Lockdown restrictions have created the lower than anticipated revenue collection. The 2021/22 budget allocation for this revenue category is being monitored as the 2020/21 audited AFS reflects receipt of only R1,938m under this revenue category. Downward adjustments may be necessary during the Adjustment Budget process.

Interest on Outstanding Debtors

- Reflects a R1,597m negative variance from the budgeted revenue. Council approved the implementation of the COVID 19 debt relief scheme from 1 July 2020 to 30 June 2022, which aims to assist debtors who are in arrears to settle their capital debts in full or in instalments so they could qualify for the write off of outstanding administration charges and accumulated interest.
- With many debtors taking advantage of the debt relief scheme, the billing of interest on outstanding debtors is therefore lower than anticipated. This revenue stream will be downwardly adjusted during the Adjustment Budget process.

Fines, penalties, and forfeits

- Fines, Penalties and Forfeits reflect a negative variance of R 4, 794m as at the end of December 2021. A prudent budgeting approach in respect of this revenue category was undertaken as a result of the uncertainty in collecting traffic fines revenue during this pandemic.
- In terms of Fines and Penalties, the unfavourable variance in this line item is as a result of the fines revenue being accounted for on a cash basis whilst the budget is based on iGRAP 1. GRAP requires us to recognise the total fines issued and not only those that have been collected.
- This exercise has been carried out and once the journals to the value of R2,309m for Quarter 1 and R1,980m for Quarter 2 is processed on the system, the variance should reduce significantly. However, it must be stressed that the above exercise represents “book revenue” only, and the cash receipts from this service remains minimal. At the end of December 2021, the cash receipts for fines issued was R 262 175.

Agency Services

- Reflects R1, 308m negative variances from budgeted revenue. The testing station has been closed on more than one occasion during the first six months of the financial year as a result of covid infections within the station.
- Also, concessions and extensions till the end of March 2022 were given to motorists in terms of card renewals during this pandemic thereby reducing the anticipated revenue on Agency Services.

EXPENDITURE

The Mid-Year Budgeted Operating Expenditure for the 2021/22 financial year was R1, 038bn. The actual expenditure recognised as of 31st December 2021 was R883, 146m which implies that the municipality has realised a negative variance of approximately R 154, 984m in expenditure. The reasons for the variances will be discussed with reference to Table C4 of the Budget Statement Tables, and is explained as follows:

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

Employee related costs

- The employee related costs show a negative variance or underspending of R27,328m, which is 11% as at end of December 2021. The variance is as a result of the timing of the filling of vacant positions, resignations, and untimely loss of municipal officials. Recruitment processes have since begun for many of the vacant posts.
- The timing of service-related benefits such as Bonus payments are also reasons for the underspending.
- Although there is underspending in Employee related costs, expenditure on Overtime reflects spending of R28,3m (56%) of the R50,8m budget allocation. Overtime costs will need to be closely monitored to ensure the budget allocation is sufficient as at year end.
- For a detailed analysis of Employee Related Expenditure refer to section 2.5 Councillor Allowances and employee benefits of the report.

Debt Impairment

- Reflects R3, 856m bad debts written off with the Debt Impairment showing a negative variance of R77, 699m as of 30th December 2021.
- Items included in this category are bad debts written off and provisions to debt impairment which at the time of compiling the report; there were no provisions recorded on the financial system resulting in this variance. It must be noted that the debt impairment testing and calculation is

done at the financial year end and only at that time are the journal entries processed onto the financial system.

- In accordance with the budget assumptions, a budget of R 158, 917m has been provided for debt impairment. The interim impairment indicates that the annual debt impairment may not be as high as expected. This is consistent with the overall collection levels of the municipality. Council is however cautioned that this will require close monitoring as we approach adjustment budget. The higher than expected collection levels are due predominately to once of large payments, an increased interest in the DIS scheme and certain disconnections during the month of December. As such the high collection levels may not be sustainable for the entire financial period. The revenue department is undertaking an in depth review of this to inform the adjustment budget.
- However, Council must note that the above non-cash provisions are required in terms of GRAP which are normally calculated at year end.

Depreciation

- Depreciation and asset impairment reflects a negative variance of R 7, 922m.
- The variance is as a result of delays in completion of prior year projects which has influenced the capitalization and subsequent depreciation of the assets.
- The other contributing factor to this variance is related to asset impairment which is normally undertaken towards the end of the financial year. A budget of R10m has been provided for asset impairment. Asset impairment is done on an annual basis, hence the variance created by the impairment budget allocation will only be eliminated at year end.

Finance charges

- Finance charges reflect a negative variance of R2, 775m as at the end of December 2021.
- The Finance Charges budget was considered on existing loans as well as the anticipated Borrowings of R5m that is reflected on the Capital Budget for the Electrical Business unit. The loan funded project is yet to be finalised.

- The interest together with redemption payments are made at specific times during the financial year, hence the variance. To date, only two payments made on the 23rd September and 13th December are reflected on the financial system. The next finance charge payments are due in March 2022 and June 2022.
- Further analysis on finance charges can be sourced under the capital budget loan funding section.

Bulk purchases

- Reflects R17, 517m under expenditure from the year-to-date budget.
- Due to the timing of the report, it does not include the December 2021 expense as the Eskom invoice was only received on the 4th January 2022 for bulk purchases. Eskom invoice for December amounted to R 72,714m and is only due for payment on 31 January 2022.
- If the December 2021 invoice is considered, the variance results in over expenditure of approximately R55, 482m. Bulk Purchases expense must be carefully monitored to ensure energy losses are not excessive as this may result in increased expenditure in the 2021/22 financial year, which increased expenditure cannot be funded due to budgetary constraints.
- The cumulative energy losses as at 31st December 2021 amounts to R 132 613 922.00 at 90 734 142 kwh with total losses of 26.49 % electricity purchases. The industry norm for energy losses is 8-12%. The municipal energy loss is therefore more than twice the industry norm and significantly threatens the financial viability of the council as such losses are not sustainable.

Contracted services

- The spending in this expenditure category as at 31st December 2021 is R 107,238m.
- Contracted services reflect an under spending of R5, 074m as at the end of December 2022. The reason for the variance is mainly due to the timing of projects. There are also certain annual projects for which the expenditure will only be considered closer to year end, e.g., Civil and Electrical Asset Verification Project.

- The refuse removal revenue shows a positive variance, however contracted services expenditure on refuse removal shows a significant increase. The increase is driven by an increase on indigent consumers serviced in the Southern Section. The matter was discussed in the steering committee involving Community Services Business Unit, Finance Business Unit and the service provider whereas various mechanisms were suggested to determine the accuracy, and assurance of the stats and ways to improve the process. The matter will be dealt with in the adjustments budget
- Certain contracted services budget allocations to the value of R 22,961m remains fully unspent at the end of December 2021. Engagements with the business units will be held to determine if these budget allocations will still be required in the 2021/22 financial year.
- Of the R22,961m unspent contracted services budget, R14,270m has been budgeted for the NDPG *Ease of Doing Business Project*. This is a grant funded project which has been rolled over from the 2020/21 financial year and is being run by the EDP business unit. The business unit has provided an in-depth review of the NDPG Ease of Doing Business project as referred to below: -

KWADUKUZA MUNICIPALITY EASE OF DOING BUSINESS – TOOLS & SYSTEMS PROJECT MN19/2021

KwaDukuza Municipality (KDM) has received funding from National Treasury (NT), which is part of the programme known General Budget Support (GBS) Phase 5, funded by the European Union, and targeting selected municipalities. The project scope includes, amongst others software design, online application systems design, hardware acquisition and public information portal development; policy, by-laws & SOP review, and development; capacity building & change management; public participation and awareness of new policies and on-line application systems.

As part of project implementation, the Economic Development and Planning Business Unit developed tender specifications, and these were approved on the 18th of March 2021. The tender MN 19/2021 is a two (2) stage tender process whereby Stage 1 is a technical proposal and Stage 2 is a financial proposal. A public tender advertisement calling for prospective service providers to make submissions was published in the Sunday Times on the 28/03/2021 and in the Natal

Mercury 29/03/2021. The Tender closure was scheduled for 12h00 on 14 May 2021 with the current tender process attracting five (5) prospective service provider i.e., submissions. Three (3) of the service providers were deemed nonresponsive as such did not take any further part in the tender process. However, one of the service providers submitted an appeal which was heard on the 02 December 2021. The appeals committee recommended for the dismissal of the appeal, and this was confirmed by the Accounting Officer.

The two service providers deemed responsive in terms of both compliance with tender submission requirements and functionality proceeded to the opening of Stage 2 tender process. The stage two envelope (financial proposals) was opened on the 01 October 2021. This was evaluated by the unit prior to onward submission to tender committees for further consideration and decision. The service provider was appointed during November/December 2021. The service provider submitted a draft project charter which outlines the implementation of the project at a high level. The business unit had an inception meeting with the service provider in December and are currently concluding a service level agreement for the implementation of the project.

Other expenditure

- The other expenditure category reflects under spending of R14, 360m as at the end of December 2021. The approved budget for other expenditure category was R 112, 055m as highlighted in the table below with expenditure of R41, 576m reflected.
- The Contribution to Landfill Provision will be accounted for at year end during the finalisation of the AFS.
- Workmen's compensation will be due in the month of January 2022.
- Management Fees expenditure relates to payments towards the Urban Improvement Precinct in terms of additional services provided in Special Rating Areas. There is an identical revenue allocation budget under Property Rates which at present reflects receipts of R 5, 488m.

OTHER EXPENDITURE	TOTAL BUDGET	YTD ACTUALS
☒ Operating Leases	4,837,055.00	1,717,813.00
Community Assets - Lease of Buildings	2,870,404.00	1,256,748.85
Furniture and Office Equipment	1,642,456.00	382,086.37
Machinery and Equipment	324,195.00	78,977.78
☒ Operational Cost	107,217,465.00	39,858,470.86
Retirement Recognition	3,207,252.00	38,075.88
Advertising Publicity and Marketing	5,299,561.00	1,698,666.51
Bank Charges Facility and Card Fees	4,238,083.00	1,185,528.57
Bursaries (Employees)	600,000.00	71,149.52
Commission - Prepaid Electricity	7,280,004.00	2,870,588.01
Communication (3G / Telephones)	5,091,353.00	1,874,903.50
Contribution to Provisions	1,404,004.00	-
Entertainment (Coun. Refreshment / Caucus Funds)	239,996.00	77,682.86
External Audit Fees	5,375,282.00	2,427,896.53
External Computer Service	8,199,996.00	4,336,835.84
Indigent Relief	7,110,908.00	1,683,208.30
Insurance Underwriting	5,839,845.00	4,975,735.90
Licences	71,366.00	18,474.20
Management Fee	13,000,000.00	2,918,055.20
Municipal Services	3,702,337.00	1,374,097.24
Printing Publications and Books	3,026,870.00	1,192,499.35
Professional Bodies Membership and Subscription	5,034,464.00	2,138,719.94
Registration Fees	1,363,596.00	459,589.94
Remuneration to Ward Committees	4,176,000.00	1,398,000.00
Skills Development Fund Levy	3,546,567.00	1,902,076.79
Travel and Subsistence	1,472,764.00	771,968.30
Uniform and Protective Clothing	5,915,935.00	1,203,613.54
Vehicle Tracking	503,279.00	285,674.32
Workmen's Compensation Fund	3,484,454.00	-
TOTALS	112,054,520.00	41,576,283.86

CAPITAL BUDGET

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

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

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

After numerous consultation processes, Council approved R 321, 401m as a capital budget in the current financial year with the majority of the funding being allocated towards electrical upgrades, road infrastructure projects and community recreational facilities.

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

- Government Grants
- Public Contributions
- Borrowings
- Internally generated funds

CAPITAL BUDGET FUNDING SUMMARY

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure funding) - M06 December

Vote Description R thousands	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Funded by:									
National Government	44,329	72,405	72,405	6,483	34,137	30,454	3,683	12%	72,405
Provincial Government	3,050	8,656	8,656	2,149	6,708	5,116	1,592	31%	8,656
District Municipality	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	17,740	15,252	15,252	1,019	3,834	9,252	(5,418)	-59%	15,252
	65,119	96,314	96,314	9,651	44,680	44,822	-142.00	0%	96,314
Transfers recognised - capital Borrowing	-	5,000	5,000	-	-	-	-	-	5,000
Internally generated funds	106,022	220,088	220,088	22,241	79,131	87,371	(8,240)	-9%	220,088
Total Capital Funding	171,141	321,401	321,401	31,892	123,811	132,193	(8 382)	-6%	321,401

Capital Budget Funding

Utilisation of Grants

- The capital grant allocation and public contribution for the financial year was R 96,314m, consisting of: -
 - Municipal Infrastructure Grant (MIG) – R 45,062m (excl. vat) of which R 39, 367m (excl. vat) has been received by the Municipality with R27, 987m (excl. vat) expenditure on the grant being reflected as at 31st December 2021. This reflects 62% expenditure on the MIG allocation received as of December 2021.
 - Integrated National Electrification Programme (INEP) – R 2,678m (excl. vat) which is fully spent at the end of December 2021 as well as R 864k has been spent on the Housing Electrification Projects council internally funded vote.
 - Housing Accreditation – R 116 200 for the procurement of Furniture, Tools and Equipment for the Housing section. R 86 553 expenditure reflected to date.

- Museum Subsidy – for the Construction of a New Museum. Funding of R2m has been allocated over the MTREF with a roll-over allocation of approximately R6,5m. The EDP business unit is the implementing business unit for the project and the tender was awarded on the 19th of April 2021. Expenditure of R 6, 662m (excl. vat) reflected as at the end of December 2021. The Construction of the Museum will be completed in the 2021/22 financial year.
- Energy Efficiency and Demand Side Management Grant (EEDMS) – R 3,478(excl. vat) with expenditure of R3, 472m being reflected.
- Department of Trade & Industry (DTI KwaDukuza Mall Project) – R11m allocation with expenditure of R 3, 727m. The DTI allocation is a reimbursive grant and receipt of grant tranches will only incur once invoices have been submitted by the Municipality.
- R21,187m unspent NDPG grant allocation for the KDM SCADA System. Engagements in terms of the disbursement of the grant is to be held with National Treasury. At present, the understanding is that the grant will be disbursed to the Municipality on the basis of cash flow projections. However, should bridge funding be considered, the Electricity Business Unit will present an item to Council for approval.

Council Funding

- There is a total under-spending on the pro-rata capital budget of approximately 6% as at 31st December 2021. However, the Council/internal funds reflects underspending of 9% on this category of funding. This represents a significant improvement when compared to the previous years.

Borrowings

- R5m allocation for the New Dukuza Substation, with expenditure of R 1, 993m as at 31st December. Majority of the cash flow required for this loan funded project is in the outer year allocations over the MTREF. R144m has been allocated for the Dukuza Substation over the MTREF.
- However, the business unit has submitted a request for loan cash flows in excess of the budget approved by Council. Finance Business Unit has engaged with the Electrical Business Unit on

numerous occasions to unpack the request as Council did not provide authority (via approval of the budget) for such increases in the overall project value. In the interim the loan bid has been approved by the Tender Specifications Committee subject to the Electricity Business Unit providing a signed draw down schedule to TSC for deliberation. Given the strategic nature of this project monthly updates regarding the loan are submitted to the Finance Portfolio Committee. The cost implications for the funding source are being deliberated at present to determine whether to fund the project internally or to source the full value of the loan.

EXPENDITURE PER STANDARD CLASSIFICATION

The table below provides a budget versus expenditure as per the standard classification Table C5 of the in-year reports. Based on this table, council spent R 123, 811m as at 31st December 2021. The actual expenditure resulted in a negative variance of 6% from its target.

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		4,423	13,900	13,900	3,202	7,632	8,750	(1,118)	-13%	13,900
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		4,423	13,900	13,900	3,202	7,632	8,750	(1,118)	-13%	13,900
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		27,507	91,748	91,748	3,848	11,583	35,631	(24,048)	-67%	91,748
Community and social services		8,057	38,876	38,876	2,275	7,480	14,920	(7,440)	-50%	38,876
Sport and recreation		16,578	25,970	25,970	1,091	2,653	16,460	(13,827)	-84%	25,970
Public safety		1,478	20,785	20,785	329	717	2,115	(1,398)	-66%	20,785
Housing		1,385	6,116	6,116	153	732	2,116	(1,384)	-55%	6,116
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		77,505	87,636	87,636	11,942	65,767	48,862	16,905	35%	87,636
Planning and development		89	1,823	1,823	22	172	1,823	(1,651)	-91%	1,823
Road transport		77,416	85,812	85,812	11,919	65,595	47,039	18,556	39%	85,812
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51,777	128,118	128,118	12,900	38,828	38,949	(121)	0%	128,118
Energy sources		48,836	119,662	119,662	11,094	34,428	35,093	(665)	-2%	119,662
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2,941	8,456	8,456	1,806	4,400	3,856	544	14%	8,456
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	181,213	321,401	321,401	31,892	123,811	132,193	(8,382)	-6%	321,401

Governance and Administration – Finance & Admin

In terms of Functional classification, the R7, 632m expenditure reflected is from the following departments within the respective business units: -

Corporate Services Business Unit

- Procurement of Office Furniture & Equipment reflects R 1,241m expenditure to date.

Finance Business Unit

- R 163,8k spent on the procurement of IT equipment. There is still a need for further IT equipment and additional funding will be sought during the adjustments budget process.
- It has also emerged that the Finance building requires some urgent maintenance and refurbishment work due to degradation of certain parts of the building. Funding for this will also be sought during the adjustments budget process.

Human Resources

- Budget allocation of R500k for the Electronic Staff Attendance Register project which has been considered for roll-over into this financial year. No expenditure reflected to date.

Information Technology

- PC Printers Upgrades reflects an expenditure of R 2, 244m of a budget allocation of R1,887m as at end December 2021. The tender for ICT Equipment was awarded and an order was placed at the beginning of July 2021.
- 100 laptops were procured and further requests for the procurement of laptops for new Councillors, were processed resulting in over-expenditure on the PC and Printer Upgrade project. Funds will be sourced during the Adjustment Budget process to off-set the over-expenditure.
- The Network Upgrade project is a roll-over project that was at Tender Adjudication stage in the 2020/21 financial year, with R2,006m expenditure reflected at mid-year.

Property Services

- Budget allocation of R1m for the procurement of Engineering Equipment. Expenditure of R128k has been reflected at the end of December 2021.

Fleet Management

- Budget allocation of R6, 450m under the Fleet Management Business unit.
- Expenditure of R 1,737m reflected by the end of December 2021.
- The Electrical Business unit has provided reasons and a status update as listed in the table below.

ITEM DESCRIPTION	APPROVED						AVAILABLE	TOTAL EXP.	REASON FOR VARIANCES	
	BUDGET	JULY EXP.	AUG EXP.	SEPT EXP.	OCT EXP.	NOV EXP.	DEC EXP.			BALANCE
NV Mechanical Workshop Tools Equipment 360400027	s 400,000						69,769	330,231	69,769	Procurement in Q3 - CQ in progress
Municipal Fleet	s 6,000,000		295,218	456,548			913,032	4,335,201	1,664,799	Procured in Q1. Expensed on invoice in Q3/4. Supplier Delay due to stock availability.
360 Furniture and Equipment	s 50,004			2,195				47,809	2,195	Procurement in Q3/4 (Requested submitted to SCM)
	6,450,004	-	295,218	458,743	-	-	982,801	4,713,241	1,736,763	

Corporate Communications

- Budget allocation of R213k for Sound System and Container Conversion projects with R111,9k expenditure reflected for the mid-year. A sound system was procured in the month of November 2021.

Community & Public Safety

In terms of Functional classification, the R11, 583m expenditure reflected is from the following departments within the respective business units: -

Community & Social Services

Expenditure of R7,480m:-

- For the Construction of Museum Project (R6, 622m) under the EDP business unit. Grant Funding of R8,450m and R12,320m Council funds have been provided for the project. The expenditure incurred in the last six months has been credited to the Museum Subsidy Grant. The grant expenditure is 91% (vat inclusive) and the balance of the contract will be paid from internal funding. It has been confirmed by the business unit that there is currently a need for additional funding for the adjusted fees in terms of the gazette for the multi-disciplinary team and also for project costs related to the July riots and steel price changes due to the national strike. This additional fund will be sourced during the Adjustment Budget process.
- R145,5k for the Renovation to the LED Centre. R250k budget for this project has been allocated under the Youth Development Business unit. The replacement of Air conditioners has been completed. The balance of the budgeted amount will be used to improve fencing of this property.
- Below projects fall under the Community Services Business unit:-
 - R 149k for the Refurbishment to the Darnall Library (R64k) and procurement of Library furniture (R85k)
 - R563k for Community Halls projects.
 - No expenditure being incurred on projects related to the Cemeteries department. The business unit has provided reasons for the variances and a status update for the Community Halls and Cemetery departments as listed in the tables below.

ITEM DESCRIPTION		APPROVED BUDGET	AVAILABLE BALANCE	TOTAL EXP.	REASON FOR VARIANCES
Community Halls Furniture 165422706	s	200,004	200,004	-	
Aircon for Halls	s	600,000	600,000	-	
165 Halls Security Gates	s	300,000	294,770	95,230.00	
165 City Hall Development WIP	m	1,500,000	1,184,444	315,555.84	Delays were experienced in obtaining water use licence (WULA)
Ablution facility at Malenda Hall- WIP	s	1,000,000	922,838	77,162.43	Awaiting confirmation of land ownership
Community Halls Fencing 165422527 WIP	s	300,000	300,000	-	
Refurbishment of Nkobongo Hall- WIP	s	1,000,000	924,585	75,415.27	Due to construction industry festive season closure appointment of the contractor could not be achieved on the basis that SCM had extended the objection period beyond the prescribed 14 days
		4,900,004	4,336,640	563,363.54	

ITEM DESCRIPTION		APPROVED BUDGET	AVAILABLE BALANCE	TOTAL EXP.	REASON FOR VARIANCES
Cremator Filtration System WIP	s	7,366,277	7,366,277	-	TSC approved the specification on 16/08/2021. The tender was advertised on the 20/08/2021 and the tender will closed on the 27/09/2021. However, the award of TENDER NO. MN 99/2021 - REMOVE EXISTING, SUPPLY, INSTALL, COMMISSION AND MAINTAIN NEW CREMATOR EQUIPMENT AT KWADUKUZA CREMATORIUM could not be achieved on the basis that all received bids were deemed non-responsive.
Fencing of old KDM Cemetery 056new WIP	s	1,000,000	1,000,000	-	There were delays in the procurement process
Cemetery Land Acq Cem Dev 056440051- WIP	s	1,000,000	1,000,000	-	Lack of response from Human Settlement and Civil Engineering Business Unit to confirm the identified land as suitable
		9,366,277	9,366,277	-	

Sports & Recreation

The sports & recreation reflects a total budget allocation of R 25,970m with the following breakdown by business unit:-

- 070 Parks & Gardens – R660k

- 075 Sports & Recreation – R23,420m
- Marine Safety - R1,890m

Minimal expenditure of R1,781m has been spent under the 070 and 075 business units. The expenditure is related to:-

- R115,5k for the procurement of Park Equipment. The business unit require a park home and guard house for the KwaDukuza Peoples Park. The budget was allocated under the Park Plant and Equipment votes. The Business Unit is awaiting the adjustment budget to re-allocate the budget from Park Equipment to Park homes line item. Procurement may be finalized thereafter.
- R 47,9k for Street Litter Bins.
- R 1,617m for the Upgrade to Beach and Recreational Facilities. Various reasons for under-spending and status updates have been provided by the business unit as listed in the table below.

ITEM DESCRIPTION	APPROVED BUDGET	AVAILABLE BALANCE	TOTAL EXP.	REASON FOR VARIANCES
Kick About Ward 9 (WIP)	500,000	500,000	-	TSC approved on 09/09/2021 and advertised on 02/09/2021 and closed 10/09/2021. All Community Services Capital Projects Bid Specifications were part of the agenda of TSC for approval from as early as 1 July 2021. The SCM Unit amended the submission documents resulting in SCM delays in the approval of Tender Specifications. The Tender Specs Committee members were unable to understand the amended bid documents that were changed by SCM. This resulted in approximately 6 weeks delay on all projects that had to be submitted to the TSC. The approved tender document format was only submitted to Manco on 26 August 2021 for approval. Furthermore, we have services providers who have been successfully appointed for the (i) Refurbishment of Combo Court Ward 1 (ii) Construction of Combo Court - Ward 9, (iii) Ward 26 Combo Court, (iv) KwaDukuza Town Hall Air conditioners, (v) Blythedale Lifeguard Towers, (vi) Beach Access Wheelchairs, (vii) Beach Mats TAC made an award for this project on 3 December 2021. we are awaiting for the Letter of award to be Issued to the successful contractor. work will start in January 2022.
Shayamoya sport field-WIP	1,800,000	1,707,650	92,349.62	TSC approved on 16/08/2021 and advertised on 02/09/2021 and closed 10/09/2021. All Community Services Capital Projects Bid Specifications were part of the agenda of TSC for approval from as early as 1 July 2021. The SCM Unit amended the submission documents resulting in SCM delays in the approval of Tender Specifications. The Tender Specs Committee members were unable to understand the amended bid documents that were changed by SCM. This resulted in approximately 6 weeks delay on all projects that had to be submitted to the TSC. The approved tender document format was only submitted to Manco on 26 August 2021 for approval. Furthermore, we have services providers who have been successfully appointed for the (i) Refurbishment of Combo Court Ward 1 (ii) Construction of Combo Court - Ward 9, (iii) Ward 26 Combo Court, (iv) KwaDukuza Town Hall Air conditioners, (v) Blythedale Lifeguard Towers, (vi) Beach Access Wheelchairs, (vii) Beach Mats . The letter of award was issued on the 6th December for this project. the project shall kick off in January 2022.

ITEM DESCRIPTION		APPROVED BUDGET	AVAILABLE BALANCE	TOTAL EXP.	REASON FOR VARIANCES
075 Construction of Chief Albert Luthuli Sports Complex WIP	s	500,004	91,308	408,695.65	Experienced delays in the finalisation of Chief Albert Luthuli Sports Complex concept design development which precedes the environmental authorisation application
Shakashead Swim Pool (Guard house) WIP	s	275,000	275,000	-	Project specifications are being drawn up with the assistance of the Civil engineering unit. The project will be actioned in the third quarter
Charlottesville-Kick about- Ward-29- WIP	s	500,000	150,075	349,925.00	project is 95% complete. Practical completion certificate was issued in December 2021. Snags need to be attended to and then the final payment can be issued.
Kick about- Ward 16	s	500,000	88,485	411,515.00	project is 95% complete. Practical completion certificate was issued in December 2021. Snags need to be attended to and then the final payment can be issued.
Refurbishment of Combo Court-Ward1- WIP	s	1,100,000	963,785	136,214.75	Layer works. V-drains. Surfacing of combo court could not be achieved due to inclement weather experienced in the month of November.
Construction of Combo Court Ward 9 (WIP)	m	2,846,750	2,735,118	111,632.22	Layer works. V-drains. Surfacing of combo court could not be achieved due to inclement weather experienced in the month of November.
Nonoti Beach Node Development 075452156 WIP	m	9,010,139	9,010,139	-	Experienced delays in the commencement of construction due to Environmental Authorisation process.
075 Construction of Combo Courts	m	990,933	990,933	-	It took longer to appoint the second highest scoring bidder due to information which needed to be provided by the service provider.
Beach Access Mats for Wheelchairs	s	850,000	850,000	-	That TENDER NO. MN 88/2021 - SUPPLY AND DELIVERY OF BEACH ACCESS MATS FOR WHEELCHAIRS was approved by TSC on the 19/08/2021. The tender was advertised on the 10/09/2021 and the tender closed on the 29/09/2021. All Community Services Capital Projects Bid Specifications were part of the agenda of TSC for approval from as early as 1 July 2021. The SCM Unit amended the submission documents resulting in SCM delays in the approval of Tender Specifications. The Tender Specs Committee members were unable to understand the amended bid documents that were changed by SCM. This resulted in approximately 6 weeks delay on all projects that had to be submitted to the TSC. The approved tender document format was only submitted to Manco on 26 August 2021 for approval. Furthermore, we have services providers who have been successfully appointed for the (i) Refurbishment of Combo Court Ward 1 (ii) Construction of Combo Court - Ward 9, (iii) Ward 26 Combo Court, (iv) KwaDukuza Town Hall Air conditioners, (v) Blythedale Lifeguard Towers, (vi) Beach Access Wheelchairs, (vii) Beach Mats
Beach Access Wheelchairs	s	150,000	150,000	-	The Leadtime for the procurement and delivery of the Beach Wheelchairs is much longer because the item comes from abroad

A response from SCM regarding the amended bid documents and the tender processes has been provided as follows:-

It must be noted that during the tender adjudication processes many tenders had been cancelled due to inconsistencies in the bid documents and non-compliance to mandatory legislation (for example:- local content).

This in the past contributed to low expenditure. The tender adjudication committee then requested that SCM immediately look into and review the bid documents so that there will be one uniform bid document for the various tender specification's committees. These bid documents were then reviewed in line with the applicable legislation and also considering the previous shortcomings. The reviewing of these documents were headed by the CFO, Head: SCM, SCM Officials, Director Civil and PMU Manager. The reviewed documents were then circulated to members of extended MANCO and members of the tender committees for comments. At that point there were no comments received.

It also be noted that the tender specifications committee were reluctant to proceed with the implementation of the reviewed documents without the bid document being workshopped. The Head: SCM with the assistance of the Accounting Officer set up an extended MANCO workshop to deal with the presentation of these amended or reviewed documents.

It must be pointed out that a decision was taken that the various tender specifications committees must continue utilizing the old bid documents subject to all applicable legislation being adhered to so there is no delay in advertising all tenders for the 21/22 financial year.

The reviewed bid documents have since been approved by MANCO and was implemented as of 1 October 2021.

Marine Safety:

- R872k has been spent under the Marine Safety business unit for the procurement of a 4x4 Rescue Vehicle, Jet Ski and Marine Safety Equipment.

Public Safety

- Public Safety reflects expenditure of R717k as of 31st December 2021. Budget allocation of R1, 985m has been provided for Law Enforcement and R18,8m for Fire & Emergency Services.
- The specifications for the procurement of the R15m Fire Fleet have been drawn up and submitted to the fleet services. The specifications for the Fire fleet procurement have been compiled by a specialist (mechanical engineer) and will be advertised as soon as CIDB and other support departments are open in January.

Housing

- R6, 116m budget has been allocated under the Housing function. However, during consultation with the business unit, it has been ascertained that the R4,5m budget allocation for the Retaining Wall and Road & Stormwater Access project should be considered under the Roads & Stormwater business unit. The correction to the function of the project will be accounted for during the Adjustment Budget process.
- R645,9k has been spent on the Retaining Wall project mentioned above.
- R1,5m budget for the Renovation to Compounds remains unspent at the end of December.
- R116,2k has been provided for the procurement of Furniture & Equipment utilising Housing Accreditation funding source. R86,5k expenditure reflected to date.

Economic & Environmental Services

In terms of Functional classification, the R33, 420m expenditure reflected is from the following departments within the respective business units: -

Planning & Development

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

- R70k for procurement of laptops under the Performance Management business unit. No expenditure to date.
- R623k for the procurement of a 4x4 vehicle and furniture & equipment for the Public Participation business unit. No expenditure to date.
- R 1,1m for Economic Development & Planning business unit with expenditure of R 172k for the procurement of a Sedan.
 - The EDP business unit has provided the following status update on the projects that fall within the planning and development section:-
 - Sedan - The remaining balance of R7,9k is the saving that will be used during adjustment budget.
 - R300k budget allocation for the KDM Library Green Rectification Building - The project is on track but there have been some delays in awarding some of the components due to various reasons. Purchase Order 106481 has been issued for the lighting project. The CQ 3230-11 issued on the 1 December 2021. Award is imminent. All these awards will be executed during Quarter 3 of the financial year.
 - R 100k budget allocation for the procurement of a Container - The project was delayed due to the lack of a safe space to place the container. The Project will be executed in the third quarter.
 - R250k budget allocation for the Filing Park home - The Tender (MN160/2011) was cancelled in December 2021, due to non-responsive bidders. Additional funding is required to execute this project.
 - R 50k budget allocation for the procurement of Bulk Filers / Filing Cabinets - The procurement of bulk filers is linked with the acquisition of a Filing Park Home. Without a Park home no bulk filers will be procured.
 - R250k budget allocation for Tourism Signage - The project was delayed due to the resignation of its project manager in the month of October 2021. It is expected that this project will be implemented during the 3rd Quarter.

Road Transport - Civil Engineering Roads

- Reflects R65, 590m expenditure under the Civil Engineering Business Unit. The business unit has commented that targets for the mid-year have been met. Expenditure is reflected in the following table: -

PROJECT	TOTAL BUDGET	TOTAL ACTUAL	AVAILABLE BU
Mellow Wood Community Hall (WIP)	1,400,000.00	1,187,749.13	212,250.87
Ward 26 Wooden Bridges Ezihlabathini - WIP	25,000.00	-	25,000.00
Ward 24 Melville Stormwater Improvement Gabion lining - WIP	500,000.00	-	500,000.00
Ward 26 Stormwater Culvert - WIP	500,000.00	499,180.00	820.00
Nkobongo Storm Water Improvement - WIP	500,000.00	-	500,000.00
Lindelani Main Road (taxi route) Ward 5- WIP	3,000,000.00	3,000,000.00	-
Melville Hall - WIP	500,000.00	-	500,000.00
Sheffield Beach Road in Ward 22 - WIP	2,000,004.00	2,000,004.00	-
Waterworks Road Upgrade to Blacktop in Ward 26 - WIP	6,747,826.00	2,633,061.19	4,114,764.81
Gravel Road Upgrade to Blacktop in Ward 8 - WIP	3,000,000.00	2,340,716.23	659,283.77
R 102- Townview link road in Ward 19 - WIP	484,040.00	484,039.63	0.37
Thembeni Roads Upgrade in ward 12 (Rehab) MIG- WIP	1,527,157.00	1,527,127.00	30.00
Ward 2 Bridge WIP	200,000.00	-	200,000.00
Ward 13 Internal Roads - MIG- WIP	1,500,000.00	1,500,000.00	-
Mdlbeni Access Roads and Stormwater in Ward 25 - WIP	2,135,640.00	1,684,474.11	451,165.89
Rocky Park link to Testing Station in Ward19/16 WIP	200,000.00	-	200,000.00
Chris Hani Sport field - WIP	4,400,000.00	1,660,680.36	2,739,319.64
Chief Albert Luthuli Road in Ward19/16 WIP	855,697.00	700,908.40	154,788.60
NV Roads Stormwater Traffic Calming Measures 170461528 WIP	125,000.00	69,170.00	76,700.00
Groutville Surface Roads and Stormwater MIG in Ward 12 WIP	7,398,420.00	-	7,398,420.00
Side walk project WIP	2,000,004.00	1,999,131.18	872.82
Ward 11 Rehab of Blythdale Road (Mvoti Drive Tarpon Crescen W)	2,000,000.00	2,000,000.00	-
Ward12 Rehab Tinley Manor Rd.(Lagoon Dr. Ocean View Seaview)	1,000,000.00	1,000,000.00	-
Ward 14 Retaining of lloyds Housing Pr(Walls (Gabion Guard) WIP	200,000.00	-	200,000.00
WARD 28: REHABILITATION OF ROADS - WIP	2,000,000.00	2,000,000.00	-
Ward 16 Rehab. of Valley & Dwaya Drive - WIP	3,000,000.00	3,000,000.00	-
Ward 17 Dendethu Access Road - WIP	2,700,000.00	333,955.00	2,366,045.00
Ward 22 Sheffield Lane Upgrade to Blacktop -WIP	3,000,000.00	3,000,000.00	-
Ward 22 Rehab of Hugh Dent Basil Hullet Club Road WIP	1,500,000.00	1,500,000.00	-
Ward 2 Upgrading of Road (Jomba & Zamani) - WIP	1,000,000.00	999,883.34	116.66
Ward 18 pedestrian bridge linking Lindelani and Shakaville- WIP	200,000.00	199,606.27	393.73
Rehabilitation of Lloyd Road in Ward 14- WIP	1,839,349.00	1,834,883.50	4,465.50
Rehab of Panorama drive in Ward 3- WIP	2,000,000.00	1,999,985.39	14.61
NV Roads Stormwater Commuter Shelters 170452118	4,000,000.00	3,397,307.75	602,692.25
Rehab of Roads 170461529	11,813,826.00	11,813,314.83	511.17
NV Roads Stormwater Rehab of Roads 170461529	6,560,259.00	10,424,903.25	3,864,644.25
Gledhow South Link	1,500,000.00	800,715.06	699,284.94
	83,312,222.00	65,590,795.62	17,742,296.38

As reported previously to the Finance Portfolio Committee, certain rehabilitation projects were appointed in the absence of any budget. Payments in relation to these projects were effected and recognised against the line item “NV Roads Stormwater Rehab of Roads 170461529”. The Civil Business unit is required to resolve this during the adjustment budget so as to mitigate the occurrence of any unauthorised expenditure.

Road Transport – Vehicle Testing – reflects R 2,496m budget allocation for the Upgrade to Salt Rock Offices, CCTV Equipment and Law Enforcement Equipment. Expenditure of R4,5k has been reflected as of 31st December.

Trading Services

In terms of Functional classification, the R38,828m expenditure reflected is from the following departments within the respective business units: -

Energy Sources

- The Electrical Engineering Business unit reflects expenditure of R 34,428m. The expenditure is reflected in the table below with reasons for the underspending as well as status update for each project being provided by the business unit.

ITEM DESCRIPTION		APPROVED BUDGET	YTD EXP.	AVAILABLE BALANCE	Reasons for funds not spent in Q2
Network Master Planning (Reticulation)	m	500,000	-	500,000	
Control Boxes in Eskom Areas	s	399,996	-	399,996	Project transferred to Operations
400 Furniture and Equipment	s	200,000	103,863	96,137	Procurement in Q3/4
NV Electricity Admin Safety Equip Fas PPE Port 400461472	s	100,000	85,000	15,000	Final Procurement in Q3
NV Electricity Admin Tools Equip 400400027	s	100,000	91,374	8,626	Final Procurement in Q4
Energy Efficient Retrofit- WIP	m	3,478,261	3,471,503	6,758	Project complete.
Implementation of KDM Scada System	m	21,186,744	-	21,186,744	Project to be awarded. (Allocated budget - grant funding review)
Electricity Admin New Dukuza 80MVA Bulk 400452153 WIP	m	5,000,000	1,992,832	3,007,168	Project award in Dec 2021. Kick of meeting with Eskom and Contractor in Jan 2022
Electricity Admin New Dukuza 80MVA Bulk 400452153 WIP	m	5,000,000	-	5,000,000	Project approved at TSC. Awaiting advertising in 2022.
Electricity Admin Housing Elect Project WIP	m	3,000,000	864,447	2,135,553	Project in progress. Completion in Q3
Electricity Admin Housing Elect Project WIP	m	2,678,261	2,678,261	-	
KwaDukuza Mall Bulk Supplies- LPD funding	m	2,556,845	-	2,556,845	Project closed.
KwaDukuza Mall Bulk Supplies- DTI funding WIP	m	11,000,000	3,726,658	7,273,342	
		55,200,107	13,013,938	42,186,169	

ITEM DESCRIPTION		APPROVED BUDGET	YTD EXP.	AVAILABLE BALANCE	Reasons for funds not spent in Q2
NV Street Lights Cluster A 100 SL 400452122	m	950,004	890,679	59,325	Project complete.
NV Street Lights Cluster B 37SL 400452123	m	950,004	950,004	-	
NV Street Lights Cluster C 100SL 400452124	m	950,004	926,680	23,324	
NV Street Lights Cluster D 100SL 400452125	m	950,004	950,004	-	
NV Street Lights Cluster E 100 SL 400452126	m	950,004	892,278	57,726	
NV Street Lights Cluster F 50 SL 400452127	m	950,004	950,004	-	
NV Street Lights Cluster G 50 SL 400452128	m	950,004	950,004	-	
		6,650,028	6,509,653	140,375	
NV Street Lights Refurbishment Cluster A WIP	m	800,000	800,000	-	WIP- Project to be completed in Q3
NV Street Lights Refurbishment Cluster B WIP	m	800,000	800,000	-	
NV Street Lights Refurbishment Cluster C WIP	m	800,000	729,859	70,141	
NV Street Lights Refurbishment Cluster D WIP	m	800,000	441,813	358,187	
NV Street Lights Refurbishment Cluster E WIP	m	800,000	530,878	269,122	
NV Street Lights Refurbishment Cluster F WIP	m	800,000	767,115	32,885	
NV Street Lights Refurbishment Cluster G WIP	m	800,000	493,998	306,002	
		5,600,000	4,563,663	1,036,337	
LV Network Upgrades Cluster A WIP	m	275,004	25,000	250,004	Tender awarded. Work to begin in Q3
LV Network Upgrades Cluster B WIP	m	975,004	44,714	930,290	
LV Network Upgrades Cluster C WIP	m	275,004	25,000	250,004	
LV Network Upgrades Cluster D WIP	m	275,004	25,000	250,004	
LV Network Upgrades Cluster E WIP	m	275,004	25,000	250,004	
LV Network Upgrades Cluster F WIP	m	275,004	25,000	250,004	
LV Network Upgrades Cluster G WIP	m	275,004	25,000	250,004	
		2,625,028	194,714	2,430,314	

ITEM DESCRIPTION		APPROVED BUDGET	YTD EXP.	AVAILABLE BALANCE	Reasons for funds not spent in Q2
MV Network Upgrades Cluster B WIP	m	1,023,012	-	1,023,012	In Design stage- Funds to be relocated at adjustment budget. Current funds adjusted to other MV upgrade votes. Finance aware of FY20/21 rollover. Which will be adjusted at adjustment budget.
MV Network Upgrades Cluster D WIP	m	1,435,512	-	1,435,512	
		2,458,524	-	2,458,524	
MV Substations Upgrades and Refurbishment: Driefontein Subst WIP	m	1,200,000	-	1,200,000	TSC approved. Awaiting advertising- Expense in Q3/4
MV Substations Upgrades and Refurbishment: Stanger Substation WIP	m	1,200,000	-	1,200,000	
MV Substations Upgrades and Refurbishment: Lavoupiere Subst WIP	m	699,996	-	699,996	
MV Substations Upgrades and Refurbishment: Glenhills Substat WIP	m	300,000	-	300,000	
MV Substations Upgrades and Refurbishment: Shakarock Substat WIP	m	1,500,000	-	1,500,000	
MV Substations Upgrades and Refurbishment: Ballito Substation WIP	m	150,000	-	150,000	
MV Substations Upgrades and Refurbishment: Shakaskraal Subst WIP	m	150,000	-	150,000	
		5,199,996	-	5,199,996	
MV Substations Rebuild: SAPPI Substations - KDM WIP	m	5,500,000	-	5,500,000	Design in progress
		5,500,000	-	5,500,000	
NV Replace Grid Prot Relays 11K P3 430452146 WIP	m	3,963,478	1,453,807	2,509,671	WIP- Expense in Q2/3/4
Lot 14 Switch room Replace 11kV Switchgear WIP	m	3,800,000	-	3,800,000	In Design stage- Funds to be relocated at adjustment budget. Current funds adjusted to other MV upgrade votes. Finance aware of FY20/21 rollover. Which will be adjusted at adjustment budget.
		7,763,478	1,453,807	6,309,671	
NV SAPPI Gizenga Substation 440423981 WIP	m	21,000,000	8,692,514	12,307,486	WIP- Expense in Q2/3/4
Replace 33kV Cable between Lavopiere and Industrial Sub Phase WIP	s	7,376,614	-	7,376,614	Project not awarded since May 2021.
		28,376,614	8,692,514	19,684,100	
Tinley Manor 11kV OHL Phase 6 WIP	s	287,969	-	287,969	Project not awarded since May 2021.
		287,969	-	287,969	
TOTAL EXPENDITURE		119,661,744	34,428,290	85,233,454	

29%

71%

Waste Management

- Expenditure of R 4,4m is related to the procurement of the following:-
 - Wheelie Bins – R84 500.00
 - TLB Backhoe – R 1,085,409.80
 - Tipper Truck – R 1,424,605.00
 - Refuse Skip Loader Truck – R 1,805,613.55

- The Dry Waste Composting project is at feasibility study stage while site identification for the Recycling Centre has been delayed due to the lack of response from Human Settlement and Civil Engineering Business Unit to confirm the identified land as suitable.

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

Capital Expenditure per municipal business unit for the mid-year under review.

SUMMARY CAPITAL EXPENDITURE 2021/22

BUSINESS UNIT	APPROVED BUDGET	JULY EXP	AUG EXP	SEPT EXP	OCT EXP.	NOV EXP.	DEC EXP.	YTD EXP.	YTD %	AVAILABLE BALANCE
OFFICE OF THE MUNICIPAL MANAGER	906,500	-	-	-	-	111,950	-	111,950	12.3%	794,550
CORPORATE SERVICES	6,086,999	-	363,521	1,128,865	84,078	1,842,250	2,072,166	5,490,878	90.2%	596,121
FINANCE	150,000	-	138,484	5,600	-	1,453	18,267	163,804	109.2%	(13,804)
EDP	21,989,996	-	1,057,859	1,240,611	540,468	1,783,686	2,171,259	6,793,883	30.9%	15,196,113
COMMUNITY SERVICES & PUBLIC AMENITIES	50,152,388	-	485,122	88,072	373,050	3,395,029	2,552,525	6,893,798	13.7%	43,258,590
COMMUNITY SAFETY	25,325,000	515,261	-	-	73,742	331,750	672,974	1,593,727	6.3%	23,731,273
CIVIL ENGINEERING & HUMAN SETTLEMENTS	90,428,422	5,999,795	17,314,258	10,223,873	17,098,430	3,614,606	12,201,281	66,452,243	73.5%	23,976,179
ELECTRICAL ENGINEERING	126,111,748	-	2,854,887	8,339,689	3,453,533	9,439,946	12,076,998	36,165,053	28.7%	89,946,695
YOUTH DEVELOPMENT	250,000	-	-	19,450	-	-	126,087	145,537	58.2%	104,463
TOTAL	321,401,053	6,515,056	22,214,130	21,046,160	21,623,301	20,520,669	31,891,557	123,810,873	38.5%	197,590,180

2.0% 6.9% 6.5% 6.7% 6.4% 9.9% 38.5% 61.5%

REVENUE & EXPENDITURE INCLUDING ACCRUALS

Revenue By Source	Month of December	Year to Date Actuals	Estimated Accruals	Actuals Including Accruals	YTD Budget	YTD Variance	YTD Variance %
Property rates	49,163,618.64	258,636,208.39		258,636,208.39	262,331,007.27	(3,694,798.88)	-1%
Service charges - electricity revenue	83,758,753.60	427,972,230.21	70,075,416.52	498,047,646.73	538,192,399.50	(40,144,752.77)	-7%
Service charges - refuse revenue	6,245,118.02	36,114,744.40		36,114,744.40	33,988,868.00	2,125,876.40	6%
Rental of facilities and equipment	184,503.84	1,098,040.56		1,098,040.56	1,712,756.00	(614,715.44)	-36%
Interest earned - external investments	4,272,958.23	10,979,616.89	1,546,323.70	12,525,940.59	13,512,047.00	(986,106.41)	-7%
Interest earned - outstanding debtors	546,254.40	2,902,615.69		2,902,615.69	4,500,000.00	(1,597,384.31)	-35%
Fines, penalties and forfeits	720,173.59	4,328,940.37	4,289,400.00	8,618,340.37	9,123,102.50	(504,762.13)	-6%
Licences and permits	14,695.73	707,693.32		707,693.32	351,338.00	356,301.32	101%
Agency services	832,130.00	5,234,680.62		5,234,680.62	6,542,670.00	(1,307,989.38)	-20%
Transfers and subsidies	67,403,836.05	157,391,427.15		157,391,427.15	114,101,123.50	43,290,303.65	38%
Other revenue	4,630,636.83	19,906,386.87		19,906,386.87	17,878,803.00	2,027,583.87	11%
Gains	-	-		-	1,459,433.00	(1,459,433.00)	-100%
Total Revenue (excluding capital transfers and contributions)	217,772,678.93	925,272,530.47	75,911,140.22	1,001,183,670.69	1,003,693,547.77	(2,509,877.08)	
Expenditure By Type							
Employee related costs	43,648,689.19	228,287,450.70		228,287,450.70	255,615,887.00	(27,328,436.30)	-11%
Remuneration of councillors	1,925,810.38	11,189,208.17		11,189,208.17	12,699,735.50	(1,510,527.33)	-12%
Debt impairment	15,149.83	3,855,638.13		3,855,638.13	81,554,476.00	(77,698,837.87)	-95%
Depreciation & asset impairment	7,162,859.34	41,300,965.08		41,300,965.08	49,223,048.00	(7,922,082.92)	-16%
Finance charges	9,315,125.02	9,671,936.12		9,671,936.12	12,447,111.50	(2,775,175.38)	-22%
Bulk purchases	67,263,387.40	426,379,460.40	72,714,584.77	499,094,045.17	443,896,675.50	55,197,369.67	12%
Other materials	2,819,256.50	10,194,306.42		10,194,306.42	10,930,028.50	(735,722.08)	-7%
Contracted services	27,620,093.63	107,237,972.92	7,449,150.96	114,687,123.88	112,311,952.00	2,375,171.88	2%
Transfers and subsidies	638,749.50	3,452,824.28		3,452,824.28	3,515,058.00	(62,233.72)	-2%
Other expenditure	13,371,732.57	41,576,283.86		41,576,283.86	55,936,160.50	(14,359,876.64)	-26%
Losses	-	-		-	-	-	-
Total Expenditure	173,780,853.36	883,146,046.08	80,163,735.73	963,309,781.81	1,038,130,132.50	(74,820,350.69)	
Surplus/(Deficit)	43,991,825.57	42,126,484.39	(4,252,595.51)	37,873,888.88	(34,436,584.73)	72,310,473.61	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	10,675,300.03	46,661,235.37		46,661,235.37	44,372,248.50	2,288,986.87	5%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	229,900.59	9,760,666.99		9,760,666.99	9,090,051.00	670,615.99	7%
	10,905,200.62	56,421,902.36	-	56,421,902.36	53,462,299.50	2,959,602.86	
Surplus/(Deficit) for the year	54,897,026.19	98,548,386.75	(4,252,595.51)	94,295,791.24	19,025,714.77	75,270,076.47	

SUMMARY CAPITAL BUDGET INCLUDING PENDINGS

SUMMARY CAPITAL EXPENDITURE 2021/22

BUSINESS UNIT	APPROVED BUDGET	JULY EXP	AUG EXP	SEPT EXP	OCT EXP	NOV EXP	DEC EXP	PENDINGS	YTD EXP.	YTD %	AVAILABLE BALANCE
OFFICE OF THE MUNICIPAL MANAGER	906,500	-	-	-	-	111,950	-	69,247	181,197	20.0%	725,303
CORPORATE SERVICES	6,086,999	-	363,521	1,128,865	84,078	1,842,250	2,072,166	32,438	5,523,317	90.7%	563,682
FINANCE	150,000	-	138,484	5,600	-	1,433	18,267	22,786	186,591	124.4%	(36,591)
EDP	21,989,996	-	1,057,839	1,240,611	540,468	1,783,686	2,171,259	60,012	6,853,895	31.2%	15,136,101
COMMUNITY SERVICES & PUBLIC AMENITIES	50,152,388	-	485,122	88,072	373,050	3,395,029	2,552,525	298,657	7,192,435	14.3%	42,959,933
COMMUNITY SAFETY	25,325,000	515,261	-	-	73,742	331,750	672,974	285,046	1,878,773	7.4%	23,446,227
CIVIL ENGINEERING & HUMAN SETTLEMENTS	90,428,422	5,999,795	17,314,258	10,223,873	17,098,430	3,614,606	12,201,281	1,052,034	67,504,276	74.6%	22,924,145
ELECTRICAL ENGINEERING	126,111,748	-	2,854,887	8,339,689	3,453,533	9,439,946	12,076,998	1,995,712	38,160,765	30.3%	87,950,983
YOUTH DEVELOPMENT	250,000	-	-	19,450	-	-	126,087	4,868	150,405	60.2%	99,595
TOTAL	321,401,053	6,515,056	22,214,130	21,046,160	21,623,301	20,520,669	31,891,557	3,820,800	127,631,673	39.7%	193,769,379

2.0% 6.9% 6.5% 6.7% 6.4% 9.9% 1.2% 39.7% 60.3%

CASH FLOW STATEMENT – SCHEDULE C7

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

Item Assets:

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

Item Liabilities:

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

The Municipality has currently incorrectly transacted on the 'Suppliers and Employees' category as well as not fully implemented transactions on the Item Liabilities leg as listed above, thereby resulting in an overstated closing cash balance of R2,381b. The actual cash closing balance inclusive of Investments at the end of December is R 906,117m.

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

KZN292 KwaDukuza - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Rel	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		541,524	520,716	520,716	48,488	248,768	280,358	(11,591)	-4%	520,716
Service charges		1,082,174	1,051,964	1,051,964	119,860	607,806	525,982	81,824	16%	1,051,964
Other revenue		1,000,000	1,000,000	1,000,000	7,000	10,000	10,000	20,000	100%	1,000,000
Transfers and Subsidies - Operational		233,302	224,635	224,635	61,106	155,922	112,317	43,605	39%	224,635
Transfers and Subsidies - Capital		56,817	76,908	76,908	9,080	50,353	30,509	19,844	65%	76,908
Interest		-	27,024	27,024	5,574	11,884	13,512	(1,628)	-12%	27,024
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(51,291)	(1,634,908)	(1,634,908)	476,498	402,248	(933,857)	(1,336,106)	143%	(1,634,908)
Finance charges		-	(24,894)	(24,894)	-	-	(12,447)	(12,447)	100%	(24,894)
Transfers and Grants		-	(7,030)	(7,030)	-	(6)	(3,365)	(3,359)	100%	(7,030)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,915,530	192,290	192,290	726,927	1,539,298	32,375	(1,306,923)	-655%	192,290
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(146,917)	(321,401)	(321,401)	(35,933)	(133,639)	(160,701)	(27,062)	17%	(321,401)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(146,917)	(321,401)	(321,401)	(35,933)	(133,639)	(160,701)	(27,062)	17%	(321,401)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	5,000	5,000	-	-	2,500	(2,500)	-100%	5,000
Increase (decrease) in consumer deposits		1,637	1,511	1,511	61	1,824	756	1,068	141%	1,511
Payments										
Repayment of borrowing		0	(13,039)	(13,039)	-	(357)	(6,519)	(6,163)	95%	(13,039)
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,637	(6,527)	(6,527)	61	1,467	(3,264)	(4,731)	145%	(6,527)
NET INCREASE/(DECREASE) IN CASH HELD		1,770,250	(135,638)	(135,638)	691,055	1,407,126	(131,589)			(135,638)
Cash/cash equivalents at beginning:		761,946	756,662	756,662		873,934	758,862			873,934
Cash/cash equivalents at month/year end:		2,552,195	623,024	623,024		2,381,061	627,073			838,296



**1.4 . IN YEAR BUDGET STATEMENT
TABLES**

In year budget statement tables

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

The following tables are included as part of the Mid-Year Budget and Performance Assessment:

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

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

KZN292 KwaDukuza - Table C1 Monthly Budget Statement Summary - M06 December

Description	Budget Year 2021/22								
	2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	533,546	577,128	577,128	49,164	258,636	288,564	(29,928)	-10%	577,128
Service charges	948,660	1,144,363	1,144,363	90,004	464,087	572,181	(108,094)	-19%	1,144,363
Investment revenue	29,453	27,024	27,024	4,273	10,980	13,512	(2,532)	-19%	27,024
Transfers and subsidies	260,539	228,202	228,202	67,404	157,391	114,101	43,290	38%	228,202
Other own revenue	76,052	83,136	83,136	6,928	34,178	41,568	(7,390)	-18%	83,136
Total Revenue (excluding capital transfers and contributions)	1,849,251	2,059,853	2,059,853	217,773	925,273	1,029,927	(104,654)	-10%	2,059,853
Employee costs	425,155	511,232	511,232	43,649	228,287	255,616	(27,328)	-11%	511,232
Remuneration of Councilors	22,848	25,399	25,399	1,926	11,189	12,700	(1,511)	-12%	25,399
Depreciation & asset impairment	101,126	98,446	98,446	7,163	41,301	49,223	(7,922)	-16%	98,446
Finance charges	20,024	24,894	24,894	9,315	9,672	12,447	(2,775)	-22%	24,894
Inventory consumed and bulk purchases	789,732	909,653	909,521	70,083	436,574	454,827	(18,253)	-4%	909,653
Transfers and subsidies	3,549	7,030	7,050	639	3,453	3,515	(62)	-2%	7,030
Other expenditure	320,622	499,605	499,717	41,007	152,670	249,803	(97,133)	-39%	499,605
Total Expenditure	1,683,056	2,076,260	2,076,260	173,781	883,146	1,038,130	(154,984)	-15%	2,076,260
Surplus/(Deficit)	165,195	(16,407)	(16,407)	43,992	42,126	(8,203)	50,330	-614%	(16,407)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	54,962	88,744	88,744	10,675	46,661	44,372	2,289	5%	88,744
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	22,904	18,180	18,180	230	9,761	9,090	671	7%	18,180
Surplus/(Deficit) after capital transfers & contributions	243,061	90,518	90,518	54,897	98,548	45,259	53,290	118%	90,518
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	243,061	90,518	90,518	54,897	98,548	45,259	53,290	118%	90,518
Capital expenditure & funds sources									
Capital expenditure	161,213	321,401	321,401	31,892	123,811	132,193	(8,382)	-6%	321,401
Capital transfers recognised	65,119	96,314	96,314	9,651	44,680	44,822	(142)	-0%	96,314
Borrowing	-	5,000	5,000	-	-	-	-	-	5,000
Internally generated funds	106,022	220,088	220,088	22,241	79,131	87,371	(8,240)	-9%	220,088
Total sources of capital funds	171,141	321,401	321,401	31,892	123,811	132,193	(8,382)	-6%	321,401
Financial position									
Total current assets	1,285,249	1,257,616	1,257,616		1,124,187				1,257,616
Total non current assets	2,446,457	2,738,559	2,738,559		2,532,659				2,738,559
Total current liabilities	524,799	704,209	704,209		357,978				704,209
Total non current liabilities	302,393	331,644	331,644		295,836				331,644
Community wealth/Equity	2,904,514	2,960,323	2,960,323		3,003,033				2,960,323
Cash flows									
Net cash from (used) operating	1,915,530	192,290	192,290	726,927	1,539,298	32,375	(1,506,923)	-4655%	192,290
Net cash from (used) investing	(146,917)	(321,401)	(321,401)	(35,933)	(133,639)	(160,701)	(27,062)	17%	(321,401)
Net cash from (used) financing	1,637	(6,527)	(6,527)	61	1,467	(3,264)	(4,731)	145%	(6,527)
Cash/cash equivalents at the month/year end	2,552,195	623,024	623,024	-	2,381,061	627,073	(1,753,988)	-280%	838,296
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	58,208	21,137	12,527	11,597	15,686	9,797	65,647	129,572	324,170
Creditors Age Analysis									
Total Creditors	4,900	666	56	0	322	52	47	122	6,166

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		716,206	718,348	718,348	106,297	348,088	359,174	(11,086)	-3%	718,348
Executive and council		111,892	66,977	66,977	57,763	62,125	33,488	28,637	86%	66,977
Finance and administration		603,572	650,629	650,629	48,534	285,963	325,315	(39,352)	-12%	650,629
Internal audit		742	742	742	-	-	371	(371)	-100%	742
<i>Community and public safety</i>		76,862	79,256	79,256	3,525	63,564	39,628	23,936	60%	79,256
Community and social services		20,395	27,408	27,408	2,696	16,210	13,704	2,506	16%	27,408
Sport and recreation		46,824	44,660	44,660	265	44,543	22,330	22,213	99%	44,660
Public safety		4,844	1,536	1,536	45	398	768	(370)	-46%	1,536
Housing		4,798	5,651	5,651	520	2,413	2,828	(412)	-15%	5,651
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		106,694	132,423	132,423	10,287	59,059	66,211	(7,153)	-11%	132,423
Planning and development		35,254	51,498	51,498	2,377	18,506	25,749	(7,243)	-28%	51,498
Road transport		69,848	79,332	79,332	7,909	40,553	39,666	887	2%	79,332
Environmental protection		1,593	1,593	1,593	-	-	796	(796)	-100%	1,593
<i>Trading services</i>		1,026,355	1,236,751	1,236,751	108,569	510,983	618,375	(107,392)	-17%	1,236,751
Energy sources		933,089	1,147,265	1,147,265	102,324	453,361	573,633	(120,272)	-21%	1,147,265
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		93,265	89,486	89,486	6,245	57,623	44,743	12,880	29%	89,486
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,926,117	2,166,778	2,166,778	228,678	981,694	1,083,389	(101,695)	-9%	2,166,778
Expenditure - Functional										
<i>Governance and administration</i>		251,341	318,002	318,002	25,217	117,254	159,001	(41,747)	-26%	318,002
Executive and council		88,043	91,255	91,255	7,447	37,343	45,628	(8,284)	-18%	91,255
Finance and administration		159,313	220,486	220,486	17,320	77,940	110,242	(32,302)	-29%	220,486
Internal audit		3,985	6,263	6,263	450	1,971	3,131	(1,161)	-37%	6,263
<i>Community and public safety</i>		262,970	304,040	304,000	25,874	130,987	152,020	(21,033)	-14%	304,040
Community and social services		57,300	50,646	50,646	4,090	20,814	25,323	(4,508)	-18%	50,646
Sport and recreation		86,746	96,812	96,812	9,290	45,695	48,406	(2,711)	-6%	96,812
Public safety		106,425	138,482	138,442	10,745	57,735	69,241	(11,506)	-17%	138,482
Housing		12,500	18,100	18,100	1,749	6,742	9,050	(2,307)	-25%	18,100
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		154,439	191,843	191,883	21,176	84,653	95,922	(11,268)	-12%	191,843
Planning and development		55,063	80,484	80,484	7,203	29,806	40,242	(10,436)	-26%	80,484
Road transport		97,194	108,456	108,496	13,811	53,813	54,228	(415)	-1%	108,456
Environmental protection		2,181	2,903	2,903	162	1,035	1,452	(417)	-29%	2,903
<i>Trading services</i>		1,014,308	1,262,374	1,262,374	101,513	550,251	631,187	(80,936)	-13%	1,262,374
Energy sources		920,029	1,159,251	1,159,251	88,119	502,563	579,626	(77,063)	-13%	1,159,251
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		94,278	103,123	103,123	13,394	47,689	51,562	(3,873)	-8%	103,123
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,683,056	2,076,260	2,076,260	173,781	883,146	1,038,130	(154,984)	-15%	2,076,260
Surplus/ (Deficit) for the year		243,061	90,518	90,518	54,897	98,548	45,259	53,290	118%	90,518

References

- Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
- Total Revenue by functional classification must reconcile to Total Operating Revenue shown in the Financial Performance Statement
- Total Expenditure by functional classification must reconcile to total operating expenditure shown in 'Financial Performance Statement'
- All amounts must be classified under a functional classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
<i>Municipal governance and administration</i>		716,206	718,348	718,348	105,297	348,088	359,174	(11,086)	-3%	718,348
Executive and council		111,892	66,977	66,977	57,763	62,125	33,488	28,637	0	66,977
Mayor and Council		107,894	63,075	63,075	57,763	58,223	31,537	26,666	0	63,075
Municipal Manager, Town Secretary and Chief Executive		3,898	3,902	3,902	-	3,902	1,951	1,951	0	3,902
Finance and administration		603,672	650,629	650,629	48,534	285,863	325,315	(39,352)	(0)	650,629
Administrative and Corporate Support		69	80	80	5	26	40	(14)	(0)	80
Asset Management		-	-	-	-	-	-	-	-	-
Finance		597,042	642,559	642,559	46,970	283,973	321,280	(37,307)	(0)	642,559
Fleet Management		-	-	-	-	-	-	-	-	-
Human Resources		2,452	1,991	1,991	-	-	955	(985)	(0)	1,991
Information Technology		-	-	-	-	-	-	-	-	-
Legal Services		-	-	-	-	-	-	-	-	-
Marketing, Customer Relations, Publicity and Media Co-ordination		3,238	3,238	3,238	-	-	1,619	(1,619)	(0)	3,238
Property Services		23	26	26	(3)	(26)	13	(39)	(0)	26
Risk Management		-	-	-	-	-	-	-	-	-
Security Services		-	-	-	-	-	-	-	-	-
Supply Chain Management		748	2,735	2,735	1,562	1,990	1,368	622	0	2,735
Valuation Service		-	-	-	-	-	-	-	-	-
Internal audit		742	742	742	-	-	371	(371)	(0)	742
Government Function		742	742	742	-	-	371	(371)	(0)	742
<i>Community and public safety</i>		75,852	79,256	79,256	3,525	63,564	39,628	23,936	0	79,256
Community and social services		20,395	27,408	27,408	2,696	16,210	13,704	2,506	0	27,408
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		2,942	2,488	2,488	94	2,348	1,244	1,105	0	2,488
Child Care Facilities		5,958	5,958	5,958	-	-	2,979	(2,979)	(0)	5,958
Community Halls and Facilities		113	440	440	14	82	220	(138)	(0)	440
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-
Disaster Management		4,167	3,273	3,273	-	3,273	1,637	1,637	0	3,273
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		6,320	6,485	6,485	117	2,666	3,242	(576)	(0)	6,485
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		896	8,765	8,765	2,471	7,840	4,382	3,458	0	8,765
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		48,824	44,660	44,660	265	44,543	22,330	22,213	0	44,660
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		46,055	43,813	43,813	200	43,677	21,907	21,770	0	43,813
Recreational Facilities		770	847	847	65	866	424	442	0	847
Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
Public safety		4,844	1,536	1,536	45	398	768	(370)	(0)	1,536
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		222	489	489	9	132	244	(113)	(0)	489
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		4,623	1,047	1,047	36	266	524	(258)	(0)	1,047
Pounds		-	-	-	-	-	-	-	-	-
Housing		4,788	5,651	5,651	520	2,413	2,826	(412)	(0)	5,651
Housing		4,788	5,651	5,651	520	2,413	2,826	(412)	(0)	5,651
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases including Immunizations		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		106,594	132,423	132,423	10,287	59,059	66,211	(7,153)	(0)	132,423
Planning and development		35,254	51,498	51,498	2,377	18,508	25,749	(7,243)	(0)	51,498
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)		1,857	1,857	1,857	-	-	929	(929)	(0)	1,857
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		3,046	2,289	2,289	46	441	1,145	(704)	(0)	2,289
Economic Development/Planning		8,895	23,630	23,630	45	8,845	11,815	(2,970)	(0)	23,630
Regional Planning and Development		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Town Planning, Building Regulations and Enforcement, and City Engineer Project Management Unit		21,457	23,722	23,722	2,267	9,221	11,861	(2,640)	(0)	23,722
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Road transport		69,848	79,332	79,332	7,908	40,553	39,666	887	0	79,332
Public Transport		-	-	-	-	-	-	-	-	-
Road and Traffic Regulation		8,468	13,085	13,085	832	5,235	6,543	(1,308)	(0)	13,085
Roads		60,379	66,247	66,247	7,077	35,318	33,123	2,195	0	66,247
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		1,593	1,593	1,593	-	-	796	(796)	(0)	1,593
Biodiversity and Landscape		1,593	1,593	1,593	-	-	796	(796)	(0)	1,593
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
Trading services		1,026,355	1,236,751	1,236,751	108,569	510,863	618,375	(107,392)	(0)	1,236,751
Energy sources		933,089	1,147,265	1,147,265	102,324	453,361	573,633	(120,272)	(0)	1,147,265
Electricity		933,089	1,147,265	1,147,265	102,324	453,361	573,633	(120,272)	(0)	1,147,265
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		-	-	-	-	-	-	-	-	-
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		-	-	-	-	-	-	-	-	-
Storm Water Management		-	-	-	-	-	-	-	-	-
Waste Water Treatment		-	-	-	-	-	-	-	-	-
Waste management		93,265	89,486	89,486	6,245	57,623	44,743	12,880	0	89,486
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-
Solid Waste Removal		93,265	89,486	89,486	6,245	57,623	44,743	12,880	0	89,486
Street Cleaning		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,926,117	2,166,778	2,166,778	228,678	981,694	1,083,389	(101,695)	(0)	2,166,778
Expenditure - Functional										
Municipal governance and administration		251,341	318,002	318,002	25,217	117,254	159,001	(41,747)	(0)	318,002
Executive and council		88,043	91,255	91,255	7,447	37,343	45,628	(8,284)	(0)	91,255
Mayor and Council		59,990	57,381	57,381	4,767	22,665	28,690	(6,025)	(0)	57,381
Municipal Manager, Town Secretary and Chief Executive		28,053	33,875	33,875	2,680	14,678	16,937	(2,259)	(0)	33,875
Finance and administration		159,313	220,485	220,485	17,320	77,940	110,242	(32,302)	(0)	220,485
Administrative and Corporate Support		20,746	23,742	23,742	2,348	11,229	11,871	(642)	(0)	23,742
Asset Management		-	-	-	-	-	-	-	-	-
Finance		52,921	113,937	113,937	5,174	21,523	56,968	(25,446)	(0)	113,937
Fleet Management		10,151	11,552	11,552	1,127	6,338	5,776	562	0	11,552
Human Resources		11,444	13,789	13,789	983	5,619	6,894	(1,275)	(0)	13,789
Information Technology		15,256	17,646	17,646	3,034	9,408	8,823	585	0	17,646
Legal Services		-	-	-	-	-	-	-	-	-
Marketing, Customer Relations, Publicity and Media Co-ordination		5,294	8,294	8,294	841	3,711	4,147	(436)	(0)	8,294
Property Services		10,696	8,324	8,324	933	4,230	4,162	68	0	8,324
Risk Management		-	-	-	-	-	-	-	-	-
Security Services		24,104	14,714	14,714	2,146	11,869	7,357	4,512	0	14,714
Supply Chain Management		8,711	8,488	8,488	734	4,016	4,244	(228)	(0)	8,488
Valuation Services		-	-	-	-	-	-	-	-	-
Internal audit		3,985	6,263	6,263	450	1,971	3,131	(1,161)	(0)	6,263
Government Function		3,985	6,263	6,263	450	1,971	3,131	(1,161)	(0)	6,263
Community and public safety		262,970	304,040	304,040	25,874	130,987	162,020	(21,033)	(0)	304,040
Community and social services		57,300	60,646	60,646	4,090	20,814	25,323	(4,509)	(0)	60,646
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		8,175	10,394	10,394	944	4,227	5,197	(970)	(0)	10,394
Child Care Facilities		5,375	9,183	9,183	576	3,411	4,591	(1,180)	(0)	9,183
Community Halls and Facilities		26,959	8,837	8,837	720	4,196	4,418	(222)	(0)	8,837
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-
Disaster Management		3,931	7,128	7,128	409	2,182	3,564	(1,382)	(0)	7,128
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year: 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		11,844	13,905	13,905	1,321	6,254	6,952	(698)	(0)	13,905
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		1,017	1,200	1,200	120	543	600	(57)	(0)	1,200
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sports and recreation:		95,812	95,812	95,812	8,269	45,605	44,408	(2,711)	(0)	95,812
Beaches and Jetties		-	-	-	-	8	-	8	#DIV/0!	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		53,137	57,152	57,101	5,985	28,602	28,576	26	0	57,152
Recreational Facilities		33,609	39,660	39,711	3,904	17,086	19,830	(2,744)	(0)	39,660
Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
Public safety		106,425	136,482	138,442	10,745	57,735	69,241	(11,506)	(0)	138,482
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		40,520	55,947	55,847	4,432	21,845	27,973	(6,129)	(0)	55,947
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		65,904	82,536	82,596	6,313	35,890	41,268	(5,378)	(0)	82,536
Pounds		-	-	-	-	-	-	-	-	-
Housing		12,500	18,100	18,100	1,749	6,742	9,050	(2,307)	(0)	18,100
Housing		12,500	18,100	18,100	1,749	6,742	9,050	(2,307)	(0)	18,100
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases including immunizations		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-
Economic and environmental services		154,439	191,843	191,883	21,176	84,653	95,922	(11,269)	(0)	191,843
Planning and development		55,053	80,484	80,484	7,203	29,806	40,242	(10,436)	(0)	80,484
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDS)		14,060	16,652	16,652	758	6,175	6,326	(2,151)	(0)	16,652
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		9,727	11,735	11,735	947	5,448	5,668	(420)	(0)	11,735
Economic Development/Planning		9,114	28,680	28,680	3,313	7,252	14,340	(7,088)	(0)	28,680
Regional Planning and Development		-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and City Engineer		22,162	23,417	23,417	2,186	10,931	11,708	(777)	(0)	23,417
Project Management Unit		-	-	-	-	-	-	-	-	-
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Road transport		97,194	108,456	108,495	13,811	53,813	54,228	(415)	(0)	108,456
Public Transport		-	-	-	-	-	-	-	-	-
Road and Traffic Regulation		12,366	15,394	15,434	1,264	6,907	7,697	(790)	(0)	15,394
Roads		84,828	93,062	93,062	12,547	46,906	46,531	375	0	93,062
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		2,181	2,903	2,903	162	1,035	1,452	(417)	(0)	2,903
Biodiversity and Landscape		2,181	2,903	2,903	162	1,035	1,452	(417)	(0)	2,903
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
Trading services		1,014,306	1,262,374	1,262,374	101,513	550,251	631,187	(80,936)	(0)	1,262,374
Energy sources		920,029	1,159,251	1,159,251	88,119	502,563	579,826	(77,063)	(0)	1,159,251
Electricity		918,038	1,154,566	1,154,566	87,728	499,495	577,283	(77,848)	(0)	1,154,566
Street Lighting and Signal Systems		3,990	4,685	4,685	381	3,128	2,342	786	0	4,685
Non-electric Energy		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		-	-	-	-	-	-	-	-	-
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		-	-	-	-	-	-	-	-	-
Storm Water Management		-	-	-	-	-	-	-	-	-
Waste Water Treatment		-	-	-	-	-	-	-	-	-
Waste management		94,278	103,123	103,123	13,394	47,688	51,562	(3,873)	(0)	103,123
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-
Solid Waste Removal		85,170	92,006	92,006	12,356	42,690	46,003	(3,323)	(0)	92,006

KZN292 KwaDukuza - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Street Cleaning		9,108	11,118	11,110	1,038	5,009	5,559	(550)	(0)	11,118
Other		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,683,056	2,076,260	2,076,260	173,781	883,146	1,038,130	(154,984)	(0)	2,076,260
Surplus/ (Deficit) for the year		243,061	90,518	90,518	54,897	98,548	45,259	53,290	0	90,518

References

- Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
- Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
- Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
- All amounts must be classified under a Functional classification. The function 'Other' is only for Abattoirs, Air Transport, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance	1,316,473,411	1,558,603,330	1,535,509,330	152,892,066	441,085,462	548,691,001	#REF!	1,535,509,330
check opexp balance	1,100,151,631	1,525,857,438	1,496,381,760	122,428,413	603,359,399	612,004,537	-106,645,138	1,496,381,760

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2020/21 Audited Outcome	Budget Year		Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
			Original Budget	Adjusted Budget						
R thousands										
Revenue by Vote	1									
Vote 1 - Chief Operations Officer Business Unit		9,736	9,740	9,740	-	3,902	4,870	(968)	-19.9%	9,740
Vote 2 - Corporate Services Business Unit		110,514	66,145	66,145	57,768	58,249	32,573	25,677	78.8%	65,146
Vote 3 - Finance Business Unit		597,790	645,295	645,295	48,532	285,963	322,647	(36,685)	-11.4%	645,295
Vote 4 - Economic Development Planning Business Unit		35,885	59,998	59,998	4,849	26,346	29,999	(3,653)	-12.2%	59,998
Vote 5 - Community Services and Public Amenities Business Unit		149,447	143,542	143,542	6,735	106,800	71,771	35,029	48.8%	143,542
Vote 6 - Community Safety Business Unit		18,496	17,912	17,912	877	9,368	8,956	412	4.6%	17,912
Vote 7 - Civil Engineering and Human Settlement Business Unit		65,201	71,924	71,924	7,594	37,705	35,962	1,743	4.8%	71,924
Vote 8 - Electrical Engineering Business Unit		933,089	1,147,265	1,147,265	102,324	453,361	573,633	(120,272)	-21.0%	1,147,265
Vote 9 - Youth Development Business Unit		5,956	5,956	5,956	-	-	2,979	(2,979)	-100.0%	5,956
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,926,117	2,166,778	2,166,778	228,678	881,694	1,083,389	(101,695)	-9.4%	2,166,778
Expenditure by Vote	1									
Vote 1 - Chief Operations Officer Business Unit		46,714	58,363	58,363	4,337	24,090	29,181	(5,091)	-17.4%	58,363
Vote 2 - Corporate Services Business Unit		107,436	112,557	112,557	11,132	48,820	56,279	(7,359)	-13.1%	112,557
Vote 3 - Finance Business Unit		61,632	122,424	122,424	5,908	25,539	61,212	(35,673)	-58.3%	122,424
Vote 4 - Economic Development Planning Business Unit		44,201	67,935	67,935	6,727	25,209	33,968	(8,759)	-25.8%	67,935
Vote 5 - Community Services and Public Amenities Business Unit		214,502	217,021	217,021	23,873	101,759	108,510	(6,752)	-6.2%	217,021
Vote 6 - Community Safety Business Unit		164,992	198,489	198,489	16,752	87,440	99,245	(11,805)	-11.9%	198,489
Vote 7 - Civil Engineering and Human Settlement Business Unit		108,023	119,486	119,486	15,229	57,878	59,743	(1,865)	-3.1%	119,486
Vote 8 - Electrical Engineering Business Unit		930,180	1,170,803	1,170,803	89,246	508,900	585,401	(76,501)	-13.1%	1,170,803
Vote 9 - Youth Development Business Unit		5,375	9,183	9,183	576	3,411	4,591	(1,180)	-25.7%	9,183
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,683,056	2,076,260	2,076,260	173,781	883,146	1,038,130	(154,984)	-14.9%	2,076,260
Surplus/ (Deficit) for the year	2	243,061	90,518	90,518	54,897	98,548	45,259	53,290	117.7%	90,518

References

1. Insert 'Vote'; e.g. Department, if different to standard classification structure
2. Must reconcile to Monthly Budget Statement - Financial Performance Statement (standard classification)

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	Budget Year 2021/22								Full Year Forecast
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue by Vote										
Vote 1 - Chief Operations Officer Business Unit	1	9,736	9,740	9,740	-	3,902	4,870	(968)	-20%	9,740
1.1 - Municipal Manager's Office		3,898	3,902	3,902	-	3,902	1,951	1,951	100%	3,902
1.2 - Internal Audit		742	742	742	-	-	371	(371)	-100%	742
1.3 - Corporate Communications		3,238	3,238	3,238	-	-	1,619	(1,619)	-100%	3,238
1.4 - IDP		715	715	715	-	-	368	(368)	-100%	715
1.5 - PMS		363	363	363	-	-	182	(182)	-100%	363
1.6 - Public Participation		779	779	779	-	-	389	(389)	-100%	779
1.7 - Null		-	-	-	-	-	-	-	-	-
1.8 - Null		-	-	-	-	-	-	-	-	-
1.9 - Null		-	-	-	-	-	-	-	-	-
1.10 - Null		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services Business Unit		110,514	65,145	65,145	57,768	58,249	32,573	25,677	79%	65,145
2.1 - Council General Expenses		107,994	63,075	63,075	57,763	58,223	31,537	26,686	85%	63,075
2.2 - Human Resources - Admin		2,452	1,991	1,991	-	-	995	(995)	-100%	1,991
2.3 - Administration: General		69	80	80	5	26	40	(14)	-34%	80
2.4 - Information Technology		-	-	-	-	-	-	-	-	-
2.5 - Null		-	-	-	-	-	-	-	-	-
2.6 - Null		-	-	-	-	-	-	-	-	-
2.7 - Null		-	-	-	-	-	-	-	-	-
2.8 - Null		-	-	-	-	-	-	-	-	-
2.9 - Null		-	-	-	-	-	-	-	-	-
2.10 - Null		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Business Unit		597,790	645,295	645,295	48,532	285,983	322,647	(36,885)	-11%	645,295
3.1 - Assessment Rates		533,546	577,128	577,128	49,164	258,636	288,564	(29,928)	-10%	577,128
3.2 - Budget and Treasury Office		63,496	65,431	65,431	(2,193)	25,336	32,716	(7,379)	-23%	65,431
3.3 - Supply Chain Management		748	2,735	2,735	1,582	1,990	1,368	622	45%	2,735
3.4 - Null		-	-	-	-	-	-	-	-	-
3.5 - Null		-	-	-	-	-	-	-	-	-
3.6 - Null		-	-	-	-	-	-	-	-	-
3.7 - Null		-	-	-	-	-	-	-	-	-
3.8 - Null		-	-	-	-	-	-	-	-	-
3.9 - Null		-	-	-	-	-	-	-	-	-
3.10 - Null		-	-	-	-	-	-	-	-	-
Vote 4 - Economic Development Planning Business Unit		35,885	59,998	59,998	4,849	26,346	29,999	(3,653)	-12%	59,998
4.1 - Museum		896	8,765	8,765	2,471	7,840	4,382	3,458	79%	8,765
4.2 - Economic Develop. & Planning		8,895	23,630	23,630	45	8,845	11,815	(2,970)	-25%	23,630
4.3 - Environment & Management		1,593	1,593	1,593	-	-	795	(798)	-100%	1,593
4.4 - Development Control		3,046	2,289	2,289	46	441	1,145	(704)	-62%	2,289
4.5 - Town Planning		9,544	10,951	10,951	454	2,805	5,475	(2,871)	-52%	10,951
4.6 - Building Control		11,912	12,771	12,771	1,833	6,616	6,386	230	4%	12,771
4.7 - Null		-	-	-	-	-	-	-	-	-
4.8 - Null		-	-	-	-	-	-	-	-	-
4.9 - Null		-	-	-	-	-	-	-	-	-
4.10 - Null		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services and Public Amenities Business Unit		149,447	143,542	143,542	6,735	106,800	71,771	35,029	49%	143,542
5.1 - Beach Amenities		7	-	-	-	2	2	#DIV/0!	-	-
5.2 - Library		6,320	6,485	6,485	117	2,666	3,242	(576)	-18%	6,485
5.3 - Cemetery		2,942	2,488	2,488	94	2,348	1,244	1,105	89%	2,488
5.4 - Admin General		-	-	-	-	-	-	-	-	-
5.5 - Parks and Gardens		46,056	43,813	43,813	200	43,677	21,907	21,770	99%	43,813
5.6 - Sport and Recreation		222	80	80	3	28	40	(12)	-30%	80
5.7 - Dolphin Park		524	750	750	62	373	375	(2)	0%	750
5.8 - Community Halls		113	440	440	14	82	220	(138)	-63%	440
5.9 - Street Sweeping		-	-	-	-	-	-	-	-	-
5.10 - Refuse Removal		93,265	89,486	89,486	6,245	57,623	44,743	12,880	29%	89,486
Vote 6 - Community Safety Business Unit		18,496	17,912	17,912	877	9,368	8,956	412	5%	17,912
6.1 - Law Enforcement Administration		-	-	-	-	-	-	-	-	-
6.2 - Security Services		-	-	-	-	-	-	-	-	-
6.3 - Law Enforcement		4,623	1,047	1,047	36	286	524	(256)	-49%	1,047
6.4 - Fire and Emergency		222	489	489	9	132	244	(113)	-46%	489
6.5 - Disaster Management		4,167	3,273	3,273	-	3,273	1,637	1,637	100%	3,273
6.6 - Marine Safety		17	17	17	-	463	9	454	5324%	17
6.7 - Vehicle Testing		3,180	5,941	5,941	285	1,572	2,971	(1,398)	-47%	5,941
6.8 - Vehicle Licensing		6,268	7,144	7,144	548	3,663	3,672	90	3%	7,144
6.9 - Null		-	-	-	-	-	-	-	-	-
6.10 - Null		-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering and Human Settlement Business Unit		65,201	71,924	71,924	7,594	37,705	35,962	1,743	5%	71,924
7.1 - Human Settlements		4,798	5,651	5,651	520	2,413	2,826	(412)	-15%	5,651
7.2 - Civil Admin		3,340	4,459	4,459	787	3,175	2,230	948	42%	4,459
7.3 - Civil Buildings		0	1	1	-	-	0	(0)	-100%	1
7.4 - Road and Stormwater		57,040	61,788	61,788	6,290	32,143	30,894	1,249	4%	61,788
7.5 - Staff Housing		23	25	25	(3)	(26)	12	(39)	-308%	25
7.6 - Null		-	-	-	-	-	-	-	-	-
7.7 - Null		-	-	-	-	-	-	-	-	-
7.8 - Null		-	-	-	-	-	-	-	-	-
7.9 - Null		-	-	-	-	-	-	-	-	-
7.10 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Electrical Engineering Business Unit		933,089	1,147,265	1,147,265	102,324	453,361	573,633	(120,272)	-21%	1,147,265
8.1 - Street Lights		-	-	-	-	-	-	-	-	-
8.2 - Vehicle and Plant Electricity		-	-	-	-	-	-	-	-	-
8.3 - Mechanical Workshop		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	Budget Year 2021/22								Full Year Forecast
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
8.4 - Electricity: Administration		781,504	968,089	968,089	88,493	375,365	484,044	(108,680)	-22%	968,089
8.5 - Electricity: Urban South		214	252	252	202	325	126	199	158%	252
8.6 - Electricity: Rural North		-	-	-	-	-	-	-	-	-
8.7 - Electricity: SAPPI		151,372	178,924	178,924	13,628	77,671	69,462	(11,791)	-13%	178,924
8.8 - Electricity: Urban North		-	-	-	-	-	-	-	-	-
8.9 - Electricity: Rural South		-	-	-	-	-	-	-	-	-
8.10 - Electricity Salaries Dist.Acc.		-	-	-	-	-	-	-	-	-
Vote 9 - Youth Development Business Unit		5,958	5,958	5,958	-	-	2,979	(2,979)	-100%	5,958
9.1 - Youth Development		5,958	5,958	5,958	-	-	2,979	(2,979)	-100%	5,958
9.2 - Null		-	-	-	-	-	-	-	-	-
9.3 - Null		-	-	-	-	-	-	-	-	-
9.4 - Null		-	-	-	-	-	-	-	-	-
9.5 - Null		-	-	-	-	-	-	-	-	-
9.6 - Null		-	-	-	-	-	-	-	-	-
9.7 - Null		-	-	-	-	-	-	-	-	-
9.8 - Null		-	-	-	-	-	-	-	-	-
9.9 - Null		-	-	-	-	-	-	-	-	-
9.10 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
10.1 - Null		-	-	-	-	-	-	-	-	-
10.2 - Null		-	-	-	-	-	-	-	-	-
10.3 - Null		-	-	-	-	-	-	-	-	-
10.4 - Null		-	-	-	-	-	-	-	-	-
10.5 - Null		-	-	-	-	-	-	-	-	-
10.6 - Null		-	-	-	-	-	-	-	-	-
10.7 - Null		-	-	-	-	-	-	-	-	-
10.8 - Null		-	-	-	-	-	-	-	-	-
10.9 - Null		-	-	-	-	-	-	-	-	-
10.10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
11.1 - Null		-	-	-	-	-	-	-	-	-
11.2 - Null		-	-	-	-	-	-	-	-	-
11.3 - Null		-	-	-	-	-	-	-	-	-
11.4 - Null		-	-	-	-	-	-	-	-	-
11.5 - Null		-	-	-	-	-	-	-	-	-
11.6 - Null		-	-	-	-	-	-	-	-	-
11.7 - Null		-	-	-	-	-	-	-	-	-
11.8 - Null		-	-	-	-	-	-	-	-	-
11.9 - Null		-	-	-	-	-	-	-	-	-
11.10 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
12.1 - Null		-	-	-	-	-	-	-	-	-
12.2 - Null		-	-	-	-	-	-	-	-	-
12.3 - Null		-	-	-	-	-	-	-	-	-
12.4 - Null		-	-	-	-	-	-	-	-	-
12.5 - Null		-	-	-	-	-	-	-	-	-
12.6 - Null		-	-	-	-	-	-	-	-	-
12.7 - Null		-	-	-	-	-	-	-	-	-
12.8 - Null		-	-	-	-	-	-	-	-	-
12.9 - Null		-	-	-	-	-	-	-	-	-
12.10 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
13.1 - Null		-	-	-	-	-	-	-	-	-
13.2 - Null		-	-	-	-	-	-	-	-	-
13.3 - Null		-	-	-	-	-	-	-	-	-
13.4 - Null		-	-	-	-	-	-	-	-	-
13.5 - Null		-	-	-	-	-	-	-	-	-
13.6 - Null		-	-	-	-	-	-	-	-	-
13.7 - Null		-	-	-	-	-	-	-	-	-
13.8 - Null		-	-	-	-	-	-	-	-	-
13.9 - Null		-	-	-	-	-	-	-	-	-
13.10 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
14.1 - Null		-	-	-	-	-	-	-	-	-
14.2 - Null		-	-	-	-	-	-	-	-	-
14.3 - Null		-	-	-	-	-	-	-	-	-
14.4 - Null		-	-	-	-	-	-	-	-	-
14.5 - Null		-	-	-	-	-	-	-	-	-
14.6 - Null		-	-	-	-	-	-	-	-	-
14.7 - Null		-	-	-	-	-	-	-	-	-
14.8 - Null		-	-	-	-	-	-	-	-	-
14.9 - Null		-	-	-	-	-	-	-	-	-
14.10 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
15.1 - Null		-	-	-	-	-	-	-	-	-
15.2 - Null		-	-	-	-	-	-	-	-	-
15.3 - Null		-	-	-	-	-	-	-	-	-
15.4 - Null		-	-	-	-	-	-	-	-	-
15.5 - Null		-	-	-	-	-	-	-	-	-
15.6 - Null		-	-	-	-	-	-	-	-	-
15.7 - Null		-	-	-	-	-	-	-	-	-
15.8 - Null		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
15.9 - Null		-	-	-	-	-	-	-	-	-
15.10 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,920,117	2,166,778	2,166,778	228,678	981,684	1,083,389	(101,695)	-9%	2,166,778
Expenditure by Vote										
Vote 1 - Chief Operations Officer Business Unit	1	46,714	58,363	58,363	4,337	24,090	29,181	(5,091)	-17%	58,363
1.1 - Municipal Manager's Office		23,385	27,154	27,154	2,288	12,234	13,577	(1,343)	-10%	27,154
1.2 - Internal Audit		3,985	6,263	6,263	450	1,971	3,131	(1,161)	-37%	6,263
1.3 - Corporate Communications		5,284	8,294	8,294	841	3,711	4,147	(436)	-11%	8,294
1.4 - IDP		1,332	2,196	2,196	142	822	1,098	(276)	-25%	2,196
1.5 - PMS		4,466	5,383	5,383	265	1,970	2,691	(722)	-27%	5,383
1.6 - Public Participation		8,242	9,073	9,073	351	3,383	4,537	(1,154)	-25%	9,073
1.7 - Null		-	-	-	-	-	-	-	-	-
1.8 - Null		-	-	-	-	-	-	-	-	-
1.9 - Null		-	-	-	-	-	-	-	-	-
1.10 - Null		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services Business Unit		107,436	112,557	112,557	11,132	48,920	56,279	(7,359)	-13%	112,557
2.1 - Council General Expenses		59,990	57,391	57,391	4,767	22,665	28,590	(6,025)	-21%	57,391
2.2 - Human Resources - Admin		11,444	13,789	13,789	963	5,619	6,894	(1,276)	-19%	13,789
2.3 - Administration: General		20,746	23,742	23,742	2,348	11,229	11,871	(642)	-5%	23,742
2.4 - Information Technology		15,256	17,646	17,646	3,034	9,408	8,823	585	7%	17,646
2.5 - Null		-	-	-	-	-	-	-	-	-
2.6 - Null		-	-	-	-	-	-	-	-	-
2.7 - Null		-	-	-	-	-	-	-	-	-
2.8 - Null		-	-	-	-	-	-	-	-	-
2.9 - Null		-	-	-	-	-	-	-	-	-
2.10 - Null		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Business Unit		61,632	122,424	122,424	5,808	25,539	61,212	(35,673)	-58%	122,424
3.1 - Assessment Rates		11,002	13,000	13,000	1,013	2,918	6,500	(3,582)	-55%	13,000
3.2 - Budget and Treasury Office		41,919	100,937	100,937	4,161	18,604	50,468	(31,864)	-63%	100,937
3.3 - Supply Chain Management		8,711	8,488	8,488	734	4,016	4,244	(228)	-5%	8,488
3.4 - Null		-	-	-	-	-	-	-	-	-
3.5 - Null		-	-	-	-	-	-	-	-	-
3.6 - Null		-	-	-	-	-	-	-	-	-
3.7 - Null		-	-	-	-	-	-	-	-	-
3.8 - Null		-	-	-	-	-	-	-	-	-
3.9 - Null		-	-	-	-	-	-	-	-	-
3.10 - Null		-	-	-	-	-	-	-	-	-
Vote 4 - Economic Development Planning Business Unit		44,201	67,935	67,935	6,727	25,209	33,968	(8,759)	-26%	67,935
4.1 - Museum		1,017	1,200	1,200	120	543	600	(57)	-10%	1,200
4.2 - Economic Develop. & Planning		9,114	26,680	26,680	3,313	7,252	14,340	(7,088)	-49%	26,680
4.3 - Environment & Management		2,181	2,903	2,903	162	1,035	1,452	(417)	-29%	2,903
4.4 - Development Control		9,727	11,735	11,735	947	5,446	5,868	(420)	-7%	11,735
4.5 - Town Planning		9,400	10,057	10,057	899	4,227	5,029	(801)	-16%	10,057
4.6 - Building Control		12,762	13,359	13,359	1,287	6,704	6,680	24	0%	13,359
4.7 - Null		-	-	-	-	-	-	-	-	-
4.8 - Null		-	-	-	-	-	-	-	-	-
4.9 - Null		-	-	-	-	-	-	-	-	-
4.10 - Null		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services and Public Amenities Business Unit		214,602	217,021	217,021	23,873	101,759	108,510	(6,752)	-6%	217,021
5.1 - Beach Amenities		9,783	10,779	10,830	1,109	4,856	5,380	(524)	-10%	10,779
5.2 - Library		11,844	13,905	13,905	1,321	6,254	6,952	(698)	-10%	13,905
5.3 - Cemetery		8,175	10,394	10,394	944	4,227	5,197	(970)	-19%	10,394
5.4 - Admin General		4,668	6,720	6,720	392	2,444	3,360	(916)	-27%	6,720
5.5 - Parks and Gardens		53,137	57,152	57,101	5,386	28,502	28,576	74	0%	57,152
5.6 - Sport and Recreation		5,659	6,110	6,110	608	3,480	3,055	425	14%	6,110
5.7 - Dolphin Park		-	-	-	-	-	-	-	-	-
5.8 - Community Halls		26,959	8,837	8,837	720	4,196	4,418	(222)	-5%	8,837
5.9 - Street Sweeping		9,108	11,116	11,116	1,038	5,559	5,559	(500)	-10%	11,116
5.10 - Refuse Removal		65,170	92,006	92,006	12,358	42,680	46,003	(3,323)	-7%	92,006
Vote 6 - Community Safety Business Unit		164,992	198,489	198,489	16,752	87,440	99,245	(11,805)	-12%	198,489
6.1 - Law Enforcement Administration		7,963	19,051	19,111	803	4,202	9,525	(5,323)	-56%	19,051
6.2 - Security Services		24,104	14,714	14,714	2,146	11,889	7,357	4,512	61%	14,714
6.3 - Law Enforcement		57,941	63,485	63,485	5,510	31,688	31,743	(54)	0%	63,485
6.4 - Fire and Emergency		40,520	55,947	55,847	4,432	21,845	27,973	(6,128)	-22%	55,947
6.5 - Disaster Management		3,931	7,128	7,129	409	2,162	3,564	(1,392)	-39%	7,128
6.6 - Marine Safety		18,166	22,771	22,771	2,188	8,747	11,385	(2,638)	-23%	22,771
6.7 - Vehicle Testing		8,153	10,586	10,626	815	4,540	5,293	(753)	-14%	10,586
6.8 - Vehicle Licensing		4,213	4,808	4,808	450	2,367	2,404	(37)	-2%	4,808
6.9 - Null		-	-	-	-	-	-	-	-	-
6.10 - Null		-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering and Human Settlement Business Unit		108,023	119,486	119,486	15,228	57,878	59,743	(1,865)	-3%	119,486
7.1 - Human Settlements		12,500	18,100	18,100	1,749	6,742	9,050	(2,307)	-25%	18,100
7.2 - Civil Admin		12,854	16,370	16,370	1,423	7,922	8,185	(263)	-3%	16,370
7.3 - Civil Buildings		10,675	8,295	8,295	914	4,204	4,148	57	1%	8,295
7.4 - Road and Stormwater		72,174	76,692	76,692	11,124	38,984	38,346	638	2%	76,692
7.5 - Staff Housing		20	29	29	19	26	14	11	79%	29
7.6 - Null		-	-	-	-	-	-	-	-	-
7.7 - Null		-	-	-	-	-	-	-	-	-
7.8 - Null		-	-	-	-	-	-	-	-	-
7.9 - Null		-	-	-	-	-	-	-	-	-
7.10 - Null		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Vote 8 - Electrical Engineering Business Unit		930,180	1,170,803	1,170,803	89,248	508,900	585,401	(76,501)	-13%	1,170,803
8.1 - Street Lights		3,990	4,685	4,685	391	3,128	2,342	786	34%	4,685
8.2 - Vehicle and Plant-Electricity		2,087	2,419	2,419	357	1,895	1,210	685	57%	2,419
8.3 - Mechanical Workshop		8,064	9,133	9,133	780	4,443	4,566	(123)	-3%	9,133
8.4 - Electricity: Administration		864,519	1,087,952	1,087,952	79,925	467,240	543,976	(76,736)	-14%	1,087,952
8.5 - Electricity: Urban South		2,535	9,047	9,047	303	3,061	4,524	(1,463)	-32%	9,047
8.6 - Electricity: Rural North		4,765	7,258	7,258	1,934	4,585	3,629	956	26%	7,258
8.7 - Electricity: SAPPJ		1,088	1,782	1,782	-	124	891	(766)	-88%	1,782
8.8 - Electricity: Urban North		6,289	6,140	6,140	1,908	5,066	3,070	1,996	65%	6,140
8.9 - Electricity: Rural South		3,600	4,507	4,507	101	1,000	2,101	(500)	-28%	4,507
8.10 - Electricity Salaries Dist.Acc.		33,229	37,820	37,820	3,173	17,674	18,910	(1,236)	-7%	37,820
Vote 9 - Youth Development Business Unit		5,375	9,183	9,183	576	3,411	4,591	(1,180)	-26%	9,183
9.1 - Youth Development		5,375	9,183	9,183	576	3,411	4,591	(1,180)	-26%	9,183
9.2 - Null		-	-	-	-	-	-	-	-	-
9.3 - Null		-	-	-	-	-	-	-	-	-
9.4 - Null		-	-	-	-	-	-	-	-	-
9.5 - Null		-	-	-	-	-	-	-	-	-
9.6 - Null		-	-	-	-	-	-	-	-	-
9.7 - Null		-	-	-	-	-	-	-	-	-
9.8 - Null		-	-	-	-	-	-	-	-	-
9.9 - Null		-	-	-	-	-	-	-	-	-
9.10 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
10.1 - Null		-	-	-	-	-	-	-	-	-
10.2 - Null		-	-	-	-	-	-	-	-	-
10.3 - Null		-	-	-	-	-	-	-	-	-
10.4 - Null		-	-	-	-	-	-	-	-	-
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10.9 - Null		-	-	-	-	-	-	-	-	-
10.10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
11.1 - Null		-	-	-	-	-	-	-	-	-
11.2 - Null		-	-	-	-	-	-	-	-	-
11.3 - Null		-	-	-	-	-	-	-	-	-
11.4 - Null		-	-	-	-	-	-	-	-	-
11.5 - Null		-	-	-	-	-	-	-	-	-
11.6 - Null		-	-	-	-	-	-	-	-	-
11.7 - Null		-	-	-	-	-	-	-	-	-
11.8 - Null		-	-	-	-	-	-	-	-	-
11.9 - Null		-	-	-	-	-	-	-	-	-
11.10 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
12.1 - Null		-	-	-	-	-	-	-	-	-
12.2 - Null		-	-	-	-	-	-	-	-	-
12.3 - Null		-	-	-	-	-	-	-	-	-
12.4 - Null		-	-	-	-	-	-	-	-	-
12.5 - Null		-	-	-	-	-	-	-	-	-
12.6 - Null		-	-	-	-	-	-	-	-	-
12.7 - Null		-	-	-	-	-	-	-	-	-
12.8 - Null		-	-	-	-	-	-	-	-	-
12.9 - Null		-	-	-	-	-	-	-	-	-
12.10 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
13.1 - Null		-	-	-	-	-	-	-	-	-
13.2 - Null		-	-	-	-	-	-	-	-	-
13.3 - Null		-	-	-	-	-	-	-	-	-
13.4 - Null		-	-	-	-	-	-	-	-	-
13.5 - Null		-	-	-	-	-	-	-	-	-
13.6 - Null		-	-	-	-	-	-	-	-	-
13.7 - Null		-	-	-	-	-	-	-	-	-
13.8 - Null		-	-	-	-	-	-	-	-	-
13.9 - Null		-	-	-	-	-	-	-	-	-
13.10 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
14.1 - Null		-	-	-	-	-	-	-	-	-
14.2 - Null		-	-	-	-	-	-	-	-	-
14.3 - Null		-	-	-	-	-	-	-	-	-
14.4 - Null		-	-	-	-	-	-	-	-	-
14.5 - Null		-	-	-	-	-	-	-	-	-
14.6 - Null		-	-	-	-	-	-	-	-	-
14.7 - Null		-	-	-	-	-	-	-	-	-
14.8 - Null		-	-	-	-	-	-	-	-	-
14.9 - Null		-	-	-	-	-	-	-	-	-
14.10 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
15.1 - Null		-	-	-	-	-	-	-	-	-
15.2 - Null		-	-	-	-	-	-	-	-	-
15.3 - Null		-	-	-	-	-	-	-	-	-
15.4 - Null		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<i>R thousands</i>										
15.5 - Null		-	-	-	-	-	-	-	-	-
15.6 - Null		-	-	-	-	-	-	-	-	-
15.7 - Null		-	-	-	-	-	-	-	-	-
15.8 - Null		-	-	-	-	-	-	-	-	-
15.9 - Null		-	-	-	-	-	-	-	-	-
15.10 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,683,056	2,076,260	2,076,260	173,781	883,146	1,038,130	(154,984)	(0)	2,076,260
Surplus/ (Deficit) for the year	2	243,061	90,518	90,518	54,897	98,548	45,259	53,290	0	90,518

References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

check revenue
check expenditure

KZN292 KwaDukuza - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		533,546	577,128	577,128	49,104	258,636	288,564	(29,928)	-10%	577,128
Service charges - electricity revenue		879,903	1,076,365	1,076,365	83,759	427,972	538,192	(110,220)	-20%	1,076,365
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		68,757	67,978	67,978	6,245	36,115	33,989	2,126	6%	67,978
Rental of facilities and equipment		1,938	3,426	3,426	185	1,098	1,713	(615)	-36%	3,426
Interest earned - external investments		29,453	27,024	27,024	4,273	10,980	13,512	(2,532)	-19%	27,024
Interest earned - outstanding debtors		4,472	9,000	9,000	546	2,903	4,500	(1,597)	-35%	9,000
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16,266	18,240	18,240	720	4,320	9,120	(4,794)	-55%	18,240
Licences and permits		447	703	703	15	708	351	356	101%	703
Agency services		9,458	13,085	13,085	832	5,235	6,543	(1,308)	-20%	13,085
Transfers and subsidies		280,539	228,202	228,202	67,404	157,391	114,101	43,290	38%	228,202
Other revenue		47,313	35,758	35,758	4,631	19,806	17,879	2,028	11%	35,758
Gains		2,125	2,919	2,919	-	-	1,459	(1,459)	-100%	2,919
Total Revenue (excluding capital transfers and contributions)		1,648,251	2,059,853	2,059,853	217,773	925,273	1,029,927	(104,654)	-10%	2,059,853
Expenditure By Type										
Employee related costs		425,155	511,232	511,232	43,649	228,287	255,616	(27,328)	-11%	511,232
Remuneration of councillors		22,848	25,399	25,399	1,926	11,189	12,700	(1,511)	-12%	25,399
Debt impairment		11,198	163,109	163,109	15	3,858	81,554	(77,699)	-95%	163,109
Depreciation & asset impairment		101,126	98,446	98,446	7,163	41,301	49,223	(7,922)	-16%	98,446
Finance charges		20,024	24,894	24,894	9,315	9,672	12,447	(2,775)	-22%	24,894
Bulk purchases - electricity		778,281	887,793	887,793	67,263	426,379	443,897	(17,517)	-4%	887,793
Inventory consumed		11,452	21,860	21,728	2,819	10,194	10,930	(736)	-7%	21,860
Contracted services		198,700	224,624	224,554	27,820	107,238	112,312	(5,074)	-5%	224,624
Transfers and subsidies		3,549	7,030	7,050	639	3,453	3,515	(62)	-2%	7,030
Other expenditure		105,439	111,872	112,055	13,372	41,576	55,936	(14,360)	-28%	111,872
Losses		5,285	-	-	-	-	-	-	-	-
Total Expenditure		1,683,056	2,076,260	2,076,260	173,781	893,146	1,038,130	(154,984)	-15%	2,076,260
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		165,195	(16,407)	(16,407)	43,992	42,126	(8,203)	50,330	(0)	(16,407)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		54,982	88,744	88,744	10,675	46,661	44,372	2,289	0	88,744
Transfers and subsidies - capital (in-kind - all)		22,904	18,180	18,180	230	9,761	9,090	671	0	18,180
Surplus/(Deficit) after capital transfers & contributions		243,061	90,518	90,518	54,897	98,548	45,259	-	-	90,518
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		243,061	90,518	90,518	54,897	98,548	45,259	-	-	90,518
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		243,061	90,518	90,518	54,897	98,548	45,259	-	-	90,518
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		243,061	90,518	90,518	54,897	98,548	45,259			90,518

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including capt	1,926,117	2,166,778	2,166,778	228,678	981,694	1,083,389				2,166,778
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KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Chief Operations Officer Business Unit		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services Business Unit		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Business Unit		-	-	-	-	-	-	-	-	-
Vote 4 - Economic Development Planning Business Unit		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services and Public Amenities Business Unit		-	-	-	-	-	-	-	-	-
Vote 6 - Community Safety Business Unit		-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering and Human Settlement Business Unit		-	-	-	-	-	-	-	-	-
Vote 8 - Electrical Engineering Business Unit		-	-	-	-	-	-	-	-	-
Vote 9 - Youth Development Business Unit		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Chief Operations Officer Business Unit		-	1,594	907	-	112	1,594	(1,482)	-93%	1,594
Vote 2 - Corporate Services Business Unit		1,668	5,400	6,087	2,072	5,491	2,700	2,791	103%	5,400
Vote 3 - Finance Business Unit		1,829	150	150	18	164	150	14	9%	150
Vote 4 - Economic Development Planning Business Unit		682	21,990	21,990	2,171	6,794	10,650	(3,856)	-36%	21,990
Vote 5 - Community Services and Public Amenities Business Unit		24,084	47,552	47,552	2,553	6,894	23,976	(17,082)	-71%	47,552
Vote 6 - Community Safety Business Unit		24,281	25,325	25,325	673	1,594	4,825	(3,031)	-66%	25,325
Vote 7 - Civil Engineering and Human Settlement Business Unit		54,298	90,428	90,428	12,201	66,452	49,155	17,297	35%	90,428
Vote 8 - Electrical Engineering Business Unit		51,498	126,112	126,112	12,077	36,165	39,093	(2,928)	-7%	126,112
Vote 9 - Youth Development Business Unit		2,873	2,850	2,850	126	146	250	(104)	-42%	2,850
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	161,213	321,401	321,401	31,892	123,811	132,193	(8,382)	-6%	321,401
Total Capital Expenditure		161,213	321,401	321,401	31,892	123,811	132,193	(8,382)	-6%	321,401
Capital Expenditure - Functional Classification										
Governance and administration		4,423	13,900	13,900	3,202	7,632	8,750	(1,118)	-13%	13,900
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		4,423	13,900	13,900	3,202	7,632	8,750	(1,118)	-13%	13,900
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		27,507	91,748	91,748	3,848	11,583	35,631	(24,048)	-67%	91,748
Community and social services		8,067	36,876	36,876	2,275	7,480	14,920	(7,440)	-50%	36,876
Sport and recreation		16,578	25,970	25,970	1,091	2,653	16,480	(13,827)	-84%	25,970
Public safety		1,478	20,785	20,785	329	717	2,115	(1,398)	-66%	20,785
Housing		1,385	6,116	6,116	153	732	2,116	(1,384)	-65%	6,116
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		77,505	87,636	87,636	11,942	65,767	48,862	16,905	35%	87,636
Planning and development		89	1,823	1,823	22	1,823	1,823	(1,651)	-91%	1,823
Road transport		77,416	85,812	85,812	11,919	65,595	47,039	18,556	39%	85,812
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		51,777	128,118	128,118	12,900	36,828	38,949	(121)	0%	128,118
Energy sources		48,836	119,662	119,662	11,094	34,428	35,093	(665)	-2%	119,662
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2,941	8,456	8,456	1,806	4,400	3,856	544	14%	8,456
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	161,213	321,401	321,401	31,892	123,811	132,193	(8,382)	-6%	321,401
Funded by:										
National Government		44,329	72,405	72,405	6,483	34,137	30,454	3,683	12%	72,405
Provincial Government		3,050	8,656	8,656	2,149	6,708	5,116	1,592	31%	8,656
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		17,740	15,252	15,252	1,019	3,834	9,252	(5,418)	-59%	15,252
Transfers recognised - capital		65,119	96,314	96,314	9,651	44,660	44,822	(142)	0%	96,314
Borrowing	6	-	5,000	5,000	-	-	-	-	-	5,000
Internally generated funds		106,022	220,088	220,088	22,241	79,131	87,371	(8,240)	-9%	220,088

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Total Capital Funding		171,141	321,401	321,401	31,892	123,811	132,193	(8,382)	-6%	321,401

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment
3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations
4. Include expenditure on investment property, intangible and biological assets
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

check balance -9,928,673.8

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure - Municipal Vote										
Expenditure of multi-year capital appropriation	1									
Vote 1 - Chief Operations Officer Business Unit										
1.1 - Municipal Manager's Office										
1.2 - Internal Audit										
1.3 - Corporate Communications										
1.4 - IDP										
1.5 - PMS										
1.6 - Public Participation										
1.7 - Null										
1.8 - Null										
1.9 - Null										
1.10 - Null										
Vote 2 - Corporate Services Business Unit										
2.1 - Council General Expenses										
2.2 - Human Resources - Admin										
2.3 - Administration: General										
2.4 - Information Technology										
2.5 - Null										
2.6 - Null										
2.7 - Null										
2.8 - Null										
2.9 - Null										
2.10 - Null										
Vote 3 - Finance Business Unit										
3.1 - Assessment Rates										
3.2 - Budget and Treasury Office										
3.3 - Supply Chain Management										
3.4 - Null										
3.5 - Null										
3.6 - Null										
3.7 - Null										
3.8 - Null										
3.9 - Null										
3.10 - Null										
Vote 4 - Economic Development Planning Business Unit										
4.1 - Museum										
4.2 - Economic Develop. & Planning										
4.3 - Environment & Management										
4.4 - Development Control										
4.5 - Town Planning										
4.6 - Building Control										
4.7 - Null										
4.8 - Null										
4.9 - Null										
4.10 - Null										
Vote 5 - Community Services and Public Amenities Business Unit										
5.1 - Beach Amenities										
5.2 - Library										
5.3 - Cemetery										
5.4 - Admin General										
5.5 - Parks and Gardens										
5.6 - Sport and Recreation										
5.7 - Dolphin Park										
5.8 - Community Halls										
5.9 - Street Sweeping										
5.10 - Refuse Removal										
Vote 6 - Community Safety Business Unit										
6.1 - Law Enforcement Administration										
6.2 - Security Services										
6.3 - Law Enforcement										
6.4 - Fire and Emergency										
6.5 - Disaster Management										
6.6 - Marine Safety										
6.7 - Vehicle Testing										
6.8 - Vehicle Licensing										
6.9 - Null										
6.10 - Null										
Vote 7 - Civil Engineering and Human Settlement Business Unit										
7.1 - Human Settlements										
7.2 - Civil Admin										
7.3 - Civil Buildings										
7.4 - Road and Stormwater										
7.5 - Staff Housing										
7.6 - Null										
7.7 - Null										
7.8 - Null										
7.9 - Null										
7.10 - Null										
Vote 8 - Electrical Engineering Business Unit										
8.1 - Street Lights										

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
8.2 - Vehicle and Plant-Electricity		-	-	-	-	-	-	-	-	-
8.3 - Mechanical Workshop		-	-	-	-	-	-	-	-	-
8.4 - Electricity: Administration		-	-	-	-	-	-	-	-	-
8.5 - Electricity: Urban South		-	-	-	-	-	-	-	-	-
8.6 - Electricity: Rural North		-	-	-	-	-	-	-	-	-
8.7 - Electricity: SAPPi		-	-	-	-	-	-	-	-	-
8.8 - Electricity: Urban North		-	-	-	-	-	-	-	-	-
8.9 - Electricity: Rural South		-	-	-	-	-	-	-	-	-
8.10 - Electricity Salaries Dist.Acc.		-	-	-	-	-	-	-	-	-
Vote 9 - Youth Development Business Unit		-	-	-	-	-	-	-	-	-
9.1 - Youth Development		-	-	-	-	-	-	-	-	-
9.2 - Null		-	-	-	-	-	-	-	-	-
9.3 - Null		-	-	-	-	-	-	-	-	-
9.4 - Null		-	-	-	-	-	-	-	-	-
9.5 - Null		-	-	-	-	-	-	-	-	-
9.6 - Null		-	-	-	-	-	-	-	-	-
9.7 - Null		-	-	-	-	-	-	-	-	-
9.8 - Null		-	-	-	-	-	-	-	-	-
9.9 - Null		-	-	-	-	-	-	-	-	-
9.10 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
10.1 - Null		-	-	-	-	-	-	-	-	-
10.2 - Null		-	-	-	-	-	-	-	-	-
10.3 - Null		-	-	-	-	-	-	-	-	-
10.4 - Null		-	-	-	-	-	-	-	-	-
10.5 - Null		-	-	-	-	-	-	-	-	-
10.6 - Null		-	-	-	-	-	-	-	-	-
10.7 - Null		-	-	-	-	-	-	-	-	-
10.8 - Null		-	-	-	-	-	-	-	-	-
10.9 - Null		-	-	-	-	-	-	-	-	-
10.10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
11.1 - Null		-	-	-	-	-	-	-	-	-
11.2 - Null		-	-	-	-	-	-	-	-	-
11.3 - Null		-	-	-	-	-	-	-	-	-
11.4 - Null		-	-	-	-	-	-	-	-	-
11.5 - Null		-	-	-	-	-	-	-	-	-
11.6 - Null		-	-	-	-	-	-	-	-	-
11.7 - Null		-	-	-	-	-	-	-	-	-
11.8 - Null		-	-	-	-	-	-	-	-	-
11.9 - Null		-	-	-	-	-	-	-	-	-
11.10 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
12.1 - Null		-	-	-	-	-	-	-	-	-
12.2 - Null		-	-	-	-	-	-	-	-	-
12.3 - Null		-	-	-	-	-	-	-	-	-
12.4 - Null		-	-	-	-	-	-	-	-	-
12.5 - Null		-	-	-	-	-	-	-	-	-
12.6 - Null		-	-	-	-	-	-	-	-	-
12.7 - Null		-	-	-	-	-	-	-	-	-
12.8 - Null		-	-	-	-	-	-	-	-	-
12.9 - Null		-	-	-	-	-	-	-	-	-
12.10 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
13.1 - Null		-	-	-	-	-	-	-	-	-
13.2 - Null		-	-	-	-	-	-	-	-	-
13.3 - Null		-	-	-	-	-	-	-	-	-
13.4 - Null		-	-	-	-	-	-	-	-	-
13.5 - Null		-	-	-	-	-	-	-	-	-
13.6 - Null		-	-	-	-	-	-	-	-	-
13.7 - Null		-	-	-	-	-	-	-	-	-
13.8 - Null		-	-	-	-	-	-	-	-	-
13.9 - Null		-	-	-	-	-	-	-	-	-
13.10 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
14.1 - Null		-	-	-	-	-	-	-	-	-
14.2 - Null		-	-	-	-	-	-	-	-	-
14.3 - Null		-	-	-	-	-	-	-	-	-
14.4 - Null		-	-	-	-	-	-	-	-	-
14.5 - Null		-	-	-	-	-	-	-	-	-
14.6 - Null		-	-	-	-	-	-	-	-	-
14.7 - Null		-	-	-	-	-	-	-	-	-
14.8 - Null		-	-	-	-	-	-	-	-	-
14.9 - Null		-	-	-	-	-	-	-	-	-
14.10 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
15.1 - Null		-	-	-	-	-	-	-	-	-
15.2 - Null		-	-	-	-	-	-	-	-	-
15.3 - Null		-	-	-	-	-	-	-	-	-
15.4 - Null		-	-	-	-	-	-	-	-	-
15.5 - Null		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21		Budget Year 2021/22						Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
15.5 - Null		-	-	-	-	-	-	-	-	-
15.7 - Null		-	-	-	-	-	-	-	-	-
15.8 - Null		-	-	-	-	-	-	-	-	-
15.9 - Null		-	-	-	-	-	-	-	-	-
15.10 - Null		-	-	-	-	-	-	-	-	-
Total multi-year capital expenditure		-	-	-	-	-	-	-	-	-
Capital expenditure - Municipal Vote										
Expenditure of single-year capital appropriation	1									
Vote 1 - Chief Operations Officer Business Unit		-	1,594	907	-	112	1,594	(1,482)	-93%	1,594
1.1 - Municipal Manager's Office		-	-	-	-	-	-	-	-	-
1.2 - Internal Audit		-	-	-	-	-	-	-	-	-
1.3 - Corporate Communications		-	900	213	-	112	900	(788)	-88%	900
1.4 - IDP		-	-	-	-	-	-	-	-	-
1.5 - PMS		-	70	70	-	-	70	(70)	-100%	70
1.6 - Public Participation		-	624	624	-	-	624	(624)	-100%	624
1.7 - Null		-	-	-	-	-	-	-	-	-
1.8 - Null		-	-	-	-	-	-	-	-	-
1.9 - Null		-	-	-	-	-	-	-	-	-
1.10 - Null		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services Business Unit		1,668	5,400	6,087	2,072	5,481	2,700	2,791	103%	5,400
2.1 - Council General Expenses		-	-	-	-	-	-	-	-	-
2.2 - Human Resources - Admin		318	500	500	-	-	500	(500)	-100%	500
2.3 - Administration: General		635	1,500	1,500	66	1,241	-	1,241	#DIV/0!	1,500
2.4 - Information Technology		714	3,400	4,087	2,006	4,250	2,200	2,050	93%	3,400
2.5 - Null		-	-	-	-	-	-	-	-	-
2.6 - Null		-	-	-	-	-	-	-	-	-
2.7 - Null		-	-	-	-	-	-	-	-	-
2.8 - Null		-	-	-	-	-	-	-	-	-
2.9 - Null		-	-	-	-	-	-	-	-	-
2.10 - Null		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Business Unit		1,829	150	150	18	164	150	14	9%	150
3.1 - Assessment Rates		-	-	-	-	-	-	-	-	-
3.2 - Budget and Treasury Office		1,829	150	150	18	164	150	14	9%	150
3.3 - Supply Chain Management		-	-	-	-	-	-	-	-	-
3.4 - Null		-	-	-	-	-	-	-	-	-
3.5 - Null		-	-	-	-	-	-	-	-	-
3.6 - Null		-	-	-	-	-	-	-	-	-
3.7 - Null		-	-	-	-	-	-	-	-	-
3.8 - Null		-	-	-	-	-	-	-	-	-
3.9 - Null		-	-	-	-	-	-	-	-	-
3.10 - Null		-	-	-	-	-	-	-	-	-
Vote 4 - Economic Development Planning Business Unit		682	21,990	21,990	2,171	6,784	10,650	(3,856)	-36%	21,990
4.1 - Museum		593	20,860	20,860	2,149	6,622	9,520	(2,898)	-30%	20,860
4.2 - Economic Develop. & Planning		89	830	830	22	172	830	(658)	-79%	830
4.3 - Environment & Management		-	-	-	-	-	-	-	-	-
4.4 - Development Control		-	-	-	-	-	-	-	-	-
4.5 - Town Planning		-	300	300	-	-	300	(300)	-100%	300
4.6 - Building Control		-	-	-	-	-	-	-	-	-
4.7 - Null		-	-	-	-	-	-	-	-	-
4.8 - Null		-	-	-	-	-	-	-	-	-
4.9 - Null		-	-	-	-	-	-	-	-	-
4.10 - Null		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services and Public Amenities Business Unit		24,084	47,552	47,552	2,553	6,894	23,976	(17,062)	-71%	47,552
5.1 - Beach Amenities		-	-	-	-	-	-	-	-	-
5.2 - Library		16	750	750	-	149	750	(601)	-80%	750
5.3 - Cemetery		2,513	9,366	9,366	-	-	2,000	(2,000)	-100%	9,366
5.4 - Admin General		-	-	-	-	-	-	-	-	-
5.5 - Parks and Gardens		1,057	660	660	48	163	660	(497)	-75%	660
5.6 - Sport and Recreation		15,485	23,420	23,420	699	1,618	14,310	(12,692)	-89%	23,420
5.7 - Dolphin Park		-	-	-	-	-	-	-	-	-
5.8 - Community Halls		2,072	4,900	4,900	-	563	2,400	(1,837)	-77%	4,900
5.9 - Street Sweeping		-	-	-	-	-	-	-	-	-
5.10 - Refuse Removal		2,941	8,456	8,456	1,806	4,400	3,856	544	14%	8,456
Vote 6 - Community Safety Business Unit		24,281	25,325	25,325	673	1,594	4,625	(3,031)	-68%	25,325
6.1 - Law Enforcement Administration		-	-	-	-	-	-	-	-	-
6.2 - Security Services		-	-	-	-	-	-	-	-	-
6.3 - Law Enforcement		1,330	1,985	1,985	13	82	1,715	(1,633)	-95%	1,985
6.4 - Fire and Emergency		148	18,800	18,800	317	635	400	235	59%	18,800
6.5 - Disaster Management		-	150	150	-	-	-	-	-	150
6.6 - Marine Safety		36	1,890	1,890	344	872	1,510	(636)	-42%	1,890
6.7 - Vehicle Testing		22,767	2,500	2,500	-	-	1,000	(995)	-100%	2,500
6.8 - Vehicle Licensing		-	-	-	-	-	-	-	-	-
6.9 - Null		-	-	-	-	-	-	-	-	-
6.10 - Null		-	-	-	-	-	-	-	-	-
Vote 7 - Civil Engineering and Human Settlement Business		54,298	90,428	90,428	12,201	66,452	49,155	17,297	35%	90,428
7.1 - Human Settlements		1,385	6,116	6,116	163	732	2,116	(1,384)	-65%	6,116
7.2 - Civil Admin		-	-	-	-	-	-	-	-	-
7.3 - Civil Buildings		(1,735)	1,000	1,000	129	129	1,000	(871)	-87%	1,000
7.4 - Road and Stormwater		54,649	83,312	83,312	11,919	65,591	46,039	19,552	42%	83,312
7.5 - Staff Housing		-	-	-	-	-	-	-	-	-
7.6 - Null		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
7.7 - Null		-	-	-	-	-	-	-	-	-
7.8 - Null		-	-	-	-	-	-	-	-	-
7.9 - Null		-	-	-	-	-	-	-	-	-
7.10 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Electrical Engineering Business Unit		51,498	126,112	126,112	12,077	36,165	39,093	(2,928)	-7%	126,112
8.1 - Street Lights		-	-	-	-	-	-	-	-	-
8.2 - Vehicle and Plant-Electricity		-	-	-	-	-	-	-	-	-
8.3 - Mechanical Workshop		2,662	6,450	6,450	983	1,737	4,000	(2,263)	-57%	6,450
8.4 - Electricity: Administration		43,514	63,234	63,234	9,436	24,282	23,805	477	2%	63,234
8.5 - Electricity: Urban South		-	-	-	-	-	-	-	-	-
8.6 - Electricity: Rural North		73	7,763	7,763	1,454	1,454	-	1,454	#DIV/0!	7,763
8.7 - Electricity: SAPPI		5,184	28,377	28,377	204	8,693	11,000	(2,307)	-21%	28,377
8.8 - Electricity: Urban North		-	-	-	-	-	-	-	-	-
8.9 - Electricity: Rural South		65	288	288	-	-	288	(288)	-100%	288
8.10 - Electricity Salaries Dist.Acc.		-	-	-	-	-	-	-	-	-
Vote 9 - Youth Development Business Unit		2,873	2,850	2,850	126	146	250	(104)	-42%	2,850
9.1 - Youth Development		2,873	2,850	2,850	126	146	250	(104)	-42%	2,850
9.2 - Null		-	-	-	-	-	-	-	-	-
9.3 - Null		-	-	-	-	-	-	-	-	-
9.4 - Null		-	-	-	-	-	-	-	-	-
9.5 - Null		-	-	-	-	-	-	-	-	-
9.6 - Null		-	-	-	-	-	-	-	-	-
9.7 - Null		-	-	-	-	-	-	-	-	-
9.8 - Null		-	-	-	-	-	-	-	-	-
9.9 - Null		-	-	-	-	-	-	-	-	-
9.10 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
10.1 - Null		-	-	-	-	-	-	-	-	-
10.2 - Null		-	-	-	-	-	-	-	-	-
10.3 - Null		-	-	-	-	-	-	-	-	-
10.4 - Null		-	-	-	-	-	-	-	-	-
10.5 - Null		-	-	-	-	-	-	-	-	-
10.6 - Null		-	-	-	-	-	-	-	-	-
10.7 - Null		-	-	-	-	-	-	-	-	-
10.8 - Null		-	-	-	-	-	-	-	-	-
10.9 - Null		-	-	-	-	-	-	-	-	-
10.10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
11.1 - Null		-	-	-	-	-	-	-	-	-
11.2 - Null		-	-	-	-	-	-	-	-	-
11.3 - Null		-	-	-	-	-	-	-	-	-
11.4 - Null		-	-	-	-	-	-	-	-	-
11.5 - Null		-	-	-	-	-	-	-	-	-
11.6 - Null		-	-	-	-	-	-	-	-	-
11.7 - Null		-	-	-	-	-	-	-	-	-
11.8 - Null		-	-	-	-	-	-	-	-	-
11.9 - Null		-	-	-	-	-	-	-	-	-
11.10 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
12.1 - Null		-	-	-	-	-	-	-	-	-
12.2 - Null		-	-	-	-	-	-	-	-	-
12.3 - Null		-	-	-	-	-	-	-	-	-
12.4 - Null		-	-	-	-	-	-	-	-	-
12.5 - Null		-	-	-	-	-	-	-	-	-
12.6 - Null		-	-	-	-	-	-	-	-	-
12.7 - Null		-	-	-	-	-	-	-	-	-
12.8 - Null		-	-	-	-	-	-	-	-	-
12.9 - Null		-	-	-	-	-	-	-	-	-
12.10 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
13.1 - Null		-	-	-	-	-	-	-	-	-
13.2 - Null		-	-	-	-	-	-	-	-	-
13.3 - Null		-	-	-	-	-	-	-	-	-
13.4 - Null		-	-	-	-	-	-	-	-	-
13.5 - Null		-	-	-	-	-	-	-	-	-
13.6 - Null		-	-	-	-	-	-	-	-	-
13.7 - Null		-	-	-	-	-	-	-	-	-
13.8 - Null		-	-	-	-	-	-	-	-	-
13.9 - Null		-	-	-	-	-	-	-	-	-
13.10 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
14.1 - Null		-	-	-	-	-	-	-	-	-
14.2 - Null		-	-	-	-	-	-	-	-	-
14.3 - Null		-	-	-	-	-	-	-	-	-
14.4 - Null		-	-	-	-	-	-	-	-	-
14.5 - Null		-	-	-	-	-	-	-	-	-
14.6 - Null		-	-	-	-	-	-	-	-	-
14.7 - Null		-	-	-	-	-	-	-	-	-
14.8 - Null		-	-	-	-	-	-	-	-	-
14.9 - Null		-	-	-	-	-	-	-	-	-
14.10 - Null		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Vote 15 - Null		-	-	-	-	-	-	-	-	-
15.1 - Null		-	-	-	-	-	-	-	-	-
15.2 - Null		-	-	-	-	-	-	-	-	-
15.3 - Null		-	-	-	-	-	-	-	-	-
15.4 - Null		-	-	-	-	-	-	-	-	-
15.5 - Null		-	-	-	-	-	-	-	-	-
15.6 - Null		-	-	-	-	-	-	-	-	-
15.7 - Null		-	-	-	-	-	-	-	-	-
15.8 - Null		-	-	-	-	-	-	-	-	-
15.9 - Null		-	-	-	-	-	-	-	-	-
15.10 - Null		-	-	-	-	-	-	-	-	-
Total single-year capital expenditure		161,213	321,401	321,401	31,892	123,811	132,193	(8,382)	(0)	321,401
Total Capital Expenditure		161,213	321,401	321,401	31,892	123,811	132,193	(8,382)	(0)	321,401

References

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

KZN292 KwaDukuza - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	Budget Year 2021/22				
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		872,694	467,631	467,631	802,064	467,631
Call investment deposits		101,241	155,393	155,393	104,053	155,393
Consumer debtors		229,847	357,733	357,733	127,146	357,733
Other debtors		71,283	271,341	271,341	77,650	271,341
Current portion of long-term receivables		306	36	36	297	36
Inventory		9,878	5,483	5,483	12,978	5,483
Total current assets		1,285,249	1,257,616	1,257,616	1,124,187	1,257,616
Non current assets						
Long-term receivables		-	610	610	-	610
Investments		-	-	-	-	-
Investment property		171,625	175,799	175,799	171,625	175,799
Investments in Associate		-	-	-	-	-
Property, plant and equipment		2,272,282	2,522,499	2,522,499	2,358,801	2,522,499
Biological		-	-	-	-	-
Intangible		2,445	39,546	39,546	2,128	39,546
Other non-current assets		105	105	105	105	105
Total non current assets		2,446,457	2,738,559	2,738,559	2,532,659	2,738,559
TOTAL ASSETS		3,731,706	3,996,176	3,996,176	3,656,846	3,996,176
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		11,637	1,041	1,041	12,205	1,041
Consumer deposits		37,161	42,812	42,812	38,985	42,812
Trade and other payables		408,651	646,193	646,193	239,289	646,193
Provisions		67,350	14,163	14,163	67,498	14,163
Total current liabilities		524,799	704,209	704,209	357,978	704,209
Non current liabilities						
Borrowing		189,614	206,809	206,809	183,057	206,809
Provisions		112,779	124,835	124,835	112,779	124,835
Total non current liabilities		302,393	331,644	331,644	295,836	331,644
TOTAL LIABILITIES		827,192	1,035,853	1,035,853	653,814	1,035,853
NET ASSETS	2	2,904,514	2,960,323	2,960,323	3,003,033	2,960,323
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,877,472	2,933,281	2,933,281	2,975,991	2,933,281
Reserves		27,041	27,041	27,041	27,041	27,041
TOTAL COMMUNITY WEALTH/EQUITY	2	2,904,514	2,960,323	2,960,323	3,003,033	2,960,323

References

1. Material variances to be explained in Table SC1
2. Net assets must balance with Total Community Wealth/Equity

check balance - -0 -0 -0

KZN292 KwaDukuza - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		541,524	520,716	520,716	48,468	249,768	260,358	(11,591)	-4%	520,716
Service charges		1,082,174	1,051,964	1,051,964	119,860	607,806	525,982	81,824	16%	1,051,964
Other revenue		51,004	157,875	157,875	6,341	62,323	39,365	22,958	58%	157,875
Transfers and Subsidies - Operational		233,302	224,635	224,635	61,106	155,922	112,317	43,605	39%	224,635
Transfers and Subsidies - Capital		58,817	76,908	76,908	9,080	50,353	30,509	19,844	63%	76,908
Interest		-	27,024	27,024	5,574	11,884	13,512	(1,628)	-12%	27,024
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(51,291)	(1,834,908)	(1,834,908)	476,498	402,249	(933,857)	(1,336,106)	143%	(1,834,908)
Finance charges		-	(24,894)	(24,894)	-	-	(12,447)	(12,447)	100%	(24,894)
Transfers and Grants		-	(7,030)	(7,030)	-	(6)	(3,365)	(3,359)	100%	(7,030)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,915,530	192,290	192,290	726,927	1,539,298	32,375	(1,506,923)	-4655%	192,290
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(146,917)	(321,401)	(321,401)	(35,933)	(133,639)	(160,701)	(27,062)	17%	(321,401)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(146,917)	(321,401)	(321,401)	(35,933)	(133,639)	(160,701)	(27,062)	17%	(321,401)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	5,000	5,000	-	-	2,500	(2,500)	-100%	5,000
Increase (decrease) in consumer deposits		1,637	1,511	1,511	61	1,824	756	1,068	141%	1,511
Payments										
Repayment of borrowing		0	(13,039)	(13,039)	-	(357)	(6,519)	(6,163)	95%	(13,039)
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,637	(6,527)	(6,527)	61	1,467	(3,264)	(4,731)	145%	(6,527)
NET INCREASE/ (DECREASE) IN CASH HELD		1,770,250	(135,638)	(135,638)	691,055	1,407,126	(131,589)			(135,638)
Cash/cash equivalents at beginning:		781,946	758,662	758,662		973,934	758,662			973,934
Cash/cash equivalents at month/year end:		2,552,195	623,024	623,024		2,381,061	627,073			838,296

References

1. Material variances to be explained in Table SC1



2.1 DEBTOR'S ANALYSIS

KZN292 KwaDukuza - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2021/22									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200										
Trade and Other Receivables from Exchange Transactions - Electricity	1300	29,557	8,322	3,313	2,169	1,609	3,124	4,964	15,605	68,657	27,466
Receivables from Exchange Transactions - Property Rental	1600	21,124	10,524	7,611	6,159	10,732	1,659	16,772	62,424	169,899	192,427
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	3,331	1,401	1,038	1,123	653	1,161	2,675	11,728	23,320	17,550
Receivables from Exchange Transactions - Property Rental Debtors	1700	31	25	24	22	21	21	2,007	76	2,228	2,148
Interest on Arrear Debtor Accounts	1810	513	473	407	367	351	352	10,666	7,497	20,646	19,253
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	642	342	131	1,438	65	140	25,565	12,115	40,439	39,324
Total By Income Source	2000	58,208	21,137	12,527	11,597	15,686	9,797	65,647	129,572	324,170	232,298
2021/22 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	1,861	1,368	75	138	4,154	56	126	2,129	9,908	6,604
Commercial	2300	10,964	1,860	583	814	568	542	29,804	5,763	50,917	37,490
Households	2400	45,383	17,869	11,870	10,645	10,964	9,189	35,716	122,000	263,665	188,525
Other	2500										
Total By Customer Group	2600	58,208	21,137	12,527	11,597	15,686	9,797	65,647	129,892	324,491	232,619

- The above table reflects the consumer and sundry debtors as at end December 2021 as contained on the financial system. A further analysis of the above follows hereunder:

Consumer Debtors

KWADUKUZA MUNICIPALITY						
The financial report for the month ending 31 December 2021						
Consumer Debtors						
Rates & Service Debtors						
	Total debt	30 Days	60 days	90 Days	120 Days	Over 120 Days
	outstanding					
Rates	136,334,695	18,185,735	8,259,186	6,305,402	5,428,228.30	98,156,143.48
Electricity	89,182,178	29,645,667	8,837,845.51	3,581,850.37	3,422,796.66	43,694,018.99
Refuse	27,149,125	3,421,467	1,538,034.70	1,168,639.86	1,246,675.62	19,774,307.87
Interest/Collection/Sundries	45,617	38	863.65	37.50	30.00	44,648.35
	252,711,615	51,252,906	18,635,930	11,055,930	10,097,731	161,669,119

Consumer debtors amounted to R 252 711 615 This indicates an increase of R 22 623 907 from June 2021. The majority of the debt under this category is over 120. The effect of the lockdown and the loss of income faced by the consumers since June 2020 has resulted in a rise in debt in the over 120 categories. With the current economic uncertainty that the country is facing it is unlikely for the consumer debt to see the significant decrease within the next financial year.

KWADUKUZA MUNICIPALITY								
JUNE 2021								
The financial report for the month ending 30 JUNE 2021 is tabled for the information of the committee.								
Consumer Debtors								
Rates & Service Debtors								
	No of accounts	No of debtors	Total debt outstanding	30 Days	60 days	90 Days	120 Days	Over 120 Days
Rates			157,887,898	16,933,832	9,469,358	7,031,279	5,846,912.16	118,606,516.93
Electricity			46,641,115	21,260,448	5,367,635.71	3,036,249.38	1,955,247.39	15,021,534.91
Refuse			20,665,712	5,550,799	1,039,482.16	801,839.61	724,315.79	12,549,275.18
Interest/Collection/Sundries/VAT			4,892,983	-1,617,764	494,166.71	355,231.16	(6,341,201.76)	12,002,551.43
			230,087,708	42,127,315	16,370,642	11,224,600	2,185,274	158,179,878
			230,087,708.48	42,127,314.57	16,370,642.36	11,224,599.52	2,185,273.58	158,179,878.45
			100%	18%	7%	5%	1%	69%

Reasons for the increase in debt:

1. The new valuation roll was implemented. Objections on some accounts are yet to be finalised.
2. The new service provider for disconnection of meters was appointed on the 01.09.21. There were no disconnections being done for the period July and August.
3. Customers were affected by looting and lockdown. The loss of income faced by consumers affected their ability to pay.

Sundry Debtors

Sundry Debtors amounts to R 38 185 283 with the majority in the 120 days and over category. In comparison with the sundry debt balance as of June 2021 the debt reflects a R 923 634k increase.

December 2021

The financial report for the month ending December 2021 is tabled for the information of the committee.

By Function	Total	Current	30 Days	60 Days	90 Days	120 Days & Over
Housing	9,201,685	-	105,210	100,529	80,596	8,915,350
Electricity	172,779	-	2,746	2,724	1,724	165,585
Other	28,810,819	-	365,475	79,820	59,577	28,305,946
	38,185,283	-	473,431	183,073	141,898	37,386,881

There is currently non-alignment between the financial system and the manual ageing of consumer and sundry debtors. The system reflects R 324,170m as outstanding debtors while information reported manually is R290,896m showing a variance of R 33 274m.

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



2.2 CREDITORS ANALYSIS

KZN292 KwaDukuza - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description R thousands	NT Code	Budget Year 2021/22								Total
		0- 30 Days	31- 60 Days	61- 90 Days	91- 120 Days	121- 150 Days	151- 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Portions of External Deductions	0500	3,157	-	-	-	-	-	27	1	3,157
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,700	666	56	0	322	52	20	112	3,009
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	4,900	666	56	0	322	52	47	122	6,166

The above table represents the creditor's age analysis as of 31st December 2021.

The creditors aging reflects a total of R 6, 166m outstanding payments at mid-year as per the financial system. The amount reflected on this table is however understated. Additional payments not recorded amounts to R 14,4million: -

- R 7,5 million (VAT incl.), related to waste management services for the month of December 2021.
- R 6,9 million under creditors relates to current creditors for goods and services rendered. The balance is under current, and therefore will be paid in the month of January.

There is non-alignment between the trial balance and the creditors ageing report. The creditors on the trial balance under the current liabilities are inclusive of various liabilities which includes accruals, the system does not age these under current creditors. There is a process underway to capture all payments through the creditor's module to resolve the misalignment which in turn will address the cash flow inconsistencies that have been highlighted in the report.

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



2.3 INVESTMENT PORTFOLIO ANALYSIS

KZN2021 KwaZulu - Supporting Table SCS Monthly Budget Statement - Investment portfolio - MD6 December

R thousands	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
			Yrs	Months												
	Municipality															
	ABSA Bank		DAILY		LIQUIDITY PLUS		3.50%				Daily	68,498	378			68,877
	ABSA Bank (6433)		DAILY		MONEY MKT		3.25%				Daily	3,078	15			3,093
	ABSA Bank (6707)		DAILY		MONEY MKT		3.30%				Daily	12,986	67			13,054
	INVEST ELECTRICITY RESERVE		Daily		MONEY MKT		2.15%				Daily	662	2			665
	INVEST ELECTRICITY ACCOUNT		Daily		MONEY MKT		2.15%				Daily	331	1			332
	FNB		Daily		MONEY MKT		2.15%				Daily	17,531	58			17,589
	ABSA HOUSING PROJECT		MONTHLY		LIQUIDITY PLUS		3.25%				Daily	4,087	21			4,118
	ABSA GROUTVILLE PRIORITY		MONTHLY		LIQUIDITY PLUS		3.20%				Daily	279	1			281
	ABSA SHAYAMVA		MONTHLY		LIQUIDITY PLUS		3.20%				Daily	809	4			813
	ABSA DUBE VILLAGE		MONTHLY		LIQUIDITY PLUS		3.20%				Daily	243	1			244
	ABSA STEVE BIKO		MONTHLY		LIQUIDITY PLUS		3.20%				Daily	898	5			903
	INVESTEC		12 MONTHS		FIXED		7.34%				365 DAYS	-				-
	Netbank Treasury 66		32 DAY NOTICE		NOTICE CALL ACCOUNT		3.25%				32 DAYS	9,897	73		54,021	63,991
	ABSA (6911)		12 MTH		FIXED		3.25%				365 DAYS	6,329	32			6,361
	ABSA		MONTHLY		LIQUIDITY PLUS		3.75%				Daily	115,278	665			115,944
	ABSA		MONTHLY		LIQUIDITY PLUS		3.25%				Daily	2,593	13			2,606
	ABSA (BALUTO JUNCTION)		MONTHLY		LIQUIDITY PLUS		3.25%				Daily	6,103	31			6,133
	Netbank Ballito Junction 000169		12 mth		FIXED		5.95%				365 DAYS	15,000				15,000
	ABSA (DEVELOPERS CONTR)		MONTHLY		LIQUIDITY PLUS		3.30%				Daily	14,146	73			14,219
	ABSA (4472)		MONTHLY		LIQUIDITY PLUS		3.75%				Daily	109	413	(164,000)	139,532	(43,547)
	Standard Bank Boxers Cash in Carry		12 MTH		FIXED		5.15%				365 DAYS	-				-
	Netbank Treasury Dev Cont (162)		12 MTH		FIXED		5.10%				365 DAYS	25,077	1,068	(26,142)		2
	Netbank Treasury BBN Settlement		6 MONTHS		FIXED		5.10%				180 DAYS	26,734	1,145	(27,879)		-
	Standard Bank Ballito Junction 087		12 mth		FIXED		5.38%				365 DAYS	-				-
	Standard Bank Dev Contribution R25m		12 mth		FIXED		6.08%				365 DAYS	28,758				28,758
	ABSA developers Contribution 2		12 mth		FIXED		6.51%				365 DAYS	48,640				49,972
	Standard Bank Fixed Costs Clearing Account		32 DAY NOTICE		NOTICE CALL ACCOUNT		4.00%				32 DAYS	41,822	332			42,122
	Investec Estim Investment Account Deposits		32 DAY NOTICE		NOTICE CALL ACCOUNT		4.00%				32 DAYS	42,340	291			42,623
	Standard Bank Salary Clearing Account		32 DAY NOTICE		NOTICE CALL ACCOUNT		4.00%				180 DAYS	23,687	284			23,887
	Netbank Treasury Boxers Cash in Carry		6 MONTHS		FIXED		4.07%				365 DAYS	32,000				32,000
	ABSA developers Contribution 3		12 mth		FIXED		4.93%				365 DAYS	-				-
	Municipality sub-total											548,934	4,973	(238,022)	193,933	509,839

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

- As it can be noted by the above, we do not have any entities and hence no investments to be recognised on their behalf.
- As at 31st of December 2021, the municipality had R 509, 839m Investment portfolio. A significant portion of this is ring fenced for various statutory and constructive obligations and may therefore not be considered unencumbered cash.
- R 105, 809m in the table above relates to investments that are over 3 months.
- KwaDukuza Municipality's reserves have reduced to approximately 2,5 months cash availability as at the end of December 2021.



2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Name of grant	Funder	Receipts
Equitable Share	NATIONAL	R -148,604,243
Municipal Infrastructure Grant (MIG)	NATIONAL	R -48,000,000
Integrated National Electrification Programme Grant (INEP) (Municipal)	NATIONAL	R -1,080,000
Financial Management Grant (FMG)	NATIONAL	R -1,750,000
Expanded Public Works Programme (EPWP)	NATIONAL	R -1,212,000
Museum subsidies	PROVINCIAL	R -2,225,000
Community Library Service Grant	PROVINCIAL	R -726,000
Housing Accreditation	PROVINCIAL	R -193,354
Provincialisation - Library Services	PROVINCIAL	R -5,610,000
Neighbourhood Development Partnership Grant (NDPG)-SCADA	NATIONAL	R -
Neighbourhood Development Partnership Grant- (NDPG)-EASE OF BUSINESS	NATIONAL	R -
Title Deeds Restoration Grant	PROVINCIAL	R -
EEDM	NATIONAL	R -2,000,000
TOTAL		R -211,400,596

- The table above reflects grant receipts of R 211,4m to date. Council to note that R4, 940m of the 2020/21 MIG unspent allocation was with-held from the Equitable share December tranche. The next National and Provincial grant tranche will be in March 2022.
- In terms of the NDPG Scada and Ease of Doing Business grant, the Municipality had received R8,864m in the 2020/21 financial year and incurred expenditure of R572k. The unspent balance of R8,292m had to be returned to National Treasury together with the interest earned of R232,6k. The Municipality thus returned R8, 524m. The nature and terms of the grant disbursement is to be finalised once engagements between National Treasury and the Municipality are held. The understanding is that the grant will be disbursed based on cash flow projections presented by the Municipality, however, therein lies the possibility that the Municipality may be required to bridge fund the project. Should this be the case, the implementing business units will present Council with a detailed item for the approval of such bridge funding.

The table below, reflects the grant expenditure as at the end of December 2021. R205,7m has been spent to date with R158, 8m operational grant expenditure and R46, 9m capital grant expenditure.

- The MIG operational expenditure is in terms of PMU salary costs, while the Housing Accreditation is for salary costs of the Housing section for the civil business unit.
- The Community Library Services and Provincialisation of Library grant have been utilised for maintenance of the libraries as well as salary costs.
- R316,3k has been utilised for Finance Interns Salary and R233,8k for the Fixed Assets Project and training workshops for finance officials.
- R 1,3m for EPWP Skill Development & Training

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

Name of grant	Funder	Expenditure: Operating (Revenue Recognised)	Expenditure: Capital (Revenue Recognised)
Equitable Share	NATIONAL	R 148,604,242.85	R -
Municipal Infrastructure Grant (MIG)	NATIONAL	R 1,798,251.21	R 32,142,842.61
Integrated National Electrification Programme Grant (INEP) (Municipal)	NATIONAL	R -	R 3,080,000.16
Financial Management Grant (FMG)	NATIONAL	R 550,134.51	R -
Expanded Public Works Programme (EPWP)	NATIONAL	R 1,377,003.05	R -
Museum subsidies	PROVINCIAL	R 225,000.00	R 7,615,120.79
Community Library Service Grant	PROVINCIAL	R 493,786.81	R -
Housing Accreditation	PROVINCIAL	R 2,145,772.06	R 86,552.55
Provincialisation - Library Services	PROVINCIAL	R 3,558,417.07	R -
Neighbourhood Development Partnership Grant (NDPG)-SCADA	NATIONAL	R -	R -
Neighbourhood Development Partnership Grant- (NDPG)-EASE OF BUSINESS	NATIONAL	R -	R -
Title Deeds Restoration Grant	PROVINCIAL	R 37,691.25	R -
EEDM	NATIONAL	R -	R 3,992,228.53
TOTAL		R 158,790,299	R 46,916,745



2.5 COUNCILOR ALLOWANCES AND EMPLOYEE BENEFITS

KZN292 KwaDukuza - Supporting Table SC6 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15,575	17,351	17,351	1,371	7,557	6,591	(1,093)	-13%	17,351
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2,300	2,528	2,528	194	1,155	1,264	(107)	-8%	2,528
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		22,840	25,399	25,399	1,926	11,189	12,700	(1,511)	-12%	25,399
% increase	4		11.2%	11.2%						11.2%
Senior Managers of the Municipality										
Basic Salaries and Wages		9,553	11,534	11,534	773	4,541	5,902	(1,261)	-21%	11,534
Pension and UIF Contributions		1,371	1,935	1,935	115	592	566	(25)	-3%	1,935
Medical Aid Contributions		-	-	-	47	47	-	47	n/a	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	1,214	1,214	-	566	607	(39)	-6%	1,214
Motor Vehicle Allowance		1,461	1,735	1,735	119	714	856	(182)	-23%	1,735
Cellphone Allowance		124	145	145	10	59	74	(15)	-20%	145
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	1	0	0	1	(0)	-20%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		12,519	16,956	16,956	1,054	6,722	8,478	(1,756)	-21%	16,956
% increase	4		32.3%	32.3%						32.3%
Other Municipal Staff										
Basic Salaries and Wages		234,260	277,778	277,553	22,855	125,145	128,889	(13,745)	-10%	277,778
Pension and UIF Contributions		45,625	57,047	57,047	4,024	23,814	26,523	(4,709)	-17%	57,047
Medical Aid Contributions		22,272	25,452	25,452	1,837	11,165	12,731	(1,565)	-12%	25,452
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		19,462	22,375	22,375	2,316	10,221	11,167	(945)	-9%	22,375
Motor Vehicle Allowance		13,563	15,909	15,909	1,224	7,155	7,956	(762)	-10%	15,909
Cellphone Allowance		1,059	1,120	1,120	95	574	556	(18)	-4%	1,120
Housing Allowances		1,066	1,145	1,145	91	535	572	(35)	-6%	1,145
Other benefits and allowances		63,739	65,096	65,291	5,351	38,502	34,048	1,854	5%	65,096
Payments in lieu of leave		7,595	7,215	7,215	3,530	5,284	3,628	1,656	47%	7,215
Long service awards		-	10,925	10,925	-	-	5,452	(5,452)	-100%	10,925
Post-retirement benefit obligations		3,254	7,135	7,135	255	1,700	3,567	(1,667)	-62%	7,135
Sub Total - Other Municipal Staff		412,336	494,276	494,276	42,534	221,566	247,139	(25,572)	-10%	494,276
% increase	4		19.5%	19.5%						19.5%
Total Parent Municipality		445,003	536,631	536,631	45,574	239,477	269,316	(28,839)	-11%	536,631



**2.6 MATERIAL VARIANCES TO
SERVICE DELIVERY AND BUDGET
IMPLEMENTATION PLAN**

KZN292 KwaDukuza - Supporting Table SC1 Material variance explanations - M06 December

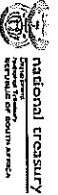
Ref	Description	Variance	Reasons for material deviations
	R thousands		
1	Revenue By Source		
	Service charges - electricity revenue	(110,220)	The billing for December 2021 will go through on the 7th of January 2022 hence the variance.
	Interest earned - external investments	(2,535)	Timing of receipt of Interest on investments has resulted in variance
	Transfers and subsidies	43,290	2nd tranche of Equitable Share received during December
2	Expenditure by Type		
	Employee related costs	(27,326)	Variance will decrease as vacancies are filled
	Debt impairment	(77,699)	Journals are done at year end
	Depreciation & asset impairment	(7,922)	Timing of capitalisation of assets
	Bulk purchases	(17,517)	Timing of the payments to Eskom. Payments made on the 15th of subsequent month.
	Contracted services	(5,074)	Timing of payments
3	Capital Expenditure		
	Finance and administration	(1,118)	R 3 202 m. Spent on purchasing various assets.
	Community and Social Services	(7,440)	R 2 274M spent on the construction of museum and renovation of LED centre.
	Energy Sources	(665)	R 11.094m Spent on various projects
	Housing	(1,384)	R 153k spent on construction of retaining of walls.
	Planning and Development	(1,651)	No Assets purchased during December 2021.
	Public Safety	(1,398)	R 329K spent on purchasing various assets.
	Road Transport	16,556	R 11 919m spent on various roads projects.
	Sport and Recreation	(13,627)	R 1 090m Spent on various projects.
	Waste Management	554	1 805m spent on purchasing refuse skip loader truck.
4	Financial Position		
	Total Assets	3 656 846	The Municipality has PPE of R 2.3b and Cash & Cash Equivalents of R 906,117m.
	Total current liabilities	357,976	The Municipality reflects R 239m for Trade & Other Payables
	Total non current liabilities	295,636	Borrowings of R 183m reflected
	Total Equity	3 003,033	R 27m reserves and R 2.96 Accumulated Surplus
5	Cash Flow		
	Cash flow from Operating Activities	726,927	The Municipality needs to review the manner in which processes payments onto the financial system. Not all payments are being reflected at present distorting the closing balance on the Cash & Cash Equivalents
	Cash flow from Investing Activities	133,639	Capital Asset Payment of R 35,933m for the month of December.
	Cash flow from Financing Activities	1,476	Result of increase in consumer deposits.
	Cash Equivalents at year end	2 381,061	The Municipality reflected R 802,064m Cash and R 104,053m Investments for the month of December 2021 which does not tie to the closing balance as reflected on the C7 as the payments are being incorrectly processed on the system.



2.7 CAPITAL PROGRAMME PERFORMANCE

KZN292 KwaDukuza - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - MO6 December

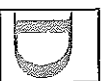
Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	2,326	13,402	13,402	6,515	6,515	13,402	6,887	51.4%	2%
August	21,873	16,577	16,577	22,214	28,729	29,960	1,251	4.2%	9%
September	9,895	18,791	18,791	21,046	49,775	46,771	(1,004)	-2.1%	15%
October	6,066	28,258	28,258	21,623	71,399	77,029	5,630	7.3%	22%
November	8,983	26,202	26,202	20,521	91,919	103,231	11,312	11.0%	29%
December	10,524	28,962	28,962	31,892	123,811	132,193	8,382	6.3%	39%
January	2,949	53,528	53,528	-	-	185,721	-	-	-
February	9,535	27,640	27,640	-	-	213,361	-	-	-
March	14,588	32,003	32,003	-	-	245,364	-	-	-
April	23,465	27,494	27,494	-	-	272,858	-	-	-
May	13,747	13,566	13,566	-	-	286,424	-	-	-
June	37,242	34,977	34,977	-	-	321,401	-	-	-
Total Capital expenditure	161,213	321,401	321,401	123,811					



National Treasury
REPUBLIC OF SOUTH AFRICA

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)
Consolidated Quarterly Report for period 01/10/2021 to 31/12/2021



NAME OF MUNICIPALITY: KWADUKUZA MUNICIPALITY

Date	Payee	Amount in R'000	Description and Purpose	Authorised by (name)
1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 28 (4) when a municipality has failed to approve a budget by 30 June:				
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 28 (1):				
3. Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4):				
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including (i) money collected by the municipality on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the municipality for that person or organ of state:				
5. Section 11(f) - Refund money incorrectly paid into a bank account:				
6. Section 11(g) - Refund guarantees, surales and security deposits:				
Oct - Dec 2021	Various Consumers	R808 397	Consumer deposits	Kristen Kerri (Acting Manager Billing)
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13:				
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31:				
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.				
DISTRIBUTION				
1. Did the Accounting Officer table in Council a consolidated report of all withdrawals within 30 days after the end of the quarter:				(YES) / NO
2. Date the consolidated report was tabled; and				DATE : 12 / 10 / 2021
3. Was the copy of the consolidated report of all withdrawals submitted to the Auditor General				(YES) / NO

J.M. Stevens
CHIEF FINANCIAL OFFICER

J. Menden
MUNICIPAL MANAGER

Instructions for completing this report:
The Accounting Officer must include information motivating the non-budgeted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space. This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.
Withdrawals that must be reported each quarter:
Distribution:
1. Table this report in a full council meeting, including additional motivation on action taken to rectify within 30 days after the end of each quarter (section 11(4))
2. Submit a copy to the relevant National Treasury, Provincial Treasury and the Auditor-General

John P. Murrigan
13.01.22 13.01.2022


NATIONAL TREASURY
MFMA Circular No. 112
Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2022/23 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.9%	4.0%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2021.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.

The annual Division of Revenue Bill will be published in February 2022 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2021 Division of Revenue Act for 2021/22. The DoRA is available at:
<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

Division of Revenue Amendment Bill, 2021: changes to local government allocations

Budget Facility for Infrastructure Funding – R81 million is added to the direct regional bulk infrastructure grant for George Local Municipality for the implementation of the potable water security and remedial works project. Due to delays in the implementation of projects approved through Budget Facility for Infrastructure (BFI), the projects sponsors have requested funding to be reduced to align with the planned project rollout.

R1.3 billion is reduced from the public transport network grant for City of Cape Town to align to its revised implementation plan of myCiti phase 2A.

Neighbourhood Development Partnership Grant – R841 million is added to the direct neighbourhood development partnership grant for local government to create 32 663 jobs through precinct management, community safety, place-making, greening, integrated waste management and digitalisation, with special focus on poor and marginalised areas and economic nodes.

Roll-over of indirect regional bulk infrastructure grant – R582 million is rolled over in the indirect regional bulk infrastructure grant to fund the operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality. This change is shown in Schedule 6, Part B of this Bill.

Reprioritisation in the neighbourhood development partnership grant – In the neighbourhood development partnership grant, R90 million is shifted from the direct component to the indirect component of the grant, to fund project preparation, planning and implementation for municipalities facing implementation challenges. The affected municipalities are City of Johannesburg, Mogale City, Kwa-Dukuza, West Rand, Sol Plaatje, Ray Nkonyeni and City of Cape Town. These changes are shown in Schedule 5, Part B and Schedule 6, Part B of this Bill.

Changes to gazetted frameworks and allocations

Neighbourhood development partnership grant – The grant framework for the neighbourhood development partnership grant is amended to remove reference to Built

Environment Performance Plans and include the conditions attached to the approval of funds from the Presidential Youth Employment Initiative. The conditions require cities to expand the existing Expanded Public Works Programme projects and enter into new partnerships with the private sector and civil society.

Regional bulk infrastructure grant – The grant framework for the regional bulk infrastructure grant is amended to include the conditions attached to the approval of funding from the BFI for the implementation of the potable water security and remedial works project in George Local Municipality. The conditions require that the municipality submit a business plan, a cost-benefit analysis report and enter into a co-financing agreement with the Department of Water and Sanitation and the Department of Cooperative Governance.

Integrated urban development grant – The grant framework for the integrated urban development grant is amended to include a provision for purchasing special vehicles for waste management. This correction is needed to ensure alignment with conditions in the municipal infrastructure grant as municipalities can move between the two grants.

Municipal infrastructure grant – The grant framework for the municipal infrastructure grant is amended to correct for the omission of the baseline allocation of R14.8 billion in 2019/20 in the past performance section of the framework. The amount was erroneously not captured. This correction is needed to show the audited past financial performance of the grant.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (*m*SCOA)

5.1 Release of Version 6.6 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.6 is released with this circular.

Version 6.6 of the chart will be effective from 2022/23 and must be used to compile the 2022/23 MTREF and is available on the link below:
<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.6 where applicable. The PSD is also available on the above link.

*m*SCOA chart changes are issued annually in December. For the National Treasury to consider a new chart change, the issue must be logged with all relevant background and details on the Frequently Asked Questions (FAQ) database. The FAQ database can also be accessed on the above link.

The matter will then be further investigated by the FAQ committee of the National Treasury. If it is found that a chart change is required in the next chart version, then the matter will be elevated to the *m*SCOA Technical Committee and if in agreement, it will be recommended for approval to the *m*SCOA Steering Committee. Requests for chart changes in the next version of the chart must be logged for consideration by 31 August of each year.

5.2 Credibility of *m*SCOA data strings

The credibility of the *m*SCOA data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using Ms Excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the *m*SCOA circulars issued by the National Treasury to classify their transactions correctly.

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2022/23 municipal financial year.

5.3 Regulation of Minimum Business Processes and System Specifications

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). A number of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.

The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of *m*SCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following focus areas, as applicable to the municipality:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
- **Governance and institutional arrangements** – is there a functional *m*SCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *m*SCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, did the

- municipality appoint a suitably qualified System Administrator and the required IT securities are in place;
- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *mSCOA* enabling financial system; and
 - **Proficiency of municipal officials to use the financial system** – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *mSCOA* chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain *mSCOA* compliant.

The progress against the action plan must be monitored by the municipality's *mSCOA* Project Steering Committee and should also be reported at the 2021/22 Mid-year Budget and Performance engagements and the Budget and Benchmark engagements with the National and the respective provincial treasury. Copies of the action plan and progress reports should also be shared with the National and the respective provincial treasury.

5.4 Extension of RT25-2016 Service Level Agreements (SLA) for Financial Systems

The National Treasury has received numerous queries about the extension of the SLA for the transversal contract for the procurement of municipal systems of financials management and internal control (RT25-2016).

The RT25-2016 contract has expired in May 2019. Therefore, the RT25-2016 cannot be utilised to procure financial systems and Service Level Agreements (SLAs) entered into through the transversal contract cannot be extended when they expire. Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications.

Furthermore, the Municipal SCM Regulations does not prohibit the use of long-term contracts as long as the needs analysis and market analysis are done to justify the continuous need for the service. Municipalities may utilise Section 33 of the MFMA, taking into account the municipality's specific circumstances, provided that the decision is legally sound and there is evidence to support the municipality's decision.

Where a municipality has entered into a SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of Section 116(3) of the MFMA.

Notwithstanding the above, since the ICT environment changes very quickly the municipal needs must be re-evaluated to ensure that the IT systems in place are still 1) compatible with the needs and systems of the municipality, 2) aligned to modern technology and new legislative requirements and 3) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or

systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

5.5 *m*SCOA Monthly Trial Balance

Municipalities are required to submit the following documents to GoMuni Upload portal on a monthly basis in PDF format:

1. C Schedule
2. Primary Bank Statement
3. Bank Reconciliation
4. Quality certificate
5. Monthly budget statement (Section 71 Report)
6. Trial balance

To date, the trial balances were submitted in various formats with varying levels of detail – some of them unreadable, making it difficult to identify the submission of the trial balances. From 1 July 2022, the trial balance must include the following minimum information:

- *m*SCOA item description
- Balance brought forward (i.e. opening balance)
- Movement Debit
- Movement Credit
- Balanced closing balance at the end of the document

The name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.

5.6 Budgeting for the COVID-19 pandemic

In terms of *m*SCOA Circular No. 9 municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting.

It is evident from the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting that not all municipalities are budgeting and reporting on COVID-19 related allocations and expenditure as per the guidance provided. Therefore, the National Treasury is not able to draw complete COVID-19 reports from the *m*SCOA data strings inclusive of the data for all municipalities as yet and the weekly manual reporting is still required.

Once the National Treasury is able to draw COVID-19 reports from the *m*SCOA data strings for the majority of municipalities and the Covid-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will be stopped.

5.7 Costing Segment

The purpose of the costing segment in *m*SCOA is to provide for the recording of the full cost for the four core municipal functions, namely: electricity, water, waste water and waste management as a minimum requirement. These four services are the most significant revenue generating functions within municipalities and essential for setting cost reflective tariffs.

The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in

formulating tariffs and cost control. Municipalities must refer to the PSD for the detailed application of the costing segment.

5.8 Classification of the Skills Development Levy

Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Skills Development levy must be classified as operational costs as indicated in the *mSCOA* Project Summary Document (PSD).

5.9 Revised Municipal Property Rates Act Categories

Reference is made to paragraph 4.3 of MFMA Circular No. 107. Municipalities are reminded that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act").

Municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The *mSCOA* chart Version 6.6 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore,

municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise annually as a routine practice during the budget process. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to the National Treasury by no later than **04 February 2022**.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the *mSCOA* cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a

transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. The matter is still in court with a decision anticipated to be made shortly. If Eskom succeeds, the court will compel NERSA to process the rejected application for tariffs for the year starting 1 April 2022 in terms of the existing MYPD methodology. NERSA will then be expected to immediately publish Eskom's application for public comment.

6.8 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councillor(s) concerned.

8. TRANSFERS TO MUNICIPALITIES

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2022/23 municipal financial year are as follows:

- The 2022/23 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
 - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
 - b. Should the adopted budget still be unfunded, then a funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);
 - c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
 - d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2022.

- Credible *m*SCOA data strings and source documents for the 2022/23 MTREF and 2021/22 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as council approved UIFW Reduction Strategy, proof of establishment of the Disciplinary Committee Board (or evidence of progress towards their establishment) and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2022;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2019/20 and 2020/21 financial years as well as municipalities with outstanding 2020/21 audit opinions that also received an adverse or disclaimer opinion in 2019/20, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities must prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6 is not allowed** in terms of the mSCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the mSCOA chart version 6.6. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
eThekwinini	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Phumelele Gulukunqu	012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Maboŧja	012-315 5156	Makgabo.Maboŧja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
Cape Town	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
George			
Technical issues with Excel formats	Sephiri Tihomeli	012-406 9064	lqdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the mSCOA requirements. The mSCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of mSCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and

adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 Go Muni Upload Portal

The National Treasury is in the process of finalising the development work on the GoMuni Upload portal. Municipalities, provincial treasuries, system vendors and sector departments should ensure that the names and contact details of the data uploaders or users of the data, as reflected on the LG Database, for their respective institutions are correct and updated as and when changes occur.

10.3 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

<https://lguploadportal.treasury.gov.za> (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- mSCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. **Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.**

10.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
06 December 2021



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

DIRECTORATE:

Box 3613, Pietermaritzburg, 3200
Treasury House, 145 Chief Albert Luthuli Street, Pietermaritzburg, 3201
033 897 4583/4547 Fax: 033 342 2486

Head of Department

Our Ref: 11/6/13/6
Enquiries: Mr. F. Cassimjee
Date: 15 December 2021

**TO: MUNICIPAL MANAGERS
CHIEF EXECUTIVE OFFICERS
CHIEF FINANCIAL OFFICERS
KWAZULU-NATAL MUNICIPALITIES
KWAZULU-NATAL MUNICIPAL ENTITIES**

PROVINCIAL TREASURY CIRCULAR PT/MF 06 OF 2021/22

PREPARATION, SUBMISSION AND PUBLICATION OF THE 2021/22 MFMA SECTION 72 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT AND THE 2021/22 ADJUSTMENTS BUDGET PROCESSES

The purpose of this circular is:

- To draw the attention of the Accounting Officers of municipalities and municipal entities to the legislative requirements regarding the preparation processes of the 2021/22 Mid-Year Budget and Performance Assessment Report as well as the 2021/22 Adjustments Budget. This circular is also intended to guide delegated municipalities on the approach to be followed in undertaking the two processes indicated above;
- To inform municipalities of Provincial Treasury's intention to engage the municipalities with respect to their 2021/22 Mid-Year Budget and Performance Assessment Reports with the aim of influencing/advising on their 2021/22 Adjustments Budget;
- To circulate the adjusted allocations from the Provincial Government; and
- To inform municipalities that the adjusted allocations from the National Government through the Division of Revenue Amendment Bill (DoRB) will be published and made available by National Treasury.

The following aspects are covered in this circular:

- A. Separation of the tabling dates to Council for the 2021/22 Mid-Year Budget and Performance Assessment Report and the 2021/22 Adjustments Budget;
- B. Format of the 2021/22 Mid-Year Budget and Performance Assessment Report;
- C. Preparation of the 2021/22 Mid-Year Budget and Performance Assessment Report;
- D. Assessment of the 2021/22 Mid-Year Budget and Performance Assessment Report and engagements with municipalities;

- E. The 2021/22 Adjustments Budget Process;
 - F. Importance of preparing a funded 2021/22 Adjustments Budget;
 - G. Format for the 2021/22 Adjustments Budget;
 - H. Impact of the mSCOA Regulations on the 2021/22 Adjustments Budget Process;
 - I. Assessment of the 2021/22 Adjustments Budget;
 - J. The 2021/22 Adjusted Allocations;
 - K. Publication of the 2021/22 Mid-Year Budget and Performance Assessment Report and the 2021/22 Adjustments Budget; and
 - L. Submission of the 2021/22 Mid-Year Budget and Performance Assessment Report and the 2021/22 Adjustments Budget.
- A. Separation of the tabling dates for the 2021/22 Mid-Year Budget and Performance Assessment Report and the 2021/22 Adjustments Budget**

Section 54(1)(f) of the Municipal Finance Management Act, Act No.56 of 2003 (MFMA) requires the Mayor to submit the Mid-Year Budget and Performance Assessment Report in terms of Section 72 of the MFMA to Council by 31 January of each year while Regulation 23(1) of the Municipal Budget and Reporting Regulations (MBRR) states that the Adjustments Budget may be tabled any time after the Mid-Year Budget and Performance Assessment Report but not later than 28 February of the current year.

In order for the Provincial Treasury to carry out its oversight responsibilities, **municipalities are discouraged from tabling their 2021/22 Adjustments Budgets together with their 2021/22 Mid-Year Budget and Performance Assessments Reports in January 2022.** Separating the tabling dates for the two processes will allow the Provincial Treasury time to assess the 2021/22 Mid-Year Budget and Performance Assessment Reports and provide input to the municipalities' preparation of the 2021/22 Adjustments Budgets. In addition, for Provincial Treasury to effectively plan the assessments and the engagements with the delegated municipalities with respect to their 2021/22 Mid-Year Budget and Performance Assessment Reports, municipalities are required in terms of Section 74(1) of the MFMA to provide the proposed tabling dates to Council for both the 2021/22 Mid-Year Budget and Performance Assessment Report and the 2021/22 Adjustments Budget via the respective Budget Analysts to Provincial Treasury by no later than **11 January 2022.**

All municipalities must submit their 2021/22 Adjustments Budget documentation together with the Budget funding plan (where applicable) to Provincial Treasury and upload their 2021/22 Adjustments Budget (ADJB) data strings to the National Treasury LG Portal by no later **than one week before tabling in Council** (or on an earlier date as agreed with the municipality) in order to enable Provincial Treasury to perform a preliminary funding assessment of the 2021/22 Adjustments Budget prior to its tabling in Council for approval.

B. Format of the 2021/22 Mid-Year Budget and Performance Assessment Report

Regulation 33 of the MBRR requires that a Mid-Year Budget and Performance Assessment Report must be in the format specified in Schedule C and include all the required tables, charts and explanatory information and any guideline issued by the Minister. It must be noted that in the 2020/21 financial year, 11 municipalities in the province did not submit their Mid-Year Budget and Performance Assessments Reports in the prescribed format of the MBRR. This was despite the ongoing support provided by Provincial Treasury to all delegated municipalities to ensure compliance with the MFMA and the MBRR in all areas of reporting. Therefore, all municipalities are required to ensure that they

fully comply in the current financial year and timeously request the support of Provincial Treasury, should it be required.

Some municipalities still do not populate or adequately populate Table SC1: *Material variance explanations* which requires a municipality to indicate the reasons for material variances as well as the remedial steps taken to address the material variances. **It is therefore compulsory for all municipalities to populate Table SC1: *Material variance explanations*. Municipalities should also use the narrative document to provide additional and detailed reasons for the variances.**

Some municipalities still do not accurately report on their cash flow Table C7 where for instance, there are incorrect opening balances for Cash/cash equivalents in Table C7 and/or where cash inflows significantly exceed the Year-To-Date billed revenue as per Table C4 which are not justified or which are not accompanied by a reason for the occurrence. The cash position is one of the most important indicators of the financial health of a municipality therefore the accuracy of information on the Cash Flow Table C7 is imperative as it directly impacts the funding position of a municipality. Over and above the accuracy of the aforementioned table and as per MFMA Circular No. 67, municipalities are also required to submit copies of supporting documents to Provincial Treasury such as the Bank reconciliations, Bank statements, Investments registers, Grants registers as well as the Trial balances as at 31 December 2021. This will assist Provincial Treasury in conducting the assessment of the municipalities' cash position as at 31 December 2021 as well as verifying the accuracy of figures reported in the Schedule C.

Please note that **Version 6.5 of the Schedule C - new DM codes MSCOA (the Excel Formats) must be used for the compilation of the 2021/22 Mid-Year Budget and Performance Assessment Reports.** This version can be downloaded from the National Treasury's website on the following link:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2021%2d22&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

Refer to **Annexure A** for a summary of the requirements for the preparation of the 2021/22 Mid-Year Budget and Performance Assessment Report.

Failure to submit the MFMA Section 72 Report in the correct format constitutes a contravention of Regulation 33 of the MBRR promulgated through Section 168 of the MFMA. Thus, non-compliance with Regulation 33 of the MBRR can be construed as financial misconduct in terms of Section 171(1)(a) of the MFMA which states that *the Accounting Officer of a municipality commits an act of financial misconduct if that Accounting Officer deliberately or negligently contravenes a provision of this Act. In such instances, Provincial Treasury may not be able to provide any comments on the municipalities' Mid-Year Budget and Performance Assessment Report.*

C. Preparation of the 2021/22 Mid-Year Budget and Performance Assessment Report

Section 72(1)(a) of the MFMA states that *the Accounting Officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year.* The MFMA requires the Accounting Officer to consider the following amongst others when compiling the Mid-Year Budget and Performance Assessment Report:

- The monthly MFMA Section 71 reports;
- The service delivery performance during the first half of the financial year;
- The past year's annual report; and
- The performance of every municipal entity during the first half of the financial year.

National Treasury uses the monthly MFMA Section 71 reports as submitted by municipalities for the first six months as the basis for their annual 2nd Quarter MFMA Section 71 publication.

- **Municipalities must therefore ensure that there is perfect alignment between the figures reflected in the MFMA Section 71 data strings for the first six months of the financial year and the MFMA Section 72 Mid-Year Budget and Performance Assessment Report.** In this regard, Provincial Treasury hereby noted with concern that in the 2020/21 financial year, 49 delegated municipalities submitted the MFMA Section 72 Mid-Year Budget and Performance Assessment Reports which were not aligned to their MFMA Section 71 data strings.
- **Municipalities are required to ensure that the Schedule C utilised for their Mid-Year Budget and Performance Assessment Report is generated directly from their financial system which will ensure full alignment between the mSCOA data string and the Mid-Year Budget and Performance Assessment Report.**
- Municipalities are therefore urged to strive to improve the quality of the reports for their Mid-Year Budget and Performance Assessment Reports and their MFMA Section 71 reports. **This could be achieved by amongst others, timeous preparation of the monthly Schedule C reports and timely submission of the reports to Council, National and Provincial Treasuries.** The municipalities must also address all the concerns raised by Provincial Treasury in the In-Year Monitoring (IYM) assessments (including all feedback provided by the Provincial Treasury mSCOA advisors) and consider the implementation of the proposed recommendations.
- The municipalities must also timely upload to the National Treasury's LG Upload Portal, the monthly data strings for the MFMA Section 71 reports which are comprised of In-Year Monthly, Creditors and Debtors. **Municipalities are not allowed to restate the mSCOA data string submitted on a monthly basis. This is due to the fact that once the month is closed on the system, the municipalities are unable to go back into the period to edit information already submitted. Therefore, the correction of segment validation errors must be made immediately after being identified and not retrospectively.**
- Since National Treasury has discontinued the use of returns as a form of reporting from the beginning of the 2019/20 financial year, information is sourced directly from the mSCOA data strings to publish all budget related and MFMA Section 71 information. This has therefore placed an emphasis on the municipalities to upload accurate mSCOA data strings timeously.

Failure by municipalities to ensure timeous and successful uploading of accurate information to the LG Upload Portal will negatively affect the alignment between the data strings and Schedule C report.

Should the municipality report different figures to National Treasury via their MFMA Section 71 Reports as compared to the figures reported to Council in the Mid-Year Budget and Performance Assessment Report in terms of Section 72 of the MFMA, this will be construed as financial misconduct in terms of Section 171(1)(d)(i) of the MFMA, which states that *the Accounting Officer of a municipality commits an act of financial misconduct if that Accounting Officer deliberately or negligently provides incorrect or misleading information in any document which in terms of a requirement of this Act must be submitted to the Mayor or Council of the municipality, or to the Auditor-General, the National Treasury or other organ of state.*

Provincial Treasury will thus consider this as non-compliance and consequently may not assess the municipalities' 2021/22 Mid-Year Budget and Performance Assessment Report.

In the preparation of their Mid-Year Budget and Performance Assessment Reports, municipalities are strongly encouraged to refer to their prior years' assessments and comments provided by Provincial Treasury and the assessment feedback provided on the IYM by Provincial Treasury to date for the 2021/22 financial year. This will assist in rectifying some errors and weaknesses identified and present an improved quality of information in the 2021/22 Mid-Year Budget and Performance Assessment Report.

D. Assessment of the 2021/22 Mid-Year Budget and Performance Assessment Report and engagements with municipalities

Provincial Treasury will undertake an assessment of the municipalities' 2021/22 Mid-Year Budget and Performance Assessment Report and intends to constructively engage all delegated municipalities on their Mid-Year Budget and Performance Assessment Reports prior to issuing a final feedback report to the municipalities. This is in line with Provincial Treasury's monitoring and oversight role.

Municipalities should note that the Mid-Year assessments will be based on the MFMA Section 71 data strings that are uploaded to the National Treasury LG Upload Portal as the data string reflects the figures that the municipality has on their financial system and should be the same as the figures in the MFMA Section 72 Mid-Year Budget and Performance Assessment report as detailed above.

The engagements on the 2021/22 Mid-Year Budget and Performance Assessment Report will include discussions on amongst others:

- Performance against the Operating and Capital Budgets, Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP);
- Spending on Infrastructure delivery;
- Steps to address electricity and water losses;
- Special Adjustments Budget in terms of Section 32 of the MFMA (where applicable);
- Progress on spending against national and provincial conditional grants;
- Preparation of the 2021/22 Adjustments Budget process;
- Cash position at Mid-Year;
- Importance of tabling a funded Adjustments Budget;
- Status of the 2022/23 Budget preparation process;
- mSCOA Reporting requirements and challenges;
- mSCOA Modules implemented and in use by the municipality;
- Cash flow budgeting and transacting requirements;
- mSCOA Road map in terms of MFMA Circular No. 98;
- Supply Chain Management (SCM) related issues;
- Internal Audit related issues; and
- Criteria for the release of Equitable share.

These engagements will ensure that the responses and comments of the municipalities are considered and incorporated into Provincial Treasury's final feedback reports to be shared with municipalities. While the engagements will assist in identifying the challenges faced by municipalities, it will also assist in identifying critical areas in which municipalities require support. The outcome of the engagements as well as the final feedback reports on the Mid-Year Budget and Performance Assessment. The feedback reports will then guide the preparation of the 2021/22 Adjustments Budgets. This is an attempt by Provincial Treasury to strengthen the quality and oversight of municipal budgeting and performance reporting.

With respect to these engagements, municipalities are required to prepare presentations which must cover the following at a minimum:

- Actual 2021/22 Mid-Year Budget Performance results;
- Reasons for material variances;

- Infrastructure delivery achievements for the 2021/22 financial year to date;
- 2021/22 Adjustments Budget and funding position thereof;
- Status of the 2022/23 Budget preparation;
- mSCOA Budgeting and reporting requirements and challenges; mSCOA Modules implemented and in use by the municipality;
- Cash flow budgeting and transacting requirements;
- mSCOA Road map in terms of MFMA Circular No. 98;
- mSCOA Budget alignment of Schedules A, B and C;
- SCM related issues;
- Internal Audit related issues.

A template to guide municipalities with the preparation of the presentation will be sent in due course by your designated Budget Analyst. Municipalities should submit the presentations to Provincial Treasury **at least three working days prior to the scheduled engagement** to ensure that the information is disseminated timeously to all participants.

To ensure that all relevant role players in the budget and reporting process of the municipality are represented at the engagement, Provincial Treasury requires that **the Municipal Manager, the Chief Financial Officer, the Administrator (where applicable) and the Senior Managers** responsible for at least the three largest votes in the municipality, the manager responsible for budgeting, planning and any technical experts on infrastructure be available for the engagement. Furthermore, the mSCOA champion and the SCM and Internal Audit representatives should be in attendance at the engagement. The municipality is also encouraged to invite the Budget Steering Committee or Finance Committee Chairperson as the councillor responsible for financial matters to be part of the Mid-Year engagement meeting.

The designated Budget Analyst within Provincial Treasury will contact you in due course to arrange a date and time for the engagement.

All 51 delegated municipalities in the province are required to table the feedback reports from Provincial Treasury on their Mid-Year Budget and Performance Assessments to their Municipal Council and include a paragraph in their Council resolutions as proof that this request was adhered to. Provincial Treasury firmly believes that the tabling of the feedback reports from Provincial Treasury on the Mid-Year Budget and Performance Assessment Report will not only bring the issues raised by Provincial Treasury to the attention of Council, this will also empower the entire Council and administration on the collective approach to be followed by municipalities in implementing the recommendations as well as addressing all weaknesses identified with the intention of having an informed and funded Adjustments Budget.

E. 2021/22 Adjustments Budget Process

Section 72(3) of the MFMA requires that the accounting officer must as part of the (mid-year) 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.*

Regulation 23(3) of the MBRR requires that *if a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available Council meeting, but within 60 days of the approval of the relevant national or provincial Adjustments*

Budgets, table an Adjustments Budget referred to in Section 28(2)(b) of the MFMA in the municipal Council to appropriate these additional revenues.

In terms of Section 28(2) of the MFMA, an Adjustments Budget -

- a) *must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*
- b) *may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*
- c) *may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*
- d) *may authorise the utilisation of projected savings in one vote towards spending under another vote;*
- e) *may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*
- f) *may correct any errors in the annual budget; and*
- g) *may provide for any other expenditure within a prescribed framework.*

F. Importance of preparing a funded 2021/22 Adjustments Budget

The importance of approving a funded budget by the municipalities in terms of Section 18(1) of the MFMA has always been emphasised by the National and Provincial Treasuries at every available opportunity. Similar to the 2021/22 Approved (Original) Budget process, all municipalities are expected to adopt a funded Adjustments Budget in terms of Regulation 22(1) of the MBRR. Furthermore, Regulation 22(2) of the MBRR states that the supporting documentation to accompany an adjustments budget in terms of Section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

This follows a resolution by the National Budget Forum that all the municipalities in the country are required to adopt funded budgets since unfunded budgets are no longer accepted. An unfunded budget suggests that the municipality's financial plan is unable to give effect to priorities identified by the municipalities in a particular financial year. Unfunded budgets are also a strong indication of impending financial distress about to occur at the municipality.

It must be brought to the attention of all the municipalities in the province that the 16 delegated municipalities with unfunded 2021/22 Approved (Original) Budgets as per the Provincial Treasury assessments were required by National Treasury to table, review and/or and re-table Budget funding plans.

On 25 August 2021 National Treasury issued an email to all municipalities indicating amongst others that:

- a) Should the adopted budget still be unfunded, then a funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past then, a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS).

It must also be brought to the attention of all the municipalities that at the time of preparing this circular, the Equitable share tranche due to municipalities in December 2021 was withheld for certain non-compliant municipalities which did not fully comply with the requirements as prescribed by National Treasury in their email of 25 August 2021.

It is therefore extremely important that all municipalities which adopted funded 2021/22 Approved (Original) Budgets and /or 2021/22 Special Adjustments Budgets continue to maintain the funding position in their 2021/22 Adjustments Budget. On the other hand, all the municipalities which approved unfunded 2021/22 Original and/or Special Adjustments Budgets must table the 2021/22 Adjustments Budgets which are not only aligned to the approved Budget funding plans but also demonstrate a positive progress in line with these Budget funding plans.

Municipalities whose 2021/22 Original and/or Special Adjustments Budgets were assessed by Provincial Treasury as unfunded must use the opportunity to correct their budgets through this process to ensure that their Adjustments Budgets that are to be tabled by 28 February 2022 are funded and/or aligned to the municipality's approved 2021/22 Budget funding plan. An unfunded budget position is indicative that a municipality will not have adequate resources to fund its operational expenditure and to meet all their current liabilities over the MTREF.

Municipalities with unfunded 2021/22 Adjustments Budgets must follow one of the two options below:

Option 1

Municipal Councils **must not approve** unfunded Adjustments Budgets. All the unfunded Adjustments Budgets must be revised until a funded position is achieved by;

- Calculating realistic anticipated revenue. The collection rate must be conservative considering the negative effects of COVID-19.
- Reducing expenditure in line with the realistic anticipated revenue.
- Adjust internal contributions to the capital programme in line with affordability or remove internal contributions from the budget if necessary.

Once a funded position has been achieved, table the 2021/22 Adjustments Budget to Council **on or before 28 February 2022** for approval and implementation.

Option 2

Where a funded position cannot be achieved in the 2021/22 Adjustments Budget, the municipality must prepare a credible Budget funding plan as per MFMA Circular No. 93 and MFMA Circular No. 112 which shows how the municipality intends to move from an unfunded to a funded position by reflecting a reduction in the budgeted Shortfall in Table B8 in 2021/22. The Budget funding plan must also clearly reflect the financial year in which the budget will move to a Surplus position on Table B8 and it must be adopted by Council together with the Adjustments Budget.

Where a municipality submitted a credible Budget funding plan with their 2021/22 **Adopted Budget**, the Municipal Manager is required to table a revised credible Budget funding plan with the 2021/22 Adjustments Budget on or before **28 February 2022**, taking into account the revised National and Provincial Allocations for 2021/22 where applicable and it must be adopted by Council together with the Adjustments Budget.

In preparing and/or correcting the Budget funding plan, the following are some of the aspects to be considered by the municipalities:

- The Budget funding plan must include high-level governance and service delivery indicators focused on visible wins;
- The Budget funding plan must have appropriate strategic financial indicators;
- The Budget funding plan must focus on improving the budgeted cash position and short term liquidity;
- The Budget funding plan must have measurable indicators;

- Realistic anticipated revenue. The collection rate must be conservative considering the negative effects of COVID-19;
- The Operating expenditure budget (Table B4) must be reduced to be in line with the realistic anticipated related operating revenue budget;
- A gradual improvement of Operating surpluses that will be used for the repayment of arrear obligations;
- Adjust internal contributions to the capital programme in line with affordability or remove internal contributions from the budget if necessary;
- A cash flow which presents a positive Cash and cash equivalents at year-end balance on Table B7 for the current year – including fixed cost obligations (Bulk suppliers – current account / Eskom and Water Board Payment Plans);
- Consider the 2020/21 Audited Annual Financial Statements (AFS) figures as the baseline for the Budget funding plans; and
- Council must monitor the Budget-funding plan on a monthly basis to ensure that the objectives of the plan are achieved, copies of these progress reports must be submitted to National and the Provincial Treasury.

Municipalities are strongly encouraged to interact with their relevant Provincial Treasury officials well in advance of the tabling date of their Adjustments Budget. The purpose of this interaction is to provide the Provincial Treasury officials sufficient time to review the draft Adjustments Budget and advise accordingly on the areas to be improved upon prior to the tabling of the 2021/22 Adjustments Budget in Council for approval. This is an attempt by Provincial Treasury to assist the municipalities to approve a funded 2021/22 Adjustments Budget. Regarding the municipalities with approved Budget funding plans as a result of the 2021/22 Original and/or Special Adjustments Budgets process, the interaction will assist in ensuring that these municipalities approve their 2021/22 Adjustments Budgets that are aligned to the plans as well as reflecting the positive progress in line with approved Budget funding plans and that there is no regression against the plans.

Municipalities are also reminded to ensure that in the process of preparing their Adjustments Budgets, they do not increase the municipal taxes and tariffs during a financial year as per the requirement of Section 28(6) of the MFMA.

G. Format for the 2021/22 Adjustments Budget

Regulation 21 of the MBRR states that *an Adjustments Budget and supporting documentation of a municipality must be in the format specified in Schedule B and include all the tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of Section 168(1) of the Act.*

It must be noted that the **Schedule B - mSCOA Version 6.5 - new DM codes MSCOA must be used for the compilation of the 2021/22 Adjustments Budget.** This version can be downloaded from the National Treasury's website on the following link:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2021%2d22&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

Some municipalities still table in Council their Adjustments Budget in their own format and thereafter populate and submit the Schedule B. **This practice is illegal.** Regulation 14(1)(a) of the MBRR specifies that *an annual budget and supporting documentation tabled in a municipal Council in terms of Sections 16(2) and 17(3) of the Act must be in the format in which it will eventually be approved by the Council.*

Municipalities must therefore table in Council, their Adjustments Budgets in the prescribed format as set out in Schedule B of the MBRR and submit the electronic PDF copies to the National and Provincial Treasuries. The mSCOA data string (ADJB) and the Project Detail Adjustments Budget (PRAD) must be uploaded to the LG Database portal. Refer to **Annexure B** for a summary of the requirements.

When processing virements in the annual budget, the municipalities must consider MFMA Circular No. 51 and MFMA mSCOA Circular No. 8, ensure that the virements are made in accordance with the municipality's approved virements policy and ensure that the principles contained in MFMA Circular No. 51 and MFMA mSCOA Circular No. 8 are adhered to.

Municipalities are again reminded that in terms of Regulation 23 of the MBRR, they must table the *adjustments budget referred to in Section 28(2)(b), (d) and (f) of the MFMA in the municipal council at any time after the mid-year budget and performance assessment is tabled in council, but not later than 28 February of the current year.*

H. Impact of the mSCOA Regulations on the 2021/22 Adjustments Budget Process

The introduction of the mSCOA framework necessitates municipalities to update their virements policy. MFMA Circular No. 94 indicated that the principles of MFMA Circular No. 51 are still applicable and relevant. The only difference is that a transaction in mSCOA relates to six regulated segments therefore all segments must be considered when making a virement. Municipalities are urged to review their virements policy and update references to "Vote" to align to the function segment and indicate the funding applicable to the item being transferred in relation to the funding segment. Therefore, with the implementation of mSCOA, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects or savings across functions can only take place through an Adjustments Budget. **A change in the funding, function, region or project segment constitutes an Adjustments Budget as per Section 28(2) of the MFMA. Restrictions and/or limitations within MFMA Circular No. 51 and MFMA mSCOA Circular No. 8 must be adhered to when aligning the virement policy to the requirements of mSCOA.**

During the verification of the 2021/22 Approved Budget mSCOA data string (ORGB) to the Council Approved Budget (Schedule A), it was noted that two delegated municipalities within the province had perfect alignment of the mSCOA data string (ORGB) to the Council approved Schedule A. Municipalities are urged to understand the errors in the mSCOA data string (ORGB) and to correct them accordingly in the 2021/22 Adjustments Budget. Some of the reasons for the differences are attributable to the errors in Schedule A's which were approved in Council. The other reason is due to the fact that the approved Schedule A was not extracted or prepared directly from the financial system of the municipality.

The Adjustments Budget process must therefore be used to correct all errors identified in the past six months and ensure that the Adjustments Budget (Schedule B) presented to Council for adoption is free from all errors.

Municipalities must further ensure that the Schedule B and the Adjustments Budget mSCOA data string (ADJB) are both produced from the financial system to eliminate the possibility of any differences and/or misalignments. Refer to **Annexure C** for further guidance on the preparation of the budget on the financial system.

Municipalities are encouraged to commence the Adjustments Budget process timeously in order to ensure that amongst others, the information in the Schedule B to be presented to Council is accurate and perfectly aligns to the mSCOA data string (ADJB). In this regard, municipalities may send the Schedule B to Provincial Treasury and upload the draft mSCOA data string (ADJB) to the LG Database portal at least three days before tabling to Council. Provincial Treasury will thereafter review the Schedule B against the data string and provide feedback to the municipality for further correction before the Schedule B is adopted in Council.

Municipalities must notify your respective Budget Analyst at Provincial Treasury when the draft mSCOA data string (ADJB) is uploaded and send the proposed Schedule B to the same official at Provincial Treasury in order for the differences between these two sources to be identified and communicated to the municipality timeously.

Municipalities must ensure that the PRAD is aligned to the financial data contained in the Adjustments Budget. That is, municipalities must ensure that the IDP contains all projects from the strategic initiative of the municipality and that projects are aligned to the Adjustments Budget.

Municipalities are reminded of the requirement of MFMA Circular No. 72 to capture and 'lock' the Council approved budget on the financial system to enable municipalities to manage their revenue and expenditure in line with the Approved Adjustments Budget. Differences and/or misalignments between the Adjustments Budget mSCOA data string (ADJB) and the Council approved Adjustments Budget indicates that the municipality is NOT transacting against the legally adopted Adjustments Budget approved by Council in terms of Section 28 of the MFMA.

I. Assessment of the 2021/22 Adjustments Budget

Municipalities should note that the funding position for the 2021/22 Adjustments Budgets will be determined based on the ADJB data strings that must be submitted by municipalities with the 2021/22 Adjustments Budgets. The ADJB data string reflects the figures that the municipality has on its financial system. The assessment will consider the cash flow impact of budgeted Operating revenue and expenditure (Table B4) as well as Capital expenditure (Table B5) as reflected in the ADJB data string. For instance, municipalities should note that if the amounts reflected in the ADJB data string for Table B5 (Capital expenditure) are incorrect, the incorrect amounts will be carried forward to Table B7 when assessing the Adjustments Budget.

Municipalities should also note that incorrect figures reflected in the 2021/22 ADJB data strings not only impact the funding position of the 2021/22 Adjustments Budget but also have a significant impact on the assessment of the 2022/23 budget, an example being on the 2021/22 opening Cash and cash equivalent balance. Thus, the poor quality of the data strings will have a negative impact on a municipality's cash flow position, which could cause the municipality's budget to be assessed as unfunded and the municipality could face the risk of National Treasury withholding the municipality's Equitable share in terms of Section 38 of the MFMA.

J. The 2021/22 Adjusted Allocations

Regulation 23(3) of the MBRR states that *if a national or provincial adjustments budget allocates or transfer additional revenue to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.*

Based on Regulation 23(3) of the MBRR as described above, the municipalities must note the following regarding the 2021/22 adjusted allocations in order to meet the requirements of the regulation:

- The extract from the Provincial Gazette (preliminary until the gazette is published) as included in the 2021 Provincial Adjustments Estimates which was tabled in the Provincial Legislature on 07 December 2021 is attached as **Annexure D**. The Government Gazette reflecting these adjustments will be forwarded to municipalities as soon as it becomes available.
- The adjusted allocations from National Government through the Division of Revenue Amendment Bill (DoRB) will be published and made available by National Treasury. Once they are available, the adjustments allocations can also be found using the following link:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

K. Publication of the 2021/22 Mid-Year Budget and Performance Assessment Report and Adjustments Budget

Municipalities must comply with Regulation 34 of the MBRR which requires that *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 their website.*

Regulation 26 of the MBRR prescribes the timeframe for the publication of the approved Adjustments Budget. Regulation 26 of the MBRR states that *within ten working days after the Municipal Council has approved an adjustments budget, the municipal manager must in accordance with Section 21A of the Municipal Systems Act make public the approved Adjustments Budget and supporting documentation including the resolutions referred to in Regulation 25(3).* The Adjustments Budget must also be placed on the municipal website within five days after tabling in Council as per Section 75(1) and (2) of the MFMA.

L. Submission of the 2021/22 Mid-Year Budget and Performance Assessment Report and Adjustments Budget

Section 72(1)(b) of the MFMA requires that a report on the performance of the municipality (Mid-Year Budget and Performance Assessment Report) be submitted to the Mayor, Provincial Treasury and National Treasury. Submission of the Adjustments Budget to National and Provincial Treasuries is required by Section 28(7) of the MFMA.

Municipalities are urged to ensure compliance with the following submission dates of the electronic PDF format;

- Mid-Year Budget and Performance Assessment Reports must be submitted on or before **25 January 2022** to the Mayor and the National and Provincial Treasuries as per Regulation 35(a) of the MBRR;
- The monthly data strings must be uploaded to the LG Database portal on or before **14 January 2022** as per Section 71 of the MFMA;
- 2021/22 Adjustments Budget must be submitted **within ten working days after** the municipal Council has approved the Adjustments Budget to National and Provincial Treasuries as per Regulation 24(1) of the MBRR; and
- Furthermore, the 2021/22 Adjustments Budget mSCOA data string (ADJB) and the Project Detail Adjustments Budget (PRAD) must be uploaded to the LG Database portal **within ten working days after** the municipal Council has approved the Adjustments Budget.

Please note that failure to adhere to the submission requirements as indicated above may lead to the Mid-Year Budget and Performance Assessment Reports and 2021/22 Adjustments Budgets of the municipalities not being assessed and the municipality not receiving valued comments thereon from Provincial Treasury.

Accounting Officers are urged to submit the Adjustments Budgets tabled to Council in the Schedule B format (Version 6.5) to the Provincial Treasury by the next working day following the day of approval in order to allow the Provincial Treasury to commence with the assessments timeously.

The Accounting Officer must also, as per the above-mentioned deadlines, submit the relevant budget documents in **electronic PDF format** to the National and Provincial Treasuries as set out in:

- Schedule C of the MBRR - 2021/22 Mid-Year Budget and Performance Assessment Report; and
- Schedule B of the MBRR - 2021/22 Adjustments Budget.

The contact details are as follows:

National Treasury

As per MFMA Circular No. 112, municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

<https://lguploadportal.treasury.gov.za> (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- mSCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. Council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may only send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

Please do not submit the same document to ALL the platforms listed above as it means that the National Treasury Database Team must register the same documents three times which slows down the process. Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.

Provincial Treasury

Electronic copies of the required documents must be e-mailed to mfma@kzntreasury.gov.za.

Municipalities are urged to comply with the above sections as it is a vital step in the 2021/22 Mid-Year Budget and Performance Assessment and Adjustments Budget processes.

The onus rests on the Accounting Officer to ensure that the municipality fully complies with all the reporting requirements, however, Mayors are urged to ensure that their respective municipalities adhere to the requirements of this Circular.

Yours sincerely



Ms. N. Shezi
Acting Head of Department: KZN Provincial Treasury

CC Ms. N. Dube-Ncube - MEC for Finance
Mayors
Mr. J. Hattingh - National Treasury
Mr. T.V. Pillay - National Treasury
Ms. N. Mhlongo - Business Executive: Auditor-General
Administrators

ANNEXURE A

**EXTRACT FROM SCHEDULE C OF MBRR
IN-YEAR REPORTS OF MUNICIPALITIES**

Format and content of the in-year reports

1. An in-year report of a municipality must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of Section 168(1) of the Act.

Table of the contents

2. An in-year report must commence with a table of contents and show the headings in the sequence set below –

PART 1- IN-YEAR REPORT

- Mayor's report (required if tabled in the municipal council)
- Resolutions (required if tabled in the municipal council)
- Executive summary
- In-year budget statement tables

PART 2- SUPPORTING DOCUMENTATION

- Debtors' analysis
- Creditors' analysis
- Investment portfolio analysis
- Allocation and grant receipts and expenditure
- Councillor and board member allowances and employee benefits
- Material variances to the service delivery and budget implementation plan
- Parent municipality financial performance
- Municipal entity financial performance
- Capital programme performance
- Other supporting documents
- In-year reports of the municipal entities attached the municipality's in-year report
- Municipal manager's quality certification

ANNEXURE B

**EXTRACT FROM SCHEDULE B OF MBRR
ADJUSTMENTS BUDGETS AND SUPPORTING
DOCUMENTATION OF MUNICIPALITIES**

Format and content of adjustments budgets and supporting documentation

1. An adjustments budget and supporting documentation of a municipality that is –
 - (a) Contemplated in sub-regulation 23(1) must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of Section 168(1) of the Act, and
 - (b) is contemplated in sub-regulations 23(3), (4), (5) and (6) must have all the headings in the sequence shown in Part 1 of the table of contents below, and the heading that are relevant to the particular headings adjustments budget from Part 2 of the table of contents below, and contain the information described in relation to the relevant headings in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of Section 168(1) of the Act

Table of contents

2. An adjustments budget and supporting documentation must commence with a table of contents and show the relevant headings in the sequence set out below –

PART 1 – ADJUSTMENTS BUDGET

- Mayor's report
- Resolutions
- Executive summary
- Adjustments budget tables

PART 2 – SUPPORTING DOCUMENTATION

- Adjustments to budget assumptions
- Adjustments to budget funding
- Adjustments to expenditure on allocations and grant programmes
- Adjustments to allocations and grants made by the municipality
- Adjustments to councillor allowances and employee benefits
- Adjustments to service delivery and budget implementation plan
- Adjustments to capital expenditure
- Other supporting documents
- Municipal manager's quality certification.

ANNEXURE C

Guidance on the preparation of the Budget on the municipal financial system

Project segment:

- All capital and operational projects are broken down, with the exception of municipal running costs and linked to the IDP.
- All projects must be on the IDP. (i.e., Project capital, Project operational and Operational default). Capital Projects must have the GPS co-ordinates. All projects must be linked to the IDUF and MTSF.
- Municipal running cost is only for the items required for the organisation to operate (critical to running the municipality) e.g., payment of water, electricity, rental of building, salaries, telephone etc.).
- Verify that existing (asset that currently exists) and new (never existed before) infrastructure and non-infrastructure have been classified correctly.
- For existing infrastructure and non-infrastructure, verify that upgrading (additional usage or functionality) and renewal (restoring the asset to previous condition) is correctly applied.
- Validate that both preventative and corrective maintenance has been budgeted and transacted against correctly, including emergency maintenance.
- Repairs and Maintenance must be broken down to lowest project and NOT linked to municipal running costs.
- Operational infrastructure and non-infrastructure projects are budgeted for in accordance with GRAP (assessment of the SLA undertaken to ensure that the asset is not under the control of the municipality and definition of asset is not met).
- Default on projects is only applied to items: revenue, current assets, Borrowings, Net assets and opening balances.
- Bad Debt written off/ Current Asset Receivable-Debt Write off, Depreciation/Accumulated Depreciation and Losses (IZ) must be linked to PO: Municipal Running costs
- Gains (IZ) must be linked to Project Default
- Typical work streams must be used fully in the municipality.
- Travel subsistence must be linked to specific projects (typical work streams and not municipal running cost).
- Inventory issued (GRAP 12) or consumed can be linked to either Project Capital (where capitalised) or Project operational (Maintenance, Municipal Running costs etc.)
- Bulk purchases - water must be treated as water inventory (Additions/Acquisitions, Issues) in line with the requirements of GRAP 12.
- The municipality has clearly identified the COVID-19 Projects in line with mSCOA Circular 9 with Project identified as PO: Typical work stream: Disaster Management: Disaster Relief/Disaster and the individual project is referenced as COVID-19.
- Revenue forgone must have the correct segmentation based on the raising of the debtor classification (net revenue effect); Municipalities must raise the billing and then the rebate/revenue foregone against the correct Project Operational: Typical work stream i.e. The debit to revenue and credit to billing must be linked to the same project.

- Balance sheet Budgeting & Transacting has been applied to both legs (debit and credit leg) and the municipality has made use of the movement guides appropriately for all projects. The full cycle of transactions from initiation of transaction should be linked to the same project which includes nature of expenditure, liability deposits, withdrawals, retention deposits and withdrawals, bank withdrawals).

Function Segment:

- Core and non-core functions have been determined as per constitutional mandate.
- Salaries should be allocated to predominant function and may not be posting to a one-line item. Section 57 employees must be correctly allocated per function.
- Function must have direct relation to service being provided.
- Where there are COVID-19 Projects, the correct function of Disaster Management (non-core) has been used.

Item Segment:

- Salaries for senior management must be specified as per the mSCOA chart (breakdown based on benefits).
- Councillors' remuneration and boards of entities must be specified as per chart (breakdown based on benefits).
- Revenue items must be against the relevant Function e.g., Refuse Removal Fees => Function: Waste. Revenue should match the function and funding source.
- Travel and Subsistence items must be broken down into accommodation, transport with/without operator etc.
- Garnishing of wages should not be separately budgeted for as this is included in the gross salary cost/budget.
- Salaries and Wages must be appropriately linked to the salary clearing and control accounts for deposits and Payments should be linked to withdrawals.
- Transfers and subsidies – in kind (asset or good received) and monetary allocations (physical cash) must be correctly applied.
- Contract workers should be allocated to basic salaries (employee costs e.g., EPWP).
- Outsourced services (should have capacity to perform function internally), consultants and professional services (specialised skill) and contractors (not in the business of the municipality) should be correctly classified.
- Depreciation/Accumulated Depreciation should be budgeted for by class of asset, both on Item: Expenditure and Item: asset.
- Balance sheet items (movement) must be budgeted for e.g., payment on long term loan, collection of revenue from debtors, payment of creditors etc.
- The municipality must transfer from long-term debt to current portion of debt before payments are made from the current portion.
- Conditional Grants must first be allocated to unspent liabilities and then recognised (transfer to revenue/capital expenditure) as the expenditure is being incurred. (Match the income to the expenditure).
- The municipality must budget for the business process (The accrual of revenue/expenditure and the cash movement collection/payment thereby accounting for Balance Sheet budgeting as well as double entry principle).

- The municipality to separately account for Debt impairment (Provisioning) and Bad debt write off per the position paper of Debt impairment and Debt write off.
- Property rates per category must match the revenue and billing raised.
- Bulk Purchases (electricity/water) must link to the correct liability IL: Trade and Other Payables: Bulk Purchases Electricity/Water.
- Inventory acquisitions/payments must link to the correct liability: IL Trade and Other Payables Inventory deposits/withdrawals.
- VAT Receivables and VAT Payables has been appropriately applied in terms of the accrual accounting (use of the correct guides at each stage). Refer to mSCOA Circular 12.
- Municipality has correctly eliminated all intercompany transactions on consolidation.

Fund segment:

- Funding source must be allocated to all transactions except for opening balances. Municipality must ensure that balance sheet budgeting and movement accounting is correctly applied, and funding source are correctly allocated. Opening balances must be non-funded.
- Revenue sources and funding sources must match.
- Funding source and bank deposits equals to cash receipts
- Funding source with liability withdrawals, repayments and bank charges equates to operating cash payments.
- Capital Payments equals to Project Capital linked to Bank withdrawals.
- Movements such as depreciation, write-offs, impairment, billing of debtors should be indicated as funded transactions
- Depreciation should be funded from Service Revenue, Operational Revenue and/or Property Rates in line with the class of asset.
- Debtors' impairments and write offs should be funded from the same source of funded that gave rise to the debtor/revenue.
- Grants that are unspent should be cash backed. Municipality to apply proper Grant Accounting in line with GRAP 23 requirements. Grant funding should balance i.e., Grant income = Grant expenditure plus VAT.
- Collection of revenue via a category of debtor accounts should be linked to the same funding source and match the bank deposits.
- Payments of balance sheet items such as loans and creditors must be linked to a funding source.
- Municipalities are to consider the MFMA Circular 10 and 11 of the mSCOA Regulations.

Regional Segment:

- Verify that the correct level of the Regional Ward level is used for locals and district municipalities.
- Revenue such as property rates and service revenue are broken down per ward.
- Whole of municipality is used where the entire municipal jurisdiction benefits from the service.
- Admin and Head Office is used for internal functions that has no direct impact on community.

Costing Segment:

- Municipalities must apply costing to achieve cost reflect tariffs.
- Costing is applicable to all services such as (electricity, water, waste, wastewater).

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information	KwaMajomela Light Manufacturing Centre																																																																																																																																							
	Name:	2021/22 Adjusted Allocation R'000																																																																																																																																						
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Measurable Outputs: * A fully constructed small-scale manufacturing and value add centre consisting of trading spaces, light manufacturing spaces, ablution facility, informal traders stands, training room office space and other associated outputs																																																																																																																																								
Monitoring System: * Monthly reports and site visits, project monitoring and evaluation report, PSC and Technical Team monthly meetings, certificates of completion and for compliance																																																																																																																																								
Conditions: * Transfer will done to the District municipality and and be utilised for the construction of the centre as set out in the funding agreement. * Any deviations must be approved by the department in writing																																																																																																																																								
Allocation Criteria: Allocation is per the construction activities in the activity schedule and also in tranches as outlined																																																																																																																																								
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MTEF Allocation:	R thousand																																																																																																																																							
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Payment schedule: * Single tranche on each financial year																																																																																																																																								

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

<i>information</i>		Name:	Informal Trade Stalls
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	<ul style="list-style-type: none"> Provision of suitable mobile or fixed trading and storage infrastructure including electricity, water and sanitation 	A KZN2000 eThekweni	4 200
		Total: Ugu Municipalities	2 017
		B KZN212 uMdoni	2 000
		B KZN213 uMzimba	
		B KZN214 uMzimbabantu	
		B KZN216 Ray Nkonyeni	817
		C DC21 Ugu District Municipality	
		Total: uMgungundlovu Municipalities	-
Measurable Outputs:	<ul style="list-style-type: none"> Completed built infrastructure Mobile infrastructure procured and allocated Storage infrastructure completed 	B KZN221 uMshoaleni	
		B KZN222 uMngeni	
		B KZN223 Mqofana	
		B KZN224 iLipendle	
		B KZN225 Msunduzi	
		B KZN226 Mkhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	-
		B KZN235 Okhahlamba	
		B KZN237 iNkosi Langalibalele	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	-
		B KZN241 eNdameni	
		B KZN242 Nqutu	
		B KZN244 uMzinga	
		B KZN245 uMvoloti	
		C DC24 uMzinyathi District Municipality	
		Total: Amajuba Municipalities	1 060
		B KZN252 Newcastle	1 060
		B KZN253 eKwadangani	
		B KZN254 Dannhauser	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	-
		B KZN261 eDumbe	
		B KZN262 uPhongolo	
		B KZN263 AbaQobusi	
		B KZN265 Nongoma	
		B KZN266 Ulandi	
		C DC26 Zululand District Municipality	
		Total: uMhlabiyathongo Municipalities	6 000
		B KZN271 uMhlaba-buyalingana	3 000
		B KZN272 Jozini	
		B KZN275 Mtubatuba	
		B KZN276 Big Five Hlabisa	3 000
		C DC27 uMhlabiyathongo District Municipality	
		Total: King Cetshwayo Municipalities	-
		B KZN281 uMolotzi	
		B KZN282 uMhlatuze	
		B KZN284 uMkazi	
		B KZN285 Mbenjweni	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	-
		B KZN289 Mandeni	
		B KZN292 KwaDukuza	
		B KZN293 Ndwedwe	
		B KZN294 Mqhumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	-
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	
		B KZN436 Dr Nkomo-Dlamini Zama	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	14 017
Projected Life:	<ul style="list-style-type: none"> 12 months maximum 		
MTEF Allocation:			
	2021/22		14 017
Payment schedule:	<ul style="list-style-type: none"> Single tranche payment per municipality as allocated once agreement signed 		

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information	Name:	Employment Initiative	2021/22 Adjusted Allocation R thousand
	Name of Municipality		
Purpose:	* Provision of suitable mobile or fixed trading and storage infrastructure including electricity, water and sanitation.		
Measurable Outputs:	* Completed built Infrastructure * Mobile infrastructure procured and allocated * Storage infrastructure completed		
Monitoring System:	* Monthly reports and site visits * Project monitoring and evaluation report * PSC and Technical Team monthly meetings * Certificates of completion and for compliance		
Conditions:	* Projects to be ready for implementation * Council Resolution in place * Municipality in a position to procure for implementation using internal processes and procedures		
Allocation Criteria:	* Shovel ready projects that have been approved by the council * transfer to be made to the local municipality as per allocation		
Projected Life:	* 12 months maximum		
MTEF Allocation:	2021/22	3 000	
Payment schedule:	* Single tranche payment per municipality as allocated once agreement signed		
	A	KZN2000 eThekweni	
	Total: Ugu Municipalities		
	B	KZN212 uMdoni	
	B	KZN213 uMzantshe	
	B	KZN214 uMzizwabantu	
	B	KZN216 Ray Nkonyeni	
	C	DC21 Ugu District Municipality	
	Total: uMgungundlovu Municipalities		
	B	KZN221 uMshwathi	
	B	KZN222 uMngeni	
	B	KZN223 Nqofana	
	B	KZN224 Edendale	
	B	KZN226 Msunduzi	
	B	KZN226 Mkhambathini	
	B	KZN227 Richmond	
	C	DC22 uMgungundlovu District Municipality	
	Total: uThukela Municipalities		1 000
	B	KZN235 Okhahlamba	
	B	KZN237 iNkosi Langalibalele	
	B	KZN238 Alfred Duma	
	C	DC23 uThukela District Municipality	
	Total: uMzinyathi Municipalities		
	B	KZN241 eNdameni	
	B	KZN242 Nquthu	
	B	KZN244 uMshinga	
	B	KZN245 uMtwi	
	C	DC24 uMzinyathi District Municipality	
	Total: Amajuba Municipalities		
	B	KZN262 Newcastle	
	B	KZN263 eMahlangueni	
	B	KZN264 Danbhawser	
	C	DC25 Amajuba District Municipality	
	Total: Zululand Municipalities		
	B	KZN261 eDumbe	
	B	KZN262 uPhongolo	
	B	KZN263 AbeQuthusi	
	B	KZN265 Nongoma	
	B	KZN266 Ulundi	
	C	DC26 Zululand District Municipality	
	Total: uMkhanyakude Municipalities		
	B	KZN271 uMkhobuyengana	
	B	KZN272 Jozini	
	B	KZN275 Mthabuba	
	B	KZN276 Big Five Hlabisa	
	C	DC27 uMkhanyakude District Municipality	
	Total: King Cetshwayo Municipalities		
	B	KZN281 uMfolozi	
	B	KZN282 uMthethuze	
	B	KZN284 uMhlalali	
	B	KZN285 Ntshongweni	
	B	KZN286 Nkandla	
	C	DC28 King Cetshwayo District Municipality	
	Total: iLembe Municipalities		
	B	KZN291 Mandeni	
	B	KZN292 KwaDukuza	
	B	KZN293 Ndwedwe	
	B	KZN294 Ngqumalo	
	C	DC29 iLembe District Municipality	
	Total: Harry Gwala Municipalities		2 000
	B	KZN433 Greater Kokstad	
	B	KZN434 uBuhlebezwe	1 000
	B	KZN435 uMzimkhulu	1 000
	B	KZN436 Dr Nkomo Zama	
	C	DC43 Harry Gwala District Municipality	
	Unallocated		
	Total		3 000

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information	Name:	Airports	
	Name of Municipality	2021/22 Adjusted Allocation R'000	
Purpose: * Infrastructure upgrade at Mkhuze and Newcastle airports - water, sewage and electricity for the airports	A KZN2000 eThekwinI Total: Ugu Municipalities B KZN212 uMdoni B KZN213 uMzombe B KZN214 uMuzwabantu B KZN216 Ray Nkonyeni C DC21 Ugu District Municipality		
Measurable Outputs: * Furnishing infrastructure and other ancillary matters as per the proposal	Total: uMgungundlovu Municipalities B KZN221 uMshwathi B KZN222 uMgeni B KZN223 Mpolane B KZN224 uMpende B KZN225 Nsunduzi B KZN226 uMhambathini B KZN227 Richmond C DC22 uMgungundlovu District Municipality		
Monitoring System: * Inspection visits and meetings with service provider and stakeholders	Total: uThekela Municipalities B KZN235 Okhahlamba B KZN237 iNkosi Langabalele B KZN238 Alfred Duma C DC23 uThekela District Municipality		
Conditions: * The grant shall solely be used for infrastructure upgrade	Total: uMajayathi Municipalities B KZN241 eNdameni B KZN242 Nquthu B KZN244 uMfinga B KZN245 uMvezi C DC24 uMajayathi District Municipality	2 000	2 000
Allocation Criteria: * KZN Regional Aviation Strategy	Total: Amajuba Municipalities B KZN252 Newcastle B KZN253 eMadlangeni B KZN254 Danthauser C DC25 Amajuba District Municipality		
Projected Life: * Current year	Total: Zululand Municipalities B KZN261 eDumbe B KZN262 uPhongolo B KZN263 Abaqulusi B KZN265 Nongoma B KZN266 Ulundi C DC26 Zululand District Municipality	31 000	
MTEF Allocation: 2021/22 R thousand 33 000	Total: uMkhanyakude Municipalities B KZN271 uMlabuyalingane B KZN272 Jozini B KZN275 Mtubatuba B KZN276 Big Five Hlabisa C DC27 uMkhanyakude District Municipality	31 000	
Payment schedule: * Single tranche	Total: King Cetshwayo Municipalities B KZN281 uMolozzi B KZN282 uMhlethuze B KZN284 uMkhalazi B KZN285 uMhlonjaneni B KZN286 Nkandla C DC28 King Cetshwayo District Municipality		
	Total: iLembe Municipalities B KZN291 Mandeni B KZN292 KwaDukuza B KZN293 Ndwedwe B KZN294 Maphumulo C DC29 iLembe District Municipality		
	Total: Harry Gwala Municipalities B KZN433 Greater Kokstad B KZN434 uShihebezwe B KZN435 uMzimbaulu B KZN436 Dr Nkosazana Dlamini Zuma C DC43 Harry Gwala District Municipality		
	Unallocated		
	Total	33 000	

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information	Kosi Bay Border uTswayelo Fish Processing and Aquaculture Facility	
	Name:	2021/22 Adjusted Allocation R thousand
Purpose: * Development of the uTswayelo Aquaculture project to process fruits such as mango, banana and pineapple	A KZN200 eThakwini Total: Ugu Municipalities	-
Measurable Outputs: * Kosi Bay Border development	B KZN212 uMdoni B KZN213 uMzumba B KZN214 uMzwebanlu B KZN216 Ray Nkonyeni C DC21 Ugu District Municipality Total: uMgungundlovu Municipalities	-
Monitoring System: * Inspection visits and meetings with service provider and stakeholders * Establish a Project Steering Committee * Contractor to complete monitoring and evaluation job opportunities template * Municipality to complete grant expenditure template and submit copy of payment certificates	B KZN221 uMshoathi B KZN222 uMngeni B KZN223 Mpofana B KZN224 uVendle B KZN225 Msunduzi B KZN226 Mshembathini B KZN227 Richmond C DC22 uMgungundlovu District Municipality Total: uThukela Municipalities	-
Conditions: * The grant shall solely be used for infrastructure of the uTswayelo Aquaculture facility	B KZN235 Okhahlamba B KZN237 iNkosi Langatbalele B KZN238 Alfred Duma C DC23 uThukela District Municipality Total: uMhlabiyathl Municipalities	-
Allocation Criteria: * The allocation is part of the implementation of the Kosi Bay Border Economic Development Plan * Procurement process is to follow normal open tender processes in line with the PFMA and MFMA	B KZN241 eNdlumeni B KZN242 Ngquthu B KZN244 uMisinga B KZN245 uMvozi C DC24 uMhlabiyathl District Municipality Total: Amajuba Municipalities	-
Projected Life: * Current year	B KZN252 Newcastle B KZN253 eMadlangeni B KZN254 Dangehouser C DC25 Amajuba District Municipality Total: Zululand Municipalities	-
MTEF Allocation: 2021/22 R thousand 1 720	B KZN261 eDumba B KZN262 uPhongolo B KZN263 AbeQulusi B KZN265 Nongoma B KZN266 Ulundi C DC26 Zululand District Municipality Total: uMkhanyakude Municipalities	1 720
Payment schedule: * Single tranche	B KZN271 uMhlabiyathl B KZN272 Jozini B KZN275 Mtubatuba B KZN276 Big Five Hlabisa C DC27 uMkhanyakude District Municipality Total: King Cetshwayo Municipalities	1 720
	B KZN281 uMoloto B KZN282 uMkhathuzi B KZN284 uMafazi B KZN285 uMhlonjaneni B KZN286 Ntanda C DC28 King Cetshwayo District Municipality Total: iLembe Municipalities	-
	B KZN291 Maudeni B KZN292 KwaDukuza B KZN293 Nkvedwe B KZN294 Maphumulo C DC29 iLembe District Municipality Total: Harry Gwala Municipalities	-
	B KZN433 Greater Kokstad B KZN434 uMhlabizwe B KZN435 uMzimkhulu B KZN436 Dr Ntsozane Dlamini Zuma C DC43 Harry Gwala District Municipality Unallocated	-
	Total	1 720

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information	Name: Long Term Development Strategy	
	Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose: * Development of the Long-term Integrated Spatial Economic Development Strategy	A KZN2009 eThekweni Total: Ugu Municipalities B KZN212 uMdoni B KZN213 uMzombi B KZN214 uMzobwabantu B KZN216 Ray Nkonyeni C DC21 Ugu District Municipality	
Measurable Outputs: * Long-term Integrated Spatial Economic Development Strategy developed	Total: uMgungundlovu Municipalities B KZN221 uMshwathi B KZN222 uMngeni B KZN223 uMofana B KZN224 uMpendle B KZN225 uMsunduzi B KZN226 uMkhambathini B KZN227 uRichmond C DC22 uMgungundlovu District Municipality	
Monitoring System: * Inspection visits and meetings with service provider and stakeholders * Establish a Project Steering Committee * Contractor to complete monitoring and evaluation job opportunities template * Municipality to complete grant expenditure template and submit copy of payment certificates	Total: uThukela Municipalities B KZN235 uThukela B KZN237 uNkosi Langabalele B KZN238 Alfred Duma C DC23 uThukela District Municipality	
Conditions: * The grant shall solely be used for the development of the Long-term Integrated Spatial Economic Development Strategy	Total: uMhlabiyathini Municipalities B KZN241 eNdomeni B KZN242 uNquthu B KZN244 uMasinga B KZN245 uMveol C DC24 uMhlabiyathini District Municipality	
Allocation Criteria: * The allocation is part of the implementation of the Long-term Development Strategy * Procurement process is to follow normal open tender processes in line with the PFMA and MFMA	Total: Amajuba Municipalities B KZN252 Newcastle B KZN253 eMadlangeni B KZN254 Dannhauser C DC25 Amajuba District Municipality	1 000
Projected Life: * Current year	Total: Zululand Municipalities B KZN261 eDumba B KZN262 uPhongolo B KZN263 uMqoliso B KZN265 Nongoma B KZN266 uMkandeni C DC26 Zululand District Municipality	1 000
MTEF Allocation: 2021/22 R thousand 2 000	Total: uMkhanyakude Municipalities B KZN271 uMhlabuyalingana B KZN272 uJozini B KZN275 uMbabane B KZN276 uBig Five Hlabisa C DC27 uMkhanyakude District Municipality	
Payment schedule: * Single tranche	Total: King Cetshwayo Municipalities B KZN281 uMkholozi B KZN282 uMkhathuzi B KZN284 uMlalazi B KZN285 uMhlonjani B KZN286 uMandla C DC28 King Cetshwayo District Municipality	
	Total: iLembe Municipalities B KZN291 uMandeni B KZN292 uKwaDukuza B KZN293 uNdwedwe B KZN294 uMphumulo C DC29 iLembe District Municipality	1 000
	Total: Harry Gwala Municipalities B KZN433 Greater Kokstad B KZN434 uMbulhebezwe B KZN435 uMzimkhulu B KZN436 uNkomozi Dlamini Zuma C DC43 Harry Gwala District Municipality	1 000
	Unallocated	
	Total	2 000

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information	Name: Balele Game Reserve	
	Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose: * Refurbishment of the Balele Game Reserve associated tourism Infrastructure	A KZN2000 eThekweni	-
	Total: Ugu Municipalities	-
	B KZN212 uMdoni	-
	B KZN213 uMzumbane	-
	B KZN214 uMzuzwabantu	-
	B KZN216 Ray Nkonyeni	-
	C DC21 Ugu District Municipality	-
	Total: uMgungundlovu Municipalities	-
Measurable Outputs: * Refurbished Balele Game Reserve	B KZN221 uMshwathi	-
	B KZN222 uMngeni	-
	B KZN223 Mpofana	-
	B KZN224 iMpendle	-
	B KZN225 Msunduzi	-
	B KZN226 iMkhambathini	-
	B KZN227 Richmond	-
	C DC22 uMgungundlovu District Municipality	-
	Total: uThukela Municipalities	-
	B KZN235 Okhahlamba	-
	B KZN237 iNkosi Langabalele	-
	B KZN238 Alfred Duma	-
	C DC23 uThukela District Municipality	-
	Total: uMzinyathi Municipalities	-
	B KZN241 eNolweni	-
	B KZN242 Nquthu	-
	B KZN244 uMtsinga	-
	B KZN245 uMvothi	-
	C DC24 uMzinyathi District Municipality	3 000
	Total: Amajuba Municipalities	3 000
	B KZN252 Newcastle	-
	B KZN253 eMedlungeni	-
	B KZN254 Dandhauser	-
	C DC25 Amajuba District Municipality	-
	Total: Zululand Municipalities	-
	B KZN261 eDundee	-
	B KZN262 uPhongolo	-
	B KZN263 AbuQobusi	-
	B KZN265 Nongoma	-
	B KZN266 Ulundi	-
	C DC26 Zululand District Municipality	-
	Total: uMkhanyakude Municipalities	-
	B KZN271 uMhlabuyalingana	-
	B KZN272 Jozini	-
	B KZN275 Mthukha	-
	B KZN276 Big Five Hlabisa	-
	C DC27 uMkhanyakude District Municipality	-
	Total: King Cetshwayo Municipalities	-
	B KZN281 uMolokozi	-
	B KZN282 uMhlathuze	-
	B KZN284 uMhlaba	-
	B KZN285 iMbonjani	-
	B KZN286 Nkandla	-
	C DC28 King Cetshwayo District Municipality	-
	Total: iLembe Municipalities	-
	B KZN291 Mandeni	-
	B KZN292 KwaDukuza	-
	B KZN293 Ndwendwe	-
	B KZN294 Maphumulo	-
	C DC29 iLembe District Municipality	-
	Total: Harry Gwala Municipalities	-
	B KZN433 Greater Kokstad	-
	B KZN434 uBuhlebezwe	-
	B KZN435 uJizinhulu	-
	B KZN436 Dr Nkomozi Dlamini Zuma	-
	C DC43 Harry Gwala District Municipality	-
	Unallocated	3 000
	Total	3 000
MTBF Allocation:	R thousand	
2021/22	3 000	
Payment schedule: * Single tranche		

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information		Name:	Koppie Aileen Guest House
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	<ul style="list-style-type: none"> Refurbishment of the Koppie Aileen Guest House - reviving pool, fencing, furniture, etc. 	A KZN2000 eThekweni	
Measurable Outputs:	<ul style="list-style-type: none"> Renovation of the guest house 	Total: Ugu Municipalities	
Monitoring System:	<ul style="list-style-type: none"> Inspection visits and meetings with service provider and stakeholders Establish a Project Steering Committee Contractor to complete monitoring and evaluation job opportunities template Municipality to complete grant expenditure template and submit copy of payment certificates 	B KZN212 uMdoni	
Conditions:	<ul style="list-style-type: none"> The grant shall solely be used for refurbishment of the Koppie Aileen Guest House and associated tourism infrastructure 	B KZN213 uMzumba	
Allocation Criteria:	<ul style="list-style-type: none"> The allocation is part of the renovation of the guest house Procurement process is to follow normal open tender processes in line with the PFMA and MFMA 	B KZN214 uMzwabani	
Projected Life:	<ul style="list-style-type: none"> Current year 	B KZN216 Ray Nkonyeni	
MTEF Allocation:		C DC21 Ugu District Municipality	
Payment schedule:	<ul style="list-style-type: none"> Single tranche 	Total: uMgungundlovu Municipalities	
		B KZN221 uMshwathi	
		B KZN222 uMngeni	
		B KZN223 Mpolana	
		B KZN224 uMpendle	
		B KZN225 Msunduzi	
		B KZN226 uMhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	
		B KZN235 eMshingaeni	
		B KZN237 uKosi Langabalele	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	
		B KZN241 eMsimonsi	
		B KZN242 Ngqulu	
		B KZN244 uMsigaga	
		B KZN245 uMvoti	
		C DC24 uMzinyathi District Municipality	
		Total: Amajuba Municipalities	
		B KZN252 Newcastles	
		B KZN253 eMadlangeni	
		B KZN254 Darnley	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	2 500
		B KZN261 eDande	
		B KZN262 uPhongolo	2 500
		B KZN263 AbaQulusi	
		B KZN265 Nongoma	
		B KZN266 Ulundi	
		C DC26 Zululand District Municipality	
		Total: uMkhanyakude Municipalities	
		B KZN271 uMhlabuyalingana	
		B KZN272 Jozini	
		B KZN275 Mthakulu	
		B KZN276 Big Five Phebeles	
		C DC27 uMkhanyakude District Municipality	
		Total: King Cetshwayo Municipalities	
		B KZN281 uMfolozi	
		B KZN282 uMthethuzi	
		B KZN284 uMlalazi	
		B KZN285 uMhlonjani	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	
		B KZN291 Mandeni	
		B KZN292 KwaDukuza	
		B KZN293 Ntvedwe	
		B KZN294 Maphumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimba	
		B KZN438 Dr Nkosazama Dlamini Zuma	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	2 500

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

Information	Mtubatuba Tourist Information Centre	
	Name:	2021/22 Adjusted Allocation R thousand
Purpose: * Development of Mtubatuba Tourism Information Centre		
Measurable Outputs: * Establishment of a visitor information centre * Provision of furniture and other ancillary equipment required for functioning of visitor information		
Monitoring System: * EDTEA will enter into a funding agreement with Mtubatuba Local Municipality * EDTEA officials will serve on the Project Steering Committee constituted to monitor the implementation of the project * Regular reports will be submitted as per the Agreement		
Conditions: * The transferred finding will be solely used for the development of the Mtubatuba Visitor Information Centre		
Allocation Criteria: * To support the development of visitor information centres in the province thus ensuring the standardization of the tourism information offering in the province with an aim of assisting destinations to be more internationally competitive in the information dissemination arena as well as positioning destinations favourably for repeat tourist visits		
Projected Life: * Current year		
MTEF Allocation: 2021/22 R thousand 6 000		
Payment schedule: * single tranche yearly		
	Name of Municipality	
	A KZN2080 eThekweni	
	Total: Ugu Municipalities	
	B KZN212 uMdoni	
	B KZN213 uMzambe	
	B KZN214 uMuzwabantu	
	B KZN216 Ray Nkonyeni	
	C DC21 Ugu District Municipality	
	Total: uMgungundlovu Municipalities	
	B KZN221 uMshwathi	
	B KZN222 uMgeni	
	B KZN223 uMpolano	
	B KZN224 uMpendle	
	B KZN225 uMsunduzi	
	B KZN226 uMkhambathini	
	B KZN227 Richmond	
	C DC22 uMgungundlovu District Municipality	
	Total: uThukela Municipalities	
	B KZN235 uMhahamba	
	B KZN237 uMkosi LangaBalele	
	B KZN238 Alfred Duma	
	C DC23 uThukela District Municipality	
	Total: uMzinyathi Municipalities	
	B KZN241 eNdameni	
	B KZN242 Nqunhu	
	B KZN244 uMasinga	
	B KZN245 uMvoti	
	C DC24 uMzinyathi District Municipality	
	Total: Amajuba Municipalities	
	B KZN252 Newcastle	
	B KZN253 eMladlangeni	
	B KZN254 Dannhauser	
	C DC25 Amajuba District Municipality	
	Total: Zululand Municipalities	
	B KZN261 eDumbe	
	B KZN262 uPhongolo	
	B KZN263 AbuQulusi	
	B KZN265 Nongoma	
	B KZN266 Ulundi	
	C DC26 Zululand District Municipality	
	Total: uMkhanyakude Municipalities	6 000
	B KZN271 uMhlabiyalingana	
	B KZN272 Jozini	
	B KZN275 Mtubatuba	6 000
	B KZN276 Big Five Hlabisa	
	C DC27 uMkhanyakude District Municipality	
	Total: King Cetshwayo Municipalities	
	B KZN281 uMfolozi	
	B KZN282 uMhlabuthuze	
	B KZN284 uMfalazi	
	B KZN285 uMnorjaneni	
	B KZN286 uMkandla	
	C DC28 King Cetshwayo District Municipality	
	Total: iLembe Municipalities	
	B KZN291 uMandeni	
	B KZN292 KwaDukuza	
	B KZN293 uMwedwe	
	B KZN294 uMphumulo	
	C DC29 iLembe District Municipality	
	Total: Harry Gwala Municipalities	
	B KZN333 Greater Kokstad	
	B KZN334 uBulibezwe	
	B KZN335 uMzimkhulu	
	B KZN336 Dr Nkomo District Municipality	
	C DC43 Harry Gwala District Municipality	
	Unallocated	
	Total	6 000

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 4: Economic Development, Tourism and Environmental Affairs

<i>information</i>		Name:	Greenest Municipality Competition
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* Funding of infrastructure projects aimed at the protection of the environment	A KZN2000 eThekweni	
		Total: Ugu Municipalities	
		B KZN212 uMdoni	
		B KZN213 uMzumba	
		B KZN214 uMzizwabantu	
		B KZN216 Rey Nkonyeni	
		C DC21 Ugu District Municipality	
		Total: uMgungundlovu Municipalities	
		B KZN221 uMshwathi	
		B KZN222 uMngeni	
		B KZN223 Mpofana	
		B KZN224 iMpendle	
		B KZN225 Msunduzi	
		B KZN226 iMhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	
		B KZN235 iMhlabombeni	
		B KZN237 iNkosi Langalaba	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	
		B KZN241 eNdameni	
		B KZN242 Ngquba	
		B KZN244 uMkomo	
		B KZN245 uMvoti	
		C DC24 uMzinyathi District Municipality	
		Total: Amajuba Municipalities	
		B KZN252 Newcastle	
		B KZN253 eMadangeni	
		B KZN254 Dannhauser	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	
		B KZN261 eDunbe	
		B KZN262 uPhongolo	
		B KZN263 AbaQulusi	
		B KZN265 Nongoma	
		B KZN266 Ukundi	
		C DC26 Zululand District Municipality	
		Total: uMkhanyakade Municipalities	
		B KZN271 uMhlabaqingana	
		B KZN272 Jozini	
		B KZN275 Mubatuba	
		B KZN276 Big Five Hlabisa	
		C DC27 uMkhanyakade District Municipality	
		Total: King Cetshwayo Municipalities	
		B KZN281 uJifiso	
		B KZN282 uMlatheze	
		B KZN284 uMlatzi	
		B KZN285 Mthorjane	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	
		B KZN291 Mandeni	
		B KZN292 KwaDukuza	
		B KZN293 Nqwedwa	
		B KZN294 Maghema	
		C DC29 iLembe District Municipality	
		Total: Harry Gwata Municipalities	375
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimvu	
		B KZN436 Dr Nkosazana Dlamini Zuma	375
		C DC43 Harry Gwata District Municipality	
		Unallocated	1 500
		Total	1 875
Measurable Outputs:	* Funding of infrastructure projects competition		
Monitoring System:	* Monthly reports and site visits * Project monitoring and evaluation report		
Conditions:			
Allocation Criteria:	* Greenest Municipality in KZN		
Projected Life:			
MTEF Allocation:		2021/22	1 875
Payment schedule:	* Single tranche payment per municipality as allocated once agreement signed		

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 8: Human Settlements

<u>Information</u>		Name:	Operational Costs - Accredited Municipalities
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* To provide compensation to accredited municipalities for operational costs	A KZN2000 eThekweni	14 930
		Total: Ugu Municipalities	3 031
		B KZN212 uMkoni	
		B KZN213 uMzumbi	
		B KZN214 uMzizwabantu	
		B KZN216 Ray Nkonyeni	3 031
		G DC21 Ugu District Municipality	
		Total: uMgungundlovu Municipalities	4 839
Measurable Outputs:	* The measurable outputs are stipulated in the protocol agreement between the department and the municipalities	B KZN221 uMshwathi	
		B KZN222 uMgeni	
		B KZN223 Mpofema	
		B KZN224 Mpendle	
		B KZN225 Msunduzi	4 839
		B KZN226 uKhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	2 296
		B KZN235 Othahamba	
		B KZN237 uNkosi Langatbalele	
		B KZN238 Alfred Duma	2 296
		C DC23 uThukela District Municipality	
		Total: uMhlayathi Municipalities	-
		B KZN241 eNdameni	
		B KZN242 Nquthu	
		B KZN244 uMsinga	
		B KZN245 uMvozi	
		C DC24 uMhlayathi District Municipality	
		Total: Amajuba Municipalities	5 694
		B KZN252 Newcastle	5 694
		B KZN253 eMadiangeni	
		B KZN254 Dannhauser	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	-
		B KZN261 eDunbe	
		B KZN262 uPhengolo	
		B KZN263 AbaQolusi	
		B KZN265 Nongoma	
		B KZN266 Ulundi	
		C DC26 Zululand District Municipality	
		Total: uMhlabiyathongo Municipalities	-
		B KZN271 eMhlabiyathongo	
		B KZN272 Jozini	
		B KZN275 Mbuluzi	
		B KZN276 Big Five Fleets	
		C DC27 uMhlabiyathongo District Municipality	
		Total: King Cetshwayo Municipalities	2 499
		B KZN281 uMfolozi	
		B KZN282 uMhlathuze	2 499
		B KZN284 uMlalazi	
		B KZN285 Mhlonjani	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	3 140
		B KZN291 Mandeni	
		B KZN292 KwaDukuza	3 140
		B KZN293 Nqoedwe	
		B KZN294 Mapumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	-
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	
		B KZN436 Dr Nkosazana Dlamini Zuma	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	36 629
MTEF Allocation:	R thousand		
	2021/22		36 629
Payment schedule:	* Quarterly		

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021.

Vote 8: Human Settlements

Information	Name:	CRU Programme
	Name of Municipality	2021/22 Adjusted Allocation R'000
Purpose: * To facilitate the provision of secure, stable rental tenure for the lowest income who are not able to be accommodated in a formal private rental and social housing market.	A KZN2000 eThekweni	40 000
Measurable Outputs: * Number of hostel units upgraded	Total: Ugu Municipalities	-
Monitoring System: * Memorandum of Agreement between the department and the municipalities with clear deliverables and timeframes, and * Monthly performance reports by the municipalities, and * Monthly meetings with the municipalities	B KZN212 uThixo B KZN213 uMzamba B KZN214 uMzizabantu B KZN216 Ray Nkonyeni C DC21 Ugu District Municipality	
Conditions: * Department to enter into a tripartite agreement with the municipality before transfer of funds, and * Funds to be utilised for the purposes stipulated in the agreement	Total: uMgungundlovu Municipalities	-
Allocation Criteria: * Municipality must have an existing CRU (Community Residential Unit)/Hostel that has not been currently converted into family units; and * Approval of business plan by the MEC for Housing	B KZN221 uMshwalibi B KZN222 uMngeni B KZN223 Mpofana B KZN224 uMpendlo B KZN225 uMonduli B KZN226 uMhambani B KZN227 Richmond C DC22 uMgungundlovu District Municipality	
Projected Life: * 20 Years	Total: uThukela Municipalities	-
MTEF Allocation: 2021/22 R thousand 40 000	B KZN235 uMshamba B KZN237 uNkosi LangaLbalele B KZN238 Alfred Duma C DC23 uThukela District Municipality	
Payment schedule: * Per development programme	Total: uMzinyathi Municipalities	-
	B KZN241 eNdumani B KZN242 uMquthu B KZN244 uMshinga B KZN245 uMveti C DC24 uMzinyathi District Municipality	
	Total: Amajuba Municipalities	-
	B KZN252 Newcastle B KZN253 eMadiangeni B KZN254 Dannhauser C DC25 Amajuba District Municipality	
	Total: Zululand Municipalities	-
	B KZN261 eDumba B KZN262 uPhongolo B KZN263 uAbaQulusi B KZN265 Nongoma B KZN266 uLundi C DC26 Zululand District Municipality	
	Total: uMkhanyakude Municipalities	-
	B KZN271 uMhlabyalingana B KZN272 Jozini B KZN275 uMbatuba B KZN276 Big Five Hlabisa C DC27 uMkhanyakude District Municipality	
	Total: King Cetshwayo Municipalities	-
	B KZN281 uMkolozi B KZN282 uMhlathuze B KZN284 uMlatzi B KZN285 uMhonzjaneni B KZN286 uNkandla C DC28 King Cetshwayo District Municipality	
	Total: iLembe Municipalities	-
	B KZN291 uMendani B KZN292 uKwaDukuza B KZN293 uNwedwa B KZN294 uMphumulo C DC29 iLembe District Municipality	
	Total: Harry Gwala Municipalities	-
	B KZN433 Greater Kokstad B KZN434 uBuhlebezwe B KZN435 uMzimkhulu B KZN436 Dr Nkossazana Dlamini Zuma C DC43 Harry Gwala District Municipality	
	Unallocated	
	Total	40 000

**KWAZULU-NATAL PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 10: Sport and Recreation

Information		Sport and Recreation Infrastructure	
		Name:	2021/22 Adjusted Allocation R thousand
		Name of Municipality	
Purpose:	* New/renovated/upgraded/resourced community/school and recreation facilities	A KZN200 eThekwinl	
		Total: Ugu Municipalities	-
		B KZN212 uMdoni	
		B KZN213 uMzambe	
		B KZN214 uMuzwabantu	
		B KZN216 Ray Nkonyeni	
		C DC21 Ugu District Municipality	
		Total: uMgungundlovu Municipalities	*
		B KZN221 uMshwathi	
		B KZN222 uMngeni	
		B KZN223 iMpofana	
		B KZN224 iMpendle	
		B KZN225 Msunduzi	
		B KZN226 iMhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	20 000
		B KZN235 iMhlabisa	
		B KZN237 iNkosi Langalaba	
		B KZN238 Alfred Duma	20 000
		C DC23 uThukela District Municipality	
		Total: uMhlabiyathi Municipalities	*
		B KZN241 eMsimeni	
		B KZN242 Ngqulu	
		B KZN244 uMzinga	
		B KZN245 uMvoti	
		C DC24 uMhlabiyathi District Municipality	
		Total: Amajuba Municipalities	11 000
		B KZN252 Newcastle	11 000
		B KZN253 eMahlangueni	
		B KZN254 Darnhartser	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	10 000
		B KZN261 eDumba	
		B KZN262 uPhongolo	5 000
		B KZN263 AbsQubisi	4 000
		B KZN265 Nongoma	
		B KZN266 Ukhahlamba	
		C DC26 Zululand District Municipality	
		Total: uMkhanyakude Municipalities	7 250
		B KZN271 uMkhayalanga	
		B KZN272 Jozini	5 000
		B KZN275 Mubatuba	2 250
		B KZN276 Big Five Habisa	
		C DC27 uMkhanyakude District Municipality	
		Total: King Cetshwayo Municipalities	14 193
		B KZN281 uMfolozi	3 250
		B KZN282 uMhlatuze	10 943
		B KZN284 uMleazi	
		B KZN285 iMhlojaneni	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	-
		B KZN291 Manderi	
		B KZN292 KwaDukuza	
		B KZN293 iMwedwe	
		B KZN294 Maphumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	10 944
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	10 944
		B KZN436 Dr Nkomozana Dlamini Zume	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	73 387
MTEF Allocation:			
	2021/22	R Thousand	73 837
Payment schedule:	* Payments are made, based on milestone achieved * Progress delivered as per the programme		

KWAZULU-NATAL PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 10: Sport and Recreation

<u>Information</u>		<u>Maintenance Grant - Sport Facilities</u>
Name:	Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* Utilisation and maintenance of sport and recreation facilities	
Measurable Outputs:	* Maintenance and job creation at sport and recreation * Caretakers employed through Voted funds	
Monitoring System:	* Monthly monitoring reports provided by municipality * Quarterly meeting held with municipality * Constant checks performed by departmental officials on progress * Submission of sustainability plan by municipalities	
Conditions:	* Signing of the SLA which outlines all the milestones * Subject to the municipality agreeing to the facility * Subject to the municipality providing the land for the construction of the facility * Subject to the municipality taking ownership of the facility, including maintenance	
Allocation Criteria:	* Signing of the SLA which outlines all the milestone that must be achieved * Subject to the municipality agreeing to the facility * Subject to the municipality providing the land for the current year * Subject to the municipality taking ownership of the facility, including maintenance	
Projected Life:	* Current MTEF	
	R Thousand	
	2021/22	900
Payment schedule:	* Payments are made based on milestones achieved	
		900
	A KZN2000 eThekweni	
	Total: Ugu Municipalities	-
	B KZN212 uMdoni	
	B KZN213 uMzimba	
	B KZN214 uMzibusabantu	
	B KZN216 Ray Nkonyeni	
	C DC21 Ugu District Municipality	
	Total: uMgungundlovu Municipalities	-
	B KZN221 uMshwathi	
	B KZN222 uMgeni	
	B KZN223 iMpofane	
	B KZN224 iMpende	
	B KZN225 iMsunduzi	
	B KZN226 iMhambashini	
	B KZN227 iRichmond	
	C DC22 uMgungundlovu District Municipality	
	Total: uThukela Municipalities	-
	B KZN235 iCintshamba	
	B KZN237 iNkosi Langabalele	
	B KZN238 iAlfred Duma	
	C DC23 uThukela District Municipality	
	Total: uMzinyathi Municipalities	-
	B KZN241 eMdomeni	
	B KZN242 Ngqulu	
	B KZN244 uMalinga	
	B KZN245 uMvoti	
	C DC24 uMzinyathi District Municipality	
	Total: Amajuba Municipalities	-
	B KZN252 iNewcastle	
	B KZN253 eMadlangeni	
	B KZN254 iDanisauser	
	C DC25 Amajuba District Municipality	
	Total: Zululand Municipalities	-
	B KZN261 eDumbe	
	B KZN262 uPhongolo	
	B KZN263 iAbaQulusi	
	B KZN265 iNongoma	
	B KZN266 iUlundi	
	C DC26 Zululand District Municipality	
	Total: uMkhanyakude Municipalities	900
	B KZN271 uKhokhayaNgana	
	B KZN272 iJozini	
	B KZN275 iMlabatuba	450
	B KZN276 iBig Five iHabisa	450
	C DC27 uMkhanyakude District Municipality	
	Total: King Cetshwayo Municipalities	-
	B KZN281 uMlotzi	
	B KZN282 uMhlatuze	
	B KZN284 uMalalati	
	B KZN285 iMkhonjaneni	
	B KZN286 iNkandla	
	C DC28 King Cetshwayo District Municipality	
	Total: iLembe Municipalities	-
	B KZN291 iMandeni	
	B KZN292 iKwaDukuza	
	B KZN293 iNdwedwe	
	B KZN294 iMaphumulo	
	C DC29 iLembe District Municipality	
	Total: Harry Gwala Municipalities	-
	B KZN433 iGreater Kosi	
	B KZN434 uBuhlebezwe	
	B KZN435 uMzimkhulu	
	B KZN436 iDr Nkomozansi iDlamini Zuma	
	C DC43 Harry Gwala District Municipality	
	Unallocated	
	Total	900

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 11: Co-operative Governance and Traditional Affairs

<u>Information</u>		<u>Small Town Rehabilitation programme</u>	
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	<ul style="list-style-type: none"> Support municipalities to promote Urban Renewal and Small Town Regeneration as integral part of area based LED and rural development 	A KZN200 eThekweni	
Measurable Outputs:	<ul style="list-style-type: none"> Design/Operational Plan/BOQs Contractor appointment Site establishment 	Total: Ugu Municipalities	8 000
Monitoring System:	<ul style="list-style-type: none"> Monthly Project Steering Committee meetings Project Ghant Chart - Actual verses Planned Monthly municipal expenditure/progress report MOA and business plan Monitor MOA compliance and project management 	B KZN212 uMdoni	
Conditions:	<ul style="list-style-type: none"> The transfer is conditional subject to: <ol style="list-style-type: none"> A business plan A Council/Board Resolution Signing of the MOAs 	B KZN213 uMzumbane	
Allocation Criteria:	<ul style="list-style-type: none"> Bi-monthly Project Steering Committee meetings Implementation of monitoring in terms of the business plans and the Urban Development Monitoring and Evaluation system Project packaging monitoring through observation and support to the municipal tender process and management of service providers Monthly progress reports for each project Project close-out report endorsed by Accounting Officer upon satisfactory completion of the project 	B KZN214 uMuzwabantu	
Projected Life:	Current MTEF	B KZN216 Ray Nkonyeni	8 000
MTEF Allocation:		C DC21 Ugu District Municipality	
		Total: uMgungundlovu Municipalities	14 420
Payment schedule:	As per agreement with municipality	B KZN221 uMshwathi	
		B KZN222 uMngeni	
		B KZN223 Mpolana	
		B KZN224 Impendle	
		B KZN225 Msunduzi	
		B KZN226 Mkhambathini	14 420
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	
		B KZN235 Oshahamba	
		B KZN237 INkosi Langalibalele	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	
		B KZN241 Endumeni	
		B KZN242 Nqutu	
		B KZN244 uMsinga	
		B KZN245 uMvozi	
		C DC24 uMzinyathi District Municipality	
		Total: Amajuba Municipalities	
		B KZN252 Newcastle	
		B KZN253 eMadlangeni	
		B KZN254 Dannhauser	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	
		B KZN261 eDumbe	
		B KZN262 uPhongolo	
		B KZN263 AbaQulusi	
		B KZN265 Nongoma	
		B KZN266 Ulundi	
		C DC26 Zululand District Municipality	
		Total: uMkhanyakude Municipalities	11 500
		B KZN271 uMhlaba/yalingana	
		B KZN272 Jozini	
		B KZN275 Mbatuba	11 500
		B KZN276 Big Five Hlabisa	
		C DC27 uMkhanyakude District Municipality	
		Total: King Cetshwayo Municipalities	
		B KZN281 uMfolozi	
		B KZN282 uMhlathuze	
		B KZN284 uMlalazi	
		B KZN285 Mthonjaneni	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	
		B KZN291 Mandeni	
		B KZN292 KwaDukuza	
		B KZN293 Ndwedwe	
		B KZN294 Maphumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	
		B KZN436 Dr Nkosazana Dlamini Zuma	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	33 920

PROVINCIAL GAZETTE

TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 11: Co-operative Governance and Traditional Affairs

<u>Information</u>		Community Service Centres (CSC) infrastructure support	
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* Support the uMshwathi Local Municipality with the extension of the uMshwathi Community Service Centre to accommodate additional space requested by SASSA, office space for Department of Health, Department of Correctional Services and Linda Sibiya Foundation (NGO)	A KZN2000 eThekweni	
Measurable Outcomes:	* Design documentation * Tender process/Contractor appointment * Practical completion * Final delivery	Total: Ugu Municipalities	
Monitoring System:	* Project Implementation Plan - Actual versus Planned * Monthly municipal expenditure/progress reports * Memorandum of Agreement and Business Plan * COGTA Grant Manual * Grant close-out report with audited financial figures	B KZN212 uMdoni	
Conditions:	* The transfer is conditional subject to: 1. Approved business plan prior to transfer 2. A Council Resolution 3. Signing of the MOAs 4. Separate grant vote	B KZN213 uMzimba	
Allocation Criteria:	* The CSC is currently in full operation with key government tenants of Home Affairs, SASSA, Home Affairs, IEC and Labour. The CSC has an appointed Centre Manager and fully supported by the municipality * Business Plan readiness	B KZN214 uMzibabane	
Projected Life:	* 12 months	B KZN216 Ray Nkonyeni	
MTEF Allocation:		C DC21 Ugu District Municipality	
Payment schedule:	* Progress payments by municipality	Total: uMgungundlovu Municipalities	7 500
		B KZN221 uMshwathi	7 500
		B KZN222 uMngeni	
		B KZN223 Mpolona	
		B KZN224 iMpendle	
		B KZN225 Msunduzi	
		B KZN226 Mkhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	
		B KZN235 Okhahlamba	
		B KZN237 iNkosi Langatibalele	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	
		B KZN241 eNdameni	
		B KZN242 Ngquthu	
		B KZN244 uMzinga	
		B KZN245 uMvoli	
		C DC24 uMzinyathi District Municipality	
		Total: Amajuba Municipalities	
		B KZN252 Newcastle	
		B KZN253 eMadlangeni	
		B KZN254 Danokutsi	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	
		B KZN261 eDumbe	
		B KZN262 uPhongolo	
		B KZN263 AbaQulusi	
		B KZN265 Nongoma	
		B KZN266 Ukundl	
		C DC26 Zululand District Municipality	
		Total: uMkhanyakude Municipalities	
		B KZN271 uMhlabayalingana	
		B KZN272 Jozini	
		B KZN275 Mtsheluba	
		B KZN276 Big Five Hlabisa	
		C DC27 uMkhanyakude District Municipality	
		Total: King Cetshwayo Municipalities	
		B KZN281 uMfolozi	
		B KZN282 uMhlatshuze	
		B KZN284 uMlalazi	
		B KZN285 Mthonjaneni	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	
		B KZN291 Mandeni	
		B KZN292 KwaDukuza	
		B KZN293 Ndwedwe	
		B KZN294 Maphumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	
		B KZN436 Dr Nkosazana Dlamini Zuma	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	7 500

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 11: Co-operative Governance and Traditional Affairs

<u>Information</u>		Name:	<u>Classification programme</u>
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* To provide capital finance for the provision of electricity, water and sanitation services	A KZN2000 eThekweni	
		Total: Ugu Municipalities	6 000
		B KZN212 uMdoni	
		B KZN213 uMzumbi	
		B KZN214 uMuzwabantu	
		B KZN216 Ray Nkonyeni	6 000
		C DC21 Ugu District Municipality	
Measurable Outputs:	* Verified value of work done as a percentage of funds transferred	Total: uMgungundlovu Municipalities	-
		B KZN221 uMshwalini	
		B KZN222 uMngeni	
		B KZN223 Mpofana	
		B KZN224 iMpandle	
		B KZN225 Msunduzi	
		B KZN226 Mkhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
Monitoring System:	* Regular progress and financial reports to the department, in accordance with the stipulated requirements * Site inspections to monitor physical progress	Total: uThukela Municipalities	-
		B KZN235 Okhahlamba	
		B KZN237 iNkosi Langalibalele	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	1 600
		B KZN241 eNdameni	1 600
		B KZN242 Ngquthu	
		B KZN244 uMsinga	
		B KZN245 uMvozi	
		C DC24 uMzinyathi District Municipality	
Conditions:	* The transfer is conditional subject to: 1. A business plan 2. A Council/Board Resolution 3. Signing of the MOAs	Total: Amajuba Municipalities	-
		B KZN252 Newcastle	
		B KZN253 eMadiangeni	
		B KZN254 Dannhauser	
		C DC25 Amajuba District Municipality	
Allocation Criteria:	* Grants provided to licensed municipalities in terms of criteria, which reflect provincial priorities determined by the PGDS and Cabinet Resolutions	Total: Zululand Municipalities	-
		B KZN261 eDumbe	
		B KZN262 uPhongolo	
		B KZN263 AbaQulusi	
		B KZN265 Nongoma	
		B KZN266 Ulundi	
		C DC26 Zululand District Municipality	
Projected Life:	* Current MTEF	Total: uMkhanyakude Municipalities	-
		B KZN271 uMhlaba-uyalingana	
		B KZN272 Jozini	
		B KZN275 Mtubatuba	
		B KZN276 Big Five Hlabisa	
		C DC27 uMkhanyakude District Municipality	
MTEF Allocation:		Total: King Cetshwayo Municipalities	-
2021/22	R thousand	B KZN281 uMfobozi	
	7 600	B KZN282 uMhlatuze	
		B KZN284 uMlalazi	
		B KZN285 Mthonjaneni	
		B KZN286 Nkandla	
		C DC28 King Cetshwayo District Municipality	
Payment schedule:	* As per agreement with municipality	Total: iLembe Municipalities	-
		B KZN291 Mendeni	
		B KZN292 KwaDukuza	
		B KZN293 Ndwedwe	
		B KZN294 Maphumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	-
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	
		B KZN436 Dr Nkosezana Dlamini Zuma	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	7 600

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

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Vote 11: Co-operative Governance and Traditional Affairs

<u>Information</u>		<u>Name:</u>	<u>Water Intervention projects</u>
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* To provide capital finance for the provision of electricity, water and sanitation services	A KZN200 eThekweni	
		Total: Ugu Municipalities	19 300
		B KZN212 uMdoni	
		B KZN213 uMzumba	
		B KZN214 uMuziwabantu	
		B KZN216 Ray Nkonyeni	
		C DC21 Ugu District Municipality	19 300
Measurable Outputs:	* Verified value of work done as a percentage of funds transferred	Total: uMgungundlovu Municipalities	18 000
		B KZN221 uMshwathi	
		B KZN222 uMngeni	
		B KZN223 Mpofana	
		B KZN224 IMpendle	
		B KZN225 Msunduzi	
		B KZN226 Mkhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	18 000
Monitoring System:	* Regular progress and financial reports to the department, in accordance with the stipulated requirements * Site inspections to monitor physical progress	Total: uThukela Municipalities	-
		B KZN235 Okhahlamba	
		B KZN237 Inkosi Langalibalele	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	-
		B KZN241 eMkumeni	
		B KZN242 Ngqulu	
		B KZN244 uMzinga	
		B KZN245 uMvebi	
		C DC24 uMzinyathi District Municipality	8 700
Conditions:	* The transfer is conditional subject to: 1. A business plan 2. A Council/Board Resolution 3. Signing of the MOAs	Total: Amajuba Municipalities	8 700
		B KZN252 Newcastle	8 700
		B KZN253 eMadiangeni	
		B KZN254 Dannhauser	
		C DC25 Amajuba District Municipality	
Allocation Criteria:	* Grants provided to licensed municipalities in terms of criteria, which reflect provincial priorities determined by the PGDS and Cabinet Resolutions	Total: Zululand Municipalities	-
		B KZN261 eDumbe	
		B KZN262 uPhongolo	
		B KZN263 Abaqulusi	
		B KZN265 Nongoma	
		B KZN266 Ulundi	
		C DC26 Zululand District Municipality	
Projected Life:	* Current MTEF	Total: uMkhanyakude Municipalities	-
		B KZN271 uMhlabayangana	
		B KZN272 Jozini	
		B KZN275 Mtubatuba	
		B KZN276 Big Five Hlabisa	
		C DC27 uMkhanyakude District Municipality	
MTEF Allocation:		Total: King Cetshwayo Municipalities	-
		B KZN281 uMfolozi	
		B KZN282 uMhlatuze	
		B KZN284 uMlatzi	
		B KZN285 Mhlonjaneni	
		B KZN288 Nkandla	
		C DC28 King Cetshwayo District Municipality	25 000
		Total: ILembe Municipalities	25 000
		B KZN291 Mandeni	
		B KZN292 KwaDukuza	
		B KZN293 Ndwedwe	
		B KZN294 Mapumulo	
		C DC29 ILembe District Municipality	25 000
		Total: Harry Gwala Municipalities	34 000
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	
		B KZN436 Dr Nkomo Zuma	
		C DC43 Harry Gwala District Municipality	34 000
Payment schedule:	* As per agreement with municipality	Unallocated	
		Total	105 000
			105 000

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 15: Arts and Culture

<u>Information</u>		<u>Name:</u>	<u>Operational costs of art centres</u>
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* To provide funding for the operational cost of Indonsa Art Centre	A KZN2000 eThekweni	
		Total: Ugu Municipalities	
		B KZN212 uMdoni	
		B KZN213 uMzumba	
		B KZN214 uMoziwabeni	
		B KZN216 Ray Nkonyeni	
		C DC21 Ugu District Municipality	
		Total: uMgungundlovu Municipalities	
Measurable Outputs:	* Fully operational art centre * Processing and payment of subsidy finalised by end of financial year	B KZN221 uMshwathi	
		B KZN222 uMgani	
		B KZN223 Mpofana	
		B KZN224 Mpandile	
		B KZN225 Msunduzi	
		B KZN226 Mkhambathini	
		B KZN227 Richmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	
		B KZN235 Okhahlamba	
		B KZN237 iNkosi Langalaba	
		B KZN238 Alfred Duma	
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	
		B KZN241 eDumeni	
		B KZN242 Ngqulu	
		B KZN244 uMzinga	
		B KZN245 uMvoti	
		C DC24 uMzinyathi District Municipality	
		Total: Amajuba Municipalities	
Conditions:	* Subject to approved budget * Subject to signed MOA with district municipality	B KZN252 Newcastle	
		B KZN253 eMahlangueni	
		B KZN254 Danthausen	
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	1 911
		B KZN261 eDumbe	
		B KZN262 uPhongolo	
		B KZN263 AbaQolosi	
		B KZN265 Nongoma	
		B KZN268 Ulundi	
		C DC26 Zululand District Municipality	1 911
		Total: uMkhanyakude Municipalities	
		B KZN271 uMkhanyakude	
		B KZN272 Jozini	
		B KZN275 Mthunzwa	
		B KZN276 Big Five Hlabisa	
		C DC27 uMkhanyakude District Municipality	
		Total: King Cetshwayo Municipalities	
		B KZN281 uMfolozi	
		B KZN282 uMshuza	
		B KZN284 uMlalazi	
		B KZN285 Mthonjaneni	
		B KZN286 Ntandeni	
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	
		B KZN291 Manderi	
		B KZN292 KwaDukuza	
		B KZN293 Ndwedwe	
		B KZN294 Maphumulo	
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	
		B KZN433 Greater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uMzimkhulu	
		B KZN436 Dr Nkosazana Dlamini Zuma	
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	1 911
MTEF Allocation:	<i>R thousand</i>		
2021/22	1 911		
Payment schedule:	* In terms of agreement		

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2021

Vote 15: Arts and Culture

<u>Information</u>		<u>Name:</u>	<u>Museum subsidies</u>
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	* To provide financial support to municipalities with focus on: Development and maintenance of museums Care and preservation of Cultural Heritage	A KZN2000 eThekweni	5 956
Measurable Outputs:	* Processing and payment of subsidies finalised by the end of financial year	Total: Ugu Municipalities	429
Monitoring System:	* Quarterly committee meetings * Reports submitted	B KZN212 uMdoni	
Conditions:	* Subject to approved budget * Subject to signed MOA with local municipality	B KZN213 uKusmbu	
Allocation Criteria:	* Allocated by project need and cost	B KZN214 uMuzwabantu	
Projected Life:	* Current year	B KZN216 Ray Nkonyeni	429
MTEF Allocation:		C DC21 Ugu District Municipality	
	R thousand	Total: uMgungundlovu Municipalities	965
	2021/22	B KZN221 uMshwaluthi	
	13 012	B KZN222 uMlingeni	225
		B KZN223 uMfolozi	225
		B KZN224 uMpendle	
		B KZN225 uMsunduzi	615
		B KZN226 uMkhambathini	
		B KZN227 uRichmond	
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	870
		B KZN235 uOxhahlamba	225
		B KZN237 uKosi LangaBalele	429
		B KZN238 uAlfred Duma	225
		C DC23 uThukela District Municipality	
		Total: uMzinyathi Municipalities	740
		B KZN241 eNdameni	515
		B KZN242 uNgqulu	
		B KZN244 uMzinga	
		B KZN245 uMavoti	225
		C DC24 uMzinyathi District Municipality	
		Total: uAmajuba Municipalities	429
		B KZN252 uNewcastle	429
		B KZN253 uMadlangeni	
		B KZN254 uDannhauser	
		C DC25 uAmajuba District Municipality	
		Total: uZululand Municipalities	225
		B KZN261 eDumba	
		B KZN262 uPhongolo	
		B KZN263 uAbaQulusi	225
		B KZN265 uNongoma	
		B KZN266 uLundl	
		C DC26 uZululand District Municipality	
		Total: uMkhanyakade Municipalities	-
		B KZN271 uMthabuyalingena	
		B KZN272 uJozini	
		B KZN275 uMubelaba	
		B KZN276 uBig Five Habiba	
		C DC27 uMkhanyakade District Municipality	
		Total: uKing Cetshwayo Municipalities	1 154
		B KZN281 uMfolozi	
		B KZN282 uMhlathuze	225
		B KZN284 uMthatali	939
		B KZN285 uMhonzaneni	
		B KZN286 uNwandle	
		C DC28 uKing Cetshwayo District Municipality	
		Total: uLembe Municipalities	2 225
		B KZN291 uMandeni	
		B KZN292 uKwaDukuza	2 225
		B KZN293 uNwedwe	
		B KZN294 uMaphumulo	
		C DC29 uLembe District Municipality	
		Total: uHarry Gwala Municipalities	-
		B KZN435 uGreater Kokstad	
		B KZN434 uBuhlebezwe	
		B KZN435 uAbimkhulu	
		B KZN436 uDr Nkomozaana Dlamini Zuma	
		C DC43 uHarry Gwala District Municipality	
		Unallocated	
		Total	13 012
Payment schedule:	* In terms of agreements		

PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES

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Vote 15: Arts and Culture

Information		Name:	Provincialisation of libraries
		Name of Municipality	2020/21 Adjusted Allocation R thousand
Purpose:	* To begin addressing the Constitutional mandate whereby public libraries are an exclusive provincial competency. The funding will be for the provision of library services within municipalities	A KZN2060 eThekweni	60 115
Measurable Outputs:	* Number of municipalities provided with funding to provide library services within community libraries	Total: Ugu Municipalities	20 433
Monitoring System:	* Quarterly financial reporting by local municipalities * Annual close out reports * On-site monitoring visits * Monitoring in accordance with DORA and signed MOAs	B KZN212 uMdoni	7 481
Conditions:	* Subject to approved budget * Subject to signed MOA with local municipality	B KZN213 uMzamba	935
Allocation Criteria:	* Allocated by project need and cost	B KZN214 uMzimbabane	12 017
Projected Life:	* Current year	B KZN216 Ray Nkonyeni	29 566
MTEF Allocation:		C DC21 Ugu District Municipality	2 806
Payment schedule:	* In terms of signed agreements	Total: uMgungundlovu Municipalities	29 566
		B KZN221 uMshwathi	2 806
		B KZN222 uMgeni	3 742
		B KZN223 uMfema	1 871
		B KZN224 uMpendle	1 871
		B KZN225 Msunduzi	15 635
		B KZN226 Mkhambathini	935
		B KZN227 Richmond	2 806
		C DC22 uMgungundlovu District Municipality	13 091
		Total: uThakela Municipalities	1 871
		B KZN235 uThakela	5 610
		B KZN237 Inkosi Langalalale	5 610
		B KZN238 Alfred Duma	8 419
		C DC23 uThakela District Municipality	3 742
		Total: uMzinyathi Municipalities	1 871
		B KZN241 eNkoneni	1 871
		B KZN242 Nquthu	935
		B KZN244 uMshinga	1 871
		B KZN245 uMvoli	8 627
		C DC24 uMzinyathi District Municipality	6 757
		Total: Amajuba Municipalities	935
		B KZN252 Newcastle	935
		B KZN253 uKadlangeni	935
		B KZN254 Dannhauser	8 884
		C DC25 Amajuba District Municipality	1 871
		Total: Zululand Municipalities	1 871
		B KZN261 eDumbe	3 372
		B KZN262 uPhongolo	935
		B KZN263 AboQobusi	935
		B KZN265 Nongoma	935
		B KZN266 Umtso	8 077
		C DC26 Zululand District Municipality	1 871
		Total: uMkhanyakude Municipalities	935
		B KZN271 uMkhanyakude	3 400
		B KZN272 Jozini	1 871
		B KZN275 Mtubatuba	17 553
		B KZN276 Big Five Hlabisa	1 871
		C DC27 uMkhanyakude District Municipality	1 871
		Total: King Cetshwayo Municipalities	9 138
		B KZN281 uMfolozi	4 678
		B KZN282 uMhlabuze	935
		B KZN284 uMlalazi	935
		B KZN285 Mhlonjaneni	935
		B KZN286 Nozinda	9 351
		C DC28 King Cetshwayo District Municipality	2 806
		Total: iLembe Municipalities	5 610
		B KZN291 Mandoni	935
		B KZN292 KwaDukuza	935
		B KZN293 Nosedwe	8 547
		B KZN294 Maphumulo	1 871
		C DC29 iLembe District Municipality	935
		Total: Harry Gwala Municipalities	2 806
		B KZN433 Greater Kolkstad	935
		B KZN434 uBuhlebezwe	935
		B KZN435 uMzimhulu	2 806
		B KZN436 Dr Nkosazana Dlamini Zuma	190 763
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	190 763

**PROVINCIAL GAZETTE
TRANSFER OF FUNDS TO MUNICIPALITIES**

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Vote 15: Arts and Culture

Information		Name:	Community Library Services grant
		Name of Municipality	2021/22 Adjusted Allocation R thousand
Purpose:	<ul style="list-style-type: none"> To provide access to modern day technology and information resources To secure library collections To provide relevant collections of material in libraries which meet the needs of communities To provide for staffing and operational cost of new library facilities 	A KZN2000 eThekweni	8 863
Measurable Outputs:	<ul style="list-style-type: none"> Libraries providing access to Internet and other ICT facilities for the public and staff to provide training Secured collections for public access Appropriately staffed libraries that provide professional library services 	Total: Ugu Municipalities	5 614
Monitoring System:	<ul style="list-style-type: none"> Monitoring in accordance with DORA and signed MOAs Quarterly financial reporting by local municipalities Annual close out reports On-site monitoring visits Meetings with municipalities 	B KZN212 uMdoni	2 250
Conditions:	<ul style="list-style-type: none"> Subject to approved budget Subject to signed MOA with local municipality 	B KZN213 uMzombe	
Allocation Criteria:	<ul style="list-style-type: none"> Allocated in terms of the approved business plan for the conditional grant 	B KZN214 uMazwabantu	624
Projected Life:	<ul style="list-style-type: none"> Current year 	B KZN216 Ray Nkonyeni	2 440
MTEF Allocation:		C DC21 Ugu District Municipality	
Payment schedule:	<ul style="list-style-type: none"> In terms of the MOA for conditional grant projects 	Total: uMgungundlovu Municipalities	3 255
		B KZN221 uMshwathi	242
		B KZN222 uMngeni	484
		B KZN223 Mpofane	242
		B KZN224 uMpendu	242
		B KZN225 uMonduli	828
		B KZN226 uMkhambathini	975
		B KZN227 Richmond	242
		C DC22 uMgungundlovu District Municipality	
		Total: uThukela Municipalities	3 402
		B KZN235 uMshingaane	875
		B KZN237 uMkosi Langa/Isalele	726
		B KZN238 Alfred Duma	1 701
		C DC23 uThukela District Municipality	
		Total: uNzinyathi Municipalities	3 651
		B KZN241 eNdameni	1 166
		B KZN242 uMthatha	1 950
		B KZN244 uMzinga	263
		B KZN245 uMvoti	242
		C DC24 uNzinyathi District Municipality	
		Total: Amajuba Municipalities	4 708
		B KZN252 Newcastle	2 475
		B KZN253 eMahlangueni	924
		B KZN254 Dannewasser	1 309
		C DC25 Amajuba District Municipality	
		Total: Zululand Municipalities	5 891
		B KZN261 eDumbe	1 380
		B KZN262 uPhongolo	484
		B KZN263 uMhlabathazi	1 166
		B KZN265 Nongoma	1 606
		B KZN266 uMkandla	975
		C DC26 Zululand District Municipality	
		Total: uMkhanyakude Municipalities	10 269
		B KZN271 uMhlakuyalingana	924
		B KZN272 Jozini	4 682
		B KZN275 uMthuthuze	2 233
		B KZN276 Big Five Hub/Isi	2 630
		C DC27 uMkhanyakude District Municipality	
		Total: King Cetshwayo Municipalities	5 485
		B KZN281 uMfolozi	1 166
		B KZN282 uMhlabuze	2 618
		B KZN284 uMlalazi	535
		B KZN285 uMthongweni	242
		B KZN286 uMkandla	924
		C DC28 King Cetshwayo District Municipality	
		Total: iLembe Municipalities	5 559
		B KZN291 Mendeni	1 408
		B KZN292 uMhlabuzi	726
		B KZN293 uMhlabuze	975
		B KZN294 uMhlabuze	2 550
		C DC29 iLembe District Municipality	
		Total: Harry Gwala Municipalities	3 549
		B KZN433 Greater KwaZulu	1 166
		B KZN434 uMhlabuze	242
		B KZN435 uMhlabuze	975
		B KZN436 Dr Nkosazana Dlamini Zuma	1 166
		C DC43 Harry Gwala District Municipality	
		Unallocated	
		Total	60 066



KWAZULU-NATAL PROVINCE
TREASURY
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 Date: 21 December 2021

**TO: MUNICIPAL MANAGERS
 CHIEF FINANCIAL OFFICERS
 KWAZULU-NATAL MUNICIPALITIES**

PROVINCIAL TREASURY CIRCULAR PT/MF 07 OF 2021/22

FINDINGS ON THE 2021/22 MUNICIPAL BUDGET ASSESSMENT/EVALUATION

Provincial Treasury assessed the 2021/22 Tabled Budgets of all 51 delegated municipalities as required by Section 22 of the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA) read in conjunction with Section 23(1)(b) of the MFMA which states that *the municipal Council must consider any views of the National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget*. Provincial Treasury further conducted high level assessments on the 2020/21 Approved Budgets of all 51 delegated municipalities.

1. PURPOSE

The purpose of this circular is to:

- Share with all KwaZulu-Natal municipalities the findings of the assessments of the Tabled Budget process as well as the findings for the high level assessment of Approved Budget of the delegated municipalities in the province; and
- Highlight some of the key non-compliance areas, weakness and common errors which municipalities should consider and address (where applicable) when preparing their 2021/22 Adjustments Budgets and the 2022/23 MTREF Budgets.

2. BACKGROUND AND DISCUSSION OF BUDGET PROCESSES

Tabling of the 2021/22 Time schedules outlining key deadlines for the budget process

Section 21(1)(b) of the MFMA requires the Mayor of a municipality to table in Council at least 10 months before the start of the budget year, a Time schedule outlining key deadlines for the budget process. The main objectives for the tabling of the Time schedule outlining key deadlines are to ensure that the budget preparation process commences timeously and complies with all legislative requirements.

Provincial Treasury issued Circular PT/MF 01 of 2020/21 on 12 August 2020 reminding municipalities to table the Time Schedule of Key Deadlines for the 2021/22 financial year by 31 August 2020. The Circular also detailed that the approval of the Time Schedule of Key Deadlines is an integral step in the planning phase of the overall budget process.

In this regard, 42 of the 51 delegated municipalities timeously tabled their Time schedule outlining key deadlines by 31 August 2020 as per the requirements of the MFMA. Table 1 shows the nine municipalities that did not table their Time schedule outlining key deadlines by the prescribed date of 31 August 2020. Non-compliance letters were issued to all nine municipalities that did not table their Time schedule outlining key deadlines by the prescribed deadline. With the exception of the uMkhanyakude District Municipality, all the municipalities shown in Table 1 subsequently approved their Time schedules outlining key deadlines for the 2021/22 budget preparation process. The uMkhanyakude District Municipality had major challenges in convening Council meetings.

Table 1: Municipalities that did not table their 2021/22 Time schedules outlining key deadlines by 31 August 2020

No.	Name of municipality	No.	Name of municipality	No.	Name of municipality
1	uMngeni	4	Dannhauser	7	Zululand DM
2	uMgungundlovu DM	5	Ugu DM	8	uMkhanyakude DM
3	Nquthu	6	AbaQulusi	9	Ndwedwe

Source: KZN Provincial Treasury

Provincial Treasury conducted a high level review of the Time schedule outlining key deadlines of the 50 delegated municipalities that tabled their Time schedule outlining key deadlines with a view of advising the municipalities on the areas of improvement. Gaps in terms of compliance and credibility were identified in the Time schedules outlining key deadlines of the 18 municipalities as listed in Table 2 below.

Table 2: Municipalities that were provided with feedback on gaps identified in their 2021/22 Time schedules outlining key deadlines

No.	Name of municipality	No.	Name of municipality	No.	Name of municipality
1	Ugu DM	7	Nkandla	13	uPhongolo
2	uMzumbi	8	Zululand DM	14	eDumbe
3	uThukela DM	9	Ray Nkonyeni	15	Nongoma
4	uMdoni	10	uMshwathi	16	Ulundi
5	King Cetshwayo DM	11	Richmond	17	uMalazi
6	uMdoni	12	Mthonjaneni	18	uMuziwabantu

Source: KZN Provincial Treasury

The common gaps identified and provided to municipalities as feedback on the Time schedule outlining key deadlines, included the following amongst others:

- Municipalities did not include the bilateral engagements between Provincial Treasury and municipalities for the Mid-year budget and performance assessments scheduled for January – March 2021 and/or for the Tabled (Draft) Budget Assessment in April – May 2021;
- The dates for the finalisation of the Tariff policies for Property rates and Service charges for the 2021/22 financial year were not clearly reflected;
- There was no indication of the process of reviewing the prices of bulk resources;
- There was no specific deadline with regards to the annual review of all other budget related policies;
- The Time schedules outlining key deadlines for some municipalities did not indicate the process for the finalisation of the Service Delivery and Budget Implementation Plans (SDBIPs) and an indication of the dates on which the SDBIPs will be approved by the Mayors;
- There were no dates reflected with regards to the Budget Steering Committee meetings, as well as Council meeting dates for all the mandatory processes included in the timeline;

- The Time schedules outlining key deadlines for some municipalities did not reflect timelines for the submission of the Tabled (Draft) Budget and all related documents for assessment and comments;
- The consultative process for some municipalities did not include public participation in respect of the budget related policies, the Annual Budget and the IDP; and
- The timelines for some municipalities did not indicate proposed dates on which the Tabled (Draft) and Approved Budget and all related documents will be placed on municipal websites as per Section 75 of the MFMA.

Provincial Treasury' support to municipalities on the 2021/22 municipal budget preparation process

Section 5(4)(a)(ii) of the MFMA states *that to the extent necessary to comply with subsection (3), a Provincial Treasury must monitor the preparation by municipalities in the province of their budgets.* Furthermore, Section 5(4)(b) of the MFMA states that a Provincial Treasury *may assist municipalities in the province in the preparation of their budgets.*

To guide all delegated municipalities with the preparation of their 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) budgets and to monitor compliance with the MFMA and the Municipal Budget and Reporting Regulations (MBRR), Provincial Treasury issued Circular PT/MF 09 of 2020/21 dated 18 March 2021 (Preparation, submission and publication of the 2021/22 MTREF budget) to municipalities.

The circular covered the following areas relating to the Budget preparation process:

- Request for the current municipal Councils to approve the 2021/22 MTREF Budgets by the legislated timeframe;
- Preparation of the 2021/22 MTREF Municipal Budgets;
- Format requirements for the 2021/22 MTREF Municipal Budgets;
- Balance sheet and Cash flow budgeting;
- Funding position of the 2021/22 MTREF Municipal Budgets;
- Reconciliation of the Valuation roll data to the Billing system;
- Technical assistance on the 2021/22 MTREF Tabled Budgets;
- Engagement with municipalities on the 2021/22 MTREF Tabled Budgets;
- Submission of the 2021/22 MTREF Municipal Budgets;
- Publication of the 2021/22 MTREF Municipal Budgets;
- 2021/22 MTREF Municipal Budget Verification process;
- Budget Steering Committee (BSC);
- SDBIPs;
- National and Provincial transfers to municipalities;
- Further matters for consideration in the 2021/22 MTREF Municipal Budget Process; and
- Municipal Budget Submission process.

The Provincial Treasury Circular included some of the areas of weaknesses and common mistakes identified by both the Provincial and National Treasuries in prior years that should have been considered and addressed (where applicable) by municipalities when preparing their 2021/22 MTREF budgets.

Provincial Treasury Circular also re-enforced the request as per MFMA Circular No. 108 that all Municipal Managers together with all their Senior Managers must prepare a Handover Report that must be tabled at the first meeting of the newly elected Council. The Handover Report aims to provide the new Councils with important orientation information regarding the municipality, the state of their finances, services deliveries and capital programmes as well as key issues that need to be addressed.

Provincial Treasury later issued Circular PT/MF 10 of 2020/21 dated 25 March 2021 (MTREF Budget Preparation). The objectives of this circular were to notify municipalities of all Provincial allocations to be incorporated in the budget preparations and to remind the municipalities about the expected documents to be submitted together with the 2021/22 MTREF Budget.

The MFMA Circulars No. 107 and 108 were shared with all delegated municipalities to ensure that 2021/22 MTREF Budgets incorporate the guidelines and information required in these circulars.

The status of Budget Steering Committee (BSC)

Regulation 4(1) of the MBRR requires the Mayor of each municipality to establish a Budget Steering Committee (BSC) to provide technical assistance to the Mayor in discharging his/her duties as outlined in MFMA Section 53 which relates to the execution of the Budget process. There has been a gradual increase in the number of municipalities with fully operational Budget Steering Committees from 45 in the 2018/19 financial year to 47 in the 2021/22 financial year. The total number of 47 in 2021/21 represents 92.2 percent in comparison to the expected total number of 51 delegated municipalities. Table 3 shows that there are only four (4) municipalities where the BSCs are not operational. The uMzambe and Mpopana Local Municipalities as well as Ugu District Municipality BSCs were not operational for the past two financial years 2019/20 and 2020/21.

Table 3: Municipalities where Budget Steering Committees were not operational in the 2021/22 financial year

No.	Name of municipality	No.	Name of municipality
1	uMzambe	3	Mpopana
2	Ugu DM	4	uBuhlebezwe

Source: KZN Provincial Treasury

The improvement relating to the increase in the number of operational Budget Steering Committees across municipalities is encouraging as this will lead to better planning and as such, resulting in improved compliance with related legislations such as the MFMA, the Division of Revenue Act (DoRA), the MBRR, Supply Chain Management (SCM) and the Municipal Standard Chart of Accounts (mSCOA) reforms. This will furthermore ensure the preparation of more credible and reliable budgets.

3. 2021/22 TABLED BUDGET ASSESSMENT PROCESS

Tabling of the 2021/22 Budgets

Section 16(2) of the MFMA states *that the Mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year*

With the exception of two municipalities, all delegated municipalities tabled their 2021/22 Annual Budget by 31 March 2021. The two municipalities that did not table their budgets on time are the eMadlangeni Local Municipality and the uMkhanyakude District Municipality. The two municipalities applied for an extension in terms of Section 27(3) of the MFMA to the MEC for Finance and the extensions were granted for both municipalities. The eMadlangeni Local Municipality eventually tabled their 2021/22 Annual Budget on 19 April 2021 whilst the uMkhanyakude District Municipality did not table their 2021/22 Annual Budget.

Submission of the 2021/22 Tabled Budgets

Section 22(b)(i) of the MFMA requires that **immediately** after an annual budget is tabled in a municipal Council, the annual budget must be submitted to the National and Provincial Treasuries in both PDF and electronic formats. As per MFMA Budget Circulars No. 107 and 108, the date for the submission of the PDF and electronic copies was 01 April 2021 if a municipality tabled on 31 March 2021.

Table 4 lists the municipalities that did not submit one or more of the following required documents within the prescribed timeframe:

- Electronic copy of the 2021/22 Tabled Budget;
- mSCOA Table Budget data strings (TABB);
- Integrated Development Project (IDP) project detail data strings; and
- Draft Service Delivery and Budget Implementation Plan (SDBIP).

Also included in Table 4 are municipalities that did not submit the budgets in a correct version or submitted incomplete budget tables.

Table 4: Municipalities that did not submit their 2021/22 Tabled Budgets timeously or submitted an incorrect version/incomplete tables

No.	Municipalities that did not submit electronic copies timely	No.	Municipalities that did not submit mSCOA datastrings (TABB) timely	No.	Municipalities that did not submit IDP project detail data string (PRTA) timely	No.	Municipalities that did not submit Draft SDBIP timely	No.	Municipalities that did not Table budgets in correct version and / or not fully completed budget tables
1	Ugu DM	1	eDumbe	1	Ugu DM	1	Ugu DM	1	Mpofana
2	Zululand DM	2	uMngeni	2	uMshwathi	2	uMshwathi	2	Amajuba DM
3	uMshwathi			3	Mpofana	3	uMdoni	3	eDumbe
4	uMngeni			4	eDumbe	4	uMzambe	4	AbaQulusi
5	Dannhauser			5	uMngeni	5	Mpofana	5	Nongoma
6	uMlalazi			6	Dannhauser	6	eDumbe	6	uMsinga
7	Mpofana					7	AbaQulusi	7	Newcastle
8	eDumbe					8	Zululand DM	8	Mtubatuba
9	AbaQulusi					9	uMfolozi		
10	uMfolozi					10	uMlalazi		
						11	uMngeni		
						12	Dannhauser		
						13	eMadlangeni		

Source: KZN Provincial Treasury

Placement of 2021/22 Tabled Budgets documents on websites as per Section 75(2) of the MFMA

Section 75(2) of the MFMA states that all documents expected to be placed on municipal websites *must be placed on the website not later than five working days after its tabling in Council or on the date on which it must be made public, whichever occurs first*. The municipalities in Table 5 did not timely place the 2021/22 Tabled Budgets documents on their websites.

Table 5: Municipalities that did not place the 2021/22 Tabled Budgets documents on websites timeously

No.	Name of the municipality	No.	Name of the municipality
1	Newcastle	5	Mpofana
2	Dannhauser	6	eDumbe
3	Ugu DM	7	AbaQulusi
4	uMshwathi	8	uMlalazi

Source: KZN Provincial Treasury

Outcomes of the 2021/22 Tabled Budgets Assessments/Evaluations

Upon receipt of the 2021/22 Tabled (Draft) Budgets, Provincial Treasury undertook an assessment of the Tabled Budgets and provided comments to the respective municipalities as per the requirements of Section 23(1) of the MFMA which states that *when the annual budget has been tabled, the*

municipal Council must consider any views of the local community, the National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget. The assessment process also included compliance checks on all Tabled Budgets received to establish the level of compliance with the requirements of the MFMA and the MBRR in general and to verify amongst others, whether:

- The Tabled Budgets submitted were in the correct Version 6.5 of the Schedule A1;
- The information provided in the main budget Tables (A1 to A10) and supporting Tables (SA1-SA38) reconciled to the budget documents and schedules submitted to the National Treasury portal; and
- The information is sufficient to enable the assessments of the Tabled Budgets.

Of the 51 municipalities' budgets assessed, Provincial Treasury determined that 29 Tabled Budgets were funded, while 21 were unfunded and this included the high level assessment that was undertaken on the uMkhanyakude District Municipality's tabled budget data string (TABB).

Bi-lateral engagements for the 2020/21 Tabled Budgets

In a bid to improve the funding position and the overall presentation of the municipal budgets, Provincial Treasury continued to support the delegated municipalities throughout the 2021/22 Budget preparation process. The support included bilateral engagements with the municipalities during which detailed guidance was provided on the causes of the unfunded budgets and actions that could be taken to improve the funding position of the municipalities' budgets.

The findings on the 2021/22 Tabled Budgets were communicated through formal feedback letters to all delegated municipalities. Prior to communicating the feedback to municipalities, Provincial Treasury held bilateral meetings with 50 delegated municipalities to discuss the comments and recommendations on the findings relating to their 2021/22 Tabled Budgets. However, it must be indicated that for uMkhanyakude District Municipality, Provincial Treasury undertook a high level assessment on the data strings of the Draft Budget (TABB) uploaded into National Treasury portal. This was mainly due to the fact that the municipality did not table their 2021/22 Annual Budget and that the required supporting documents as per Schedule A of MBRR were not submitted to Provincial Treasury.

At these meetings, Provincial Treasury requested the municipalities to consider the comments and recommendations provided by Provincial Treasury during the preparation of the final budgets to be approved by Council. The bilateral meeting could not be held with the Dannhauser Local Municipality as a result of the non-availability of senior managers of the municipality. The municipalities were also required to table in Council for noting, Provincial Treasury's comments and responses by municipalities as part of the 2021/22 Approved Budget and related documents.

Key findings on the 2021/22 Tabled Budgets Assessments

The following were the key findings emanating from Provincial Treasury's assessment of the 2021/22 Tabled Budgets:

- **Compliance with MBRR and other legislations**

Compliance checks reflected that many municipalities did not timeously submit their budgets in PDF together with related supporting documents such as the budget policies, the draft SDBIPs, the IDP project detail data string (PRTA) and the budget assumptions. The budget narrative reports for some of municipalities were of a poor quality, were not comprehensive and in some cases, contradicted information contained in the Schedule A1. Provincial Treasury also found that some municipalities did not submit key calculations supporting significant budget line items. Other budgets were submitted in either the incorrect format or version.

Table A10: Basic service delivery measurement was not completed or poorly completed by most municipalities. Table A10 is critical for reflecting amongst others, information on the number of households within a municipal area, a measurement of the number of households receiving basic services at the minimum service level, the number of households receiving Free basic services, the cost of providing Free basic services and the unit of measurement thereof such as kilolitres for water, kilowatt hour for electricity and how frequently refuse is being removed, etc. Due to the poor quality of information in Table A10 by some municipalities, Provincial Treasury was not able to, in many cases, determine the accuracy of the budget for the Cost of Free basic services and whether municipalities are effectively delivering basic services to their indigent customers.

Other critical supporting tables which were not completed or poorly completed were Table SA7: Measurable performance objectives, Table SA9: *Social, economic and demographic statistics and assumptions*, Table SA11: *Property rates summary*, Table SA12: *Property rates by category*, Table SA13: *Service tariffs*, Table SA24: *Summary of personnel numbers*, Table SA34b: *Capital expenditure on the renewal of existing assets by asset class*, Table SA34e: *Capital expenditure on the upgrading of existing assets by asset class*, Table SA37: *Project delayed from previous financial year/s* and Table SA38: *Consolidated detailed operational projects*. The importance of completing some of the Tables stated above was re-iterated in MFMA Circular No. 107.

- **Credibility of budget figures**

The budget tables in the Schedule A1 data string for some municipalities were not fully and /or accurately completed. Discrepancies were noted in the following areas:

- Audited Outcome figures of the data strings did not reconcile to the audited Annual Financial Statement (AFS) figures;
- The full year forecast figures for 2020/21 were merely replicated as the Adjusted Budget figures and were not in line with the performance trends;
- The 2020/21 Adjusted Budget figures did not reconcile to the approved Schedule B figures; and
- Differences were noted between the figures quoted in the narrative report and data strings of Schedule A1.

Some municipalities did not provide the basis for their budget assumptions and/or no budget assumptions were supplied at all for certain line items, thus limiting the analysis by Provincial Treasury.

- **Sustainability of the operational activities of the municipality**

Many municipalities' operating budgets continue to be funded mainly from grants. Provincial Treasury has noted with concern that some municipalities have budgeted for Operating deficits for the 2021/22 MTREF. These municipalities were alerted to the fact that continued Operating deficits may result in the erosion of municipal cash reserves leading to possible future unfunded budgets.

Many municipalities still continue to provide water, sanitation and refuse removal services at a deficit, despite the advice contained in the MFMA Circulars that tariffs set by municipalities should be cost reflective. It is also of great concern that some of these municipalities did not indicate any plans aimed at rectifying the challenges that have resulted in providing these services at deficits, thereby exposing the municipality to the risk of not being sustainable.

- **Funding of budgets**

Despite the ongoing advice that municipalities should prepare funded budgets as per Section 18 of the MFMA, many municipalities still tabled unfunded budgets.

Some municipalities still failed to adequately complete Table A7: *Budgeted cash flows* and Table A8: *Cash backed reserves/accumulated surplus reconciliation* which are critical not only to reflect the cash flow status of the municipality but also to assist in determining the funding position of municipal budgets.

In Table A7, the most common error was the capturing of incorrect figures in the Adjusted Budget and Audited Outcomes columns. Consequently, incorrect opening balances were being carried over the MTREF. Furthermore, the majority of municipalities neither accurately completed the Full Year Forecast column in the budget, nor provided Provincial Treasury with their workings for the 2020/21 Closing *Cash and cash equivalents* balance and as a result, Provincial Treasury could not ascertain the reasonableness of the 2021/22 Opening *Cash and cash equivalents* balance. The budgeted cash inflow in some cases was also based on collection rate assumptions which were not realistic and adequately justified.

Provincial Treasury recalculated an estimate for *Other working capital requirements* in Table A8 based on the *Receivables* and *Payables* in the audited AFS as well as the Adjusted Budget for the current year (2020/21) and the budget assumptions for revenue and expenditure in the budget year (2021/22). This process highlighted that some municipalities significantly understated their cash outflows for *Suppliers and employees* in Table A7 and/or their *Trade and other creditors* balance as at the end of the 2021/22 budget year in Table SA3: *Supporting detail to 'Budgeted Financial Position'*. Similarly, municipalities overstated their cash inflows for the various operating revenue line items in Table A7 and/or their *Other debtors and Long term receivables* as per Table A6 and *Consumer debtors* balances as at the end of the 2021/22 budget year in Table SA3.

Table A8 was commonly characterised by incomplete information which did not correlate with information contained in the audited AFS whereby estimates on *Unspent conditional transfers*, *Statutory requirements* and *Other provisions* were not reflected and this together with the unrealistic *Other working capital requirements*, resulted in an abnormal of *Surplus/(shortfall)* position.

Some municipalities have reflected negative *Cash/cash equivalents at the year end* and *Shortfall* positions over the entire MTREF period thus, raising concerns over their liquidity status and whether or not the municipalities would be able to pay their debts as and when they fall due.

• Operating revenue

With regard to the Operating revenue budget, some municipalities did not justify in their budget narratives reports all tariffs increases which are in excess of the projected Consumer Price Index (CPI) inflation forecasted to be in the region of 3.9 to 4.4 percent in the MTREF period of 2021/22 to 2023/24 as per MFMA Circular No. 108.

Most municipalities did not disclose the rateable properties, market values as well as valuation reductions and any other rating criteria in Tables SA11: *Property rates summary*, SA12b: *Property rates* by category as indicated earlier, thereby limiting the Provincial Treasury to properly analyse the reasonableness of the budgets for Property rates revenue. Due to the non-submission of *Property rates* policies and/or calculations to support the budgets by some municipalities, Provincial Treasury could not determine whether these municipalities complied with the requirements of the Municipal Property Rates Amendment Act (Act No. 29 of 2014).

Some municipalities that provide services such as water and electricity did not budget for the Cost of Fee Basic Services against the related revenue items in Table SA1: *Supporting detail to 'Budgeted Financial Performance'* as a result of incorrectly populating Table SA9: *Social, economic and demographic statistics and assumptions*. Some municipalities also appear to have not considered the basic services component of the Equitable Share allocation for use in Free Basic Service support for residents within the municipality's jurisdiction and rather budgeted to utilise the majority of the Equitable Share allocation for municipal expenses.

• Operating expenditure

Regarding the Operating expenditure budget, most municipalities did not justify, in their budget narrative report, all their increases in excess of the projected Consumer Price Index (CPI) inflation target band of 3.9 to 4.4 percent within the MTREF period of 2021/22 to 2023/24 as specified in MFMA Circular No. 108.

Tables SA22, SA23 and SA24 relating to councillors and staff benefits, salaries and allowances as well as personnel numbers for the municipalities were either poorly completed or not completed thereby limiting the extent to which the reasonableness of the budgeted salary increases could be assessed.

Despite the guidance provided in MFMA Circular No. 71 for the ratio of *Remuneration (Employee related costs and Remuneration of councillors)* to *Total operating expenditure* to be between 25 and 40 percent, the ratio was found to be excessive in some municipalities.

Some municipalities under-budgeted for *Debt impairment* and *Depreciation and asset impairment*. While both these are non-cash expenses, municipalities could still incur unauthorised expenditure at the end of the financial year due to under-budgeting. Significant under-budgeting also results in municipalities projecting unrealistic *Operating surpluses*.

Other expenditure, in particular, was of concern as the increases were excessive in some cases. Some municipalities also did not provide sufficiently details for *Other expenditure* in Table SA1: *Supporting detail to 'Budgeted Financial Performance'*.

For many municipalities, *General expenses*, as detailed in Table SA1 contributed more than 10 percent towards *Other expenditure* in 2021/22 Tabled Budgets. In terms of the MFMA Budget Format Guide, *General expenses* should not exceed 10 percent of the *Other expenditure* budget. Some municipalities reflected *General expenses* that were 100 percent of *Other expenditure* which made it impossible for Provincial Treasury to assess whether the municipalities concerned applied the guidance provided in MFMA Circulars No. 58, 66 and other subsequent MFMA Circulars which encouraged the municipalities to eliminate non-priority expenditure. Furthermore, undefined projects and non-priority items could be included in *General expenses* resulting in significantly high budget amounts for *Other expenditure*.

Municipalities were advised to review their allocation of expenditure to *General expenses* and reallocate the expenditure to the appropriate expenditure items accordingly. The budget for high level of *General expenses* defeat the effective implementation of Cost containment measures.

• Capital expenditure and Asset management

Some municipalities continue to submit incomplete Budget Tables relating to their Capital Budget, such as Table SA36: *Detailed capital budget* and Table SA37: *Project delayed from previous financial year/s*. Most municipalities still have a challenge in budgeting for at least 40 percent of the *Capital expenditure* budget for the *Renewal of existing assets* as per MFMA Circular No. 55. Furthermore, the budgets for *Repairs and maintenance* were in some cases unrealistic or questionable and the *Asset register summary – PPE (WDV)* values in Table A9: *Asset Management* were also not linked to asset registers thereby distorting the information, which forms the basis for the correct calculation of *Repairs and maintenance*.

Some municipalities did not indicate the budget allocations to sub-functions in Table A5 such as *Executive and Council, Internal audit* and *Public safety*, thereby raising concerns over the credibility of their budgets.

Notwithstanding the importance of supplementing the capital programme from *Internally generated funds*, the narrative reports of some municipalities could not adequately demonstrate that they have sufficient cash backed accumulated funds from previous financial years. With the poorly completed

Tables A7 and A8, the municipalities' ability to finance capital programmes from internal funding, in some cases, could not be established.

Some of the municipalities assessed to be unfunded by Provincial Treasury have budgeted for *Internally generated funds* for funding some of their capital programmes. Since their budgets were assessed as unfunded, this has raised a question of affordability for these municipalities to be able to fund some of their Capital programmes from own funding. Such municipalities are encouraged to channel these funds towards payments of long outstanding creditors, particularly bulk services.

In instances where municipalities intended to finance their capital programme through *Borrowings*, some municipalities did not submit sufficient supporting documents such as the projected amortisation schedules and as a result, Provincial Treasury could not assess the reasonableness of their budgeted *Finance charges and Repayment of borrowings*.

• Submission of Service Level Standards

As per MFMA Circular No. 72 and other subsequent MFMA Circulars, municipalities are expected to implement the Service level standards together with IDP, Budget and all other related documents to drive the process of service delivery. MFMA Circular No. 72 describes Service Level Standards as an integral part of the service delivery value chain. Service level standards provides transparency in understanding performance indicators and therefore strengthens the entire performance management system. It is also used in ensuring accountability on the part of the officials responsible to provide service delivery. Therefore, it is crucial that this document must also be prepared and approved as part of IDP, Budget and other related documents used to render services. Provincial Treasury will continue to support and monitor all municipalities to ensure that they implement Service Level Standards.

With the exception of the 11 municipalities listed in Table 6 below, a total of 40 delegated municipalities submitted their Service Level Standards.

Table 6: Municipalities that did not submit their Service Level Standards

No.	Name of municipality	No.	Name of municipality
1	eMadlangeni	7	uMshwathi
2	Dannhauser	8	eDumbe
3	uMsinga	9	Nongema
4	eNdumeni	10	Mpotena
5	Ugu DM	11	uMngeni

Source: KZN Provincial Treasury

Municipal responses to Provincial Treasury findings on the 2021/22 Tabled Budgets

Section 23(2) of the MFMA states that *after considering all budget submissions, the Council must give the Mayor an opportunity to respond to the submissions; and if necessary, to revise the budget and table amendments for consideration by the Council.*

In an attempt to assist municipalities in complying with Section 23(2) of the MFMA, particularly to respond to the submissions made by Provincial Treasury, as part of the Budget assessment feedback report, municipalities were requested to provide responses to Provincial Treasury's comments with the submission of their Approved Budget documents in accordance with Regulation 20 of the MBRR.

In this regard, only three municipalities formally responded to Provincial Treasury's feedback comments on their 2021/22 Tabled Budgets they are, the King Cetshwayo District Municipality, the Alfred Duma Local Municipality and the uMzimkhulu Local Municipality.

4. 2021/22 APPROVED BUDGET ASSESSMENT PROCESS

Approval and submission of the 2021/22 Annual Budgets

As per Section 24(1) of the MFMA, *the municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget*, while Section 25(1) of the MFMA stipulates that *if a municipal Council fails to approve an annual budget, including revenue-raising measures necessary to give effect to the budget, the Council must reconsider the budget and again vote on the budget, or on an amended version thereof, within seven days of the Council meeting that fails to approve the budget.*

With the exception of four municipalities, namely the uMkhanyakude District Municipality, the eMadlangeni Local Municipality, the Ndwedwe Local Municipality and the uPhongolo Local Municipality, all delegated municipalities approved their 2021/22 Annual Budgets at least 30 days before the start of the budget year. The uMkhanyakude District Municipality, the eMadlangeni Local Municipality, the Ndwedwe Local Municipality requested an extension for the consideration and approval of their 2021/22 Annual Budget. The MEC for Finance, granted the municipalities extension in terms of Section 27(2) of the MFMA. The uPhongolo Local Municipality did not apply for an extension for the approval of their 2021/22 Annual Budget in terms of Section 27(1) of MFMA and was thus issued with a non-compliance letter in this regard.

The uPhongolo Local Municipality, Ndwedwe Local Municipality, uMkhanyakude District Municipality and eMadlangeni Local Municipality approved their 2021/22 Annual Budget on 02 June 2021, 11 June 2021, 15 August 2021 and 19 August 2021 respectively.

The eMadlangeni Local Municipality was the only municipality which did not place their approved 2021/22 Annual Budget and all related documents in their website within 5 working days after tabling in Council as required by Section 75(2) of MFMA.

Section 24(3) of the MFMA read together with Regulation 20 of the MBRR requires the Accounting Officer to submit the electronic and printed copies of the Approved Budget to National Treasury and Provincial Treasury within 10 working days after tabling in Council. Six non-compliance letters were issued to the municipalities that did not submit the electronic and/or PDF copies of their budgets within the prescribed time as shown in Table 7.

Table 7: Municipalities that did not submit electronic or PDF copies of their 2021/22 Approved Budgets timeously

No.	Municipalities which did not upload their PDF Budgets and related documents timeously	No.	Municipalities which did not timeously upload their IDP project detail datastrng (PRTA)
1	Dannhauser	1	uMuziwabantu
2	eNdameni	2	KwaDukuza
		3	uMzinkhulu
		4	Zukuland DM

Source: KZN Provincial Treasury

Outcomes of the High Level Assessment of the Approved 2021/22 Budgets

Provincial Treasury conducted a high level assessment of the 2021/22 Approved Budgets of all 51 delegated municipalities with a view of establishing whether the comments and recommendations made by Provincial Treasury were considered in their 2021/22 Approved Budgets.

Of the 51 assessed budgets of municipalities, 35 were assessed as Funded while 16 were Unfunded and are shown in Table 8. As per MFMA Circular No. 93 and the subsequent circulars including MFMA Circular No. 107, all municipalities with unfunded budgets were expected to prepare credible Budget funding plans that show how and by when the municipalities will move from an unfunded budget position to a funded budget position. These plans were expected to be approved by their respective Council. Provincial Treasury prepared Provincial Treasury Circular PT/MF 04 of 2021/22

to inform municipalities whose 2021/22 Approved Budgets were assessed as being **Unfunded** by Provincial Treasury of the process to be followed to address the unfunded budget position through the preparation and /or correction of their Budget funding plans.

Table 8: Municipalities with unfunded 2021/22 Approved Budgets

No.	Name of municipality	No.	Name of municipality
1	Ugu DM	9	uMzinyathi DM
2	Mpofana	10	Newcastle
3	Richmond	11	Dannhauser
4	uMgungundlovu DM	12	Amajuba DM
5	iNkosi Langalibalele	13	Ulundi
6	uThukela DM	14	Zululand DM
7	eNdumeni	15	uMkhanyakude DM
8	uMsinga	16	Harry Gwala DM

Source: KZN Provincial Treasury

Key findings of the 2021/22 Approved Budgets

The following key findings are based on the 2021/22 Approved Budget assessments conducted for the 51 delegated municipalities.

• Free Basic Service

A number of municipalities that provide services such as water, sanitation, electricity and refuse did not budget for the *Cost of free basic services*. Thirty (30) out of 51 municipalities (58.8 percent) correctly accounted for the *Cost of Free Basic Services* in Table SA1: *Supporting detail to 'Budgeted Financial Performance'* of Schedule A1. The balance of 21 out of the 51 municipalities failed to correctly account for *Cost of free basic services*.

There are only 11 municipalities (21.6 percent) that fully completed Table A10: *Basic service delivery measurement*. Table A10 is essential to provide statistics on the *Cost of free basic services* according to National policy as well as the revenue cost of free services, rebates, exemptions and discounts as per the municipal Council policy. MFMA Circular No. 58 indicates that the purpose of this information is to enable the Council and the municipality to gain an understanding of the impact that these discounts and free services have on the municipality's revenues in order to tailor its social package appropriately taking into consideration the equitable share funds provided to subsidise the provision of Free Basic Services. Information in Table A10 also facilitates the analysis of which customer groups benefit from a municipality's social package as well as actual service delivery and service delivery backlogs.

As a result of the incomplete information, Provincial Treasury was not in a position to fully comment in the feedback letters to municipalities on the credibility of the budget for Free Basic Services. Municipalities were encouraged to consider the basic services component of the Equitable Share allocation when budgeting for Free Basic Services during the 2021/22 Tabled Budget engagements.

• Operating revenue

A number of municipalities did not fully complete all the supporting tables in Schedule A1. Only 22 municipalities (43.1 percent) have fully completed Table SA11 and Table SA12 in the 2021/22 Budget cycle. These tables are crucial in determining the credibility of budget for *Property rates* and *Service charges*.

There are still a number of municipalities that did not submit their approved schedule of tariffs and/or rates randages. There are 40 municipalities (78.4 percent) that submitted their approved schedule of tariffs and/ or rates ranges for the 2021/22 Budget cycles. The Schedule of tariffs and/or rates randages are useful to assess the reasonability of the budget for applicable revenue items against the approved tariffs.

A number of municipalities failed to provide a breakdown of *Other revenue* sources in Table SA1. Municipalities were reminded to ensure that Table SA1: *Supporting detail to 'Budgeted Financial Performance'* and the narrative budget document are effectively used to provide a detailed breakdown of *Other revenue* as this information provides an indication of realistically anticipated revenue. Only 33 municipalities (64.7 percent) provided breakdown of *Other revenue* in Table SA1.

- **Operating expenditure**

The percentage of total Remuneration to total *Operating expenditure* exceeded the norm range for a number of municipalities in the 2021/22 Approved Budget. As per MFMA Circular No. 71, the norm range for total Remuneration as a percentage of total *Operating expenditure* is between 25 and 40 percent. MFMA Circular No. 71 indicates that ratios in excess of the norm could indicate inefficiencies, overstaffing or even incorrect focus due to misdirected expenditure to non-essential or non-service delivery related expenditure. Based on the assessments of the 2021/22 Approved Budgets, at least 23 municipalities (45.1 percent) are above the norm.

Municipalities are still understating the budget for non-cash expenditure. At least 27 municipalities (52.9 percent) understated their *Debt impairment* budget. Furthermore, 21 municipalities (41.2 percent) understated their *Depreciation and asset impairment* budget. While these two line items in the Statement of financial performance are non-cash items, they do contribute to the calculation of the *Operating surplus/deficit* of the municipality. Understating the *Operating expenditure* budget also implies that municipalities are not considering all costs when determining cost reflective tariffs for their municipalities.

- **Asset management**

There is a declining trend by municipalities in fully populating Table SA36 in the 2021/22 Approved Budget and this is a serious concern to Provincial Treasury.

Twenty-four (24) municipalities (47 percent) fully completed Table SA36 that requires the following descriptions:

- *Description* of the projects;
- *Asset classifications*;
- *GPS co-ordinates*;
- The relevant *wards*;
- Whether the project is a *new* or *renewal of an asset*; and
- The estimated *rand value*.

This information assists with effective planning for the Capital budget and therefore all municipalities must provide the required details.

MFMA Circular No. 55 highlighted the concern about the low levels of expenditure on *Repairs and maintenance* and the *Renewal of existing assets* in most municipalities. Municipal Councils, Mayors and Municipal Managers were therefore urged to ensure that allocations to *Repairs and maintenance* and the *Renewal of existing assets* are prioritised. In this regard, municipalities were requested to allocate at least 8 percent of the prior year *Property, Plant and Equipment (PPE)* value towards *Repairs and maintenance* and at least 40 percent of the Capital budget towards the *Renewal and upgrading of existing assets*.

It was however noted with concern that municipalities are still not adequately budgeting for the *Repairs and maintenance* of assets and/or for the *Renewal and upgrading of existing assets*. As per the assessment of the 2021/22 Approved Budgets, only two (2) municipalities (3.9 percent) budgeted for *Repairs and maintenance* of at least 8 percent or more of the prior period *PPE* value while only four (4) municipalities (7.8 percent) allocated 40 percent or more of the Capital budget towards the *Renewal and upgrading of municipal assets*. Insufficient expenditure towards *Repairs and maintenance* of

assets could increase the impairment of assets whilst low expenditure towards the *Renewal and upgrading of existing assets* would result in aged assets and may negatively impact on service delivery.

• **Funding and sustainability**

MFMA Circular No. 55 states that a municipality should budget for a moderate surplus to contribute to the funding of the Capital budget. There are 14 municipalities (27.5 percent) that budgeted for Operating deficits for the 2021/22 budget year.

Nineteen (19) municipalities (37.3 percent) are in a position where all their trading services are sustainable. It is of great concern that the remaining 32 municipalities (62.7 percent) have budgeted to trade at a deficit on some or all of their trading services that will negatively affect the future sustainability of the municipality. The municipalities not having cost reflective tariffs as well as inefficiencies in the provision of these services cause the budgeted trading losses.

Thirty-five (35) of the 51 delegated municipalities (68.3 percent) approved funded budgets for the 2021/22 financial year. One of the causes of unfunded budgets is the fact that some municipalities' have trading services that are simply not sustainable given the current tariffs structures of the municipalities. Municipalities must therefore increase revenue and decrease expenditure to the extent necessary to improve their financial performance and approve funded budgets.

Summary of 2021/22 Annual Budget Assessment Process

Table 9 shows a summary of statistics on the 2021/22 municipal budget assessment process for both the Tabled and the Approved Budget.

Table 9: Funding Position of 2021/22 Tabled and Approved Budgets

Budget process	No. of Budgets	Name of municipality
2021/22 Tabled Budgets		
Budgets tabled late (later than 31 March 2021)	1	eMadiangeni
Budgets not tabled	1	uMkhanyakude DM*
Budgets received (electronic and printed copies)	51	
Budgets Assessed	51	uMkhanyakude DM*
Budgets Tabled in correct formats	50	
Funded Budgets	29	
Unfunded Budgets	22	
Undetermined Funding Position	0	
2021/22 Approved Budgets		
Budgets not considered for Approval by 31 May 2021	4	Ndwedwe, eMadiangeni, uMkhanyakude DM, uPhongolo
Budgets approved in correct formats	51	
Budgets received (electronic and printed copies)	51	
High level assessments conducted on Approved Budgets	51	
Funded Budgets	35	
Unfunded Budgets	16	
Undetermined Funding Position	0	

* - Provincial Treasury undertook a high level assessment of the municipality's data string for the Draft Budget (TABB) uploaded to the National Treasury Local Government (LG) Upload Portal and downloaded by Provincial Treasury from the National Treasury data base on 21 May 2021

Source: KZN Provincial Treasury

Table 9 shows the funding positions of the 2021/22 Annual Budgets of all delegated municipalities. The table shows that initially there were 29 Tabled Budgets that were funded and 22 were unfunded (including the uMkhanyakude District Municipality's data string (TABB) that was assessed as mentioned above). However, through further engagements and support to municipalities by Provincial Treasury, the funding position of the Approved Budgets improved. Table 9 shows that 35 of the Approved Budgets were funded and 16 were unfunded.

The common causes identified which contribute to the unfunded budget positions of the municipalities, included the following amongst other:

- Some municipalities budgeted for *Operating deficits* in their 2021/22 MTREF, which have negative impact on the future cash flow;
- Some municipalities are not applying realistic collection rates based on prior years' actual figures or are not providing sufficient justification in their budget narration report for the estimated receipts and this result into over-estimated cash to be received;
- Some municipalities are not budgeting to pay all budgeted Operating and Capital expenditure including the applicable Value added Tax to be incurred, resulting to understatement of cash payments;
- Some municipalities with Debt repayment plans are not budgeting for cash payments and this result into understatement of cash payments;
- Some municipalities are budgeting to fund Capital expenditure for *Internally generated fund*, while the municipalities do not have *Cash-backed reserves*;
- Some municipalities have high *Creditor* balances that have be carried forward year on year basis and this contribute negatively to the estimation of reasonable *Other working capital requirements*;
- Some municipalities are not budgeting or under budgeting for cash-backing of *Other Provisions, Unspent conditional grants* and *Statutory requirements*; and
- Some municipalities significantly misstate their *Other working capital requirements*, due to understating of their *Trade and other creditors'* balance while overstating their *Other debtors and Long term receivables* and *Consumer debtors'* balances as at the end year.

The common causes listed above results to abnormal status of *Surplus/ (shortfall)* position.

Table 10 shows the funding position of each delegated municipality's 2021/22 Tabled Budget and 2021/22 Approved Budget as per Provincial Treasury's assessments.

Table 10: Funding Position of 2021/22 Tabled and Approved Budgets

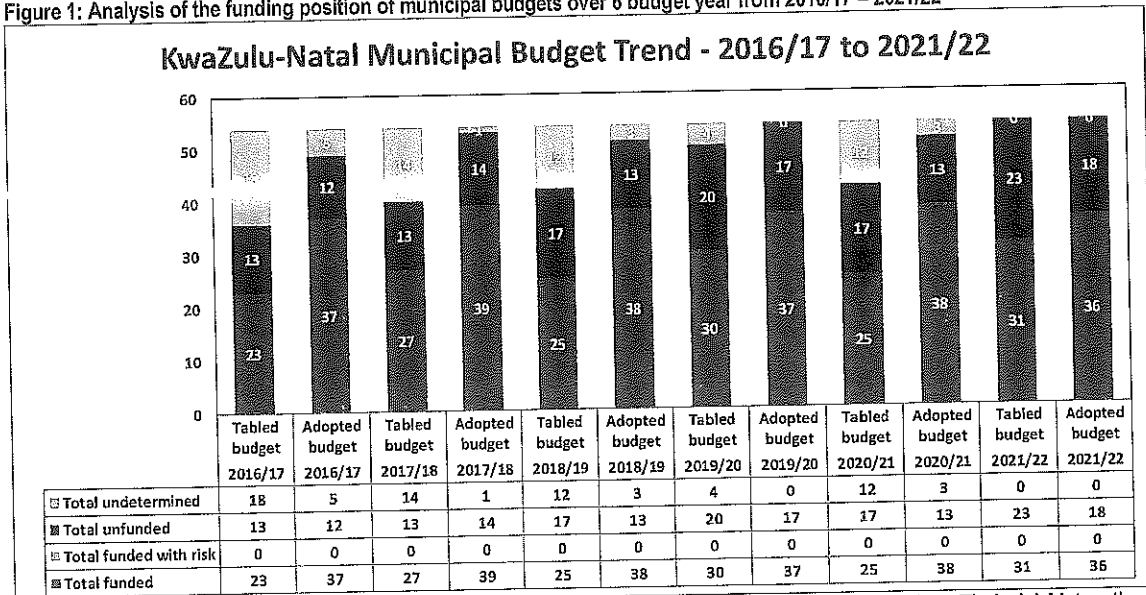
No	Name of municipality	Tabled budget	Approved budget	Improved / Regressed / No change
1	uMdoni	Funded	Funded	
2	uMzambe	Unfunded	Funded	Improved
3	uMuziwabantu	Funded	Funded	
4	Ray Nkonyeni	Funded	Funded	
5	Ugu DM	Unfunded	Unfunded	No change
6	uMshwathi	Funded	Funded	
7	uMngeni	Funded	Funded	
8	Impofane	Unfunded	Unfunded	No change
9	iMpindle	Unfunded	Funded	Improved
10	iMkhambathini	Funded	Funded	
11	Richmond	Unfunded	Unfunded	No change
12	uMgungundlovu DM	Unfunded	Unfunded	No change
13	Okhahlamba	Funded	Funded	
14	iNkosi Langalibalele	Unfunded	Unfunded	No change
15	Alfred Duma	Funded	Funded	
16	uThukela DM	Unfunded	Unfunded	No change
17	eNdameni	Unfunded	Unfunded	No change
18	Nguthu	Funded	Funded	
19	iMsinga	Funded	Unfunded	Regressed
20	uMvoti	Unfunded	Funded	Improved
21	uMzinyathi DM	Unfunded	Unfunded	No change
22	Newcastle	Unfunded	Unfunded	No change
23	eMadlangeni	Unfunded	Funded	Improved
24	Dannhauser	Unfunded	Unfunded	No change
25	Amajuba DM	Unfunded	Unfunded	No change
26	eDumbe	Funded	Funded	
27	uPhongolo	Funded	Funded	
28	AbaQulusi	Funded	Funded	
29	Nongoma	Funded	Funded	
30	Ulundi	Unfunded	Unfunded	No change
31	Zululand DM	Unfunded	Unfunded	No change
32	uMhlabuyalingana	Funded	Funded	
33	Jozini	Funded	Funded	
34	Mtubatuba	Unfunded	Funded	Improved
35	Big Five Hlabisa	Funded	Funded	
36	uMkhanyakude DM	Unfunded	Unfunded	
37	uMfolozi	Funded	Funded	
38	uMlalazi	Funded	Funded	
39	Mthonjaneni	Funded	Funded	
40	Nkandla	Unfunded	Funded	Improved
41	King Cetshwayo DM	Funded	Funded	
42	Mandeni	Funded	Funded	
43	KwaDukuza	Funded	Funded	
44	Ndwedwe	Funded	Funded	
45	Maphumulo	Unfunded	Funded	Improved
46	iLembe DM	Funded	Funded	
47	Greater Kokstad	Funded	Funded	
48	uBuhlebezwe	Funded	Funded	
49	uMzimkhulu	Funded	Funded	
50	Dr. Nkosazana Dlamini Zuma	Funded	Funded	
51	Harry Gwala DM	Unfunded	Unfunded	No change

* Provincial Treasury undertook a high level assessment of the municipality's data string for the Draft Budget (TABB) uploaded to the National Treasury Local Government (LG) Upload Portal

Source: KZN Provincial Treasury

Figure 1 shows the trend analysis of the funding position of all KZN municipalities over the last six (6) budget years (2016/17 – 2021/22).

Figure 1: Analysis of the funding position of municipal budgets over 6 budget year from 2016/17 – 2021/22



Note: The table and the graph above includes data for the non-delegated municipalities namely; the eThekweni Metro, the Msunduzi and the uMhlatuze Local Municipalities. National Treasury performed the budget assessments for the non-delegated municipalities.

5. 2021/22 BUDGET FUNDING PLANS ASSESSMENT PROCESS

Provincial Treasury's support to municipalities with unfunded 2021/22 Approved Budgets

In order to inform municipalities whose 2021/22 Approved Budgets were assessed as being **Unfunded** by Provincial Treasury of the process to be followed to address the unfunded budget position through the preparation and /or correction of their Budget funding plans, Provincial Treasury issued Circular PT/MF 04 of 2021/22 dated 31 August 2021 (Process of addressing the 2021/22 unfunded budget through the preparation of credible budget funding plan) to municipalities.

The purpose of circular was to:

- Inform municipalities whose 2021/22 Approved Budgets were assessed as being **Unfunded** by Provincial Treasury of the process to be followed to address the unfunded budget position through the preparation and /or correction of their Budget funding plans;
- Provide guidance and support to municipalities in the process of preparing or correcting the Budget funding plans, to ensure that they are credible;
- Re-iterate the National Treasury's directive in their email communication to municipalities on 25 August 2021 which stated that "A Council resolution showing commitment to address the unfunded position must be submitted by all municipalities with unfunded budgets to National and Provincial Treasury by 01 October 2021"; and
- Outline the Schedule of key dates to be met by the municipalities in their preparation and/or correction of the Budget Funding plans to ensure that the plans are credible.

Engagements between Provincial Treasury and municipalities with unfunded 2021/22 Approved Budgets

Provincial Treasury supported the 16 municipalities that approved the 2021/22 Unfunded Budgets in a bid to ensure that these municipalities table and approve credible Budget funding plans. The

municipalities that did not submit Budget funding plans were supported to develop Budget funding plans while those municipalities that had submitted Budget funding plans were supported to review their Budget funding plans and correct all issues raised by Provincial Treasury with a view of improving the level of credibility of the Budget funding plans. The support included bilateral engagements with the municipalities wherein Provincial Treasury provided detailed guidance on the preparation of the plan.

Initial engagements between Provincial Treasury with 15 of the affected municipalities were held between 02 September 2021 and 17 September 2021. The of engagement with Amajuba District Municipality which was held on 18 October 2021, due to unavailability of the municipality's management at the time. The purpose of these engagements were to discuss and agree on the process to be followed for the preparation and/or correction of the Budget funding plans and relevant timeframes. Table 11 reflects the dates on which the bilateral meetings were held with each of the affected municipalities.

Table 11: Engagements between Provincial Treasury and municipalities with unfunded 2021/22 Approved Budgets

No	Name of Municipality	Date of the engagement	No	Name of Municipality	Date of the engagement
1	Ugu DM	17-Sep-21	9	uMzinyathi DM	08-Sep-21
2	Mpofana	16-Sep-21	10	Newcastle	09-Sep-21
3	Richmond	15-Sep-21	11	Dannhauser	06-Sep-21
4	uMgungundlovu DM	16-Sep-21	12	Amajuba DM	18-Oct-21
5	iNkosi Langalibalele	07-Sep-21	13	Ulundi	08-Sep-21
6	uThukela DM	06-Sep-21	14	Zululand DM	02-Sep-21
7	eNdumeni	07-Sep-21	15	uMkhanyakude DM	13-Sep-21
8	uMsinga	02-Sep-21	16	Harry Gwala DM	08-Sep-21

Source: KZN Provincial Treasury

The following were some of the items discussed with municipalities at the engagement with a view of providing Technical Support:

- The findings on the 2021/22 Approved Budgets and/ or Budget funding plans that were previously communicated to the municipalities;
- Steps by step process to be undertaken by the municipality in order to ensure that their Budget funding plan is credible; and
- Municipalities were advised to table a Budget funding plans to Council indicating how and by when the budgets will improve from an unfunded to a funded position in line with guidelines of MFMA Circular No. 93.

The following were further agreed upon at the engagements:

- Municipalities must prepare draft Budget funding plans and submit them to Provincial Treasury for review prior to tabling in the Council;
- Further technical support must be provided by Provincial Treasury on an ongoing basis to monitor progress made by the municipalities in development or correction of the Budget funding plans;
- Municipalities must table their 2021/22 Budget funding plans in Council by 28 September 2021; and
- A copy of the approved Budget funding plan together with a copy of Council resolution and the progress report (where applicable) on the Budget funding plan must be submitted to National Treasury and Provincial Treasury by the municipality. The Council resolution must state that the council is committed to ensure that the budget of the municipality is funded.

Tabling and approval of the Budget funding plan

The 2021/22 Budget funding plans were tabled and approved by Councils after the bi-lateral engagements between Provincial Treasury and the municipalities with the exception of the Amajuba District Municipality which had already approved its Budget funding plan on 31 August 2021. Table 12 below reflects the dates of the Council meetings wherein the 2021/22 Budget funding plans were approved.

Table 12: Tabling and adoption of the Budget funding plans

No	Name of Municipality	Date of the engagement	No	Name of Municipality	Date of the engagement
1	Ugu DM	23-Sep-21	9	uMzinyathi DM	27-Sep-21
2	Mpofana	29-Sep-21	10	Newcastle	26-May-21
3	Richmond	29-Sep-21	11	Dannhauser	29-Sep-21
4	uMgungundlovu DM	29-Sep-21	12	Amajuba DM	31-Aug-21
5	iNkosi Langalibalele	30-Sep-21	13	Ulundi	30-Sep-21
6	uThukela DM	28-Sep-21	14	Zululand DM	18-Oct-21
7	eNdameni	01-Oct-21	15	uMkhanyakude DM	22-Oct-21
8	uMsinga	28-Sep-21	16	Harry Gwala DM	30-Sep-21

Source: KZN Provincial Treasury

Outcome of the high level assessment of the Budget funding plans

MFMA Circular No. 93 acknowledged that a funded budget may not be achievable in one financial year and as a result, municipalities that could not have funded budgets in one financial year were required to table a Budget funding plan in Council indicating how and by when the budget will improve from an unfunded to a funded position.

Provincial Treasury assessed the Budget funding plans that were tabled in Council in terms of MFMA Circular No. 93 by municipalities with unfunded 2021/22 Approved Budgets. The outcome of the high level assessment of the Budget funding plans is reflected in the Table 13 below.

Table 13: Outcome of the assessment of the Budget funding plans submitted to Provincial Treasury

No	Name of Municipality	Original Budget Funding Plan Assessment	Developed or amended Budget funding plan submitted to PT	Developed or amended Budget funding plan Assessment
		Credible/ Not Credible / Did not submit	Yes/ No/ N/A	Credible/ Not Credible / In progress
1	Ugu DM	Not Credible	Yes	Credible
2	Mpofana	Not Credible	Yes	Credible
3	Richmond	Not Credible	Yes	Credible
4	uMgungundlovu DM	Not Credible	Yes	Credible
5	iNkosi Langalibalele	Not Credible	Yes	Credible
6	uThukela DM	Not Credible	Yes	Credible
7	eNdameni	Did not submit	Yes	Credible
8	uMsinga	Did not submit	Yes	Credible
9	uMzinyathi DM	Did not submit	Yes	Credible
10	Newcastle	Credible	Yes	Credible
11	Dannhauser	Did not submit	Yes	Credible
12	Amajuba DM	Not Credible	Yes	Credible *
13	Ulundi	Not Credible	Yes	Credible **
14	Zululand DM	Not Credible	Yes	Credible
15	uMkhanyakude DM	Not Credible	Yes	Credible
16	Harry Gwala DM	Not Credible	Yes	Credible

* The credible Budget funding plan still needs to be re-tabled in Council.

** Credibility of the Budget Funding plan is subject to the approval of revised re-payment period by ESKOM.

Source: KZN Provincial Treasury

The uMsinga Local Municipality did not prepare a Budget funding plan as the municipality's 2021/22 Tabled (Draft) Budget was assessed by Provincial Treasury as funded, however their 2021/22 Approved Budget was assessed to be unfunded. Based on the outcome Tabled Budget, the Budget Funding Plan was not necessary, however based on the approved budget, the Budget funding plan became necessary. The eNdumeni and Dannhauser Local Municipalities as well as the uMzinyathi District Municipality did not submit Budget funding plans, despite being advised by Provincial Treasury through the 2021/22 Tabled Budget feedback letters.

Provincial Treasury had various engagements with all municipalities that did not submit Budget funding plans or re-submitted the corrected Budget funding plans that were referred back to municipalities as Provincial Treasury assessed them not to be credible. The main purpose for engaging the municipalities were to assist the municipalities with the development or correction of their Budget funding plans and as a result thereof, the municipalities corrected their Budget funding plans until they are found to be credible by Provincial Treasury.

This included Amajuba District Municipality that was the last municipality to submit the credible Budget funding plan on 03 November 2021 after support and engagement by Provincial Treasury. The municipality has indicated that the revised Budget funding plan will be tabled at the next Council meeting.

6. RECOMMENDATIONS

- As emphasised in the budget processes of previous years, municipalities continue to be encouraged to commence with their budget process timeously by tabling their *Time schedule outlining key deadlines* for the following financial year's IDP and Budget processes by 31 August as per the requirements of the MFMA;
- Municipalities should strive to align their IDP and Budget processes as set out in the *Time schedule outlining key deadlines*;
- Municipalities should also commence earlier with regards to the population of the budget figures on the system. This will allow for sufficient review of the budget extracted from the system by the Chief Financial Officer (CFO) and BSC as well as the timeous resolution of any problems that might be experienced by municipalities with the preparation of the budget;
- Municipalities should strive to improve their budget narration relating to explanations, assumptions and projections of their budgets. This can be achieved by using the Dummy Budget Guide issued by National Treasury;
- Municipalities continue to be encouraged to invite Provincial Treasury to attend their Finance Committee or Budget Steering Committee (BSC) meetings during the budget preparation process;
- Municipalities are encouraged to prepare and maintain a Budget Working Paper file in order to support the budget estimates and assumptions contained in their budgets. A guide on the content of the Budget Working Paper file was included in the Provincial Treasury Circular (PT/MF 10 of 2018/19 dated 12 March 2019) and submitted to all delegated municipalities;
- Municipal information systems should have the ability to produce all required mSCOA data strings, and reflect information which is consistent with approved tariffs;
- Municipalities that have unfunded 2021/22 Approved Budgets and credible Budget funding plans are required to report on the progress of the implementation of their Budget funding plans to Council, National Treasury and Provincial Treasury on a monthly basis;
- Municipalities must ensure that they table Provincial Treasury's budget assessment comments in their Councils and submit the resolutions to Provincial Treasury; and

- Municipalities must ensure that they take into consideration the guide provided by MFMA Circular No. 112 (Municipal Budget Circular for the 2022/23 MTREF), dated 06 December 2021, when preparing their 2022/23 MTREF budget.

Yours sincerely



Ms. N. Shezi

Acting Head of Department: KZN Provincial Treasury

**CC Mayors
 Deputy Mayors
 Speakers
 Administrators**

KZN292 KwaDukuza - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Service charges - electricity revenue	(110,220)	The billing for December 2021 will go through on the 7th of January 2022 hence the variance.	
	Interest earned - external investments	(2,535)	Timing of receipt of Interest on Investments has resulted in variance	
	Transfers and subsidies	43,290	2nd tranche of Equitable Share received during December	
2	Expenditure By Type			
	Employee related costs	(27,328)	Variance will decrease as vacancies are filled	
	Debt Impairment	(77,699)	Journals are done at year end	
	Depreciation & asset impairment	(7,822)	Timing of capitalisation of assets	
	Bulk purchases	(17,517)	Timing of the payments to Estom. Payments made on the 15th of subsequent month.	
	Contracted services	(5,074)	Timing of payments	
3	Capital Expenditure			
	Finance and administration	(1,118)	R 3 202 m. Spent on purchasing various assets.	
	Community and Social Services	(7,440)	R 2 274M spent on the construction of museum and renovation of LED centre.	
	Energy Sources	(665)	R 11,094m Spent on various projects.	
	Housing	(1,384)	R 153k spent on construction of relining of walls.	
	Planning and Development	(1,651)	No Assets purchased during December 2021.	
	Public Safety	(1,398)	R 329k spent on purchasing various assets.	
	Road Transport	18,556	R 11 919m spent on various roads projects.	
	Sport and Recreation	(13,827)	R 1 090m Spent on various projects.	
	Waste Management	554	1 805m spent on purchasing refuse skip loader truck.	
4	Financial Position			
	Total Assets	3 656 846	The Municipality has PPE of R 2,3b and Cash & Cash Equivalents of R 906,117m.	
	Total current liabilities	357,978	The Municipality reflects R 239m for Trade & Other Payables	
	Total non current liabilities	295,836	Borrowings of R 183m reflected	
	Total Equity	3,003,033	R 27m reserves and R 2,5b Accumulated Surplus	
5	Cash Flow			
	Cash flow from Operating Activities	726,927	The Municipality needs to review the manner in which processes payments onto the financial system. Not all payments are being reflected at present distorting the closing balance on the Cash & Cash Equivalents	
	Cash flow from Investing Activities	133,639	Capital Asset Payment of R 35,833m for the month of December.	
	Cash flow from Financing Activities	1,476	Result of increase in consumer deposits.	
	Cash Equivalents at year end	2,381,061	The Municipality reflected R 802,064m Cash and R 104,053m Investments for the month of December 2021 which does not tie to the closing balance as reflected on the C7 as the payments are being incorrectly processed on the system.	
6	Measurable performance			

KZN292 KwaDukuza - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	Ref	2020/21	Budget Year 2021/22			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		1.2%	5.9%	5.9%	1.1%	2.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	1.6%	1.6%	0.0%	1.6%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		21.0%	28.8%	28.8%	14.5%	28.8%
Gearing	Long Term Borrowing/ Funds & Reserves		701.2%	764.8%	764.8%	677.0%	764.8%
Liquidity							
Current Ratio	Current assets/current liabilities	1	244.9%	178.6%	178.6%	314.0%	178.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		185.6%	88.5%	88.5%	253.1%	88.5%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		16.3%	30.6%	30.6%	22.2%	30.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		23.0%	24.8%	24.8%	24.7%	24.8%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		6.6%	6.0%	6.0%	1.0%	2.4%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN292 KwaDukuza - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R:thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200													
Trade and Other Receivables from Exchange Transactions - Electricity	1300	29,557	8,322	3,313	2,169	1,899	3,124	4,959	15,605	68,657	27,468			
Receivables from Non-exchange Transactions - Property Rates	1400	24,134	10,574	7,614	6,458	12,776	4,599	19,773	82,551	168,880	126,557			
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Management	1600	3,931	1,401	1,038	1,123	863	1,161	2,675	11,728	23,320	17,950			
Receivables from Exchange Transactions - Property Rental Debtors	1700	31	25	24	22	21	21	2,007	76	2,228	2,148			
Interest on Arrear Debtor Accounts	1810	513	473	407	387	351	352	10,666	7,497	28,646	19,253			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1800	842	342	131	1,438	65	140	25,565	12,115	40,439	39,324			
Total By Income Source	2000	58,209	21,137	12,527	11,697	15,686	9,797	65,647	129,572	324,170	232,298			
2021/22 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	1,861	1,366	75	134	4,154	56	126	2,129	9,808	6,604			
Commercial	2300	10,964	1,880	583	814	566	542	29,804	5,763	50,817	37,490			
Households	2400	45,383	17,889	11,870	10,645	10,964	9,199	35,716	122,000	263,665	188,525			
Other	2500	-	-	-	-	-	-	-	-	-	-			
Total By Customer Group	2600	58,208	21,137	12,527	11,697	15,686	9,797	65,647	129,592	324,391	232,619			

KZN292 KwaDukuza - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500	3,120	-	-	-	-	-	27	11	3,157
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,780	666	56	0	322	52	20	112	3,009
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	4,900	666	56	0	322	52	47	122	6,166

KZN292 KwaDukuza - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantees (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
		Yrs/Months												
Municipality														
ABSA Bank		DAILY	LIQUIDITY PLUS			3.60%			Daily	68,498	378			68,877
ABSA Bank (3433)		DAILY	MONEY MKT			3.25%			Daily	3,078	15			3,093
ABSA Bank (6707)		DAILY	MONEY MKT			3.30%			Daily	12,966	67			13,034
INVEST ELECTRICITY RESERVE		Daily	MONEY MKT			2.15%			Daily	662	2			665
INVEST ELECTRICITY ACCOUNT		Daily	MONEY MKT			2.15%			Daily	331	1			332
FNB		Daily	MONEY MKT			2.15%			Daily	17,531	58			17,589
ABSA HOUSING PROJECT		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	4,067	21			4,118
ABSA GROUVILLE PRIORITY		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	279	1			281
ABSA SHAYAMOYA		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	809	4			813
ABSA DUBE VILLAGE		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	243	1			244
ABSA STEVE BRKO		MONTHLY	LIQUIDITY PLUS			3.20%			Daily	958	5			963
INVESTEC		12 MONTHS	FIXED			7.34%			365 DAYS	-				-
Nedbank Treasury 166		32 DAY NOTICE	TICE CALL ACCOUNT			3.25%			32 DAYS	9,897	73		54,021	63,991
ABSA (5911)		12 MTH	FIXED			3.25%			365 DAYS	6,329	32			6,361
ABSA		MONTHLY	LIQUIDITY PLUS			3.75%			Daily	115,278	665			115,944
ABSA		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	2,583	13			2,606
ABSA (BALLITO JUNCTION)		MONTHLY	LIQUIDITY PLUS			3.25%			Daily	6,103	31			6,133
Nedbank Ballito Junction 000169		12 mth	FIXED			5.95%			265 DAYS	15,000				15,000
ABSA (DEVELOPERS CONTR)		MONTHLY	LIQUIDITY PLUS			3.30%			Daily	14,146	73			14,219
ABSA (4472)		MONTHLY	LIQUIDITY PLUS			3.75%			Daily	109	413	(184,000)	139,532	(43,547)
Standard Bank Boxers Cash n Carry		12 MTH	FIXED			5.15%			365 DAYS	-				-
Nedbank Treasury Dov Cont (162)		12 MTH	FIXED			5.10%			365 DAYS	25,077	1,068	(26,142)		2
Nedbank Treasury DBM Settlement		6 MONTHS	FIXED			5.10%			180 DAYS	26,734	1,145	(27,879)		-
Standard Bank Ballito Junction 087		12 mth	FIXED			5.38%			365 DAYS	-				-
Standard Bank Dev Contribution R25m		12 mth	FIXED			8.08%			365 DAYS	-				-
ABSA developers Contribution 2		12 mth	FIXED			6.51%			365 DAYS	28,758				28,758
Standard Bank Fixed Costs Clearing Account		32 DAY NOTICE	TICE CALL ACCOUNT			4.00%			32 DAYS	49,640	332			49,972
Investec Eskom Investment Account Deposits		32 DAY NOTICE	TICE CALL ACCOUNT			4.00%			32 DAYS	41,832	291			42,122
Standard Bank Salary Clearing Account		32 DAY NOTICE	TICE CALL ACCOUNT			4.00%			32 DAYS	42,340	284			42,623
Nedbank Treasury Boxers Cash n Carry		6 MONTHS	FIXED			4.07%			180 DAYS	23,687				23,687
ABSA developers Contribution 3		12 mth	FIXED			4.93%			365 DAYS	32,000				32,000
										-				-
Municipality sub-total										548,934	4,973	(238,022)	193,953	509,839

KZN292 KwaDukuza - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		-	218,617	-	66,046	154,294	154,294	-	-	218,617
Local Government Equitable Share			198,138		66,046	148,604	148,604	-	-	198,138
Municipal Systems Improvement			-		-	-	-	-	-	-
Finance Management			1,750		-	1,750	1,750	-	-	1,750
EPWP Incentive			1,732		-	1,212	1,212	-	-	1,732
MIG Funded PMU Costs			2,727		-	2,727	2,727	-	-	2,727
MIG Transfer To Ilembe			-		-	-	-	-	-	-
Disaster Management Grant			-		-	-	-	-	-	-
Neighbourhood Development Partnership			14,270		-	-	-	-	-	14,270
Other transfers and grants [insert description]			-		-	-	-	-	-	-
Provincial Government:		-	9,585	-	-	6,754	6,754	-	-	9,585
Provincialisation of Libraries			5,610		-	5,610	5,610	-	-	5,610
Museum Subsidy			225		-	225	225	-	-	225
Community Library Service Grant			726		-	726	726	-	-	726
Housing Accreditation			3,024		-	193	193	-	-	3,024
Title Deeds Restoration			-		-	-	-	-	-	-
Ward Based Plan			-		-	-	-	-	-	-
Spatial Development Framework Support			-		-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]			-		-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]			-		-	-	-	-	-	-
Total Operating Transfers and Grants	5	-	228,202	-	66,046	161,048	161,048	-	-	228,202
Capital Transfers and Grants										
National Government:		-	80,088	-	9,080	48,353	48,353	-	-	80,088
Municipal Infrastructure Grant (MIG)			51,822		8,000	45,273	45,273	-	-	51,822
Neighbourhood Development Partnership			21,187		-	-	-	-	-	21,187
Integrated National Electrification Programme			3,080		1,080	1,080	1,080	-	-	3,080
Energy Efficiency and Demand Side Management Grant(EEDM)			4,000		-	2,000	2,000	-	-	4,000
Other capital transfers [insert description]			-		-	-	-	-	-	-
Provincial Government:		-	2,118	-	-	2,000	2,000	-	-	2,118
Housing Accreditation			116		-	-	-	-	-	116
Museum Subsidy			2,000		-	2,000	2,000	-	-	2,000
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]			-		-	-	-	-	-	-
Other grant providers:		-	1,695	-	-	-	-	-	-	1,695
IFA Hulelis Grant			1,695		-	-	-	-	-	1,695
Total Capital Transfers and Grants	5	-	83,899	-	9,080	50,353	50,353	-	-	83,899
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	312,102	-	75,126	211,401	211,401	-	-	312,102

References

1. Each grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Grant expenditure must be separately listed for each grant received
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred
5. Total recurrent/capital grants and subsidies must reconcile to the 'Financial Performance' Statement

KZN292 KwaDukuza - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		--	222,185	--	66,503	152,332	152,332	--		222,185
Local Government Equitable Share			198,138		66,046	148,604	148,604	--		198,138
Municipal Systems Improvement								--		
Finance Management			1,750		55	550	550	--		1,750
EPWP Incentive			1,732		--	1,377	1,377	--		1,732
MIG Funded PMU Costs			2,727		401	1,798	1,798	--		2,727
Disaster Management Grant								--		
Neighbourhood Development Partnership			17,837		--	2	2	--		17,837
Provincial Government:		--	9,585	--	1,913	6,461	6,461	--		9,585
Provincialisation of Libraries			5,610		1,423	3,568	3,568	--		5,610
Museum Subsidy			225		--	225	225	--		225
Community Library Service Grant			726		88	494	494	--		726
Housing Accreditation			3,024		403	2,146	2,146	--		3,024
Title Deeds Restoration						38	38	--		
District Municipality:		--	--	--	--	--	--	--		--
<i>[insert description]</i>								--		
Other grant providers:		--	--	--	--	--	--	--		--
<i>[insert description]</i>								--		
Total operating expenditure of Transfers and Grants:		--	231,770	--	68,416	158,792	158,792	--		231,770
Capital expenditure of Transfers and Grants										
National Government:		--	85,385	--	7,432	39,215	39,215	--		85,385
Municipal Infrastructure Grant (MIG)			51,822		5,666	32,143	32,143	--		51,822
Neighbourhood Development Partnership			26,483					--		26,483
Electricity Demand Side Management Grant								--		
Integrated National Electrification Programme			3,080		1,437	3,080	3,080	--		3,080
Energy Efficiency and Demand Side Management Grant(EEDM)			4,000		391	3,992	3,992	--		4,000
Other capital transfers <i>[insert description]</i>								--		
Provincial Government:		--	2,116	--	2,658	7,702	7,702	--		2,116
Housing Accreditation			116		87	87	87	--		116
Museum Subsidy			2,000		2,471	7,615	7,615	--		2,000
Small Town Rehabilitation Grant								--		
Department of Trade & Industry								--		
District Municipality:		--	--	--	--	--	--	--		--
Other grant providers:		--	1,695	--	--	124	124	--		1,695
IFA Huletis Grant			1,695		--	124	124	--		1,695
Total capital expenditure of Transfers and Grants:		--	89,196	--	9,990	47,040	47,040	--		89,196
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		--	320,966	--	78,406	205,833	205,833	--		320,966

KZN292 KwaDukuza - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Ref	Budget Year 2021/22				
		Approved Rollover 2020/21	Monthly Actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share						
Municipal Systems Improvement						
Finance Management						
EPWP Incentive						
MIG Funded PMU Costs						
MIG Transfer To Ilembe						
Other transfers and grants [insert description]						
Provincial Government:		-	-	-	-	
Provincialisation of Libraries						
Spatial Development Framework Support						
#REF!						
#REF!						
District Municipality:						
[insert description]		-	-	-	-	
0						
[insert description]		-	-	-	-	
0						
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
Municipal Infrastructure Grant (MIG)		-	-	-	-	
Neighbourhood Development Partnership						
0						
0						
Other capital transfers [insert description]						
Provincial Government:						
Housing Accreditation						
Museum Subsidy		-	-	-	-	
[insert description]						
0		-	-	-	-	
0						
IFA Huletts Grant		-	-	-	-	
0						
0						
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

References

KZN292 KwaDukuza - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15,575	17,381	17,381	1,371	7,597	6,691	(1,093)	-13%	17,381
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		4,973	5,491	5,491	360	2,436	2,745	(310)	-11%	5,491
Cellphone Allowance		2,300	2,528	2,528	194	1,156	1,264	(107)	-8%	2,528
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		22,648	25,399	25,399	1,925	11,169	12,760	(1,511)	-12%	25,399
% Increase	4		11.2%	11.2%						11.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9,863	11,804	11,804	773	4,641	5,902	(1,261)	-21%	11,804
Pension and UIF Contributions		1,371	1,996	1,996	115	692	998	(305)	-31%	1,996
Medical Aid Contributions		-	-	-	47	47	-	47	#DIV/0!	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	1,214	1,214	-	568	607	(39)	-6%	1,214
Motor Vehicle Allowance		1,461	1,793	1,793	119	714	896	(182)	-20%	1,793
Cellphone Allowance		124	148	148	10	59	74	(15)	-20%	148
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	1	0	0	1	(0)	-20%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		12,819	16,956	16,956	1,064	6,722	8,478	(1,756)	-21%	16,956
% Increase	4		32.3%	32.3%						32.3%
Other Municipal Staff										
Basic Salaries and Wages		234,260	277,778	277,583	23,880	125,145	138,889	(13,745)	-10%	277,778
Pension and UIF Contributions		45,625	57,047	57,047	4,024	23,814	28,523	(4,709)	-17%	57,047
Medical Aid Contributions		22,272	25,462	25,462	1,807	11,188	12,731	(1,545)	-12%	25,462
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		19,482	22,375	22,375	2,316	10,221	11,187	(966)	-9%	22,375
Motor Vehicle Allowance		13,963	15,909	15,909	1,224	7,193	7,955	(762)	-10%	15,909
Cellphone Allowance		1,066	1,190	1,190	96	574	595	(21)	-4%	1,190
Housing Allowances		1,066	1,145	1,145	91	539	572	(33)	-6%	1,145
Other benefits and allowances		63,739	68,096	68,291	5,351	35,902	34,048	1,854	5%	68,096
Payments in lieu of leave		7,598	7,216	7,216	3,530	5,294	3,608	1,686	47%	7,216
Long service awards		-	10,925	10,925	-	-	5,462	(5,462)	-100%	10,925
Post-retirement benefit obligations		3,264	7,135	7,135	285	1,700	3,567	(1,867)	-52%	7,135
Sub Total - Other Municipal Staff		412,336	494,276	494,276	42,584	221,566	247,138	(25,572)	-10%	494,276
% Increase	4		19.9%	19.9%						19.9%
Total Parent Municipality		448,003	536,631	536,631	45,574	239,477	268,316	(28,839)	-11%	536,631
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% Increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-		-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% Increase	4									
Total Municipal Entities		-	-	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		448,003	536,631	536,631	45,574	239,477	268,316	(28,839)	-11%	536,631
% increase	4		19.8%	19.8%						19.8%
TOTAL MANAGERS AND STAFF		425,155	511,232	511,232	43,649	228,287	255,816	(27,328)	-11%	511,232

#REF!

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

Column Definitions:

- A. Audited actual 2005/06 (audited financial statements). If audited amounts unavailable, unaudited amounts must be provided with a note stating these are unaudited
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual amounts (pre audit - 2006/07 budget year) at the time of preparing the budget for the 2007/08 budget year. This may differ from C.

KZN202 Kwadukuzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2021/22												2020/21 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands																
Cash Receipts by Source		21,486	38,841	42,090	49,513	47,668	48,468	43,393	43,393	43,393	43,393	43,393	43,393	520,716	535,948	551,639
Property rates		77,191	88,535	96,603	120,418	88,367	112,853	82,565	82,565	82,565	82,565	82,565	82,565	920,784	1,049,100	1,109,520
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		8,180	8,039	7,163	6,077	6,453	7,207	5,098	5,098	5,098	5,098	5,098	5,098	61,180	64,239	67,451
Service charges - refuse		811	516	239	301	2,128	321	395	305	305	305	305	305	3,681	3,886	4,078
Rental of facilities and equipment		-	3,100	1,739	1,469	2	5,574	2,252	2,252	2,252	2,252	2,252	2,252	27,024	26,899	27,929
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		125	1,337	79	430	227	270	217	217	217	217	217	217	2,607	6,276	7,011
Fines, penalties and forfeits		27	45	601	44	54	16	59	59	59	59	59	59	703	733	670
Licences and permits		1,004	925	1,039	1,289	1,025	957	1,050	1,050	1,050	1,050	1,050	1,050	13,085	13,740	14,427
Agency services		85,265	2,183	7	7	7,340	61,106	16,720	16,720	16,720	16,720	16,720	16,720	224,635	238,256	234,023
Transfers and Subsidies - Operational		9,405	4,368	(2,648)	19,393	17,218	4,777	4,890	4,890	4,890	4,890	4,890	4,890	84,034	137,819	60,406
Other revenue		203,516	147,890	147,742	195,833	150,402	241,350	158,589	158,589	158,589	158,589	158,589	237,734	1,982,216	1,999,531	2,060,512
Cash Receipts by Source		203,516	147,890	147,742	195,833	150,402	241,350	158,589	158,589	158,589	158,589	158,589	237,734	1,982,216	1,999,531	2,060,512
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National/ Provincial and District)		7,273	-	31,000	-	3,000	9,080	5,085	5,085	5,085	5,085	5,085	5,085	20,975	76,908	66,568
Transfers and subsidies - capital (monetary allocations) (National/ Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	417	417	417	417	417	417	5,000	70,000	69,000
Increase (decrease) in consumer deposits		29	970	(121)	31	854	61	126	126	126	126	126	126	1,511	1,663	1,829
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		210,918	148,859	178,582	195,964	154,256	250,460	164,217	164,217	164,217	164,217	164,217	164,217	259,251	2,065,634	2,139,761
Cash Payments by Type																
Employee related costs		619	77	522	1,092	715	980	44,122	44,122	44,122	44,122	44,122	44,122	55,047	546,367	562,991
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid		-	-	-	-	-	(490,297)	67,782	67,782	67,782	67,782	67,782	67,782	813,387	824,014	938,534
Bulk purchases - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	24,047	26,451	21,500
Acquisitions - water & other inventory		-	-	-	-	2,213	4,321	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	18,719	18,719	18,719	18,719	18,719	18,719	224,524	240,208	237,058
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		-	-	-	-	6	6	561	561	561	561	561	561	7,030	6,701	6,869
General expenses		8,663	17,838	17,502	13,855	11,051	8,489	21,012	21,012	21,012	21,012	21,012	21,012	232,464	115,856	105,116

KZN292 KwaDukuza - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2021/22												2020/21 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	
R thousands	1																
Cash Payments by Type		9,282	17,916	16,024	15,048	13,986	(476,498)	154,270	154,270	154,270	154,270	154,270	165,495	1,866,832	1,809,550	1,949,003	
Other Cash Flows/Payments by Type																	
Capital assets		7,548	22,005	21,302	24,333	22,518	35,933	26,783	26,783	26,783	26,783	26,783	26,783	321,401	337,520	207,207	
Repayment of borrowing		-	-	-	-	357	-	(1,087)	(1,087)	(1,087)	(1,087)	(1,087)	(1,087)	19,039	21,119	26,389	
Other Cash Flows/Payments																	
Other Cash Flows/Payments							(440,565)	179,967	179,967	179,967	179,967	179,967	191,192	2,201,272	2,168,188	2,182,609	
Total Cash Payments by Type		16,830	39,920	39,326	39,381	36,860	(440,565)	179,967	179,967	179,967	179,967	179,967	191,192	2,201,272	2,168,188	2,182,609	
NET INCREASE/(DECREASE) IN CASH HELD		193,888	106,939	139,266	156,483	117,395	691,055	(15,751)	(15,751)	(15,751)	(15,751)	(15,751)	68,059	(135,638)	(28,428)	35,109	
Cash/cash equivalents at the month/year beginning:		973,334	1,167,923	1,276,861	1,418,127	1,572,610	1,690,006	2,381,061	2,365,310	2,349,559	2,333,809	2,318,058	2,302,307	756,662	623,024	594,596	
Cash/cash equivalents at the month/year end:		1,167,223	1,276,881	1,416,127	1,572,610	1,690,006	2,381,061	2,365,310	2,349,559	2,333,809	2,318,058	2,302,307	2,370,367	623,024	594,596	629,705	

References

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

16,024	15,048	13,986	(476,498)	154,270	154,270	154,270	154,270	154,270	154,270	154,270	154,270	165,495	1,866,832	1,809,550
139,266	156,483	117,395	691,055	(15,751)	(15,751)	(15,751)	(15,751)	(15,751)	(15,751)	(15,751)	(15,751)	68,059	(135,638)	(28,428)

KZN292 KwaDukuza - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Rental of facilities and equipment								-		
Interest earned - external investments								-		
Interest earned - outstanding debtors								-		
Dividends received								-		
Fines, penalties and forfeits								-		
Licences and permits								-		
Agency services								-		
Transfers and subsidies								-		
Other revenue								-		
Gains								-		
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-		-
Expenditure By Type										
Employee related costs								-		
Remuneration of councillors								-		
Debt Impairment								-		
Depreciation & asset impairment								-		
Finance charges								-		
Bulk purchases - electricity								-		
Inventory consumed								-		
Contracted services								-		
Transfers and subsidies								-		
Other expenditure								-		
Losses								-		
Total Expenditure		-	-	-	-	-	-	-		-
Surplus/(Deficit)		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)								-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-		-
Taxation								-		
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-		-

KZN292 KwaDukuza - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity <i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
Total Operating Revenue	1	-	-	-	-	-	-	-		-
Expenditure By Municipal Entity <i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
Total Operating Expenditure	2	-	-	-	-	-	-	-		-
#REF!		-	-	-	-	-	-	-		-
Capital Expenditure By Municipal Entity <i>Insert name of municipal entity</i>								-		
								-		
								-		
								-		
								-		
								-		
								-		
								-		
Total Capital Expenditure	3	-	-	-	-	-	-	-		-

KZN292 KwaDukuza - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	Budget Year 2021/22								
	2020/21	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	2,326	13,402	13,402	6,515	6,515	13,402	6,887	51.4%	2%
August	21,873	16,577	16,577	22,214	28,729	23,980	1,251	4.2%	9%
September	9,855	18,791	18,791	21,046	49,775	48,771	(1,004)	-2.1%	15%
October	6,086	28,258	28,258	21,523	71,399	77,029	5,630	7.3%	22%
November	8,883	26,202	26,202	20,521	91,918	103,231	11,312	11.0%	29%
December	10,524	28,962	28,962	31,892	123,811	132,193	8,382	6.3%	39%
January	2,949	53,528	53,528	-	-	165,721	-	-	-
February	9,535	27,640	27,640	-	-	213,361	-	-	-
March	14,588	32,003	32,003	-	-	245,364	-	-	-
April	23,465	27,494	27,494	-	-	272,858	-	-	-
May	13,747	13,566	13,566	-	-	286,424	-	-	-
June	37,242	34,977	34,977	-	-	321,401	-	-	-
Total Capital expenditure	161,213	321,401	321,401	123,811					

KZN292 KwaDukuza - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		71,135	109,599	89,725	9,252	39,354	48,637	9,283	19.1%	109,599
Roads Infrastructure		34,749	53,798	33,924	4,623	17,928	28,314	10,386	36.7%	53,798
Roads		26,906	35,048	21,774	1,244	10,503	19,214	6,711	45.3%	35,048
Road Structures		1,472	11,850	5,250	153	915	8,650	7,935	89.7%	11,850
Road Furniture		6,371	6,900	6,900	3,226	6,510	250	(6,260)	-2503.5%	6,900
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		36,386	54,401	54,401	4,629	21,426	20,323	(1,103)	-5.4%	54,401
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		4,869	31,000	31,000	2,021	10,685	11,000	315	2.9%	31,000
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	400	400	-	-	-	-	-	400
MV Networks		15,633	13,845	13,845	1,019	3,727	7,845	4,118	62.5%	13,845
LV Networks		4,348	9,157	9,157	1,589	7,014	1,478	(5,636)	-374.5%	9,157
Capital Spares		11,535	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	1,400	1,400	-	-	-	-	-	1,400
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	400	400	-	-	-	-	-	400
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	1,000	1,000	-	-	-	-	-	1,000
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		16,084	60,155	54,155	5,680	14,730	28,938	14,209	49.1%	60,155
Community Facilities		13,213	38,634	42,832	4,210	11,695	15,828	4,133	25.1%	38,634
Halls		6,121	4,000	4,000	437	1,599	2,500	901	36.1%	4,000
Centres		-	-	-	-	-	-	-	-	-
Crèches		1,910	2,600	2,600	-	-	-	-	-	2,600
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		593	20,860	20,860	2,149	6,622	9,520	2,998	30.4%	20,860
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	300	300	-	-	300	300	100.0%	300
Cemeteries/Crematoria		2,036	9,366	9,366	-	-	2,000	2,000	100.0%	9,366
Police		-	425	425	-	-	425	425	100.0%	425

KZN292 KwaDukuza - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<i>Parks</i>		-	-	-	-	-	-	-	-	-
<i>Public Open Space</i>		-	-	-	-	-	-	-	-	-
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		796	1,063	1,261	(50)	77	1,063	1,006	92.8%	1,063
<i>Markets</i>		-	-	-	-	-	-	-	-	-
<i>Stalls</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		1,758	-	4,000	1,674	3,397	-	(3,397)	#DIV/0!	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		2,871	21,521	21,323	1,470	3,035	13,111	10,076	76.8%	21,521
<i>Indoor Facilities</i>		1,614	6,655	6,655	626	1,262	4,639	3,504	73.5%	6,655
<i>Outdoor Facilities</i>		1,850	15,485	15,485	950	1,783	8,275	6,522	78.8%	15,485
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Heritage assets										
<i>Monuments</i>		-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-
Investment properties										
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		(2,524)	4,050	4,050	98	244	1,050	806	76.7%	4,050
<i>Operational Buildings</i>		(2,524)	4,050	4,050	98	244	1,050	806	76.7%	4,050
<i>Municipal Offices</i>		(2,524)	4,050	4,050	98	244	1,050	806	76.7%	4,050
<i>Pay/Equity Points</i>		-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-
		572	21,687	21,687	-	-	9,687	9,687	100.0%	21,687
Intangible Assets										
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		572	21,687	21,687	-	-	9,687	9,687	100.0%	21,687
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		572	21,687	21,687	-	-	9,687	9,687	100.0%	21,687
<i>Lead Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		714	3,540	4,227	2,006	4,319	2,340	(1,979)	-84.6%	3,540
<i>Computer Equipment</i>		714	3,540	4,227	2,006	4,319	2,340	(1,979)	-84.6%	3,540
Furniture and Office Equipment		1,019	3,160	3,160	97	1,643	1,410	(233)	-16.6%	3,160
<i>Furniture and Office Equipment</i>		1,019	3,160	3,160	97	1,643	1,410	(233)	-16.6%	3,160
Machinery and Equipment		27,735	8,120	7,433	578	1,240	6,500	5,260	80.9%	8,120
<i>Machinery and Equipment</i>		27,735	8,120	7,433	578	1,240	6,500	5,260	80.9%	8,120
Transport Assets		5,786	29,586	29,586	2,972	6,899	9,206	2,307	25.1%	29,586
<i>Transport Assets</i>		5,786	29,586	29,586	2,972	6,899	9,206	2,307	25.1%	29,586
Land		-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	120,521	239,897	224,023	20,683	68,429	107,768	36,339	36.5%	239,897

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) plus Total Capital Expenditure on upgrading of existing assets (SC13c) must reconcile to total capital expenditure in Table C5

check balance

KZN252 KwaDukuza - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Year/TD actual	Year/TD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		33,874	40,079	55,954	10,603	44,099	7,000	(37,090)	-529.5%	40,079
Roads Infrastructure		30,821	20,839	39,313	8,650	42,137	5,500	(36,637)	-566.1%	20,939
Roads		30,821	15,339	35,713	6,865	37,573	5,500	(32,073)	-583.1%	15,339
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	5,600	5,600	1,785	4,564	-	(4,564)	#DIV/0!	5,600
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	4,000	1,500	499	499	1,500	1,001	66.7%	4,000
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	4,000	1,500	499	499	1,500	1,001	66.7%	4,000
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,053	15,140	15,140	1,454	1,454	-	(1,454)	#DIV/0!	15,140
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		2,879	7,377	7,377	-	-	-	-	-	7,377
MV Substations		-	3,800	3,800	-	-	-	-	-	3,800
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		73	3,953	3,953	1,454	1,454	-	(1,454)	#DIV/0!	3,953
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Wells		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticalation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		12,127	3,066	3,066	136	317	965	650	67.2%	3,066
Community Facilities		9,022	1,880	1,880	-	181	880	699	79.5%	1,880
Halls		854	1,000	1,000	-	75	-	(75)	#DIV/0!	1,000
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	600	600	-	64	600	536	89.3%	600
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
		350	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Police										
Police		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Public Open Space		7,584	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		134	280	280	-	41	280	239	85.5%	280
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		3,105	1,186	1,186	136	136	86	(50)	-57.5%	1,186
Indoor Facilities		104	1,100	1,100	136	136	-	(136)	#DIV/0!	1,100
Outdoor Facilities		3,001	86	86	-	-	86	86	100.0%	86
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets										
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties										
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
		310	1,500	1,500	-	-	-	-	-	1,500
Other assets										
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		310	1,500	1,500	-	-	-	-	-	1,500
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		310	1,500	1,500	-	-	-	-	-	1,500
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets										
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Lead Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment										
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets										
Transport Assets		-	-	-	-	-	-	-	-	-
Land										
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	46,310	44,846	60,520	10,739	44,407	7,936	(36,440)	-457.4%	44,846

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) plus Total Capital Expenditure on upgrading of existing assets (SC13c) must reconcile to total capital expenditure in Table C5

check balance

KZN292 KwaDukuza - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	Budget Year 2021/22								Full Year Forecast
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		29,816	39,073	39,073	6,901	23,604	19,536	(4,068)	-20.8%	39,073
Roads Infrastructure		8,998	9,412	9,412	1,081	7,403	4,706	(2,697)	-57.3%	9,412
Roads		5,713	5,767	5,767	786	4,809	2,883	(1,926)	-66.8%	5,767
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		3,285	3,645	3,645	284	2,594	1,822	(772)	-42.4%	3,645
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		3,403	4,680	4,680	1,251	1,991	2,340	349	14.9%	4,680
Drainage Collection		3,403	4,680	4,680	1,251	1,991	2,340	349	14.9%	4,680
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		17,391	24,950	24,950	4,569	14,209	12,475	(1,735)	-13.9%	24,950
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		991	2,257	2,257	195	499	1,129	630	55.8%	2,257
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		16,401	22,692	22,692	4,374	13,711	11,346	(2,365)	-20.8%	22,692
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		24	31	31	-	-	16	16	100.0%	31
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		24	31	31	-	-	16	16	100.0%	31
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Community Assets		869	1,244	1,244	38	800	622	(178)	-28.6%	1,244
Community Facilities		634	936	936	38	660	468	(192)	-41.0%	936
Halls		634	936	936	38	660	468	(192)	-41.0%	936
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		235	308	308	-	140	154	14	9.2%	308
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		235	308	308	-	140	154	14	9.2%	308
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		1,502	2,828	2,953	398	1,426	1,414	(12)	-0.9%	2,828
Operational Buildings		1,502	2,828	2,953	398	1,426	1,414	(12)	-0.9%	2,828
Municipal Offices		1,502	2,828	2,953	398	1,426	1,414	(12)	-0.9%	2,828
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licences		-	-	-	-	-	-	-	-	-
Solid Waste Licences		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		221	281	281	14	73	140	68	48.2%	281
Computer Equipment		221	281	281	14	73	140	68	48.2%	281
Furniture and Office Equipment		12	141	151	4	10	70	60	85.9%	141
Furniture and Office Equipment		12	141	151	4	10	70	60	85.9%	141
Machinery and Equipment		2,629	2,977	2,982	480	1,317	1,488	171	11.5%	2,977
Machinery and Equipment		2,629	2,977	2,982	480	1,317	1,488	171	11.5%	2,977
Transport Assets		8,419	11,640	11,700	496	3,558	5,920	2,362	39.9%	11,640
Transport Assets		8,419	11,640	11,700	496	3,558	5,920	2,362	39.9%	11,640
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	43,467	58,383	58,383	8,332	30,788	29,191	(1,596)	-5.5%	58,383

KZN292 KwaDukuza - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		51,008	56,955	56,955	4,489	26,505	28,478	1,973	6.9%	56,955
Roads Infrastructure		30,616	25,708	25,708	2,729	16,068	12,854	(3,214)	-25.0%	25,708
Roads		30,616	25,708	25,708	2,729	16,066	12,854	(3,214)	-25.0%	25,708
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	5,719	5,719	-	-	2,859	2,859	100.0%	5,719
Drainage Collection		-	5,719	5,719	-	-	2,859	2,859	100.0%	5,719
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		19,921	25,181	25,181	1,719	10,188	12,590	2,402	19.1%	25,181
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		5,204	-	-	444	2,634	-	(2,634)	#DIV/0!	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	25,181	25,181	-	-	12,590	12,590	100.0%	25,181
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		6,802	-	-	682	3,452	-	(3,452)	#DIV/0!	-
LV Networks		3,574	-	-	306	1,816	-	(1,816)	#DIV/0!	-
Capital Spares		4,341	-	-	387	2,286	-	(2,286)	#DIV/0!	-
Water Supply Infrastructure		6	-	-	1	5	-	(5)	#DIV/0!	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		6	-	-	1	5	-	(5)	#DIV/0!	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		465	348	348	41	243	174	(69)	-39.4%	348
Landfill Sites		445	348	348	39	227	174	(53)	-30.5%	348
Waste Transfer Stations		6	-	-	1	5	-	(5)	#DIV/0!	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		14	-	-	2	11	-	(11)	#DIV/0!	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Community Assets		12,254	14,606	14,606	1,096	6,504	7,303	799	10.9%	14,606
Community Facilities		10,243	12,604	12,604	921	5,463	6,302	839	13.3%	12,604
Halls		92	-	-	15	84	-	(84)	#DIV/0!	-
Centres		2,502	7,918	7,918	216	1,279	3,959	2,680	67.7%	7,918
Crèches		569	-	-	55	325	-	(325)	#DIV/0!	-
Clinics/Care Centres		6	-	-	0	3	-	(3)	#DIV/0!	-
Fire/Ambulance Stations		21	-	-	2	10	-	(10)	#DIV/0!	-
Testing Stations		37	-	-	3	19	-	(19)	#DIV/0!	-
Museums		-	2,343	2,343	-	-	1,172	1,172	100.0%	2,343
Galleries		-	-	-	-	-	-	-	-	-
Theatres		19	-	-	3	19	-	(19)	#DIV/0!	-
Libraries		454	720	720	39	230	360	131	36.3%	720
Cemeteries/Crematoria		575	1,215	1,215	51	301	608	307	50.5%	1,215
Police		-	71	71	-	-	35	35	100.0%	71
Parks		16	248	248	2	14	124	110	88.3%	248
Public Open Space		4,531	76	76	407	2,415	38	(2,377)	-8252.9%	76
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		1,322	12	12	120	715	6	(708)	-11344.2%	12
Markets		97	-	-	8	49	-	(49)	#DIV/0!	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		4	-	-	0	2	-	(2)	#DIV/0!	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		2,011	2,002	2,002	175	1,040	1,001	(40)	-4.0%	2,002
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		2,011	2,002	2,002	175	1,040	1,001	(40)	-4.0%	2,002
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		3,936	3,227	3,227	402	2,099	1,614	(486)	-30.1%	3,227
Operational Buildings		3,512	2,730	2,730	364	1,678	1,365	(514)	-37.6%	2,730
Municipal Offices		2,614	2,730	2,730	282	1,389	1,365	(24)	-1.8%	2,730
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		740	-	-	69	410	-	(410)	#DIV/0!	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		158	-	-	13	80	-	(80)	#DIV/0!	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		425	498	498	37	221	249	28	11.3%	498
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		425	498	498	37	221	249	28	11.3%	498
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		628	3,780	3,780	53	316	1,890	1,574	83.3%	3,780
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		628	3,780	3,780	53	316	1,890	1,574	83.3%	3,780
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		628	2,847	2,847	53	316	1,424	1,107	77.8%	2,847
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Unspecified</i>		-	933	933	-	-	466	466	100.0%	933
Computer Equipment		948	1,252	1,252	202	809	626	(183)	-29.2%	1,252
Computer Equipment		948	1,252	1,252	202	809	626	(183)	-29.2%	1,252
Furniture and Office Equipment		969	1,324	1,324	119	676	662	(13)	-2.0%	1,324
Furniture and Office Equipment		969	1,324	1,324	119	676	662	(13)	-2.0%	1,324
Machinery and Equipment		2,692	2,693	2,693	280	1,602	1,347	(255)	-19.0%	2,693
Machinery and Equipment		2,692	2,693	2,693	280	1,602	1,347	(255)	-19.0%	2,693
Transport Assets		4,696	4,607	4,607	520	2,790	2,304	(486)	-21.1%	4,607
Transport Assets		4,696	4,607	4,607	520	2,790	2,304	(486)	-21.1%	4,607
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	77,133	88,446	88,446	7,163	41,301	44,223	2,922	6.6%	88,446

KZN292 KwaDukuza - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06
December

Description	Ref	2020/21			Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		(7,389)	31,059	31,059	344	10,698	12,159	1,463	12.0%	31,059
Roads Infrastructure		(9,795)	15,275	15,275	344	10,501	7,075	(3,426)	-48.4%	15,275
Roads		(9,795)	15,275	15,275	344	10,501	7,075	(3,426)	-48.4%	15,275
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1,806	15,784	15,784	-	195	5,084	4,889	96.2%	15,784
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		1,806	10,700	10,700	-	-	-	-	-	10,700
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	2,459	2,459	-	-	2,459	2,459	100.0%	2,459
LV Networks		-	2,625	2,625	-	195	2,625	2,430	92.6%	2,625
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Fromenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1,319	3,850	3,850	-	134	3,850	3,716	96.5%	3,850
Community Facilities		(613)	100	100	-	68	100	32	31.8%	100
Halls		-	-	-	-	-	-	-	-	-
Centres		(633)	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-

KZN292 KwaDukuza - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06
December

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Cemeteries/Crematoria</u>		-	-	-	-	-	-	-	-	-
<u>Police</u>		-	-	-	-	-	-	-	-	-
<u>Parks</u>		-	-	-	-	-	-	-	-	-
<u>Public Open Space</u>		21	100	100	-	68	100	32	31.8%	100
<u>Nature Reserves</u>		-	-	-	-	-	-	-	-	-
<u>Public Ablution Facilities</u>		-	-	-	-	-	-	-	-	-
<u>Markets</u>		-	-	-	-	-	-	-	-	-
<u>Stalls</u>		-	-	-	-	-	-	-	-	-
<u>Abattoirs</u>		-	-	-	-	-	-	-	-	-
<u>Airports</u>		-	-	-	-	-	-	-	-	-
<u>Taxi Ranks/Bus Terminals</u>		-	-	-	-	-	-	-	-	-
<u>Capital Spares</u>		-	-	-	-	-	-	-	-	-
<u>Sport and Recreation Facilities</u>		1,931	3,750	3,750	-	66	3,750	3,684	98.2%	3,750
<u>Indoor Facilities</u>		-	-	-	-	-	-	-	-	-
<u>Outdoor Facilities</u>		1,931	3,750	3,750	-	66	3,750	3,684	98.2%	3,750
<u>Capital Spares</u>		-	-	-	-	-	-	-	-	-
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
<u>Monuments</u>		-	-	-	-	-	-	-	-	-
<u>Historic Buildings</u>		-	-	-	-	-	-	-	-	-
<u>Works of Art</u>		-	-	-	-	-	-	-	-	-
<u>Conservation Areas</u>		-	-	-	-	-	-	-	-	-
<u>Other Heritage</u>		-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
<u>Revenue Generating</u>		-	-	-	-	-	-	-	-	-
<u>Improved Property</u>		-	-	-	-	-	-	-	-	-
<u>Unimproved Property</u>		-	-	-	-	-	-	-	-	-
<u>Non-revenue Generating</u>		-	-	-	-	-	-	-	-	-
<u>Improved Property</u>		-	-	-	-	-	-	-	-	-
<u>Unimproved Property</u>		-	-	-	-	-	-	-	-	-
<u>Other assets</u>		1,052	1,750	1,750	126	146	250	104	41.8%	1,750
<u>Operational Buildings</u>		1,052	1,750	1,750	126	146	250	104	41.8%	1,750
<u>Municipal Offices</u>		1,052	1,750	1,750	126	146	250	104	41.8%	1,750
<u>Pay/Enquiry Points</u>		-	-	-	-	-	-	-	-	-
<u>Building Plan Offices</u>		-	-	-	-	-	-	-	-	-
<u>Workshops</u>		-	-	-	-	-	-	-	-	-
<u>Yards</u>		-	-	-	-	-	-	-	-	-
<u>Stores</u>		-	-	-	-	-	-	-	-	-
<u>Laboratories</u>		-	-	-	-	-	-	-	-	-
<u>Training Centres</u>		-	-	-	-	-	-	-	-	-
<u>Manufacturing Plant</u>		-	-	-	-	-	-	-	-	-
<u>Depots</u>		-	-	-	-	-	-	-	-	-
<u>Capital Spares</u>		-	-	-	-	-	-	-	-	-
<u>Housing</u>		-	-	-	-	-	-	-	-	-
<u>Staff Housing</u>		-	-	-	-	-	-	-	-	-
<u>Social Housing</u>		-	-	-	-	-	-	-	-	-
<u>Capital Spares</u>		-	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
<u>Servitudes</u>		-	-	-	-	-	-	-	-	-
<u>Licences and Rights</u>		-	-	-	-	-	-	-	-	-
<u>Water Rights</u>		-	-	-	-	-	-	-	-	-
<u>Effluent Licenses</u>		-	-	-	-	-	-	-	-	-
<u>Solid Waste Licenses</u>		-	-	-	-	-	-	-	-	-
<u>Computer Software and Applications</u>		-	-	-	-	-	-	-	-	-
<u>Local Settlement Software Applications</u>		-	-	-	-	-	-	-	-	-
<u>Unspecified</u>		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
<u>Machinery and Equipment</u>		-	200	200	-	-	200	200	100.0%	200
<u>Machinery and Equipment</u>		-	200	200	-	-	200	200	100.0%	200
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
<u>Land</u>		-	-	-	-	-	-	-	-	-
<u>Land</u>		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	(5,619)	36,859	36,859	470	10,575	16,459	5,483	33.3%	36,859

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) plus Total Capital Expenditure on upgrading of existing assets (SC13c) must reconcile to total capital expenditure in Table C5

check balance



2.8 OTHER SUPPORTING DOCUMENTATION

2.8.1. MFMA S11(4) - Bank Account Withdrawals

2.8.2. MFMA Circular 112 – Municipal Budget Circular for the 2022/23 MTREF

2.8.3. PT/MF 06 OF 2021/22 - Preparation, submission and publication of the 2021/22 MFMA section 72 Mid-Year Budget and Performance Assessment Report and the 2021/22 Adjustments Budget Processes

2.8.4. PT/MF 07 OF 2021/22 - Findings on the 2021/22 Municipal Budget assessment /evaluation

BALANCE SHEET BUDGETING: -**1. INVENTORY**

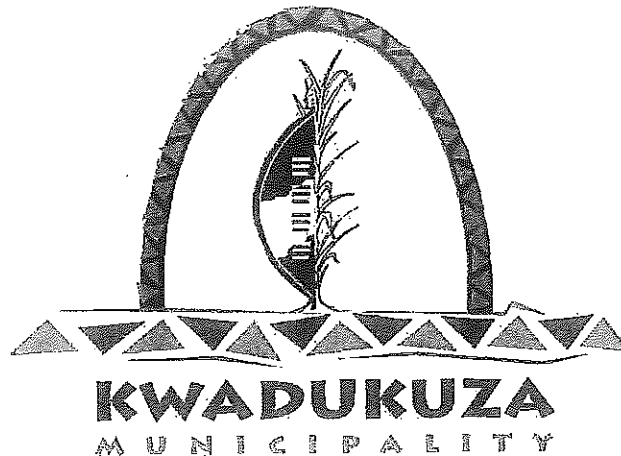
In terms of the mSCOA technical requirements certain items acquired outside the inventory acquisitions are required to be reclassified during the adjustment budget from creditors purchases to inventory acquisitions. This will not lead to any additional funding but is a technical re-allocation to ensure alignment with mSCOA prescripts. SCM is currently reviewing the listing of commodities purchased to ensure the accuracy of this re-allocation. Budget for inventory has been provided by the Head of SCM as below: -

- Current assets inventory consumables R 20 million (YTD spend R 7,262 million which is inclusive of pending.
- Materials and supplies – sufficient budget allocation.

It must be however noted that the above balance sheet budget allocations can only be provided once the commodities are correctly linked on the financial system. The head SCM and Director Expenditure is currently working in addressing these issues and it is anticipated that the matter will be resolved during Quarter 3.



2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE



2021/22 SECTION 72 BUDGET ASSESSMENT
QUALITY CERTIFICATE.

I, Mr NJ Mdakane, Municipal Manager of KwaDukuza Municipality, hereby certify that the Section 72 budget assessment ending 31 December 2021 have been prepared in accordance with the Municipal Finance Management Act, No 56 of 2003 and the regulations made under that Act.

MR NJ MDAKANE

Municipal Manager of KwaDukuza Municipality

Signature: _____

Date: _____

2022. 01. 10