

In- year monitoring for EC106: Sundays River Valley Municipality

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009

Section 71 Monthly Budget Statement for period ending 31 March 2025



Sundays River Valley

Municipality

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1. LEGAL CONTEXT

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Section 71,
- and The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, considering any guidelines issued by the Minister in terms of section 168(1) of the Act.

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability, and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

1.1 MONTHLY BUDGET STATEMENT

Section 71 of the Municipal Finance Management Act determines that:

“(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on*

- (i) its share of the local government equitable share
 - (ii) and allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the municipality's projected revenue by source any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.
- (2) The statement must include—
 - (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
 - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the

prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter".

1.2 RESPONSIBILITY OF THE MAYOR

Section 54 of the MFMA determines that:

"(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

- (a) consider the statement or report;*
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;*
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;*
- (d) issue any appropriate instructions to the accounting officer to ensure—*
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and*
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;*
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and*
- (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.*

(2) If the municipality faces any serious financial problems, the mayor must—

(a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—

- (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;*
- (ii) the tabling of an adjustments budget; or*
- (iii) steps in terms of Chapter 13; and*

(b) alert the council and the MEC for local government in the province to those problems. (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly".

2. MAYOR'S REPORT

2.1 IN-YEAR MONTHLY BUDGET STATEMENT REPORT

This report represents the Section 71 MFMA monthly budget statement for the month ending 31 March 2025 and reflects the implementation of the budget and the financial situation of the Municipality.

I hereby wish to submit a report to the Finance and Administration Committee on the implementation of the budget and financial situation of the Municipality as at the end of March 2025.

Further to the above, Section 54 (1) of the MFMA determines that the Mayor must consider the Section 71 report submitted by the Accounting Officer and assess whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP), and if necessary issue appropriate instructions to the Accounting Officer.

2.2 FINANCIAL SUSTAINABILITY

The cashflow position of the municipality remains concern, as cash commitments continue to exceed cash available.

The collection of outstanding debt in the 2024/25 financial year still requires improvement to ensure financial sustainability.

Firm expenditure control in the 2024/25 financial year must be applied to ensure unauthorised expenditure is avoided and that there is no abuse of municipal funds.

An Unauthorised, Irregular, Fruitless and Wasteful Reduction Strategy has been developed but needs further attention to make it realistic to the municipality's needs

2.3 RECOMMENDATIONS

1. That Finance and Administration Committee notes the Section 71 budget statement for March 2025.
2. That Finance and Administration Committee notes the Section 71 budget statement for March 2025 will be published in the municipal website.
3. That Finance and Administration Committee notes the Section 71 budget statement reports for March 2025 was submitted to the Mayor, National Treasury, and the Eastern Cape Provincial Treasury

3. ACCOUNTING OFFICERS REPORT

3.1 EXECUTIVE SUMMARY

The monthly Financial Monitoring Report (FMR) aims to provide a regular update on indicators critical to the organisation's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high-level overview of the organisation's financial viability and sustainability. The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a report in a prescribed format within 10 working days after the end of each month on the state of the Municipality's budget.

This report is a summary of the main budget issues arising from the monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

Section 54 of the MFMA requires the Mayor to consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

The financial performance of the operating and capital budget for the 2024/25 financial year, and an overview of the municipality's financial position is provided below.

3.2 FINANCIAL PERFORMANCE OVERVIEW

Budget Statement - Revenue Financial Performance - M09 March						
	Original Budget	Amended Budget	Monthly actual - Mar	YTD actual	YTD budget	YTD variance
R thousands						
Revenue						
Exchange Revenue						
Service charges - Electricity	34 950 435	34 950 435	1 785 709	22 160 302	26 212 826	4 052 524
Service charges - Water	20 444 334	20 444 334	1 657 011	15 280 525	15 333 251	52 726
Service charges - Waste Water Management	3 629 816	3 629 816	437 265	4 177 649	2 722 362	1 455 287
Service charges - Waste management	7 807 426	7 807 426	500 889	5 368 031	5 855 570	487 539
Sale of Goods and Rendering of Services	656 017	274 193	15 932	182 832	205 645	22 813
Agency services	3 646 767	2 812 343	118 906	1 608 003	2 109 257	501 255
Interest earned from Receivables	13 712 539	15 061 899	1 146 996	9 865 148	11 296 424	1 431 276
Interest from Current and Non Current Assets	1 778 550	1 778 550	91 551	1 325 986	1 333 913	7 927
Rental from Fixed Assets	71 576	199 074	14 193	160 441	149 306	11 136
Licence and permits	1 020 231	1 765 683	159 192	1 120 677	1 324 262	203 585
Operational Revenue	1 383 645	669 600	14 196	133 278	502 200	368 922
Non-Exchange Revenue				-	-	-
Property rates	49 057 562	56 662 698	3 467 960	44 526 618	42 497 024	2 029 595
Surcharges and Taxes	-	-	437 347	5 845 966	-	5 845 966
Fines, penalties and forfeits	1 848 580	434 567	-	35 252	325 925	290 673
Licence and permits	24 259	261 581	5 351	257 224	196 186	61 038
Transfers and subsidies - Operational	126 564 500	126 564 500	29 385 000	123 768 238	94 923 375	28 844 863
Interest	7 512 338	8 638 320	703 708	6 824 102	6 478 740	345 362
Gains on disposal of Assets	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	274 108 575	281 955 019	39 941 206	242 640 271	211 466 264	31 174 007

3.2.1 The summary of Financial Performance shows the actual monthly operating revenue of R39,9 million. Year-to-date actual operating revenue of R242,6 million compared to the year-to-date budgeted operating revenue of R211,5 million results in a negative variance of R31,2 million.

VARIANCE EXPLANATIONS:

SERVICE CHARGES – The variance in service charges between the YTD actuals and YTD is higher for waste-water management than other service charges. This difference is due an amount of R1,4 million interest recorded under sanitation charges instead of the interest account.

AGENCY FEES –Lower income received by the municipality due to decrease number of clients coming in to do motor registration.

LICENCE AND PERMITS – Lower income receiver by the municipality due to the decrease of clients coming to do their licences.

PROPERTY RATES – The variance is a byproduct of the annual billing raised in September, yet the budget is evenly distributed monthly. However, revenue from property rates is starting to even out therefore no cause for concern is warranted.

TRANSFERS OPERATIONAL – The large variance in transfers operational is because of the receipt of equitable share in the March tranche. This will even out as the year ends.

3.2.2 Monthly actual operating expenditure for the month ending March 2025 amounts to R11,8 million. Year to- date actual operating expenditure of R184,2 million compared to the year-to-date budgeted operating expenditure of R185,8 million resulting in a negative variance of R1,5 million.

Element - Expenditure Financial Performance- M09 March						
	Original Budget	Amended Budget	Monthly actual - Mar	YearTD actual	YearTD budget	YTD variance
R thousands						
Expenditure By Type						
Employee related costs	104 673 910,00	104 673 910,00	8 774 102,63	86 160 818,00	78 505 432,50	- 7 655 386
Remuneration of councillors	7 762 759,00	7 762 759,00	652 373,53	6 078 314,00	5 822 069,25	- 256 245
Bulk purchases - electricity	31 949 779,00	31 949 779,00	-	21 983 213,00	23 962 334,25	1 979 121
Inventory consumed	8 602 623,00	6 841 912,00	78 779,20	7 134 386,00	5 131 434,00	- 2 002 952
Debt impairment	- 2 955 686,00	13 888 901,00	-	-	10 416 675,75	10 416 676
Depreciation and amortisation	29 848 278,00	29 848 278,00	-	-	22 386 208,50	22 386 209
Interest	2 659 742,00	2 659 742,00	243 972,10	2 163 548,00	1 994 806,50	- 168 742
Contracted services	33 764 978,00	31 474 744,00	1 391 653,54	29 894 833,00	23 606 058,00	- 6 288 775
Transfers and subsidies	-	-	-	-	-	-
Irrecoverable debts written off	-	-	-	6 869,00	-	- 6 869
Operational costs	19 602 320,00	18 664 500,00	671 325,44	32 952 435,00	13 998 375,00	- 18 954 060
Losses on Disposal of Assets	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-
Total Expenditure	235 908 703,00	247 764 525,00	11 812 206,44	186 374 416,00	185 823 393,75	- 551 022

VARIANCE EXPLANATIONS:

BULK ELECTRICITY – No Bulk Electricity invoice recorded in the month of March as it was not received timeously. Invoices for February and March still need to be recorded on the system.

DEBT IMPAIRMENT -This will be recorded at year end as per policy

DEPRECIATION – Asset module not yet functioning and therefore will only be recorded at year-end.

CONTRACTED SERVICES – Contracted services have further reduced from R2,5 million in February to R1,4 million in March. Security services are still the biggest contributors to this figure at R900 thousand, followed by the maintenance of vehicles at R134 thousand.

OPERATIONAL COST – The large variance between the YTD budget and YTD actual is attributable Eskom (small accounts) at R2,9 million, water at R730 thousand and fuel at R300 thousand.

REMEDIAL ACTION:

To lower the costs of security services the Director of Community services should explore a more cost-effective way of providing security services, for example insourcing instead of outsourcing.

The CFO needs to post journals to remove the interest that was charged on sanitation charges and correctly record it in the interest account.

- 3.2.3 The municipality had a surplus of R31 million for the month ended 31 March 2025. The year-to-date actual operating revenue compared to the actual expenditure year to date, has a surplus of R92,9 million against the year-to-date budget of R68,9 million.

Income-Summary (revenue and expenditure) - M09 March 2025						
Description	Original Budget	Amended Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
	R	R	R	R	R	R
Total Revenue (excluding capital transfers and contributions)	274 108 575,00	281 955 019	39 941 206	242 640 271	211 466 264	- 31 174 007
Total Expenditure	235 908 703,00	247 764 525,00	11 812 206	186 374 416	185 823 394	- 551 022
Surplus/(Deficit)	38 199 872,00	34 190 494,00	28 128 999	56 265 855	25 642 871	- 30 622 985
Transfers and subsidies - capital (monetary allocations)	57 687 500,00	57 687 500,00	2 915 649	36 612 208	43 265 625	6 653 417
Transfers and subsidies - capital (in-kind)		0	-			
Surplus/(Deficit) after capital transfers & contributions	95 887 372,00	91 877 994,00	31 044 648	92 878 063	68 908 496	- 23 969 568

3.2.4 The table below reflects repairs and maintenance expenditure for the month ended 31 March 2025.

Project Name	2024 BUDGET	202503 ACTUAL	YTD	BUDGET YTD	VARIANCE
Emergency Maintenance:Transport Assets	456 087	134 593	691 815	342 065	- 349 750
Preventative Maintenance:Transport Assets	228 043		137 051	171 032	33 981
Building Maintenance	350 000		42 166	262 500	220 334
Hall Maintainance (All Halls)	100 000	8 642	74 655	75 000	345
Establishment & Maintenance of parks playgrounds and sportfields	250 000		1 285	187 500	186 215
Library	210 000		10 031	157 500	147 469
Landfillsite	2 173 913		459 544	1 630 435	1 170 891
Water Supply Infrastructure - Water Treatment - External Facilities	434 783		231 332	326 087	94 755
Roads Civil structure	347 826		1 913	260 870	258 956
Public Lighting	255 409		328 290	191 557	- 136 733
Waste Water Treatment Works	729 739		1 410	547 304	545 894
Jetting Service	228 043		55 167	171 032	115 865
Public Ablution Facilities Maintenance	25 000			18 750	18 750
Sportfields upkeep	418 269			313 702	313 702
Maintenance Planned: Machinery and Equipment	26 087		242 994	19 565	- 223 429
Library Equipment maintenance-	60 000		5 322	45 000	39 678
Maintenance of Vehicle	50 000	16 779	31 709	37 500	5 791
Traffic Maintenance of Building	18 243			13 682	13 682
Calibration of Road Worthy Testing Equipment & Courier Service	130 435		23 137	97 826	74 689
Calibration of Prolaser Speed Machines done yearly according to Act 93/1996	18 243		3 284	13 682	10 399
Refuse Machinery and Equipment	26 087			19 565	19 565
Water Pump Station - Pipe Works	434 783		164 071	326 087	162 016
Water Supply Infrastructure - Pump Station	434 783	20 855	338 256	326 087	- 12 169
Water Supply Infrastructure - Reservoirs	565 548		415 968	424 161	8 193
Resealing of Roads	100 000		3 072	75 000	71 929
Bulk Aggregates	100 000			75 000	75 000
Road marking and signs	300 000			225 000	225 000
Civil Structure	273 652			205 239	205 239
Side walks	136 826			102 620	102 620
Storm Water Drainage	300 000			225 000	225 000
Network Extensions	104 348		78 011	78 261	250
Website Maintenance	180 435		137 547	135 326	- 2 221
Network Equipment and Transformers	346 626		214 349	259 970	45 621
Bush Clearing	273 652		59 600	205 239	145 639
Pump Stations	218 922		393 470	164 192	- 229 279
Corrective Maintenance: Roads Infrastructure	43 478	2 700	7 442	32 609	25 167
Corrective Maintenance: Roads Infrastructure	100 000			75 000	75 000
Storm Water Drainage	302 457	22 758	201 763	226 843	25 080
Total repairs and maintenance	10 751 717	206 327	4 354 655	8 063 788	3 709 133

Repair and Maintenance for the month of March amounted to 206 thousand, year to date actual spent is R4,4 million and year to date budget amounts to R9,2 million which leads to a variance R1,8 million

3.2.5 EXPENDITURE ON STAFF BENEFITS

Section 66 of the MFMA requires disclosure of the municipalities expenditure on staff benefits as follows:

The Accounting Officer of the municipality must, in a format and for the periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits.

Employee costs for the month of March 2025 amount to R8,8 million. The YTD actual amounts to R86,2 million against the YTD budget of R78,6 million.

STAFF BENEFITS					
Description	Budget 2024/25	Monthly actual - Mar	YearTD actual	YearTD budget	YTD variance
R thousands					
Other Municipal Staff					
Basic Salaries and Wages	63 335 228	5 605 256,18	52 093 989,61	47 501 421	(4 592 569)
Pension fund and UIF Contributions	11 395 679	997 637,27	9 102 509,63	8 546 759	(555 750)
Medical Aid Contributions	4 945 001	432 672,78	3 664 640,60	3 708 751	44 110
Overtime	4 466 085	352 704,54	3 821 630,66	3 349 564	(472 067)
Annual Bonus	4 577 721	-	4 889 659,51	3 433 291	(1 456 369)
Motor Vehicle Allowance	6 243 842	511 926,93	4 691 920,80	4 682 882	(9 039)
Cellphone Allowance	922 765	77 113,43	686 341,54	692 074	5 732
Housing Allowance	549 692	46 752,21	430 445,42	412 269	(18 176)
Other Benefits and Allowances	1 739 853	185 964,31	1 579 649,13	1 304 890	(274 759)
Long Service Awards	13 559	29 047,02	270 435,98	10 169	(260 267)
Acting and post related allowance	90 899	16 634,25	163 349,27	68 174	(95 175)
Sub-total Other Municipal Staff	98 280 324	8 255 709	81 394 572	73 710 243	(7 684 329)
Senior Managers of the Municipality			-	-	-
Basic Salaries and Wages	4 897 975	400 700,07	3 707 016,54	3 265 317	(441 700)
Pension fund and UIF Contributions	11 255	885,60	7 942,60	7 503	(439)
Motor Vehicle Allowance	912 827	71 830,91	646 478,46	608 551	(37 927)
Cellphone Allowance	1 024 429	10 000,00	90 000,00	682 953	592 953
Housing Allowance	203 328	16 000,00	144 000,00	135 552	(8 448)
Other Benefits and Allowances	290	59,32	535,00	193	(342)
Scarcity	240 396	18 916,99	170 252,94	160 264	(9 989)
Sub-total Senior Managers	7 290 500	518 393	4 766 226	4 860 333	94 108
Total Employee Cost	105 570 824	8 774 102	86 160 798	78 570 576	(7 590 221)

3.2.6 EXPENDITURE: REMUNERATION OF COUNCILLORS

Remuneration of Councillors					
Description	Budget 2024/25	Monthly actual - Mar	YearTD actual	YearTD budget	YTD variance
R thousands	R		R	R	R
Basic Salary	6 353 155	539 421,41	5 061 773,46	4 764 866,25	- 296 907,21
Cellphone Allowance	718 848	57 600,00	518 400,00	539 136,00	20 736,00
Housing Allowance	312 000	25 000,00	225 000,00	234 000,00	9 000,00
Office Bearer Allowance	66 756	5 072,00	46 252,24	50 067,00	3 814,76
Out of pocket expenses	3 458	277,12	2 443,72	2 593,50	149,78
Travelling allowance	312 000	25 000,00	225 000,00	234 000,00	9 000,00
	7 766 217	652 371	6 078 869	5 824 663	(254 207)

Remuneration of councillors for the month of March 2025 amounts to R652 thousand. The YTD actual amounts to R6 million against the YTD budget of R5,78 million which amounts to a variance of R254 thousand.

3.3 FINANCIAL POSITION OVERVIEW

3.3.1 Ratios

RATIO	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
			" R 000 "	
B. Debtors Management				
Net Debtors Days	30 days		577 days	This is above the norm , suggesting debtor collection needs urgent attention. The poor culture of credit control and revenue management must be improved.
		Gross debtors	309 248 176	
		Bad debts Provision	160 897 963	
		Billed Revenue	93 859 293	
C. Liquidity Management				
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months		1 Month	This ratio is within the norm of 1-3 months which is a significant improvement from the previous months. The municipality should aim to maintain this standard
		Cash and cash equivalents	29 031 667	
		Unspent Conditional Grants	7 596 537	
		Overdraft	-	
		Short Term Investments	-	
		Total Annual Operational Expenditure	186 374 416	
Current Ratio	1.5 - 2:1		0.68	The municipality doesn't have the ability to meet its short term financial obligations should a financial recession or shock occur with its current financial muscle.
		Current Assets	121 784 893	
		Current Liabilities	178 258 350	
D. Liability Management				
Debt (Total Borrowings) / Revenue	45%		0%	According to this ratio sufficient revenue is available to repay liabilities however this ratio should be analysed along with other ratios to show the true reflection of the municipality.
		Total Debt	-	
		Total Operating Revenue	242 640 271	
		Operational Conditional Grants	123 768 238	
D. Expenditure Management				
Remuneration as % of Total Operating Expenditure	25% - 40%		50%	This ratio is above the norm of 40% meaning that employee costs are significantly high.
		Employee/personnel related cost	86 160 818	
		Councillors Remuneration	6 078 314	
		Total Operating Expenditure	186 374 416	
Contracted Services / Total Operating Expenditure x100	2% - 5%		16%	Contracted services form a sufficient amount of the total operating expenditure which is above the norm.
		Contracted Services	29 894 833	
		Total Operating Expenditure	186 374 416	
		Taxation Expense	-	

3.2 Cash and cash equivalents

Cash and cash equivalents show an amount of R29 million for 31 March 2025 as per Trial Balance.

No long-term investments are held by the municipality.

No investments are ceded over as security.

Furthermore, it should be noted that the municipality doesn't have Capital Replacement Reserve. It is therefore critical for debt collection and the recovery of unpaid grants to receive immediate priority.

The municipality has insufficient money to meet all its commitments. A shortfall of R68,1 million. Management should urgently devise plans to ensure financial sustainability and financial longevity for the municipality.

Description	Feb-25	Mar-25	Movement R
Cash and cash equivalent	15 700 755,00	29 031 667,40	13 330 912,40
Total cash and cash equivalent	15 700 755,00	29 031 667,40	13 330 912,40
Unspent grant	7 596 537,20	7 805 259,95	208 722,75
SARS			-
Payable from exchange	96 924 164,00	89 280 302,00	- 7 643 862,00
Total commitments	(104 520 701,20)	(97 085 561,95)	7 435 139,25
Surplus/Shortfall	- 88 819 946,20	- 68 053 894,55	20 766 051,65

3.3.3 Unspent Conditional Grants

Grant	Nature	Type: Conditional / Unconditional	Opening Balance	Rollover Rejected	Current year receipts	Conditions met - transferred to Revenue	Unspent as @ March 2025
Municipal Infrastructure Grant	Capital	Conditional	-		33 389 869,57	26 541 800,79	6 848 068,78
INEP	Capital	Conditional	-		430 434,78	2 431 576,75	- 2 001 141,97
Energy Efficiency Demand Grant	Capital	Conditional			3 478 260,87	1 469 834,25	2 008 426,62
Water Services Infrastructure Grant	Capital	Conditional	-		12 372 652,17	12 081 573,27	291 078,90
Small Town Revitalisation	Capital	Conditional	-		-	-	-
Financial Management Grant	Operating	Conditional	-		3 800 000,00	3 958 396,97	- 158 396,97
Environmental District Grant	Operating	Conditional			199 999,95		199 999,95
EPWP	Operating	Conditional	-		750 434,79	341 932,90	408 501,89
			-	-	54 421 652,13	46 825 114,93	7 596 537,20

Unspent conditional grants in the table above reflect a total balance of R7,6 million as of March 2025.

Allocations received are as follows during the current year:

- MIG - An additional R3,073 million was received in the month of March and R1,5 million was transferred to revenue
- WSIG – R1,8 million was transferred to revenue.

Careful attention needs to be paid by the municipality to ensure that expenditure is updated timeously on the system so that the correct revenue is recognised against the grants received.

CFO must ensure correcting journals are processed for Grant deposits, furthermore, must ensure VAT setups must be relooked to ensure correct functioning of the Grants Module.

3.3.4 Creditors Analysis

Outstanding creditors total to R89.3 million as of March 2025.

EC106 Sundays River Valley - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2024/25								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	3 583	–	2 690	2 759	2 879	2 699	10 230	4	24 843
Bulk Water	0200	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	2 341	1 109	1 741	(1 128)	(700)	390	13 516	46 906	64 175
Auditor General	0800	–	51	58	36	–	–	–	117	262
Other	0900	–	–	–	–	–	–	–	–	–
Medical Aid deductions										
Total By Customer Type	1000	5 924	1 161	4 489	1 667	2 179	3 089	23 746	47 026	89 280

Below find top ten creditors of the municipality.

TOP 10 CREDITORS M09 MARCH 2025						
Supplier Number	Supplier Name	BALANCE	CURRENT	30 DAYS	60 DAYS	90 DAYS +
248	WATER AND SANITATION	57 566 645,34	1 471 032,05	1 283 512,49	13 209,55	54 798 891,25
306	ESKOM BULK	24 034 627,22	2 770 704,30	2 690 276,06	2 758 632,44	15 815 014,42
81	AUDITOR GENERAL	262 197,83	51 357,97	57 600,82	36 459,34	116 779,70
906	SOUTH AFRICAN LOCAL GOV	2 273 294,47	-	-	-	2 273 294,47
453	SUMMERFALLS TRADING	1 301 487,31	300 000,00	150 000,00	150 000,00	1 901 487,31
1135	VUSA ITHEMBA	1 064 961,62	1 064 961,62			
307	ESKOM HOLDINGS	808 835,63	812 700,00			3 864,37
404	IBHABHATHANE TRADING	710 880,50			-	710 880,50
569	LOWER SUNDAYS RIVER WATER	231 519,19	11 492,14	209 615,68		10 411,37
648	VERTEX SUPPLIERS	194 465,00	194 465,00			-
	Total	88 448 914,11	6 076 713,08	4 091 005,05	2 658 301,33	75 622 894,65

The total balance of the municipality's top ten creditors is R88,4 million on 31 March 2025 with R75,6 million being over the 90-day period.

Engagements with The Department of Water and Sanitation have been finalised and the municipality will honour the arrangement without fail. Payments have already been made in the past months to honour the arrangement made.

3.3.5 Consumer Debtors

Total outstanding debtors at end March 2025, R309,2 million.

The municipality should consider writing off debt as irrecoverable for most of customers as the possibility of collection is low due to culture of non-payment has been carried out throughout the years.

Detail Report								
Region	Department	Current	Interest	30 Days	60 Days	90 Days	120 Days +	Total
Sarah Baartman	Education	R 370 016,52	R 0,00	R 2 314,00	R 2 792,51	R 2 792,51	R 152 053,42	R 529 968,96
	Education (S21)	R 232 728,38	R 0,00	R 22 095,56	R 24 212,56	R 14 179,84	R 94 756,06	R 387 972,40
	Health	R 307 606,85	R 0,00	R 33 297,73	R 99 618,64	R 67 185,34	R 276 597,32	R 784 305,88
	Human Settlements	R 6 475,96	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 6 475,96
	Public Works	R 3 476 591,19	R 0,00	R 72 964,93	R 72 964,93	R 72 964,93	R 219 694,52	R 3 915 180,50
	Roads	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00	R 0,00
	Residents	R 228 853 150,06	R 0,00	R 3 411 650,10	R 3 429 880,65	R 3 438 565,48	R 12 882 502,14	R 252 015 748,43
	Councillors	R 415 918,76	R 0,00	R 10 374,99	R 11 604,36	R 15 816,26	R 40 734,30	R 494 448,67
	Municipal Officials	R 2 791 030,52	R 0,00	R 25 817,42	R 28 534,45	R 29 484,41	R 133 587,70	R 3 008 454,50
	Industries	R 22 182 706,44	R 0,00	R 662 424,13	R 560 192,33	R 728 185,68	R 4 029 470,16	R 28 162 978,74
	National Departments	R 19 170 546,88	R 0,00	R 157 070,23	R 121 031,81	R 122 121,16	R 371 871,71	R 19 942 641,79
	Grand Total	R 277 806 771,56	R 0,00	R 4 398 009,09	R 4 350 832,24	R 4 491 295,61	R 18 201 267,33	R 309 248 175,83
Region	Debt By Type	Residents	Councillors	Municipal Officials	Industries	Nat Depts	Prov Depts	Total
Sarah Baartman	Water	R 89 626 550,80	R 106 663,32	R 1 175 272,44	R 3 310 918,56	R 100 613,08	R 1 481 859,96	R 95 801 878,16
	Electricity	R 4 667 313,53	R 889,10	R 65 894,33	R 12 168 688,11	R 264 046,54	R 1 412 134,17	R 18 578 965,78
	Sewerage	R 45 568 251,34	R 28 772,66	R 684 115,13	R 1 452 215,54	R 22 326,55	R 602 783,35	R 48 358 464,57
	Refuse	R 21 401 185,71	R 5 561,94	R 247 399,96	R 664 193,41	R 2 351,83	R 227 834,56	R 22 548 527,41
	Rates	R 83 191 632,63	R 60 918,61	R 182 498,53	R 15 577 223,62	R 19 511 304,80	R 4 168 824,38	R 122 692 402,57
	Other	R 7 560 814,42	R 291 643,04	R 653 274,11	R (5 010 260,50)	R 41 998,99	R (2 269 532,72)	R 1 267 937,34
	Grand Total	R 252 015 748,43	R 494 448,67	R 3 008 454,50	R 28 162 978,74	R 19 942 641,79	R 5 623 903,70	R 309 248 175,83
	% on Total Debt	81,49	0,16	0,97	9,11	6,45	1,82	100,00

DEBT COLLECTION & CREDIT CONTROL

Below are highlights of the credit control section in attempt to improve revenue collection:

- **Indigent Registration**
 - It seems Indigent Registration is moving slowly as the customers does not provide enough documentation during registration process.
 - Challenges of getting the customers during the week due to seasonal employment.
 - It is advisable registration to be done throughout the year.
- **Other matters**
 - Sheriff has been appointed to assist with collection attempts
 - Follow up with municipal staff and councillors is being performed.
 - Government debt reconciliations are being performed for Public Works, Rural development and Education

3.3.6 Capital Expenditure by Project

Authorised Capital Expenditure						
Capital Expenditure by Project	Funding Source	Budget Amount	Monthly actual - Mar	YearTD actual	YearTD budget	YTD variance
Grant Funding - Projects		Rands		Rands	Rands	Rands
Upgrading of Roads & Stormwater in Enon and Bersheba – Phase 2	MIG	R8 069 402,00	R1 138 276,00	R6 809 880,82	R6 052 051,50	-R757 829,32
Construction of Multi- Purpose Sports Recreational Facility in Nomathamsanqa in Addo (Budget Maintenance)	MIG	R3 168 327,00	R192 114,00	R2 096 642,00	R2 376 245,25	R279 603,25
Construction of a New Community Hall in Moses Mabhida (Budget Maintenance)	MIG	R2 348 069,70		R2 237 748,50	R1 761 052,28	-R476 696,23
Refurbishment of Enon and Bersheba Water Borne Sanitation	MIG	R9 488 804,00		R0,00	R7 116 603,00	R7 116 603,00
Emergency Flood Repairs at Vygie and Adams Street in Valencia	MIG	R2 446 217,36		R2 259 651,00	R1 834 663,02	-R424 987,98
Construction of Roads and Stormwater in Paterson - Phase 1	MIG	R3 340 601,00			R2 505 450,75	R2 505 450,75
Augmentation of the Water Reticulation Network in Paterson	MIG	R6 366 578,94		R8 115 064,05	R4 774 934,21	-R3 340 129,85
Construction of Bulk and Water Reticulation in Molly Blackum	MIG	R2 000 000,00			R1 500 000,00	R1 500 000,00
Refurbishment of Addo Waste Water Pump Station	WSIG	R10 578 664,00	R1 585 259,41	R7 641 800,11	R7 933 998,00	R292 197,89
Construction of Luthando pipeline	WSIG	R5 421 336,00		R4 115 348,55	R4 066 002,00	-R49 346,55
Electrification Kirkwood- Planning	INEP	R495 000,00		R1 683 980,00	R371 250,00	-R1 312 730,00
Jetting Trucks	Sarah Baartman District	R1 300 000,00			R975 000,00	R975 000,00
Retrovit of Street Lights in Kirkwood and municipal buildings	Energy Efficiency Demand	R4 000 000,00		R1 278 117,00	R3 000 000,00	R1 721 883,00
Total Capex - Funded By Grants		R59 023 000,00	R2 915 649,41	R36 238 232,03	R44 267 250,00	R8 029 017,97
Own Funding - Projects						
Fencing - Library	Internal Funds	R150 000,00			R112 500,00	R112 500,00
Computer Equipment	Internal	R300 000,00	R187 765,00	R237 194,00	R225 000,00	-R12 194,00
Equipment for Water and Sanitation	Internal	R400 000,00		R12 665,00	R300 000,00	R287 335,00
Council Chamber Furniture	Internal Funds	R600 000,00		R9 123,92	R450 000,00	R440 876,08
Upgrade of Kirkwood Water Treatment Works	Internal Funds	R3 000 000,00			R2 250 000,00	R2 250 000,00
Total Capex - Funded By Own Resources		R4 450 000,00	R187 765,00	R258 982,92	R3 337 500,00	R3 078 517,08
Total Capital Expenditure		R63 473 000,00	R3 103 414,41	R36 497 214,95	R47 604 750,00	R11 107 535,05

Capital acquisitions for the month of March 2025 amount to R3,1 million.

YTD actual capital expenditure is R36,5 million against the YTD budget of R47,4 million.

YTD variance of R10,9 million is noted.

Technical Director and CFO need to closely monitor and ensure that all projects are proceeding as planned. Expedite any delays and ensure compliance with SCM processes, to ensure that the grant allocation is preserved and that community interests are upheld through proper project implementation.

3.3.7 INVESTMENT

No investment portfolio held.

3.3.8 BORROWINGS

No borrowings budget provision made and no borrowings taken by the municipality for the month.

3.4 REMEDIAL OR CORRECTIVE STEPS REQUIRED

Revenue generation should be the agenda of the year. Strategies to improve revenue must be developed and implemented to ensure financial longevity and sustainability.

Procurement and Budgetary Control must be closely monitored to eliminate procurement of goods and services not budgeted for, suggesting redirecting of funds to unwarranted project not prioritised at planning stage.

Monitoring of contractors implementing capital projects must be done continuously by both Finance and Technical department.

Internal control adherence must be a non-negotiable for all municipal officials for efficient and effective service delivery.

3.5 CONCLUSION

Financial Recovery Plan must be developed to remedy the state of financial affairs despite great strides achieved for the reporting year.

Poor adherence to internal controls and continued expenditure incurred on unfunded projects weakens our cashflow and positions the municipality in an unfavourable posture insofar as achieving its strategic objectives for the financial year.

4. QUALITY CERTIFICATE

I, T. Klaas, Municipal Manager of Sundays River Valley Municipality, hereby certify that the monthly report on the implementation of the budget and financial affairs of the month of **March 2025** of the 2024/25 financial year has been prepared in accordance with the Municipal Financial Management Act and regulations made under that Act.

T KLAAS
MUNICIPAL MANAGER

DATE: 10 April 2025

Submitted to the office of the Mayor

Received by:

Date:



Home of the Addo Elephant Park

Part 2 - In-year budget statements tables

1.1 Table C1: Monthly Budget Statement Summary

EC106 Sundays River Valley - Table C1 Monthly Budget Statement Summary - M09 March

Description	2023/24	Budget Year 2024/25							
	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	44 517	49 058	56 663	3 468	44 527	42 497	2 030	5%	56 663
Service charges	65 557	66 832	66 832	4 381	46 987	49 058	(2 071)	-4%	68 752
Investment revenue	1 655	1 779	1 779	92	1 326	1 334	(8)	-1%	1 779
Transfers and subsidies - Operational	115 209	126 565	126 565	29 385	123 768	94 923	28 845	0	126 565
Other own revenue	24 451	29 876	30 117	2 616	26 033	20 990	5 043	24%	-
Total Revenue (excluding capital transfers and contributions)	251 389	274 109	281 955	39 941	242 640	208 802	33 839	16%	281 955
Employee costs	100 772	104 674	104 674	8 774	86 161	78 505	7 656	10%	104 674
Remuneration of Councilors	7 282	7 763	7 763	652	6 078	5 822	256	4%	7 763
Depreciation and amortisation	36 599	29 848	29 848	-	-	22 386	(22 386)	-100%	29 848
Interest	11 189	2 660	2 660	244	2 164	1 995	169	8%	2 660
Inventory consumed and bulk purchases	39 816	40 552	38 792	79	29 118	27 639	1 479	5%	38 742
Transfers and subsidies	52	-	-	-	-	-	-	-	-
Other expenditure	138 745	50 412	64 028	2 063	62 854	50 415	12 439	25%	64 078
Total Expenditure	334 455	235 909	247 765	11 812	186 374	186 762	(387)	-0%	247 765
Surplus/(Deficit)	(83 066)	38 200	34 190	28 129	56 266	22 040	34 226	155%	34 190
Transfers and subsidies - capital (monetary allocations)	48 435	57 688	57 688	2 916	36 613	43 266	(6 653)	-15%	57 688
Transfers and subsidies - capital (in-kind)	350	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(34 281)	95 887	91 878	31 045	92 879	65 305	27 573	42%	91 878
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(34 281)	95 887	91 878	31 045	92 879	65 305	27 573	42%	91 878
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	48 476	111 221	108 825		121 785				108 825
Total non current assets	983 855	891 233	992 371		995 244				992 371
Total current liabilities	161 711	84 917	163 807		178 258				163 807
Total non current liabilities	58 370	46 989	58 370		58 370				58 370
Community wealth/Equity	854 751	874 081	882 177		790 680				882 177
Cash flows									
Net cash from (used) operating	(83 491)	76 666	96 942	17 145	(215 289)	96 781	312 070	322%	104 320
Net cash from (used) investing	(47 386)	(63 043)	(63 473)	(4 145)	(6 592)	-	6 592	#DIV/0!	-
Net cash from (used) financing	-	-	-	(54)	(416)	-	416	#DIV/0!	-
Cash/cash equivalents at the month/year end	(128 710)	33 900	40 570	12 947	(215 197)	103 881	319 078	307%	111 420
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	24 784	7 388	6 997	6 499	6 325	6 380	272 128	3 393	333 894
Creditors Age Analysis									
Total Creditors	5 924	1 161	4 489	1 667	2 179	3 089	23 746	47 026	89 280

1.2 Table C2: Monthly Budget Statement – Financial Performance

EC106 Sundays River Valley - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2023/24	Budget Year 2024/25							
		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>		86 576	103 593	111 638	17 987	100 421	83 696	16 725	20%	111 638
Executive and council		8 970	12 654	12 654	4 160	13 651	9 491	4 160	44%	12 654
Finance and administration		77 607	90 939	98 984	13 827	86 770	74 206	12 565	17%	98 984
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		30 354	16 524	15 255	292	4 944	11 318	(6 374)	-56%	15 255
Community and social services		25 723	1 964	1 990	8	1 925	1 485	441	30%	1 990
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 631	14 561	13 265	283	3 018	9 834	(6 815)	-69%	13 265
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8 263	21 740	21 678	1 531	26 565	16 257	10 309	63%	21 678
Planning and development		3 760	7 884	7 822	1 531	26 565	5 865	20 701	353%	7 822
Road transport		4 503	13 856	13 856	-	-	10 392	(10 392)	-100%	13 856
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		174 967	189 938	191 071	23 047	146 981	140 796	6 185	4%	191 071
Energy sources		91 141	70 340	70 194	5 203	52 408	51 334	1 074	2%	70 194
Water management		50 610	69 324	69 990	11 990	56 613	51 590	5 023	10%	69 990
Waste water management		13 316	19 093	19 317	4 998	14 787	14 488	300	2%	19 317
Waste management		19 900	31 181	31 570	857	23 172	23 385	(212)	-1%	31 570
<i>Other</i>	4	13	-	-	-	342	-	342	#DIV/0!	-
Total Revenue - Functional	2	300 174	331 796	339 642	42 857	279 253	252 067	27 186	11%	339 642
Expenditure - Functional										
<i>Governance and administration</i>		165 876	88 669	89 735	1 204	69 157	67 068	2 088	3%	89 735
Executive and council		38 692	22 874	22 978	2 011	19 837	17 095	2 741	16%	22 978
Finance and administration		127 184	65 795	66 757	(807)	49 320	49 973	(653)	-1%	66 757
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		46 146	37 997	38 585	3 374	34 304	28 559	5 745	20%	38 585
Community and social services		30 073	20 239	21 215	2 147	22 033	15 558	6 475	42%	21 215
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		14 223	15 499	15 121	1 075	10 791	11 315	(524)	-5%	15 121
Housing		1 851	2 258	2 248	152	1 479	1 686	(206)	-12%	2 248
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		25 822	13 713	12 467	753	8 252	9 250	(998)	-11%	12 467
Planning and development		5 080	7 757	7 177	411	4 501	5 326	(825)	-15%	7 177
Road transport		20 743	5 956	5 290	342	3 752	3 925	(173)	-4%	5 290
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		107 701	95 347	106 978	6 464	74 494	81 884	(7 390)	-9%	106 978
Energy sources		47 942	46 126	52 202	3 448	39 737	39 505	232	1%	52 202
Water management		32 679	22 829	28 644	2 149	23 670	22 664	1 006	4%	28 644
Waste water management		14 709	14 329	13 582	487	6 287	10 421	(4 134)	-40%	13 582
Waste management		12 369	12 062	12 549	381	4 801	9 295	(4 494)	-48%	12 549
<i>Other</i>		263	182	-	17	168	-	168	#DIV/0!	-
Total Expenditure - Functional	3	345 808	235 909	247 765	11 812	186 374	186 762	(387)	0%	247 765
Surplus/ (Deficit) for the year		(45 634)	95 887	91 878	31 045	92 879	65 305	27 573	0,4222214	91 878

1.3 Table C3: Monthly Budget Statement – Financial Performance

EC106 Sundays River Valley - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive AND Council (10: IE)		8 970	12 654	12 654	4 160	13 651	9 491	4 160	43,8%	12 654
Vote 2 - CORPORATE SERVICES (11: IE)		7 164	9 268	9 373	3 188	10 110	7 025	3 084	43,9%	9 373
Vote 3 - FINANCE (12: IE)		56 792	72 678	89 611	10 639	76 661	67 180	9 480	14,1%	89 611
Vote 4 - Community Services (13: IE)		39 640	56 698	46 824	1 149	28 458	34 703	(6 245)	-18,0%	46 824
Vote 5 - Technical Services (14: IE)		187 608	180 497	181 180	23 721	150 374	133 668	16 706	12,5%	181 180
Total Revenue by Vote	2	300 174	331 796	339 642	42 857	279 253	252 067	27 186	10,8%	339 642
Expenditure by Vote	1									
Vote 1 - Executive AND Council (10: IE)		39 886	24 232	24 251	2 083	20 668	18 036	2 632	14,6%	24 251
Vote 2 - CORPORATE SERVICES (11: IE)		25 777	28 247	27 170	1 806	18 514	20 165	(1 651)	-8,2%	27 170
Vote 3 - FINANCE (12: IE)		101 279	37 548	39 586	(2 613)	30 806	29 807	998	3,3%	39 586
Vote 4 - Community Services (13: IE)		57 384	47 983	48 886	3 620	37 793	36 168	1 625	4,5%	48 886
Vote 5 - Technical Services (14: IE)		121 483	97 899	107 871	6 916	78 594	82 585	(3 991)	-4,8%	107 871
Total Expenditure by Vote	2	345 808	235 909	247 765	11 812	186 374	186 762	(387)	-0,2%	247 765
Surplus/ (Deficit) for the year	2	(45 634)	95 887	91 878	31 045	92 879	65 305	27 573	42,2%	91 878

1.4 Table C4: Monthly Budget Statement – Financial Performance

EC106 Sundays River Valley - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

2023/24										
Description	Ref	2023/24				Budget Year 2024/25				Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		33 321	34 950	34 950	1 786	22 160	24 902	(2 742)	-11%	34 950
Service charges - Water		21 143	20 444	20 444	1 657	15 281	14 567	714	5%	20 444
Service charges - Waste Water Management		4 897	3 630	3 630	437	4 178	4 026	152	4%	5 550
Service charges - Waste management		6 196	7 807	7 807	501	5 368	5 563	(195)	-4%	7 807
Sale of Goods and Rendering of Services		304	656	274	16	183	195	(13)	-6%	274
Agency services		2 955	3 647	2 812	119	1 608	2 004	(396)	-20%	2 812
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		3 506	13 713	15 062	1 147	9 865	9 857	9	0%	13 142
Interest from Current and Non Current Assets		1 655	1 779	1 779	92	1 326	1 334	(8)	-1%	1 779
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		38	72	199	14	160	142	19	13%	199
Licence and permits		989	1 020	1 766	159	1 121	1 324	(204)	-15%	1 766
Operational Revenue		1 056	1 384	670	14	133	477	(344)	-72%	670
Non-Exchange Revenue										
Property rates		44 517	49 058	56 663	3 468	44 527	42 497	2 030	5%	56 663
Surcharges and Taxes		7 602	—	—	437	5 846	—	5 846	#DIV/0!	—
Fines, penalties and forfeits		368	1 849	435	—	35	326	(291)	-89%	435
Licence and permits		13	24	262	5	257	186	71	38%	262
Transfers and subsidies - Operational		115 209	126 565	126 565	29 385	123 768	94 923	28 845	30%	126 565
Interest		7 238	7 512	8 638	704	6 824	6 479	345	5%	8 638
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		167	—	—	—	—	—	—	—	—
Other Gains		215	—	—	—	—	—	—	—	—
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		251 389	274 109	281 955	39 941	242 640	208 802	33 839	16%	281 955
Expenditure By Type										
Employee related costs		100 772	104 674	104 674	8 774	86 161	78 505	7 656	10%	104 674
Remuneration of councillors		7 282	7 763	7 763	652	6 078	5 822	256	4%	7 763
Bulk purchases - electricity		28 363	31 950	31 950	—	21 983	22 764	(781)	-3%	31 950
Inventory consumed		11 454	8 603	6 842	79	7 134	4 875	2 260	46%	6 792
Debt impairment		44 204	(2 956)	13 889	—	—	14 486	(14 486)	-100%	13 889
Depreciation and amortisation		36 599	29 848	29 848	—	—	22 386	(22 386)	-100%	29 848
Interest		11 189	2 660	2 660	244	2 164	1 995	169	8%	2 660
Contracted services		61 595	33 765	31 475	1 392	29 895	22 447	7 447	33%	31 475
Transfers and subsidies		52	—	—	—	—	—	—	—	—
Irrecoverable debts written off		—	—	—	—	7	—	7	#DIV/0!	—
Operational costs		32 582	19 602	18 665	671	32 952	13 482	19 471	144%	18 715
Losses on Disposal of Assets		—	—	—	—	—	—	—	—	—
Other Losses		364	—	—	—	—	—	—	—	—
Total Expenditure										
		334 455	235 909	247 765	11 812	186 374	186 762	(387)	0%	247 765
Surplus/(Deficit)										
		(83 066)	38 200	34 190	28 129	56 266	22 040	34 226	0	34 190
Transfers and subsidies - capital (monetary allocations)		48 435	57 688	57 688	2 916	36 613	43 266	(6 653)	(0)	57 688
Transfers and subsidies - capital (in-kind)		350	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions										
		(34 281)	95 887	91 878	31 045	92 879	65 305	27 573	0	91 878
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax										
		(34 281)	95 887	91 878	31 045	92 879	65 305	27 573	0	91 878
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality										
		(34 281)	95 887	91 878	31 045	92 879	65 305	27 573	0	91 878
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year										
		(34 281)	95 887	91 878	31 045	92 879	65 305	27 573	0	91 878

1.5 Table C5: Monthly Budget Statement – Capital Expenditure

EC106 Sundays River Valley - Table C5 Monthly Budget
Statement - Capital Expenditure (municipal vote, functional)

Vote Description	Ref	2023/24 Audited Outcome	Budget Year 2024/25 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 6 - Technical Services (14: CAPEX)		-	-	-	-	-	-	-		-
Vote 7 - Executive AND Council (30: CAPEX)		-	-	-	-	-	-	-		-
Vote 8 - Community Services (36: CAPEX)		-	-	-	-	-	-	-		-
Vote 9 - Technical Services (38: CAPEX)		-	-	-	-	-	-	-		-
Vote 10 - Finance (39: CAPEX)		-	-	-	-	-	-	-		-
Vote 11 - Corporate Services (40: CAPEX)		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 6 - Technical Services (14: CAPEX)		-	-	-	-	-	-	-		-
Vote 7 - Executive AND Council (30: CAPEX)		-	1 300	600	-	9	428	(418)	-98%	600
Vote 8 - Community Services (36: CAPEX)		11 643	5 870	5 870	192	4 334	4 183	152	4%	5 870
Vote 9 - Technical Services (38: CAPEX)		36 719	55 872	56 703	2 724	45 107	40 401	4 706	12%	56 703
Vote 10 - Finance (39: CAPEX)		-	-	-	-	-	-	-		-
Vote 11 - Corporate Services (40: CAPEX)		-	-	300	188	237	214	23	11%	300
Total Capital single-year expenditure	4	48 362	63 043	63 473	3 103	49 688	45 224	4 463	10%	63 473
Total Capital Expenditure		48 362	63 043	63 473	3 103	49 688	45 224	4 463	10%	63 473
Capital Expenditure - Functional Classification										
Governance and administration		-	1 300	900	188	246	641	(395)	-62%	900
Executive and council		-	1 300	600	-	9	428	(418)	-98%	600
Finance and administration		-	-	300	188	237	214	23	11%	300
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		11 643	5 870	5 870	192	4 334	4 183	152	4%	5 870
Community and social services		11 643	5 870	5 870	192	4 334	4 183	152	4%	5 870
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		2 341	12 410	12 395	1 138	6 810	8 831	(2 022)	-23%	12 395
Planning and development		-	-	-	-	-	-	-		-
Road transport		2 341	12 410	12 395	1 138	6 810	8 831	(2 022)	-23%	12 395
Environmental protection		-	-	-	-	-	-	-		-
Trading services		34 378	43 462	44 308	1 585	38 297	31 569	6 728	21%	44 308
Energy sources		2 854	4 495	4 510	-	2 998	3 213	(215)	-7%	4 510
Water management		947	14 489	14 189	-	-	10 110	(10 110)	-100%	14 189
Waste water management		30 577	24 478	25 609	1 585	35 299	18 246	17 053	93%	25 609
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	48 362	63 043	63 473	3 103	49 688	45 224	4 463	10%	63 473
Funded by:										
National Government		48 339	57 389	57 389	2 916	49 405	40 889	8 516	21%	57 389
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		48 339	57 389	57 389	2 916	49 405	40 889	8 516	21%	57 389
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		23	5 654	6 084	188	282	4 335	(4 053)	-93%	6 084
Total Capital Funding		48 362	63 043	63 473	3 103	49 688	45 224	4 463	10%	63 473

1.6 Table C6: Monthly Budget Statement - Financial Position

EC106 Sundays River Valley - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		7 101	57 606	43 336	29 032	43 336
Trade and other receivables from exchange transactions		8 855	18 990	22 235	38 814	22 235
Receivables from non-exchange transactions		7 211	26 009	15 850	22 685	15 850
Current portion of non-current receivables		–	368	–	–	–
Inventory		309	299	309	321	309
VAT		24 964	7 205	27 059	31 473	27 059
Other current assets		36	745	36	(539)	36
Total current assets		48 476	111 221	108 825	121 785	108 825
Non current assets						
Investments						
Investment property		40 205	22 609	40 205	40 205	40 205
Property, plant and equipment		943 328	868 587	953 597	954 717	953 597
Biological assets						
Living and non-living resources						
Heritage assets		322	322	322	322	322
Intangible assets		–	(286)	(1 753)	–	(1 753)
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		983 855	891 233	992 371	995 244	992 371
TOTAL ASSETS		1 032 331	1 002 453	1 101 196	1 117 029	1 101 196
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		–	–	–	(416)	–
Consumer deposits		84	2 637	84	83	84
Trade and other payables from exchange transactions		126 956	63 828	126 956	124 813	126 956
Trade and other payables from non-exchange transactions		0	9 209	0	7 596	0
Provision		9 687	8 746	9 687	9 687	9 687
VAT		24 082	(256)	26 178	35 593	26 178
Other current liabilities		902	754	902	902	902
Total current liabilities		161 711	84 917	163 807	178 258	163 807
Non current liabilities						
Financial liabilities						
Provision		51 659	41 877	51 659	51 659	51 659
Long term portion of trade payables						
Other non-current liabilities		6 711	5 112	6 711	6 711	6 711
Total non current liabilities		58 370	46 989	58 370	58 370	58 370
TOTAL LIABILITIES		220 081	131 906	222 177	236 628	222 177
NET ASSETS	2	812 249	870 547	879 019	880 400	879 019
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		854 751	874 081	882 177	790 680	882 177
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	854 751	874 081	882 177	790 680	882 177

1.7 Table C7: Monthly Budget Statement – Cashflow

EC106 Sundays River Valley - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		33 614	37 859	54 298	2 945	4 649	—	4 649	#DIV/0!	—
Service charges		10 351	69 119	63 210	892	(15 623)	—	(15 623)	#DIV/0!	—
Other revenue		25 692	8 651	11 909	1 637	1 633	—	1 633	#DIV/0!	—
Transfers and Subsidies - Operational		141 270	113 539	121 673	38 622	69 697	254 924	(185 227)	-73%	327 645
Transfers and Subsidies - Capital		29 018	57 688	57 688	3 073	11 247	—	11 247	#DIV/0!	—
Interest		1 442	1 779	1 779	86	1 254	1 334	(79)	-6%	1 779
Dividends								—		
Payments										
Suppliers and employees		(324 878)	(209 308)	(210 956)	(30 110)	(288 148)	(157 483)	(130 665)	83%	(222 444)
Interest		—	(2 660)	(2 660)	—	—	(1 995)	1 995	-100%	(2 660)
Transfers and Subsidies								—		
NET CASH FROM/(USED) OPERATING ACTIVITIES		(83 491)	76 666	96 942	17 145	(215 289)	96 781	312 070	322%	104 320
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		(47 386)	(63 043)	(63 473)	(4 145)	(6 592)	—	(6 592)	#DIV/0!	—
NET CASH FROM/(USED) INVESTING ACTIVITIES		(47 386)	(63 043)	(63 473)	(4 145)	(6 592)	—	6 592	#DIV/0!	—
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								—		
Borrowing long term/refinancing								—		
Increase (decrease) in consumer deposits								—		
Payments										
Repayment of borrowing		—	—	—	(54)	(416)	—	(416)	#DIV/0!	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	(54)	(416)	—	416	#DIV/0!	—
NET INCREASE/ (DECREASE) IN CASH HELD		(130 877)	13 623	33 469	12 947	(222 297)	96 781			104 320
Cash/cash equivalents at beginning:		2 167	20 277	7 101	—	7 101	7 101	0		7 101
Cash/cash equivalents at month/year end:		(128 710)	33 900	40 570	12 947	(215 197)	103 881			111 420

1.8 Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March 2025

EC106 Sundays River Valley - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration		Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2024/25				
						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			5 948	6 353	6 353	539	5 062	4 765	297	6%	6 353
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			-	-	-	-	-	-	-	-	-
Cellphone Allowance			670	719	719	58	518	539	(21)	-4%	719
Housing Allowances			300	312	312	25	225	234	(9)	-4%	312
Other benefits and allowances			363	379	379	30	273	284	(11)	-4%	379
Sub Total - Councillors			7 282	7 763	7 763	652	6 078	5 822	256	4%	7 763
% increase		4		6,6%	6,6%						6,6%
Senior Managers of the Municipality											
Basic Salaries and Wages			4 739	4 898	4 898	401	3 707	3 673	34	1%	4 898
Pension and UIF Contributions			11	11	11	1	8	8	(0)	-5%	11
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			865	913	913	72	646	685	(38)	-6%	913
Cellphone Allowance			120	127	127	10	90	95	(5)	-6%	127
Housing Allowances			192	203	203	16	144	152	(8)	-6%	203
Other benefits and allowances			1	1	1	0	1	1	(0)	-1%	1
Payments in lieu of leave			(637)	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations			-	-	-	-	-	-	-	-	-
Entertainment		2	206	-	-	-	-	-	-	-	-
Scarcity			223	240	240	19	170	180	(10)	-6%	240
Acting and post related allowance			-	-	-	-	-	-	-	-	-
In kind benefits			-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality			5 719	6 394	6 394	518	4 766	4 795	(29)	-1%	6 394
% increase		4		11,8%	11,8%						11,8%
Other Municipal Staff											
Basic Salaries and Wages			61 222	63 335	63 484	5 605	52 094	47 613	4 481	9%	63 484
Pension and UIF Contributions			10 798	11 396	11 396	998	9 103	8 547	556	7%	11 396
Medical Aid Contributions			4 543	4 945	4 945	433	3 665	3 709	(44)	-1%	4 945
Overtime			4 467	4 466	4 466	357	3 855	3 350	506	15%	4 466
Performance Bonus			4 625	4 578	4 429	-	4 890	3 322	1 568	47%	4 429
Motor Vehicle Allowance			5 937	6 244	6 244	512	4 692	4 683	9	0%	6 244
Cellphone Allowance			768	923	923	77	686	692	(6)	-1%	923
Housing Allowances			547	550	550	47	430	412	18	4%	550
Other benefits and allowances			1 183	1 209	1 209	115	1 202	907	296	33%	1 209
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			288	14	14	29	270	10	260	2562%	14
Post-retirement benefit obligations			276	531	531	67	344	398	(55)	-14%	531
Entertainment			-	-	-	-	-	-	-	-	-
Scarcity			-	-	-	-	-	-	-	-	-
Acting and post related allowance			-	-	-	-	-	-	-	-	-
In kind benefits			1 513	1 231	1 231	126	1 312	923	389	42%	1 231
Sub Total - Other Municipal Staff			96 167	99 420	99 420	8 365	82 544	74 564	7 979	11%	99 420
% increase		4		3,4%	3,4%						3,4%
Total Parent Municipality			109 168	113 576	113 576	9 535	93 388	85 181	8 207	10%	113 576
Unpaid salary, allowances & benefits in arrears:				4 000	4 000						4 000
TOTAL SALARY, ALLOWANCES & BENEFITS			109 168	113 576	113 576	9 535	93 388	85 181	8 207	10%	113 576
% increase		4		4,0%	4,0%						4,0%
TOTAL MANAGERS AND STAFF			101 887	105 814	105 814	8 883	87 310	79 359	7 951	10%	105 814

PART 3 - REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN POLICY

MARCH REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN POLICY

PURPOSE OF THIS REPORT

The purpose of this report is to inform the Council on the implementation of the Supply Chain Management Policy of the municipality for the above outlined period.

BACKGROUND

In terms of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of the policy to ensure that the accounting officer implements all supply chain activities in accordance therewith.

LEGISLATIVE FRAMEWORK

Section 6(3) MFMA Supply Chain Regulations.

PROGRESS AND COMPLIANCE

Progress

The authorized Supply Chain Management (SCM) Policy has been reviewed to ensure that task segregation and controls are being followed in the supply chain operations. To ensure compliance with the Supply Chain Policy and Preferential Procurement Regulation, the SCM department continues to use the checklists developed in the previous fiscal year for a range of transaction values of goods and services. SCM officials have received training to enable them to carry out SCM policy.

SCM continues to have trouble obtaining monitoring and progress reports from the user departments.

Supplier Database

The municipality complies with the requirements of CSD as stipulated in the MFMA circular number 81. Suppliers which are utilised are being verified their registration with CSD. The municipal database is also updated on adhoc bases.

Functioning of SCM Unit

Declaration of Interest for 2024/25 financial year is signed by SCM personnel. None of SCM personnel have declared any interest.

Bid Committees

Bid Committees are still formulated in accordance with the standard for infrastructure procurement delivery (SIPDM) and are operating efficiently. The municipal bid committees comprise the following:

- **Bid Specification Committee**
- **Bid Evaluation Committee**
- **Bid Adjudication Committee**

The committees are entrusted with the responsibility to ensure that the municipal procurement system is done in accordance with the s217 of the South African Constitution and s112 of the MFMA.

Performance of committees in general

For the month of March, the Bid committee sittings has improved.

Procurement Plans

Procurement is done according to the approved Procurement Plan for the 2024/25 financial year.

Supplier Performance

All service providers for the month of March performed as per signed contracts.

REPORT ON STATUS OF TENDERS

REQUEST FOR QUOTATIONS

BID NAME	Tender No	ADVERTISING DATE	STATUS
SUPPLY AND FITMENT OF CERAMIC TILES FOR TRAFFIC DEPARTMENT	SRVM RFQ 25/2025	13/03/2025	Evaluation Stage
SUPPLY AND DELIVERY OF ROADS AND STORMWATER PPE	SRVM RFQ 26/2025	13/03/2025	Evaluation Stage
SUPPLY AND DELIVERY OF NETWORK SWITCHES FOR KIRKWOOD LIBRARY	SRVM RFQ 27/2025	20/03/2025	Evaluation Stage

COMPETITIVE BIDS

BID NAME	Tender No	ADVERTISING DATE	STATUS
COMPILATION OF GRAP COMPLIANT ASSETS REGISTER FOR THE PERIOD OF 36 MONTHS	SRVM 10/2025	27/03/2025	Advertisement stage

AWARDED TENDERS FOR MARCH

BID NAME	BIDDER	Tender No	TENDER AMOUNT	APPOINTMENT DATE	Duration
SUPPLY AND DELIVERY OF ROAD REHABILITATION MATERIAL FOR JOHN STREET	NTABELANGA ENTERPRISE (PTY) LTD	SRVM RFQ 21/2025	R228 240,00	2025/03/07	30 Days
MAINTENANCE AND UPKEEP OF VALENCIA SEWER PUMPTION FACILITIES AND ENON/BERSHEBA WTW	BAVUYISWA (PTY) LTD	SRVM RFQ 22/2025	R71 000,00	2025/03/07	30 Days
SUPPLY AND DELIVERY OF ROADS REPAIR MATERIAL FOR POTHOLE PATCHING	BLACKFAMA HOUSE (PTY) LTD	SRVM RFQ 23/2025	R125 000,00	2025/03/17	30 Days
SUPPLY AND DELIVERY OF CIVIL STRUCTURES MATERIAL TO FIX DAMAGE INFRASTRUCTURE	VIKIPATH (PTY) LTD	SRVM RFQ 24/2025	R81 979,13	2025/03/17	30 Days

Deviations

All procurement processes are currently met for the thresholds and deviations are approved where necessary in terms of the following:

- According to the Municipal Supply Chain Management Regulation paragraph 36, municipalities must disclose all deviations to Council. The categories for deviations to supply chain management process are:
- In an emergency
- If such goods or services are produced or available from a single provider only;
- For the acquisition of special works of art or historic objects where specifications are difficult to compile
- Acquisitions of animals for zoos;
- In any other exceptional case where it is impractical or impossible to follow the official procurement process

It should be noted that, SCM advises Councillors and officials to bear in mind that SCM processes need to be always followed therefore they need to develop a way of reporting issues within their area.

Approved deviations for March 2025 amount **R153 107.25**

No	Payment Date	Supplier Name	Details	Deviation Type	R	Comments
1	4-Mar-25	Transport-Drivers License Card	New card for January 2025	Sole Supplier	R25,517.00	Drivers License Card Account is the sole supplier to print Drivers License cards for the province. Please see the attached Government Gazette that relates to the payment of the card production facility for production of Drivers License Cards that is issued. It is a function we perform on behalf of Dept of Transport.
2	10-Mar-25	Arena Holdings (Pty) Ltd	Advert for position Director Infrastructure, Planning and Development	Sole Supplier	R72,588.00	Arena Holdings is the sole publisher is the Sunday Times newspaper. When the Municipality needs to advertise nationally, it uses the Sunday Times newspaper as it is cheaper than the other Sunday published newspaper.
3	10-Mar-25	CFAO Mobility William Hunt PE	Repairs vehicles KDD 749 EC	Exceptional case and it is impractical or impossible to follow the official procurement processes.	R19,242.87	CFAO Trading as ISUZU is the sole service provider for ISUZU trucks and vehicles. They have better knowledge of their products with technical and parts distribution to fit their vehicles. The truck went for service upon that it was noted that some parts need to be replaced and other to be repaired. With truck been taken apart, it would be difficult to take it somewhere else for quotation that could lead to wasteful expenditure. It would be impossible to follow official procurement.
4	10-Mar-25	CFAO Mobility William Hunt PE	Repairs of KCD 788 EC	Exceptional case and it is impractical or impossible to follow the official procurement processes.	R9,162.79	CFAO Trading as ISUZU is the sole service provider for all ISUZU trucks and vehicles. The truck went for service upon that it was noted that some parts need to be replaced and other to be repaired. With truck been taken apart, it will be difficult to take it somewhere else for quotation that could lead to wasteful expenditure. It would be impossible to follow official procurement.
5	14-Mar-25	CFAO Mobility Hino Algoa	Service Payment for JGH 673 EC	Exceptional case and it is impractical or impossible to follow the official procurement processes.	R7,091.31	CFAO Trading as Hino Toyota is the sole service provider for all Hino Truck and vehicles. They have better knowledge of their products with technical and parts distribution to fit their vehicles. With truck been taken apart, it will be difficult to take somewhere else for quotation that could lead to Wastful expenditure. It would be impossible to follow official procurement.
6	18-Mar-25	Blison Trucks PE	Service Payment for JYW 301 EC	Exceptional case and it is impractical or impossible to follow the official procurement processes.	R19,505.28	Blison trading as Nissan is the sole service provider for all Nissan Trucks. They have better knowledge of their products with technical and parts distribution to fit their vehicles. With truck been taken part, it will be difficult to take it somewhere else for quotation that could lead to wasteful expenditure. It would be impossible to follow official procurement.
					<u>R153,107.25</u>	

IRREGULAR EXPENDITURE

In compliance with Section 32 of the MFMA, Irregular, fruitless and wasteful expenditure amounts to **R911 755.44** for the month of March 2025. The expenditure is broken down into the following categories:

- Total of Irregular Expenditure for Capital Projects amounts to **R 0**
- Total of Irregular Expenditure for Operational Expenditure amounts to **R901 864.48**
- Total of Fruitless and Wasteful Expenditure amounts to **R 9 890.96**

Reasons for Irregular Expenditure is due to poor planning which leads to direct appointment of service provider without following the the proper SCM processes, as well as the errors done by bid committee member when evaluating and adjudicating bids.

Detailed Irregular, Fruitless and Wasteful Expenditure schedules are stated in the pages which follow



Annexure A

IRREGULAR EXPENDITURE FOR THE MONTH OF MARCH 2025



042 230 7700



078 266 6230



Bidder Name	Tender Name/Description	Date Reported	Date of payment	Payment Number	Amount	Description of Incident	Person liable (Official or Political Office)	Type of Prohibited Expenditure
Summerfalls Trading 4	Firewall security protection 15 February - 15 March 2025	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	25-Mar-25	OB 000064020	R77.981,50	The BEC & BAC process was not completely followed, the functionality stage was not done.	Chief Financial Officer	Irregular
Summerfalls Trading 4	Voice calls from 0422307700, 15 February - 15 March 2025	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	25-Mar-25	OB 000064020	R23.922,29	The BEC & BAC process was not completely followed, the functionality stage was not done.	Chief Financial Officer	Irregular
Sky Metro Equipment	Rental of 2x Toyota Hilux LDV KBP559Ec & KHV211Ec	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	24-Mar-25	OB 000064018	R62.316,20	The service provider was directly appointed without following proper SCM Processes in that	Chief Financial Officer	Irregular
Summerfalls Trading 3	Provision of virtual private network and internet connection, WiFi and voice over internet protocol telephone system for a period of 3 years	N/a- MFMA section 71, 52 (d) and 75 Reports are tabled to council during the applicable reporting periods.	20-Mar-25	OB 000063993	R300.000,00	The BEC & BAC process was not completely followed, the functionality stage was not done.	Chief Financial Officer	Irregular
Metsi Water Solutions	Water chemicals	N/a- MFMA section 71, 52 (d) and 75 Reports are tabled to council during the applicable reporting periods.	24-Mar-25	OB 000064015	R257.542,50	The deviation is irregular as there was a deviation that was already done in December 2024 for	Director Infrastructure	Irregular
Sky Metro Equipment	Rental of T Cross 15 Nov 2024 - 15 Jan 2025	N/a- MFMA section 71, 52 (d) and 72 Reports are tabled to council during the applicable reporting periods.	14-Mar-25	OB 000063951	R32.880,80	The service provider was directly appointed without following proper SCM Processes in that	Chief Financial Officer	Irregular
Summerfalls Trading 4	Voice calls from 0422307700, 21 January - 16 February 2025	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	7-Mar-25	OB 000063911	R22.725,39	The BEC & BAC process was not completely followed, the functionality stage was not done.	Chief Financial Officer	Irregular
Summerfalls Trading 4	Firewall security protection 21 January - 16 February 2025	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during	7-Mar-25	OB 000063911	R77.981,50	The BEC & BAC process was not completely followed.	Chief Financial Officer	

Travelstart	Return flight bookings for Directoir Mbongwe in Cape Town, 24-25 March 2025	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	20-Mar-25	OB 000064001	R7.925,88	The service provider was directly appointed without sourcing three quotations yet the	Director Community Services	Irregular
Dagbreek Spar	Spar vouchers- Donation to Dyasi Iviwe in Addo after the taxi accident that left her paralysed in a wheel chair	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	19-Mar-25	OB 000063990	R5.000,00	The service provider was directly appointed without sourcing three quotations yet the	Municipal Manager	Irregular
Travelstart	Return flight bookings for MM in Joburg, 26-28 March 2025 attending Water and Sanitation Indaba	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	19-Mar-25	OB 000063989	R5.691,88	The service provider was directly appointed without sourcing three quotations yet the	Municipal Manaer	Irregular
Travelstart	Return flight bookings for Ms Ngcobo in Cape Town,08-11 April 2025	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	18-Mar-25	OB 000063975	R3.988,64	The service provider was directly appointed without sourcing three quotations yet the	Municipal Manaer	Irregular
Travelstart	Return flight bookings for Mrs Majola in Joburg, 26-28 March 2025 attending Water and Sanitation Indaba	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	18-Mar-25	OB 000063972	R5.232,38	The service provider was directly appointed without sourcing three quotations yet the	Director Infrastructure	Irregular
Travelstart	Return flight bookings for Director Mntonintshi in Joburg, 26-28 March 2025 attending Water and Sanitation Indaba	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	18-Mar-25	OB 000063976	R4.621,88	The service provider was directly appointed without sourcing three quotations yet the	Director Infrastructure	Irregular
Travelstart	Return flight bookings for Mr Ntongana and Cllr Langbooi in Joburg, 18-21 March 2025 attending Salga digital indaba workshop	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	14-Mar-25	OB 000063970	R7.966,76	The service provider was directly appointed without sourcing three quotations yet the	Municipal Manaer	Irregular
Travelstart	Return flight bookings for the Mayor in Joburg, 26-28 March 2025 attending Water and Sanitation Indaba	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	18-Mar-25	OB 000063982	R6.086,88	The service provider was directly appointed without sourcing three quotations yet the	Municipal Manaer	Irregular

Home of the Addo Elephant Park

Annexure B

FRUITLESS AND WASTEFUL EXPENDITURE FOR MARCH 2025

Home of the Addo Elephant Park

Bidder Name	Tender Name/Description	Date Reported	Date of payme	Payment Number	Amount	Description of Incident	Person liable (Official or Political Office)	Type of Prohibited Expenditure
Lower Sundays River W	ACC#569 interest for water	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the appplicable reporting periods.	9/3/2025	1505	86,03	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the appplicable reporting periods.	9/3/2025	1505	39,53	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the appplicable reporting periods.	9/3/2025	1505	146,49	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the appplicable reporting periods.	9/3/2025	1505	1.420,70	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the appplicable reporting periods.	9/3/2025	1505	167,41	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the appplicable reporting periods.	9/3/2025	1505	153,46	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure

Home of the Addo Elephant Park

Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	2,33	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	6,98	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	20,93	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	4.394,64	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	3/9/2025	1505	279,02	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	3/3/2025	1505	25,58	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	186,02	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	232,52	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure

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Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	232,52	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	232,52	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	93,01	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	25,58	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	25,58	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	44,88	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 Interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	694,57	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#568 Interest - Feb 2025	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	3/3/2025	1505	1.262,07	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
Lower Sundays River W	ACC#569 interest	N/a- MFMA section 71, 52 (d) and 73 Reports are tabled to council during the applicable reporting periods.	9/3/2025	1505	118,59	Overdue Accounts	Chief Financial Officer	Fruitless & Wasteful Expenditure
					9.890,96			



Home of the Addo Elephant Park



Sundays River Valley Municipality

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