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Department:

Treasury

**PROVINCE OF KWAZULU-NATAL**

# **CONSOLIDATED MUNICIPAL BUDGETS PERFORMANCE REPORT**

## **1<sup>st</sup> Quarter Review 2024/25**

**MFQR: 30 September 2024**

Compiled by: KwaZulu-Natal (KZN) Provincial Treasury

## Data Source and Reliability

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*This report uses data reported by municipalities by the 10<sup>th</sup> working day of the month, as required by Section 71(1) of the MFMA. The report has been compiled based on information provided by the municipalities in the form of Municipal Standard Chart of Accounts (mSCOA) data strings, Financial Management Reports (FMR) and other budget performance information for the financial period ended 30 September 2024 from the NT LG Database. Therefore, any queries on the budget, revenue or expenditure figures reflected in the report must be referred to the relevant Municipal Manager or Chief Financial Officer. The quality of the report depends on the reliability and credibility of the information and figures submitted by the municipalities. It is noted that certain municipalities experience challenges with their financial systems as well as with the capturing of financial data in accordance with the mSCOA segments. These problems cause errors in the submitted data strings as well as inaccuracies in the financial information related to misalignment, cash flow and balance sheet budgeting.*

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## Methodology and Approach

The methodology and approach used for the compilation of this report included the following:

The data for the analysis used in this report was extracted from the NT LG Database as reported by municipalities for the financial quarter ended 30 September 2024. The non-delegated municipalities, namely, the eThekweni Metro and the Msunduzi and uMhlathuze Local Municipalities are included in the report. By the legislated date for municipalities to upload their monthly MFMA Section 71 performance data strings onto the NT LG Database (National Treasury GoMuni Upload Portal), the uMzumbe Local Municipality did not successfully upload their MFMA Section 71 data strings to the National Treasury GoMuni Upload Portal by 14 October 2024. As the municipality had challenge with uploading of their data strings which National Treasury assisted the municipality and then accepted the data strings on 15 October 20024.

All municipalities should have generated and spent approximately 25 percent of their 2024/25 Approved Budgets as at the end of the first quarter of the 2024/25 financial year.

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# 1. Introduction

This consolidated municipal budget performance review covers the financial performance of municipalities in KZN as at the end of the first quarter of the 2024/25 financial year.

The consolidated statement provides the in-year financial performance of municipalities against their budgeted revenue and expenditure. It includes the operating and capital budget performances as well as the debtors, creditors and conditional grant reporting requirements.

Assessing the expenditure performance of municipalities assists in serving as a control and management tool and serves as an early warning signal for identifying financial problems.

The report is prepared using the figures from the mSCOA data strings. The mSCOA Regulations were promulgated on 22 April 2014 and prescribed the uniform recording and classification of the municipal budget and financial information at a transaction level. The mSCOA Regulations require that municipalities upload their budget and financial information in a data string format to the National Treasury GoMuni Upload Portal across the six mSCOA regulated segments. The quarterly report has been prepared using the mSCOA data strings submitted by the municipalities, however the credibility of the information contained in the data strings is of concern. At the core of the challenge are the following:

- The incorrect use of the mSCOA segments and municipal accounting practices by municipalities;
- A number of municipalities are not budgeting, transacting and reporting directly in/from their core financial systems. Instead, they prepare their budgets and reports on excel spreadsheets and then import the excel spreadsheets into their financial system; and
- Municipalities are not locking their Approved Budgets annually on their financial systems. Furthermore, their financial systems are not being locked at month-end to ensure prudent financial management.

It should be noted that the following municipalities passed Adjustments Budgets in terms of Section 28 of the MFMA and Regulation 23 of the Municipal Budget and Reporting Regulations (MBRR) during the first quarter of the 2024/25 financial year:

- King Cetshwayo District Municipality – Section 28(2)(e) of the MFMA relating to authorisation of the spending of funds that were unspent at the end of the past financial year and Regulation 23(5) of the MBRR. The overall impact on the municipality's Original Budget is the increase of R4.9 million under *Capital revenue* and *Capital expenditure*; and
- uMlalazi Local Municipality – Section 28(2)(b) of the MFMA relating to new allocation and Regulation 23(3) of the MBRR. The overall impact on the municipality's Original Budget is the increase of R8.5 million under *Operating revenue* and *Operating expenditure*.

Consequently, the MFMA Section 71 performance for *Operating revenue*, *Operating expenditure*, *Capital revenue* and *Capital expenditure* for the King Cetshwayo District Municipality and the uMlalazi Local Municipality will therefore be compared to their Adjusted Budget.

## Legislative Framework

In terms of Section 71(7) of the MFMA, *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.*

## 2. District Overview

### 2.1 Operating Revenue

**Table 1: Operating Revenue per source and per district as at the end of Quarter 1 – 2024/25**

R'000	Original Budget	Unaudited Actual	% Generated	Detail						
				Exchange Revenue			Other revenue <sup>2</sup>	Non-Exchange Revenue		
				Service charges				Property rates	Transfers and subsidies - Operational <sup>3</sup>	Other revenue <sup>4</sup>
				Electricity revenue	Water revenue	Other <sup>1</sup>				
eThekwini	56 060 883	15 776 742	28.1	5 145 974	1 488 226	553 330	945 812	4 022 015	2 087 765	1 533 621
Ugu	3 475 206	1 146 476	33.0	61 454	102 995	63 752	48 878	251 526	612 919	4 953
uMgungundlovu	11 891 569	3 174 760	26.7	967 407	422 846	132 722	160 960	567 586	885 047	38 192
uThukela	3 528 863	839 120	23.8	234 577	19 762	17 650	47 296	169 251	324 475	26 109
uMzinyathi	2 218 747	732 871	33.0	70 187	21 289	15 405	28 375	82 362	508 150	7 104
Amajuba	3 145 026	994 358	31.6	272 870	63 503	70 099	14 335	127 234	435 072	11 246
Zululand	2 960 790	1 076 069	36.3	124 599	32 906	30 480	18 218	175 526	688 875	5 463
uMkhanyakude	1 945 860	769 440	39.5	1 273	13 469	3 352	26 493	57 141	658 793	8 918
King Cetshwayo	7 696 632	2 332 604	30.3	702 293	151 876	80 863	58 246	324 076	827 250	188 001
iLembe	5 199 777	1 466 018	28.2	283 952	74 037	57 792	84 551	233 039	715 679	16 968
Harry Gwala	1 952 278	728 912	37.3	62 148	16 302	13 027	36 083	101 100	490 386	9 867
Total	100 075 631	29 037 369	29.0	7 926 734	2 407 210	1 038 471	1 469 247	6 110 855	8 234 410	1 850 442

Source: NT Igddatabase, downloaded 16 October 2024.

1 Include Service charges revenue for Waste Water Management and Waste Management.

2 Include Sale of Goods and Rendering of Services, Agency services, Interest, Interest earned from Receivables, Interest earned from Current and Non-Current Assets, Dividends, Rent on Land, Rental from Fixed Assets, Licence and permits and Operational Revenue.

3 Include Equitable Share, Financial Management Grant, Expanded Public Works Programme Integrated Grant, Provincial Operating Grant, 5% portion of Municipal Infrastructure Grant.

4 Include Surcharges and Taxes, Fines, penalties and forfeits, Licence or permits, Interest, Fuel Levy, Operational Revenue, Gains on disposal of Assets, Other Gains and Discontinued Operations.

- In aggregate, municipalities in KwaZulu-Natal generated *Operating revenue* amounting to R29 billion or 29 percent of their Original Budgets of R100.1 billion as at the end of September 2024 which is above the straight-line projection of 25 percent expected as at the end of the first quarter of the 2024/25 financial year.
- The eThekweni Metro with R15.8 billion or 54.3 percent contributed the most towards the total *Operating revenue* of R29 billion followed by the uMgungundlovu District with R3.2 billion or 10.9 percent and the King Cetshwayo District with R2.3 billion or 8 percent. It should be noted that the Msunduzi Local Municipality contributed R2.3 billion or 72.2 percent towards the total *Operating revenue* reported by the uMgungundlovu District whilst the uMhlathuze Local Municipality reported R1.5 billion or 66.3 percent of the total *Operating revenue* reported by the King Cetshwayo District. The non-delegated municipalities are considered to be significant contributors to the total *Operating revenue* generated as they are densely populated cities with a large number of consumers who are billed for municipal services and *Property rates*.
- The Harry Gwala, uMzinyathi and uMkhanyakude Districts with a total revenue of R728.9 million or 2.5 percent, R732.9 million or 2.5 percent and R769.4 million or 2.6 percent contributed the least towards the total *Operating revenue* generated by the province as at the end of the first quarter of the 2024/25 financial year which is expected as the districts were the lowest contributors towards the total Original Budget for *Operating revenue*.
- Transfers and subsidies - Operational* contributed the most towards *Operating revenue* as at the end of the first quarter of the 2024/25 financial year with R8.2 billion or 28.4 percent followed by *Services charges – electricity revenue* with R7.9 billion or 27.3 percent. *Service charges – other* which comprises of *Service charges – waste water management* and *Service charges – waste management* contributed the least towards total *Operating revenue* and generated R1 billion or 3.6 percent.

## 2.2 Operating Expenditure

**Table 2: Operating Expenditure per item and per district as at the end of Quarter 1 – 2024/25**

R'000	Original Budget	Unaudited Actual	% Spent	Detail								
				Employee related costs	Remun. of councillors	Bulk purchases - electricity	Inventory consumed	Debt impairment	Depreciation and amortisation	Interest	Contracted services	Other <sup>1</sup>
eThekwini	55 640 744	14 490 559	26.0	2 960 644	35 020	5 177 855	902 079	1 695 125	731 940	263 074	1 270 222	1 454 600
Ugu	3 037 340	864 146	28.5	355 530	22 320	59 102	57 361	6 807	90 546	11 466	122 900	138 116
uMgungundlovu	11 266 842	2 689 526	23.9	578 282	28 549	1 222 777	348 793	1 681	145 967	12 083	203 720	147 674
uThukela	3 534 312	650 453	18.4	248 344	15 536	193 558	19 238	-	41 967	587	76 960	54 264
uMzinyathi	2 226 646	445 085	20.0	167 106	12 151	91 006	11 046	1 674	26 169	1 280	68 482	66 171
Amajuba	3 170 793	780 633	24.6	225 446	12 385	188 811	60 423	(8 098)	108 744	9 152	112 628	71 144
Zululand	2 939 166	747 699	25.4	269 309	20 124	157 556	22 023	1 465	77 139	7 549	104 938	87 596
uMkhanyakude	1 895 805	453 822	23.9	179 151	18 753	7 706	2 496	(968)	58 668	1	76 899	111 116
King Cetshwayo	7 976 817	2 047 335	25.7	454 651	25 866	593 472	175 004	58 826	140 498	48 053	218 185	332 780
iLembe	5 160 392	1 053 913	20.4	270 261	18 767	341 756	14 004	2 611	89 957	1 349	170 450	144 758
Harry Gwala	2 057 832	488 317	23.7	182 174	14 175	67 881	11 032	-	44 031	13	75 838	93 172
Total	98 906 688	24 711 488	25.0	5 890 898	223 647	8 101 479	1 623 498	1 759 123	1 555 627	354 605	2 501 222	2 701 389

Source: NT Igdatabase, downloaded 16 October 2024.

<sup>1</sup> Include Operational costs, Transfers and subsidies, Irrecoverable debts written off, Loss on disposal of Assets and Other Losses.

- In aggregate, municipalities in KwaZulu-Natal incurred *Operating expenditure* amounting to R24.7 billion or 25 percent of their Original Budgets of R98.9 billion as at the end of September 2024 which is in line with the expected straight-line projection as at the end of the first quarter of the 2024/25 financial year.
- The eThekweni Metro with R14.5 billion or 58.6 percent contributed the most towards the total *Operating expenditure* of R24.7 billion followed by the uMgungundlovu District with R2.7 billion or 10.9 percent and the King Cetshwayo District with R2 billion or 8.3 percent. It should be noted that the Msunduzi Local Municipality contributed R2.1 billion or 76.6 percent towards the total *Operating expenditure* reported by the uMgungundlovu District whilst the uMhlathuze Local Municipality contributed R1.5 billion or 73.4 percent of the total *Operating expenditure* reported by the King Cetshwayo District.
- The uMzinyathi, uMkhanyakude, Harry Gwala Districts with R445.1 million or 1.8 percent, R453.8 million or 1.8 percent and R488.3 million or 2 percent contributed the least towards the total *Operating expenditure* incurred as at the end of the first quarter of the 2024/25 financial year which is expected as the districts also contributed the least towards the total Original Budget for *Operating expenditure*.
- It should be noted that the uThukela District Municipality, the uMsinga Local Municipality, the iLembe District Municipality and the Inkosi uMtubatuba Local Municipality reported lowest *Operating expenditure* against their Original Budget with R125.2 million or 12.9 percent, R46.2 million or 15.5 percent, R246.9 million or 15.7 percent and R49.7 million or 16.1 percent respectively.
- The uThukela District Municipality indicated that the reported *Operating expenditure* as at the end of the first quarter is understated and will be corrected in the upcoming reporting periods. The low *Operating expenditure* reported by the uMsinga Local Municipality is in line with the municipality's procurement plan and the budget implementation plan. The iLembe District Municipality attributed the under-performance on *Operating expenditure* to the low expenditure incurred during the first quarter on *Remuneration of councillors*, *Inventory Consumed*, *Irrecoverable Debt Written Off* and *Other losses*. The Inkosi uMtubatuba Local Municipality indicated that the low expenditure reported as at the end of the first quarter was mainly due to no expenditure being reported for *Debt impairment* against a budget of R10.3 million and low expenditure of R1.4 million or 1.7 percent being reported for *Contracted services* against a budget of R81.5 million. The municipality also stated that the low expenditure against *Contracted services* is due to approach adopted by the newly appointed Ministerial Representative where all expenditures are approved on a priority basis by the Interim finance committee, which are strictly in line with available cash reserves for the municipality to be able to pay for the expenditure. This approach according to the municipality will continue up until the cash position at the municipality improves.

- *Bulk purchases - electricity* contributed the most towards the total *Operating expenditure* as at the end of the first quarter of the 2024/25 financial year with R8.1 billion or 32.8 percent followed by *Employee related costs* with R5.9 billion or 23.8 percent and *Other* with R2.7 billion or 10.9 percent. *Other expenditure* is made up of *Operational costs, Transfers and subsidies, Irrecoverable debts written off, Loss on disposal of Assets and Other Losses*.
- *Remuneration of councillors* of R223.6 million or 0.9 percent contributed the least towards the total *Operating expenditure*.
- It should be noted that 43 municipalities did not report any *Debt Impairment* for the period ended 30 September 2024 whilst two (2) municipalities reported negative figures for the *Debt impairment*. The Amajuba District Municipality reported significant decrease in their *Provision for debt impairment* of R8.1 million whilst the Jozini Local Municipality reported a decrease of R968 000. Most municipalities indicated that they will report on *Debt Impairment* during the preparation of their Annual Financial Statements (AFS).

## 2.3 Capital Revenue (Source of Finance)

**Table 3: Capital Revenue (Source of Finance) per district as at the end of Quarter 1 – 2024/25**

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail		
					Transfers recognised - capital <sup>1</sup>	Borrowing	Internally generated funds
eThekweni	7 680 538	7 680 538	600 527	7.8	422 265	55 989	122 273
Ugu	600 308	600 308	165 873	27.6	147 701	252	17 921
uMgungundlovu	1 228 992	1 228 992	113 047	9.2	106 787	1 199	5 060
uThukela	559 803	559 803	6 095	1.1	58 398	-	(52 303)
uMzinyathi	519 058	519 058	96 228	18.5	59 679	-	36 550
Amajuba	352 032	352 032	72 837	20.7	69 048	-	3 789
Zululand	715 547	715 547	292 839	40.9	278 989	-	13 850
uMkhanyakude	415 177	415 177	(48 389)	(11.7)	30 974	-	(79 363)
King Cetshwayo	1 249 871	1 254 744	287 001	23.0	218 192	54 099	14 710
iLembe	1 002 288	1 002 288	175 915	17.6	142 906	-	33 010
Harry Gwala	673 061	673 061	131 077	19.5	97 156	-	33 921
<b>Total</b>	<b>14 996 675</b>	<b>15 001 548</b>	<b>1 893 051</b>	<b>12.6</b>	<b>1 632 095</b>	<b>111 539</b>	<b>149 417</b>

Source: NT Igdatabase, downloaded 16 October 2024.

1 Include National Government, Provincial Government, District Municipality and Other transfers and grants.

- Municipalities in KwaZulu-Natal generated Capital revenue of R1.9 billion or 12.6 percent of their Original Budgets of R15 billion at an aggregate level to fund their *Capital expenditure* as at the end of September 2024 which is significantly below the straight line projection of 25 percent expected as at the end of the first quarter of the 2024/25 financial year. It is noted with concern that the total *Capital revenue* recognised as at 30 September 2024 of R1.9 billion is slightly above the total *Capital expenditure* of R1.8 billion incurred. The low *Capital revenue* recognised of R1.9 billion or 12.6 percent by the municipalities in KwaZulu-Natal is due to the low *Capital expenditure* reported by the municipalities which is primarily attributable to delays in Supply Chain Management (SCM) processes and inaccurate reporting by a number of municipalities.
- The highest contributor towards the total *Capital revenue* as at the end of the first quarter of the 2024/25 financial year was *Transfers recognised – capital* with R1.6 billion or 86.2 percent followed by *Internally generated funds* with R149.4 million or 7.9 percent. *Borrowing* of R111.5 million or 5.9 percent contributed the least towards the total *Capital revenue* as at the end of the first quarter of the 2024/25 financial year.
- The eThekweni Metro with R600.5 million or 31.7 percent contributed the most towards the total *Capital revenue* of R1.9 billion followed by the Zululand District with R292.8 million or 15.5 percent and King Cetshwayo District with R287 million or 15.2 percent.
- The uThukela, Amajuba and uMzinyathi Districts with R6.1 million or 0.3 percent, R72.8 million or 3.8 percent and R96.2 million or 5.1 percent respectively, contributed the least towards the total *Capital revenue* of R1.9 billion.
- The uMkhanyakude District reported negative *Capital revenue* of R48.4 million which was mainly due to the Jozini Local Municipality that reported negative *Capital revenue* of R109.7 million or negative 148.2 percent against their Original budget of R74.1 million. The Jozini Local Municipality indicated that during September 2024, a journal entry to incorporate the opening balances was processed. However, this entry contained errors, leading to the reporting of negative *Capital revenue* being reported. As per the municipality, the correct *Capital revenue* amounted to R15.6 million or 21.1 percent as at the end of the first quarter of the 2024/25 financial year.
- The uThukela District, eThekweni Metro and uMgungundlovu District reported the lowest *Capital revenue* against their Original Budgets as at the end of September 2024 with 1.1 percent, 7.8 percent and 9.2 percent respectively.



- The low *Capital revenue* reported by the uThukela District is mainly attributed to the Okhahlamba Local Municipality reporting negative R68.6 million or negative 102.4 percent against their Original Budget of R67 million. The Okhahlamba Local Municipality indicated that the negative *Capital revenue* reported was due to a reporting error and that they are engaging their service provider to resolve the reporting challenges. The municipality indicated that the correct *Capital revenue* is R20.7 million or 30.9 percent.
- The eThekweni Metro reported low *Capital revenue* in line with their low *Capital expenditure*. The municipality has attributed the under recognition of *Capital revenue* to challenges such as delays in SCM processes and issues with the contractor appointments including poor performance by some of contractors.
- The low revenue reported by the uMgungundlovu District is attributed to the Msunduzi Local Municipality reporting R34.9 million or 4.2 percent against their budget while the Mpofana and uMngeni Local Municipalities reported negative R437 000 or negative 2.4 percent and negative R24 000 or negative 0.03 percent respectively. The low *Capital revenue* reported by the Msunduzi Local Municipality and the negative *Capital revenue* by the uMngeni Local Municipality are attributable to system challenges which resulted in incorrect figures being reported in the data strings. The negative *Capital revenue* reported by the Mpofana Local Municipality is attributable to system challenges which resulted in incorrect figures being reported in the data strings as well as the unsuccessful upload of figures for Month 01 on the National Treasury Upload Portal.

## 2.4 Capital Expenditure

**Table 4: Capital Expenditure per item and per district as at the end of Quarter 1 – 2024/25**

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail									
					Governance and Admin. <sup>1</sup>	Community and Public Safety			Economic and Environmental Services		Trading Services			Other
						Housing	Health	Other <sup>2</sup>	Road Transport	Other <sup>3</sup>	Electricity	Water and Waste Water Mgt.	Waste Mgt	
eThekweni	7 680 538	7 680 538	600 527	7.8	18 975	73 155	27	31 902	108 944	79 949	89 200	181 885	14 977	1 514
Ugu	600 308	600 308	165 873	27.6	8 750	-	-	4 576	11 383	33 402	252	107 416	94	-
uMgungundlovu	1 230 869	1 230 869	165 137	13.4	6 341	9 534	-	4 891	72 353	9 500	-	60 030	2 489	(1)
uThukela	559 803	559 803	6 847	1.2	(16 562)	20	-	(4 965)	17 912	(34 421)	8 965	41 601	(2 078)	(3 623)
uMzinyathi	519 058	519 058	96 228	18.5	2 980	-	-	18 882	31 501	382	-	40 933	1 550	-
Amajuba	359 362	359 362	72 926	20.3	538	-	-	3 346	31 312	2 847	6 733	27 801	-	349
Zululand	715 721	715 721	293 832	41.1	1 275	-	-	32 756	18 151	9 297	15 749	216 604	0	-
uMkhanyakude	415 873	415 873	(170 185)	(40.9)	(30 512)	-	-	(177 706)	(240)	(7 075)	(334)	45 682	-	-
King Cetshwayo	1 249 871	1 254 744	287 001	23.0	456	-	-	25 377	51 844	4 640	8 447	194 178	2 058	-
iLembe	1 002 288	1 002 288	175 915	17.6	2 576	2	-	3 895	89 877	10 070	28 686	40 264	546	-
Harry Gwala	673 061	673 061	131 077	19.5	4 411	2 622	-	15 139	22 378	22 390	11 945	49 399	2 791	-
<b>Total</b>	<b>15 006 751</b>	<b>15 011 624</b>	<b>1 825 179</b>	<b>12.2</b>	<b>(773)</b>	<b>85 333</b>	<b>27</b>	<b>(41 907)</b>	<b>455 414</b>	<b>130 980</b>	<b>169 643</b>	<b>1 005 795</b>	<b>22 429</b>	<b>(1 761)</b>

Source: NT Igdatabase, downloaded 16 October 2024.

1 Include Executive & Council, Finance and administration and Internal audit.

2 Include Community & Social Services, Sports and Recreation and Public Safety.

3 Include Planning and development and Environmental protection.

- Municipalities in KwaZulu-Natal incurred *Capital expenditure* of R1.8 billion or 12.2 percent in aggregate against their Original Budgets of R15 billion as at the end of September 2024 which is significantly below the target of 25 percent expected at the end of the first quarter of the 2024/25 financial year. The low *Capital expenditure* of R1.8 billion or 12.2 percent reported by the municipalities in KwaZulu-Natal is primarily attributable to delays in SCM processes and inaccurate reporting for a number of municipalities.
- The bulk of the total *Capital expenditure* as at the end of the first quarter of the 2024/25 financial year was spent on *Water and Waste water management* with R1 billion or 55.1 percent with the Zululand District contributing the most in this category with R216.6 million or 21.5 percent followed by the King Cetshwayo District with R194.2 million or 19.3 percent and the eThekweni Metro with R181.9 million or 18.1 percent.
- The lowest contributor towards the total *Capital expenditure* was *Community and Public safety – Health* with R27 000 or 0.001 percent followed by *Trading Services – Waste management* with R22.4 million or 1.2 percent and *Community and Public safety – Housing* with R85.3 million or 4.7 percent.
- It was noted with concern that negative *Capital expenditure* figures were reported in the *Community and Public Safety – Other*, *Other*, *Governance and Administration* categories with R41.9 million, R1.8 million and R773 000 respectively.
- The eThekweni Metro with R600.5 million or 32.9 percent contributed the most towards the total *Capital expenditure* of R1.8 billion followed by the Zululand District with R293.8 million or 16.1 percent and the King Cetshwayo District with R287 million or 15.7 percent.
- The uMkhanyakude District reported negative *Capital expenditure* of R170.2 million or negative 40.9 percent against their Original Budget of R415.9 million which was mainly due to the Jozini Local Municipality that reported a negative *Capital revenue* of R231.6 million or negative 309.7 percent against their Original Budget of R74.8 million. The Jozini Local Municipality indicated that during September 2024, a journal to incorporate the opening balances was processed which contained errors and resulted in negative *Capital expenditure* being reported. As per the municipality, the correct *Capital expenditure* amounted to R15.6 million or 21.1 percent as at the end of the first quarter of 2024/25 financial year.
- The uThukela, Amajuba and uMzinyathi Districts with R6.9 million or 0.4 percent, R72.9 million or 4 percent and R96.2 million or 5.3 percent contributed the least to the total *Capital expenditure* of R1.8 billion.
- The uThukela District reported the lowest *Capital expenditure* against the Original Budget with 1.2 percent followed by the eThekweni Metro and uMgungundlovu District with 7.8 percent and 13.4 percent respectively as at the end of September 2024 due to reasons indicated under the *Capital revenue* section above.

## 2.5 Debtors Age Analysis

**Table 5: Debtor Age Analysis per district (Total) as at the end of Quarter 1 – 2024/25**

R'000	0 - 30 Days		30 - 60 Days		60- 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekweni	3 682 190	10.6	1 541 656	4.4	1 557 076	4.5	27 892 258	80.4	34 673 179
Ugu	172 740	7.0	131 967	5.4	77 425	3.2	2 072 449	84.4	2 454 581
uMgungundlovu	1 211 045	12.5	34 601	0.4	223 167	2.3	8 211 872	84.8	9 680 685
uThukela	139 910	4.6	88 208	2.9	104 725	3.4	2 713 570	89.1	3 046 413
uMzinyathi	60 464	5.9	17 563	1.7	46 118	4.5	895 333	87.8	1 019 478
Amajuba	129 877	5.8	45 673	2.1	53 729	2.4	1 995 128	89.7	2 224 406
Zululand	101 830	6.4	28 372	1.8	118 434	7.5	1 334 591	84.3	1 583 226
uMkhanyakude	33 626	4.0	(1 233)	(0.1)	36 808	4.3	780 305	91.9	849 507
King Cetshwayo	532 938	38.2	56 666	4.1	82 314	5.9	723 888	51.9	1 395 807
iLembe	225 426	10.9	80 495	3.9	96 895	4.7	1 658 349	80.5	2 061 165
Harry Gwala	43 291	8.8	35 877	7.3	39 258	8.0	375 242	76.0	493 667
<b>Total</b>	<b>6 333 337</b>	<b>10.6</b>	<b>2 059 845</b>	<b>3.5</b>	<b>2 435 949</b>	<b>4.1</b>	<b>48 652 985</b>	<b>81.8</b>	<b>59 482 116</b>

Source: NT Igdatabase, downloaded 16 October 2024.

**Table 6: Debtors by Customer Group (Total) as at the end of Quarter 1 – 2024/25**

R'000	Organs of State		Commercial		Household		Other <sup>1</sup>		Total
	Total	%	Total	%	Total	%	Total	%	
eThekweni	1 812 928	5.2	7 648 039	22.1	25 049 651	72.2	162 561	0.5	34 673 179
Ugu	183 128	7.5	409 769	16.7	1 849 507	75.3	12 177	0.5	2 454 581
uMgungundlovu	337 343	3.5	1 476 950	15.3	7 475 307	77.2	391 084	4.0	9 680 685
uThukela	526 483	17.3	622 861	20.4	1 864 912	61.2	32 157	1.1	3 046 413
uMzinyathi	138 352	13.6	133 671	13.1	712 233	69.9	35 223	3.5	1 019 478
Amajuba	88 032	4.0	171 548	7.7	1 926 542	86.6	38 284	1.7	2 224 406
Zululand	330 657	20.9	260 714	16.5	901 759	57.0	90 097	5.7	1 583 226
uMkhanyakude	187 096	22.0	204 511	24.1	400 855	47.2	57 044	6.7	849 507
King Cetshwayo	482 410	34.6	426 355	30.5	453 126	32.5	33 916	2.4	1 395 807
iLembe	191 260	9.3	269 824	13.1	1 579 513	76.6	20 568	1.0	2 061 165
Harry Gwala	108 033	21.9	72 605	14.7	282 787	57.3	30 242	6.1	493 667
<b>Total</b>	<b>4 385 721</b>	<b>7.4</b>	<b>11 696 848</b>	<b>19.7</b>	<b>42 496 192</b>	<b>71.4</b>	<b>903 355</b>	<b>1.5</b>	<b>59 482 116</b>

Source: NT Igdatabase, downloaded 16 October 2024.

<sup>1</sup> Include Property rates debtors (Agricultural, Ingonyama Trust, Municipal Properties, Protected Area, Vacant Land, Public Benefiting Organisations, Place of Worship), Sundry debtors (Rentals, Garden refuse, Cemetery and burial, Application fees for land usage, Building plan approval), and Misclassifications.

- The total debt owed to municipalities at the end of the first quarter of the 2024/25 financial year was R59.5 billion which represents an increase of R5.2 billion or 9.6 percent from R54.3 billion reported by municipalities as at the end of the fourth quarter of the 2023/24 financial year. The increase of R5.2 billion reported by the municipalities is primarily attributable to the annual billing of Organs of state by some municipalities for *Property rates* and the increase on the *Trade and Other Receivables from Exchange Transactions – Water*, as a result of uThukela District not reporting *Debtors* balance in the fourth quarter of 2023/24 under this category.
- At the end of the first quarter of the 2024/25 financial year, a substantial amount of debt totalling R48.7 billion or 81.8 percent was outstanding in the *Over 90 Days* category which represents an increase of R2.9 billion or 6.3 percent from R45.8 billion reported in the same age category as at the end of the fourth quarter of the 2023/24 financial year. As at 30 September 2024, the remaining Debtors per age category were as follows: *0-30 Days*: R6.3 billion or 10.6 percent; *30-60 Days*: R2.1 billion or 3.5 percent; and *60-90 Days*: R2.4 billion or 4.1 percent.
- A total of 19 municipalities reflected negative amounts for *Debtors* in at least one of the age categories which is mainly due to inaccurate reporting, while the total *Debtors* balance for each of these municipalities at the end of the first quarter of the 2024/25 financial year remained positive. The Dr. Nkosazana Dlamini-Zuma Local Municipality reported no *Debtors* balance as at the end of the first quarter of the 2024/25 financial year.

- The Debtors Age Analysis by *Customer group* indicates that a considerable portion of debt is owed by *Households* with R42.5 billion or 71.4 percent followed by *Commercial* with R11.7 billion or 19.7 percent and *Organs of State* with R4.4 billion or 7.4 percent.
- The Debtors owed by *Households* increased by R3.9 billion or 9 percent from R39 billion owed at the end of the fourth quarter of the 2023/24 financial year.
- Debt collection efforts must focus on these long outstanding debts, however some of these debts may still need to be written off as they may have arisen as a result of the incorrect billing of Indigent customers, amongst others. Municipalities are encouraged to update their Indigent registers to determine households that qualify for rebates and discounts with the aim of ensuring that Debtors are accurately billed and reported. Municipalities should continue to implement effective debt management and credit control measures in order to improve their Debtors collection rates, which in turn will have a positive impact on their cash flows.

## 2.6 Creditors Age Analysis

**Table 7: Creditor Age Analysis per district (Total) as at the end of Quarter 1 – 2024/25**

R'000	0 - 30 Days		30 - 60 Days		60- 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekweni	627 236	96.3	752	0.1	1 039	0.2	22 111	3.4	651 138
Ugu	78 666	8.9	56 912	6.4	4 020	0.5	744 297	84.2	883 895
uMgungundlovu	1 344 154	41.2	57 034	1.7	116 735	3.6	1 742 985	53.5	3 260 908
uThukela	54 752	65.7	11 357	13.6	2 295	2.8	14 876	17.9	83 280
uMzinyathi	57 714	12.9	24 573	5.5	2 815	0.6	363 791	81.0	448 893
Amajuba	170 649	25.5	92 165	13.8	43 386	6.5	363 677	54.3	669 877
Zululand	82 568	16.2	61 081	12.0	55 542	10.9	311 896	61.0	511 087
uMkhanyakude	13 196	8.5	(48 061)	(31.1)	(2 880)	(1.9)	192 384	124.4	154 639
King Cetshwayo	244 783	76.1	33 133	10.3	(2 246)	(0.7)	46 081	14.3	321 750
iLembe	49 250	67.7	1 116	1.5	933	1.3	21 454	29.5	72 753
Harry Gwala	3 721	82.9	145	3.2	6	0.1	617	13.8	4 489
<b>Total</b>	<b>2 726 689</b>	<b>38.6</b>	<b>290 208</b>	<b>4.1</b>	<b>221 643</b>	<b>3.1</b>	<b>3 824 170</b>	<b>54.1</b>	<b>7 062 710</b>

Source: NT Igdatabase, downloaded 16 October 2024.

**Table 8: Creditor Category Analysis per district (Total) as at the end of Quarter 1 - 2024/25**

R' 000	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditor Age Analysis</b>										
Bulk Electricity	1 254 356	47.1	119 668	4.5	17 021	0.6	1 271 244	47.8	2 662 289	37.7
Bulk Water	461 864	27.6	93 426	5.6	68 580	4.1	1 047 110	62.7	1 670 980	23.7
PAYE deductions	199 099	93.3	14 242	6.7	-	-	(0)	(0.0)	213 341	3.0
VAT (output less input)	225	90.1	-	-	-	-	25	9.9	250	0.0
Pensions / Retirement	190 241	99.5	946	0.5	-	-	14	0.0	191 202	2.7
Loan repayments	(0)	0.0	(19)	3.0	(105)	16.6	(508)	80.4	(632)	(0.0)
Trade Creditors	410 878	24.0	48 782	2.9	105 182	6.2	1 144 989	67.0	1 709 830	24.2
Auditor-General	5 841	84.0	(720)	(10.4)	176	2.5	1 655	23.8	6 951	0.1
Other <sup>1</sup>	98 225	19.5	13 883	2.8	30 790	6.1	359 641	71.6	502 539	7.1
Medical Aid deductions	105 961	100.0	-	-	-	-	-	-	105 961	1.5
<b>Total</b>	<b>2 726 689</b>	<b>38.6</b>	<b>290 208</b>	<b>4.1</b>	<b>221 643</b>	<b>3.1</b>	<b>3 824 170</b>	<b>54.1</b>	<b>7 062 710</b>	<b>100.0</b>

Source: NT Igdatabase, downloaded 16 October 2024.

<sup>1</sup> Include Misclassifications of Trade Creditors, Salary control and Retentions.

- The total debt owed by municipalities at the end of the first quarter of the 2024/25 financial year was R7.1 billion which represents an increase of R153.5 million or 2.2 percent from R6.9 billion owed by municipalities as at end of the fourth quarter of the 2023/24 financial year.
- At the end of the first quarter of the 2024/25 financial year, a substantial amount of debt totalling R3.8 billion or 54.1 percent was outstanding in the *Over 90 Days* category representing an increase of R307.3 million or 8.7 percent from R3.5 billion reported in the same category as at the end of the fourth quarter of the 2023/24 financial year. It is concerning that R4.3 billion or 61.4 percent of the debt owed by municipalities was outstanding for longer than 30 days in contravention of Section 65(2)(e) of the MFMA.
- The Richmond and uMsinga Local Municipalities reported no *Creditors* outstanding as at the end of the first quarter of the 2024/25 financial year, whilst the iMpindle and Inkosi uMtubatuba Local Municipalities reported negative *Creditors* balances at the end of the first quarter of the 2024/25 financial year due to inaccurate data strings. Additionally, 12 municipalities reported negative amounts for *Creditors* in at least one of the age categories which is mainly due to inaccurate reporting, while the total *Creditors* balance for each of these municipalities at the end of the first quarter of the 2024/25 financial year remained positive.
- The majority of the outstanding *Creditors* relate to *Bulk electricity* of R2.7 billion or 37.7 percent followed by *Trade creditors* of R1.7 billion or 24.2 percent and *Bulk water* of R1.7 billion or 23.7 percent.
- Of the *Bulk electricity* outstanding *Creditors* balance of R2.7 billion, R1.3 billion or 47.8 percent was in the *Over 90 Days* category. This was mainly due to the fact that the Msunduzi, Ulundi, eNdameni, AbaQulusi, Newcastle and the Mthonjaneni Local Municipalities reported amounts in the *Over 90 Days*

category owing to Eskom of R781.7 million, R171.4 million, R123.6 million, R101.6 million, R59.2 million and R33.6 million respectively for unpaid electricity.

Due to the poor collection of outstanding Debtors amongst others, the municipalities experienced cash flow challenges and were therefore unable to make full payment on invoices owed to Eskom.

- The Msunduzi Local Municipality applied for the National Treasury debt relief programme which was approved effective 01 November 2023. As per the September 2024 MFMA Section 41 report, Eskom reported that the municipality is currently complying with the terms and conditions of the programme.
- The Ulundi Local Municipality applied for the National Treasury debt relief programme which was approved effective 01 June 2023. As per the September 2024 MFMA Section 41 report, the municipality is currently not complying with the terms and conditions of the programme. However, engagements between National Treasury and the municipality are continuing.
- The eNdumeni Local Municipality applied for the National Treasury debt relief programme which was approved effective 01 July 2023. According to the MFMA Section 41 Report for September 2024, the municipality is currently not adhering to the terms and conditions of the debt relief programme. A payment arrangement for the pre-approval debt that was concluded on 31 July 2024, however it was not honoured. A payment of R7 million was made by the municipality on 07 October 2024.
- The AbaQulusi Local Municipality has a payment arrangement with Eskom however according to the MFMA Section 41 report for September 2024, the municipality has not honoured its payment arrangement and a notice of breach was issued by Eskom on 07 October 2024. However, engagements between Eskom, the Municipality, KZN Department of Cooperative Governance and Traditional Affairs (CoGTA) and KZN Treasury are continuing. Furthermore, as per MFMA Section 41 report for September 2024, Eskom will be sending an escalation letter to the Minister of CoGTA.
- The Newcastle Local Municipality has a payment arrangement with Eskom however according to the MFMA Section 41 report for September 2024, the municipality has not honoured the payment arrangement signed in April 2024 and a notice of breach was issued to the municipality on 07 October 2024.
- The Mthonjaneni Local Municipality applied for the National Treasury debt relief programme which was approved effective 01 July 2023. According to the September 2024 MFMA Section 41 report, the municipality is not adhering to the terms and conditions of the debt relief programme. The payment arrangement instalment was honoured but the current account was not fully settled.
- The *Bulk electricity* is understated as the Mpofana Local Municipality and Ugu District Municipality reported no amounts owed for *Bulk electricity* whilst the MFMA Section 41 report for September 2024 reflects an amount owed of R492.5 million and R833 000 respectively in the *Over 90 Days* category. The Mpofana Local Municipality applied for the National Treasury debt relief programme which was approved effective 01 October 2023. The municipality is currently not complying with the terms and conditions of the programme according to the MFMA Section 41 report from Eskom for September 2024. Furthermore, Eskom indicated that the municipality's payment plan was not accepted and was sent back for review. The National Treasury MFIP Advisor will be assisting the municipality to prepare a revised payment plan. The municipality continues to only pay R1.5 million to Eskom every month.
- Of the *Bulk water* outstanding *Creditors* balance of R1.7 billion, R1 billion or 62.7 percent was in the *Over 90 Days* category. This was mainly due to the fact that the Msunduzi Local Municipality, the Ugu District Municipality, the Newcastle Local Municipality, the Amajuba District Municipality and the uMkhanyakude District Municipality reported amounts owing to the Water Boards of R391.8 million, R379 million, R204.4 million, R54.3 million and R17.5 million respectively for unpaid *Bulk water* in the *Over 90 Days* category.
- The Msunduzi Local Municipality has a payment arrangement with the uMngeni-uThukela Water Board according to the MFMA Section 41 Report for September 2024 from the uMngeni-uThukela Water Board. The municipality has been paying the water board according to the payment plan from August 2023 and has most recently paid an amount of R26 million to the water board on 01 October 2024. However, the uMngeni-uThukela Water Board sent a letter to the municipality on the 04 October 2024,

requesting confirmation that the shortfall on payment currently being made will be paid in year four and five of the payment plan.

- The Ugu District Municipality has a payment arrangement with the uMngeni-uThukela Water Board and according to the MFMA Section 41 report for September 2024 from the uMngeni-uThukela Water Board, the municipality has been complying with the payment plan in respect of the historic debt, however since March 2023, the municipality has not been settling the current invoices which are also accumulating interest. The municipality indicated that a revision of the payment plan is required as the municipality is facing significant financial constraints. The water board has agreed to consider a revised payment plan which was submitted to the water board on 27 June 2024. A response letter was sent to the municipality on the 03 September 2024.
- The Newcastle Local Municipality has a payment arrangement with the uThukela Water (Proprietary) Limited Company. The municipality indicated that the bulk of the *Creditors* outstanding as at 30 September 2024 in the over 90 days' category is due to the cash flow challenges facing the municipality. The municipality has made a payment towards the long outstanding debt of R2.5 million and R500 000 on 20 September 2024.
- The Amajuba District Municipality has a payment arrangement with the uThukela Water (Proprietary) Limited Company. The municipality finalised the latest payment arrangement with the uThukela Water (Proprietary) Limited Company on 09 May 2024 and has been honouring the payment arrangement of R1.5 million per month.
- The MFMA Section 41 Report from the uMngeni-uThukela Water Board for September 2024 reflects that the debt owed to the uMngeni-uThukela Water Board by the uMkhanyakude District Municipality of R47.3 million arose from operations and maintenance performed by the water board. The water board scheduled meetings with the municipality for 06 June 2024 and 07 June 2024 however, the municipality did not honour the meetings. The uMngeni-uThukela Water Board will therefore send the proposed contract which includes an acknowledgement of debt to the municipality and a letter of demand will be issued to the municipality once the agreement is signed.
- The uThukela District Municipality did not report the balance owed to the uMngeni-uThukela Water Board in their MFMA Section 71 data string, however as per the MFMA Section 41 Report for September 2024, it was noted that the uThukela District Municipality owed the water board R160.1 million for unpaid Bulk water. As per the MFMA Section 41 Report, the water board met with the uThukela District Municipality on 12 June 2023 to discuss the overdue balance. The approved payment plan was received on 21 July 2023 and the municipality is now paying the water board according to the payment plan, however the municipality is currently one month behind. The municipality has most recently made a payment of R2.2 million to uMngeni-uThukela Water on 03 October 2024.
- The King Cetshwayo District Municipality did not report the balance owed to the uMngeni-uThukela Water Board in their MFMA Section 71 data string, however as per the MFMA Section 41 Report for September 2024, it was noted that the municipality owed the water board R987.6 million for unpaid water. According to the MFMA Section 41 Report, the municipality is currently paying for Bulk water invoices based on the same tariff structure applied to other municipalities by the water board. A restriction of water supply was implemented by the water board to the municipality on 20 July 2023. However, the restriction was lifted with the understanding that both parties were to meet. A meeting was held on 11 September 2023 between the municipality and the water board executive to find an amicable solution. The municipality wrote to the water board on 15 January 2024 indicating they wish to terminate the Bulk Water Services Agreement. The uMngeni-uThukela Water Board Operation department has been instructed to continue with operations as further engagement occurs between the Executive, Board, Department of Water and Sanitation and the municipality. Currently, communication is occurring at an Operational level with the municipality as there has been no formal meeting between the uMngeni-uThukela Water Board Executive and the municipality Senior management.

## 2.7 National Conditional Grants

**Table 9: National Conditional Grants -Summary, Quarter 1 – 2024/25**

R'000	DoRA 2024 Total Avail. (Inc. Adjust.)	Unaudited Actual	
		Actual expenditure by municipalities	% Spent
Programme and Project Preparation Support Grant	40 000	296	0.7
Local Government Financial Management Grant	112 830	1 279	1.1
Infrastructure Skills Development Grant	29 500	12 463	42.2
Neighbourhood Development Partnership (Schedule 5B)	234 635	11 517	4.9
Integrated Urban Development Grant	237 716	60 289	25.4
Municipal Disaster Recovery Grant	90 263	33 840	37.5
Public Transport Network Grant	971 411	96 256	9.9
Rural Road Assets Management Systems Grant	27 137	(10 841)	(40.0)
Expanded Public Works Programme Integrated Grant (Municipality)	139 141	(4 480)	(3.2)
Integrated National Electrification Programme (Municipal) Grant	359 739	46 547	12.9
Energy Efficiency and Demand Side Management (Municipal) Grant	36 000	97	0.3
Regional Bulk Infrastructure Grant (Schedule 5B)	428 744	111 682	26.0
Water Services Infrastructure Grant (Schedule 5B)	1 070 000	(133 089)	(12.4)
Metro Informal Settlements Partnership Grant	785 485	92 477	11.8
Municipal Infrastructure Grant	3 623 842	(538 697)	(14.9)
<b>Total Direct Transfers</b>	<b>8 186 443</b>	<b>(220 365)</b>	<b>(2.7)</b>
<b>Allocation In Kind</b>			
Neighbourhood Development Partnership (Schedule 6B)	24 700	-	-
Municipal Systems Improvement Grant (Schedule 6B)	31 346	-	-
Integrated National Electrification Programme (Allocation in-kind) Grant	418 341	-	-
Water Services Infrastructure Grant (Schedule 6B)	200 000	-	-
Municipal Infrastructure Grant (Schedule 6B)	20 000	-	-
<b>Total Allocations in kind</b>	<b>694 387</b>		
<b>Total</b>	<b>8 880 830</b>	<b>(220 365)</b>	<b>(2.5)</b>

Source: NT Igdatabase, downloaded 16 October 2024.

- In terms of the Division of Revenue Act, Act No. 24 of 2024 (DoRA), direct allocations to all 54 municipalities in KwaZulu-Natal, including the eThekweni Metro, amounted to R8.2 billion while allocations in-kind amounted to R694.4 million, totalling R8.9 billion. The aggregate expenditure reported of negative R220.4 million or negative 2.7 percent against the total direct allocation of R8.2 billion which is significantly below the straight line projection of 25 percent expected as at the end of the first quarter of the 2024/25 financial year is primarily as a result of inaccurate reporting by a number of municipalities.
- The total Municipal Infrastructure Grant (MIG) allocation to all the municipalities within the province was R3.6 billion, excluding allocations to the uMhlathuze and Ray Nkonyeni Local Municipalities as well as the eThekweni Metro. The eThekweni Metro receives the Programme and Project Preparation Support Grant (PPPSG) while the uMhlathuze and Ray Nkonyeni Local Municipalities receive the Integrated Urban Development Grant (IUDG), therefore none of these municipalities receive the MIG allocation. As at the end of the first quarter of the 2024/25 financial year, negative R538.7 million or negative 14.9 percent was reported against the total MIG allocation of R3.6 billion. The reported performance against the total MIG allocation is distorted as negative amounts were reported by the uMzinyathi District Municipality as well as the Jozini, Okhahlamba and Inkosi uMtubatuba Local Municipalities. Excluding the negative amounts reported by the four (4) municipalities, R722.9 million or 19.9 percent was spent against the total MIG allocations of R3.6 billion as at the end of first quarter of the 2024/25 financial year.



- The uMzinyathi District Municipality reported expenditure of negative R963.3 million against the MIG allocation due to system challenges which resulted in incorrect posting of the period closure journal.
- The Jozini Local Municipality reported expenditure of negative R161.1 million against their MIG allocation due to system challenges which resulted in the uploading of incorrect data strings to the National Treasury GoMuni Upload Portal. The municipality indicated that expenditure of R7.3 million or 16.7 percent against the MIG allocation of R43.5 million has been incurred as at the end of September 2024. The municipality attributed the low expenditure to the majority of projects being in the kick-off phase and expenditure is expected to improve in the second quarter of the financial year.
- The Okhahlamba Local Municipality reported expenditure of negative R128.5 million against the MIG allocation due to system challenges which resulted in the uploading of incorrect data strings to the National Treasury GoMuni Upload Portal. The municipality indicated that R25.7 million has been spent for against MIG allocation of R42.7 million as at 30 September 2024.
- The Inkosi uMtubatuba Local Municipality reported expenditure of negative R8.7 million against their MIG allocation due to challenges with their financial system. The municipality indicated that they are still experiencing challenges with the use of various modules in the financial system, mainly to the grants, liabilities and cash flow reporting where extracted reports from the financial system reflect incorrectly mapped information which has resulted in the various MFMA Section 71 reports reflecting inaccurate information for operating expenditure, grants, capital, debtors, creditors and cash flows. The municipality indicated that an expenditure of R9.7 million or 26.2 percent against the MIG allocation of R36.8 million has been incurred as at the end of September 2024.
- A total of 14 municipalities reported expenditure of less than 20 percent against their MIG allocations for the 2024/25 financial year as at the end of September 2024 while six (6) municipalities (the uThukela, Amajuba, uMkhanyakude and Harry Gwala District Municipalities as well as the Mpofana and eNdumeni Local Municipalities) reported no expenditure against their MIG allocations.
- The total IUDG allocation to the Ray Nkonyeni and uMhlathuze Local Municipalities was R237.7 million of which R60.3 million or 25.4 percent was spent as at the end of the first quarter of the 2024/25 financial year.
- The PPPSG allocation to the eThekweni Metro was R40 million of which R296 000 or 0.7 percent was spent as at the end of the first quarter of the 2024/25 financial year.
- The total Water Services Infrastructure Grant (WSIG) allocation to the municipalities within the province was R1.1 billion. As at the end of the first quarter of the 2024/25 financial year, negative R133.1 million or negative 12.4 percent was reported against the allocations to municipalities. The reported performance against the total WSIG allocation is distorted as negative R332.5 million was reported by the uMzinyathi District Municipality. Excluding the negative amounts reported by the uMzinyathi District Municipality, R199.5 million or 18.6 percent was spent against the total WSIG allocations of R1.1 billion as at the end of first quarter of the 2024/25 financial year. As indicated above, the uMzinyathi District Municipality attributed the negative amount reported to the system challenges which resulted in incorrect posting of the period closure journal.
- A total of two (2) municipalities reported expenditure of less than 20 percent against their WSIG allocations for the 2024/25 financial year as at the end of September 2024 while three (3) municipalities (the uThukela, Amajuba and Harry Gwala District Municipalities) reported no expenditure against their WSIG allocations.
- It was also noted that the Okhahlamba Local Municipality reported negative R6.8 million against the Financial Management Grant (FMG), negative R20 million against the Integrated National Electrification Programme (INEP) and negative R9.8 million against the Expanded Public Works Programme Integrated Grant (EPWP).
- The uMzinyathi District Municipality also reported negative R8.4 million against the FMG, negative R24.3 million against the EPWP and negative R11.9 million against the Rural Road Assets Management Systems Grant.

- The Jozini Local Municipality also reported negative R8.5 million against the FMG and negative R7.7 million against the EPWP.

## 2.8 Identification of municipalities in financial distress through the In-Year Monitoring (Early Warning System)

Section 71(1) of the MFMA requires that *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.*

The purpose of the MFMA Section 71 report is amongst others, to serve as an early warning system to identify and assist municipalities facing financial problems, including any emerging or impending financial problems.

Section 138 of the MFMA specifies criteria for determining serious financial problems at municipalities. As per Section 138 of the MFMA, the following factors, singly or in combination, may indicate a serious financial problem:

- (a) *The municipality has failed to make payments as and when due;*
- (b) *the municipality has defaulted on financial obligations for financial reasons;*
- (c) *the actual current expenditure of the municipality has exceeded the sum of its actual current revenue plus available surpluses for at least two consecutive financial years;*
- (d) *the municipality had an operating deficit in excess of five per cent of revenue in the most recent financial year for which financial information is available;*
- (e) *the municipality is more than 60 days late in submitting its annual financial statements to the Auditor-General in accordance with Section 126 [of the MFMA];*
- (f) *the Auditor-General has withheld an opinion or issued a disclaimer due to inadequacies in the financial statements or records of the municipality, or has issued an opinion which identifies a serious financial problem in the municipality;*
- (g) *any of the above conditions exists in a municipal entity under the municipality's sole control, or in a municipal entity for whose debts the municipality may be responsible, and the municipality has failed to intervene effectively; or*
- (h) *any other material condition exists which indicates that the municipality, or a municipal entity under the municipality's sole control, is likely to be unable for financial reasons to meet its obligations.*

Additionally, Section 140 of the MFMA specifies criteria for determining serious or persistent breach of financial commitments. As per Section 140(2) of the MFMA, the following factors, singly or in combination, may indicate that a municipality is in serious material breach of its obligations to meet its financial commitments:

- (a) *The municipality has failed to make any payment to a lender or investor as and when due;*
- (b) *the municipality has failed to meet a contractual obligation which provides security in terms of Section 48 [of the MFMA];*
- (c) *the municipality has failed to make any other payment as and when due, which individually or in the aggregate is more than an amount as may be prescribed or, if none is prescribed, more than two per cent of the municipality's budgeted operating expenditure; or*
- (d) *the municipality's failure to meet its financial commitments has impacted, or is likely to impact, on the availability or price of credit to other municipalities.*

In this regard, the National and Provincial Treasuries are utilising the criteria as per Sections 138 and 140 of the MFMA to identify and monitor municipalities that display **one or more** of the indicators of serious financial problems on a quarterly basis based on the MFMA Section 71 (data string) reports.

The results of the assessment against the above criteria are set out in Annexure J. However, the reliability and credibility of the MFMA Section 71 reports are a serious concern for KZN Provincial Treasury due to the quality of the data strings submitted by municipalities. It is noted that certain municipalities experience challenges with their financial systems as well as with the capturing of financial data in accordance with the mSCOA segments. These problems cause errors in the data strings submitted by municipalities as well as inaccuracies in the financial information relating to cash flow (reflecting unrealistic Cash and cash equivalents balances) and balance sheet budgeting. As a result, some of the municipalities identified as having serious financial problems based on the MFMA Section 71 reports are questionable. For example,

26 municipalities in the province have been flagged as meeting the criteria for having serious financial problems based on the quarter one MFMA Section 71 figures, however, upon further scrutiny, 10 of the municipalities (list and details as reflected in Annexure J) do not appear to have financial problems due to the following:

- The data strings of three (3) of the 10 municipalities are incorrect due to inaccurate reporting by the municipalities and/or system errors;
- The existence of Creditors over R1 million that are owed for more than 90 days are due to Retentions and/or disputes with service providers for five (5) municipalities; and
- The negative audit opinion was the only criteria for two (2) municipalities however, the municipality do not display any other signals of financial problems as at the end of the first quarter of the 2024/25 financial year.

The remaining 16 municipalities have been identified as meeting the criteria for having serious financial problems as shown in Table 10.

**Table 10: Municipalities meeting the criteria of having financial problems**

No.	Name of Municipality	No.	Name of Municipality
1	Ugu DM	9	Dannhauser
2	Mpofana	10	Amajuba DM
3	Msunduzi	11	AbaQulusi
4	uThukela DM	12	Nongoma
5	eNdumeni	13	Ulundi
6	uMzinyathi DM	14	Inkosi uMtubatuba
7	Newcastle	15	uMkhanyakude DM
8	eMadlangeni	16	Mthonjaneni

Source: KZN Provincial Treasury.

Included in the list of the 16 municipalities identified as meeting the criteria for having financial problems are seven (7) municipalities which are listed in Table 11 that have also been identified by National Treasury as being in financial distress. In addition, five (5) of the seven (7) municipalities listed in Table 11 are also under intervention in terms of Section 139(1)(b) of the Constitution.

**Table 11: Municipalities in financial distress as per National Treasury**

No.	Name of Municipality	Intervention
1	Mpofana	Section 139(1)(b)
2	Msunduzi	N/A
3	uThukela DM	Section 139(1)(b)
4	uMzinyathi DM	Section 139(1)(b)
5	AbaQulusi	N/A
6	Inkosi uMtubatuba	Section 139(1)(b)
7	uMkhanyakude DM	Section 139(1)(b)

Source: KZN Provincial Treasury.

Provincial Treasury provided support to five (5) of the seven (7) municipalities in financial distress whilst National Treasury provide support to the Msunduzi Local Municipality. In the previous financial year, Finance experts were deployed to the uMkhanyakude, uThukela, uMzinyathi District Municipalities as well as the Mpofana and Inkosi uMtubatuba Local Municipalities. Provincial Treasury is currently providing the Mpofana Local Municipality with Financial Management Support. The National Treasury through the Municipal Finance Improvement Programme (MFIP IIIx) has deployed four Technical Advisors. One Technical Advisor is currently supporting the uThukela and uMzinyathi District Municipalities. A second Advisor is currently supporting the uMkhanyakude District Municipality and Inkosi uMtubatuba Local Municipality. Additionally, the third Technical Advisor supports Mpofana Local Municipality, while the fourth Advisor supports AbaQulusi Local Municipality.

The remaining nine (9) municipalities shown in Table 12 also meet the criteria for having financial problems based on the financial performance as at the end of quarter one of the 2024/25 financial year and will need

to be closely monitored going forward. However, the eNdumeni, Ulundi and Mthonjaneni Local Municipalities are also supported by National Treasury MFIP IIIx Technical advisors.

**Table 12: Municipalities meeting the criteria of having financial problems based on Quarter 1 figures – 2024/25**

No.	Name of Municipality	No.	Name of Municipality
1	Ugu DM	6	Amajuba DM
2	eNdumeni	7	Nongoma
3	Newcastle	8	Ulundi
4	eMadlangeni	9	Mthonjaneni
5	Dannhauser		

Source: KZN Provincial Treasury.

## 2.9 Non Compliance with the MFMA Reporting Requirements

KZN Provincial Treasury uses the monthly In-Year reports, creditors, debtors and conditional grants reports to produce the MFMA Section 71(7) Consolidated Municipal Budgets Performance Report.

For the quarter under review, that is Quarter 1 covering the months of July 2024 (M01) to September 2024 (M03), the following municipalities did not submit their data strings for the relevant period as listed below:

- As at 15 August 2024, five (5) municipalities did not submit or successfully submit their data strings for Month 01 within 10 working days after the end of July 2024 as required by Section 71(1) of the MFMA and were therefore issued with non-compliance letters.
- As at 13 September 2024, one (1) municipality did not successfully submit their data strings for Month 02 within 10 workings days after the end of August 2024 as required by Section 71(1) of the MFMA and was therefore issued with a non-compliance letter.
- As at 14 October 2024, one (1) municipality did not submit their data strings for Month 03 within 10 workings days after the end of September 2024 as required by Section 71(1) of the MFMA and was therefore issued with a non-compliance letter.

The non-compliance issues identified in August 2024 and September 2024 were rectified by the affected municipalities in the subsequent reporting periods of September 2024 and October 2024. The non-compliance observed in October 2024 was resolved with support from the National Treasury, and the corresponding data strings were successfully accepted on 15 October 2024.

**Table 13: List of municipalities that did not submit their data strings for Quarter 1 – 2024/25**

Non-compliant municipalities	July 2024 Outstanding submissions as at 15 August 2024			August 2024 Outstanding submissions as at 13 September 2024			September 2024 Outstanding submissions as at 14 October 2024		
	In Year Reporting - Monthly Data strings	Age Creditors	Age Debtors	In Year Reporting - Monthly Data strings	Age Creditors	Age Debtors	In Year Reporting - Monthly Data strings	Age Creditors	Age Debtors
uThukela DM	X	X	X	-	-	-	-	-	-
eNdumeni	-	-	X	-	-	-	-	-	-
Mpošana	X	-	-	-	-	-	-	-	-
uMzumbhe	-	X	-	-	-	-	X	X	X
Jozini	-	X	-	-	-	-	-	-	-
KwaDukuza	-	-	-	-	X	-	-	-	-

Source: NT Igdatabase

## 2.10 KZN Provincial Treasury combined Municipal Support Plan

The various sub-programmes within Provincial Treasury that provide support to KZN Municipalities develop the Combined municipal support plan on an annual basis. The Combined municipal support plan for the 2024/25 departmental financial year was signed by the MEC for Finance on 05 April 2024. The intention of the Combined municipal support plan is to provide packaged support to municipalities. The Audit reports and Management letters of the municipalities for the 2022/23 financial year from the Auditor-General of South Africa (AGSA) amongst other information were analysed to identify common trends/audit findings and potential municipalities to support as well as the type of support dependent on the nature and extent of issues. Provincial Treasury established the Municipal support co-ordination steering committee which is responsible to approve the annual combined plan and to monitor progress with the implementation

of the plan. The Combined municipal support plan is communicated to the KZN Department of Co-Operative Governance and Traditional Affairs (COGTA) to include it in the Provincial municipal audit outcomes turnaround plan. The combined plan is monitored by the Operation clean audit committee (OPCA) on a quarterly basis, which is attended by KZN COGTA, KZN Provincial Treasury, the South African Local Government Association (SALGA) and the AGSA to ensure that the support provided by the different stakeholders are efficiently aligned to avoid duplication.

The approved Combined municipal support plan for the 2024/25 departmental financial year includes the following support initiatives to be provided by Provincial Treasury at the prioritised municipalities. The support for the 2024/25 departmental financial year was confirmed with the leadership of the identified municipalities to obtain their commitment and co-operation for the respective support initiatives by Provincial Treasury. The implementation of the plan commenced during the fourth quarter of the 2023/24 municipal financial year and will continue during the 2024/25 financial year until March 2025.

**Table 14: Progress on the implementation of the approved 2024/25 KZN PT Combined municipal support plan**

Sub-Programme and Support Initiative	Municipalities identified for support	
<b>Municipal Accounting and Reporting</b> <ul style="list-style-type: none"> <li>Review of 2023/24 Annual Financial Statements (AFS): Conducted to assist in maintaining positive audit opinions or assist in improving from negative audit opinions. It includes providing technical guidance on the preparation of the AFS and supporting information, reviewing the AFS (and working papers, recons, registers, schedules, etc.) to assess compliance with GRAP and MFMA requirements as well as audit support</li> </ul>	1. eDumbe 2. Big 5 Hlabisa 3. uMshwathi 4. KwaDukuza	5. Richmond 6. uMzinkhulu 7. Maphumulo 8. Johannes Phumani Phungula (uBuhlebezwe)
<ul style="list-style-type: none"> <li>Financial Management Support Provision of full time support to assist with complex, comprehensive and technical financial accounting matters and audit issues while also embedding the key fundamental principles of financial management. This is aimed at implementing key processes and controls which ultimately assists the municipality with the preparation of GRAP and MFMA compliant AFS and working papers e.g. reconciliations, registers, etc.</li> </ul>	1. Mpoana 2. eMadlangeni 3. Harry Gwala DM	4. Jozini 5. Ulundi
<b>Municipal Support Programme</b> <ul style="list-style-type: none"> <li>Specialised Support - Post Implementation Assessments of AFS Reviews conducted in the prior year: Support includes an assessment to determine if the key recommendations provided to the municipality during the 2022/23 AFS Review have been implemented. A risk-based approach will be applied, including support assisting on high level review with recommendations of audit readiness taking cognisance of prior recommendations, key accounting records and interim financial statements (where available)</li> <li>Specialised Support - Cash Management A risk based approach will be applied to identify key focus areas that will assist the municipality regarding Cash Management with an emphasis on cost containment and effective debtor management, including implementing Interim Finance committee</li> </ul>	1. uMshwathi 2. eDumbe 3. Johannes Phumani Phungula (uBuhlebezwe)	4. uMngeni 5. Dr Nkosazana Dlamini Zuma
<b>Municipal Revenue and Debt Management</b> <ul style="list-style-type: none"> <li>Municipal Revenue and Debt Management project Implemented to assist with the review of revenue from service charges to assist with completeness as well as the review of the revenue and debt management policies, processes, procedures and controls to identify weaknesses and provide recommendations. Assisting the municipality to populate the National Treasury tariff setting tool to determine whether tariffs for service charges are cost reflective. Support is also provided with regards to the Eskom Municipal Debt Relief Programme in line with MFMA Circular No. 124.</li> </ul>	1. Ulundi	
<b>Provincial Internal Audit Services</b> <ul style="list-style-type: none"> <li>Support initiatives to be provided: * Risk Assessments and Risk Management Maturity Review * Internal Audit Capacity Building * Review of Internal Audit and Audit Committee function * Establishment of Disciplinary Board</li> </ul>	1. eMadlangeni 2. Mpoana 3. eDumbe 4. Big 5 Hlabisa 5. Nkandla 6. uMkhanyakude DM 7. Jozini * 8. uMzinyathi DM	9. iNkosi Langalibalele 10. uMuziwabantu * 11. Mkhambathini * 12. Abaqulusi 13. uPhongolo * 14. Dannhauser * 15. Inkosi uMtubatuba 16. uMngeni
Additional Municipalities supported in Quarter 1 (over and above those planned for in the 2024/25 Municipal Support Plan)	1. uMgungundlovu DM	2. uMlalazi
<b>Infrastructure Management</b> Support will be provided in response to specific requests for assistance as received from municipalities. Support will be customised dependent on the request of the municipality and taking cognisance of applicable expertise available.	1. uMzinyathi DM	2. Johannes Phumani Phungula (uBuhlebezwe)
<b>Supply Chain Management (SCM)</b> <ul style="list-style-type: none"> <li>Technical Support * Technical Support in the review and alignment of SCM policies, SOPS, bidding documents, checklists and structure. * Audit Improvement Plan: Assisting in drafting and implementing action plans to effectively address the root causes of SCM non-compliance issues raised by the Auditor-General, Internal Audit units and National Treasury. * Review of Quotations and Bid management process and establish controls and checklists to mitigate procurement non-compliance. * Review contract registers against expenditure reports, check contract documentation relative to extensions, variation orders, documentation approvals and contract performance. Follow-up on recommendations made during contract register reviews. Provide technical guidance in analysing and reviewing the SCM structure and job descriptions to ensure alignment to the acceptable and applicable SCM structure and job descriptions.</li> <li>Training: Provision of training to all municipalities, including Bid Committees, CSD and uploading of employee information, CIDB Infrastructure Procurement, Contract Management, Quotations Management</li> </ul>	1. eMadlangeni 2. Harry Gwala DM 3. Mpoana 4. uMkhanyakude DM 5. iMpendle 6. Jozini 7. Ulundi	8. Ugu 9. uMzinyathi DM 10. iNkosi Langalibalele 11. Nquthu 12. Amajuba DM 13. uThukela DM
<b>Public Private Partnerships (PPP)</b> <ul style="list-style-type: none"> <li>Advisory and Regulatory support Support will be based on the requirements of Section 120 of the MFMA, read with the PPP Regulations and the PPP Practice Notes issued by National Treasury. The support will extend to technical, legal, financial advisory and regulatory support to public sector institutions from the conceptualization of potential projects through to complete closeout (i.e. from inception through to contract management phases).</li> <li>PPP Training</li> </ul>	1. uMhlathuze 2. KwaDukuza	3. iLembe DM
	1. Harry Gwala DM * 2. Ugu DM	3. Mandeni * 4. Okhahlamba
* Training to be provided during quarters 2 to 3 of 2024/25		

Source: KZN PT

## 2.11 Conclusion

Whilst Provincial Treasury would continue supporting municipalities, the primary responsibility to avoid, identify and resolve financial problems in a municipality rest with the municipality itself as per Sections 61, 62, 63, 64, 65, 81 and 135 of the MFMA. It is therefore incumbent upon the political and administrative leadership at the municipalities to be vigilant with regard to early identification of financial problems that would threaten their service delivery obligations.

Annexure A: Operating Revenue - As at the end of Quarter 1 - 2024/25

R'000					Detail																													
					Exchange Revenue										Non-exchange Revenue																			
					Electricity	Water	Waste Water Management	Waste Management	Sale of Goods and Rendering of Services	Agency services	Interest	Interest earned from Receivables	Interest earned from Current and Non Current Assets	Dividends	Rent on Land	Rental from Fixed Assets	Licence and Permits	Operational Revenue	Property rates	Surcharges and Taxes	Fines, penalties and forfeits	Licences or permits	Transfers and subsidies - Operational	Interest	Fuel Levy	Operational Revenue	Gains on disposal of Assets	Other Gains	Discontinued Operations					
Original Budget	Adjusted Budget	Unaudited Actual	% Generated																															
A	KZN2000	eThekweni			56 060 883	56 060 883	15 776 742	28.1	5 145 974	1 488 226	296 969	256 360	59 480	5 952	1	387 079	185 992	-	139	237 733	875	68 561	4 022 015	80 941	3 715	12 940	2 087 765	167 047	1 247 622	-	21 116	240	-	
B	KZN212	uMdoni			403 171	403 171	129 412	32.1	0	-	-	4 744	495	318	-	394	3 445	-	-	1 816	7	110	43 404	-	0	358	80 787	(6 466)	-	-	-	-	-	
B	KZN213	uMzumba			205 972	205 972	76 837	37.3	-	-	-	-	1	-	-	-	1 739	-	-	30	-	689	-	-	14	74 364	-	-	-	-	-	-	-	
B	KZN214	uMuziwabantu			228 672	228 672	73 793	32.3	11 378	-	-	660	21	127	-	-	673	-	-	25	-	689	7 119	8	185	52 610	296	-	-	-	-	-	-	
B	KZN216	Ray Nkonyeni			1 270 142	1 270 142	426 749	33.6	50 076	-	-	25 926	4 568	1 558	-	2 316	3 512	-	-	795	151	85	201 003	-	160	2 265	126 203	8 131	-	-	-	-	-	
C	DC21	Ugu DM			1 367 249	1 367 249	439 684	32.2	-	102 995	32 421	-	888	-	-	19 711	3 408	-	-	35	-	1 270	-	-	-	-	278 955	-	-	-	-	-	-	
Total:	Ugu Municipalities				3 475 206	3 475 206	1 146 476	33.0	61 454	102 995	32 421	31 330	5 973	2 003	-	22 421	12 777	-	-	2 702	158	2 843	251 526	-	1 330	2 822	612 919	1 962	-	-	-	-	-	
B	KZN221	uMshwathi			234 907	234 907	80 514	34.3	-	-	-	882	259	866	-	216	873	-	-	184	9	582	13 768	28	9	-	61 017	1 823	-	-	-	-	-	
B	KZN222	uMngeni			614 613	614 613	156 487	25.5	30 742	-	-	4 343	1 356	-	-	555	1 286	-	-	353	1 145	1 331	70 033	-	50	-	44 493	799	-	-	-	-	-	
B	KZN223	Mqofana			205 989	205 989	16 672	8.1	9 792	-	-	905	41	-	-	(0)	154	-	-	37	1 096	1 478	2 555	-	613	-	-	-	-	-	-	-		
B	KZN224	IMpendle			73 347	73 347	29 525	40.4	-	-	-	22	1	60	-	-	273	-	-	122	11	110	5 052	-	-	-	23 874	(0)	-	-	-	-	-	
B	KZN225	Msunduzi			8 963 903	8 963 903	2 293 405	25.6	926 873	308 058	74 303	36 423	3 574	968	-	64 316	8 195	-	-	7 472	508	23 190	448 827	-	3 674	-	357 125	29 898	-	-	-	-	-	
B	KZN226	Mkhambathini			151 400	151 400	50 307	33.2	-	-	-	112	295	-	-	-	741	-	-	42	1 613	416	7 889	-	0	-	39 198	-	-	1	-	-	-	
B	KZN227	Richmond			150 764	150 764	65 417	43.4	-	-	-	268	68	-	14	-	831	-	-	219	9	140	19 463	-	222	42 999	452	-	-	-	-	-	-	
C	DC22	uMgungundlovu DM			1 496 646	1 496 646	482 432	32.2	-	-	114 788	15 463	-	34	-	25 213	10 593	-	-	-	-	-	-	-	-	-	316 341	-	-	-	-	-	-	
Total:	uMgungundlovu Municipalities				11 891 569	11 891 569	3 174 760	26.7	967 407	422 846	89 766	42 956	5 629	1 895	14	90 410	22 947	-	-	8 430	4 390	27 247	567 586	28	4 568	622	885 047	32 972	-	-	1	-	-	-
B	KZN235	Okhahlamba			232 263	232 263	87 052	37.5	-	-	-	487	232	555	-	248	1 449	-	-	291	482	4	7 591	-	45	92	73 433	2 142	-	-	-	-	-	-
B	KZN237	iKosi Langalibalele			796 768	796 768	268 800	33.7	85 671	-	-	2 610	71	7	-	9 557	2 813	-	-	163	60	373	52 626	-	386	451	109 030	4 982	-	-	-	-	-	-
B	KZN238	Alfred Duma			1 468 841	1 468 841	447 138	30.4	148 907	-	-	11 364	315	619	-	4 019	10 504	-	-	771	901	1 137	109 033	-	7 953	-	141 875	8 734	-	-	1 005	-	-	-
C	DC23	uThukela DM			1 030 991	1 030 991	36 131	3.5	-	-	-	81	-	-	-	10 520	1 123	-	-	-	-	1 000	-	-	320	-	137	-	-	-	-	-	-	-
Total:	uThukela Municipalities				3 528 863	3 528 863	839 120	23.8	234 577	19 762	3 188	14 462	698	1 182	-	24 345	15 890	-	-	1 226	1 442	2 514	169 251	-	8 703	543	324 475	15 859	-	-	1 005	-	-	-
B	KZN241	eMdumeni			463 127	463 127	124 577	26.9	34 576	-	-	7 176	182	-	-	1 065	479	-	-	211	66	102	45 659	-	4 525	657	29 558	-	-	-	322	-	-	-
B	KZN242	Nquthu			311 031	311 031	119 538	38.4	8 594	-	-	511	35	-	19	165	1 799	-	-	188	-	1 572	20 869	-	437	229	84 295	825	-	-	-	-	-	-
B	KZN244	uMzinga			301 820	301 820	107 734	35.7	-	-	-	271	150	-	-	4 946	-	-	-	147	-	46	3 376	-	107	1	98 690	-	-	-	-	-	-	-
B	KZN245	uMhloji			444 521	444 521	124 487	28.0	27 017	-	-	3 775	203	-	-	1 440	-	-	-	684	79	12 458	-	1	-	-	78 653	-	-	-	-	-	-	-
C	DC24	uMzinyathi DM			698 248	698 248	256 534	36.7	-	21 289	3 672	-	2	-	-	11 950	2 518	-	-	146	-	4	-	-	-	-	216 953	-	-	-	-	-	-	-
Total:	uMzinyathi Municipalities				2 218 747	2 218 747	732 871	33.0	70 187	21 289	3 672	11 733	571	-	19	13 180	11 183	-	-	868	750	1 804	82 362	-	5 070	887	508 150	825	-	-	322	-	-	-
B	KZN252	Newcastle			2 480 656	2 480 656	790 347	31.9	268 284	59 430	36 140	28 599	1 449	-	-	882	1 044	-	-	2 797	-	145	115 444	-	928	4	274 097	1 242	-	-	(138)	-	-	-
B	KZN253	eMadlangeni			131 416	131 416	37 112	28.2	4 587	-	-	665	73	-	-	315	654	-	-	397	612	48	11 145	-	135	-	17 130	1 352	-	-	-	-	-	-
B	KZN254	Dannhauser			203 167	203 167	64 703	31.8	-	-	-	4 025	89	3	-	268	-	-	-	3	-	743	645	-	7	10	51 209	7 705	-	-	-	-	-	-
C	DC25	Amajuba DM			329 787	329 787	102 196	31.0	-	4 073	670	-	15	-	-	2 606	2 104	-	-	6	-	87	-	-	-	-	92 635	-	-	-	-	-	-	-
Total:	Amajuba Municipalities				3 145 026	3 145 026	994 358	31.6	272 870	63 503	36 810	33 289	1 626	266	-	3 802	4 545	-	-	3 203	612	280	127 234	-	1 070	14	435 072	10 299	-	-	(138)	-	-	-
B	KZN261	eDumbe			238 603	238 603	85 079	35.7	-	-	-	778	21	-	-	1 407	406	-	-	2 093	72	147	20 618	-	331	260	46 687	1 060	-	-	-	16	-	-
B	KZN262	uPhongolo			338 065	338 065	113 490	33.6	17 791	-	-	2 999	166	362	-	1	1 388	-	-	140	433	457	4 700	-	280	-	84 469	304	-	-	-	-	-	-
B	KZN263	AlbaDulusi			755 023	755 023	243 984	32.3	71 528	18 226	8 526	9 724	596	-	-	4 802	388	-	-	216	829	171	34 424	-	1 778	-	92 775	-	-	-	-	-	-	-
B	KZN265	Nongoma			259 215	259 215	117 616	45.4	-	-	-	568	0	-	-	563	-	-	-	55	278	0	25 282	-	13	202	90 264	360	-	-	49	-	-	-
B	KZN266	Ulundi			504 215	504 215	213 892	42.4	24 096	-	-	3 256	168	411	-	5	612	-	-	245	5	28	90 522	-	80	-	93 932	531	-	-	-	-	-	-
C	DC26	Zulul																																



Annexure B: Operating Expenditure - As at the end of Quarter 1 - 2024/25

R'000					Detail														
					Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Employee related costs	Remun. of councillors	Bulk purchases - electricity	Inventory consumed	Debt impairment	Depreciation and amortisation	Interest	Contracted services	Transfers and subsidies	Irrecoverable debts written off	Operational costs
A	KZN2000	eThekwini	55 640 744	55 640 744	14 490 559	26.0	2 960 644	35 020	5 177 855	902 079	1 695 125	731 940	263 074	1 270 222	123 998	-	638 888	46	691 668
B	KZN212	uMdoni	452 715	452 715	77 354	17.1	37 208	1 284	-	-	-	10 505	-	18 755	6	-	9 596	-	-
B	KZN213	uMzumbhe	206 492	206 492	54 243	26.3	20 470	6 926	-	1 053	-	-	29	16 764	2 199	-	6 800	-	-
B	KZN214	uMuziwabantu	270 512	270 512	66 099	24.4	19 972	2 455	20 986	217	-	-	-	9 738	1 140	-	11 592	-	-
B	KZN216	Ray Nkonyeni	1 249 698	1 249 698	292 492	23.4	125 313	8 588	38 116	3 784	-	22 330	0	51 672	1 351	1 438	39 899	-	-
B	DC21	Ugu DM	857 923	857 923	373 958	43.6	152 566	3 066	-	52 308	6 807	57 710	11 436	25 971	-	2 407	61 681	-	7
Total: Ugu Municipalities			3 037 340	3 037 340	864 146	28.5	355 530	22 320	59 102	57 361	6 807	90 546	11 466	122 900	4 696	3 844	129 568	-	7
B	KZN221	uMshwathi	289 246	289 246	50 491	17.5	22 512	3 073	-	84	-	4 729	-	9 732	403	-	9 957	-	-
B	KZN222	uMngeni	614 180	614 180	146 627	23.9	37 050	2 716	66 014	349	-	16 286	3	10 522	186	-	13 501	-	-
B	KZN223	Mpofana	192 830	192 830	49 768	25.8	11 787	495	21 855	962	-	3 723	2 919	5 767	-	-	2 259	-	-
B	KZN224	iMpendle	73 316	73 316	19 929	27.2	12 431	1 123	-	-	-	-	1	2 956	376	-	3 043	-	1
B	KZN225	Msunduzi	8 380 271	8 380 271	2 060 248	24.6	383 824	14 263	1 134 908	278 453	-	97 824	5 184	100 325	13 000	4 525	28 616	-	(675)
B	KZN226	Mkhambathini	157 981	157 981	48 043	30.4	13 399	1 619	-	1 736	-	3 898	-	21 018	-	-	6 373	-	-
B	KZN227	Richmond	172 981	172 981	38 175	22.1	17 798	1 496	-	838	1 681	4 276	5	7 341	-	-	4 740	-	-
C	DC22	uMgungundlovu DM	1 386 036	1 386 036	276 245	19.9	79 480	3 764	-	66 371	-	15 231	3 972	46 058	12 200	-	19 548	-	29 621
Total: uMgungundlovu Municipalities			11 266 842	11 266 842	2 689 526	23.9	578 282	28 549	1 222 777	348 793	1 681	145 967	12 083	203 720	26 164	4 525	88 038	-	28 947
B	KZN235	Okhahlamba	251 944	251 944	58 916	23.4	34 175	2 914	-	512	-	-	-	11 889	64</				

Source: NT Igdatabase

Annexure C: Capital Revenue (Source of finance) - As at the end of Quarter 1 - 2024/25

R'000					Detail								
					Original Budget	Unaudited Actual	% Generated	Sources of Finance				Transfers recognised - capital	
								National Govt.	Provincial Govt.	District Municipality	Other transfers and grants	Borrowing	Internally generated funds
A	KZN2000	eThekwini	7 680 538	600 527	7.8	419 010	3 255	-	-	55 989	122 273		
B	KZN212	uMdoni	50 041	4 840	9.7	4 840	-	-	-	-	-		
B	KZN213	uMzumbhe	63 420	28 144	44.4	15 286	-	-	-	-	12 859		
B	KZN214	uMuziwabantu	28 555	4 328	15.2	4 328	-	-	-	-	-		
B	KZN216	Ray Nkonyeni	187 558	21 010	11.2	15 831	-	-	-	252	4 928		
B	DC21	Ugu DM	270 733	107 551	39.7	107 416	-	-	-	-	134		
Total: Ugu Municipalities			600 308	165 873	27.6	147 701	-	-	-	252	17 921		
B	KZN221	uMshwathi	48 924	8 920	18.2	8 528	-	-	-	-	392		
B	KZN222	uMngeni	79 811	(24)	(0.0)	-	-	-	-	-	(24)		
B	KZN223	Mpofana	18 099	(437)	(2.4)	28	-	-	-	-	(465)		
B	KZN224	iMpindle	29 840	22 385	75.0	22 257	-	-	-	-	128		
B	KZN225	Msunduzi	823 982	34 932	4.2	22 823	7 113	-	-	1 199	3 797		
B	KZN226	Mkhambathini	21 859	4 311	19.7	3 567	-	-	-	-	744		
B	KZN227	Richmond	22 214	5 460	24.6	5 363	-	-	-	-	97		
C	DC22	uMgungundlovu DM	184 264	37 499	20.4	37 109	-	-	-	-	390		
Total: uMgungundlovu Municipalities			1 228 992	113 047	9.2	99 674	7 113	-	-	1 199	5 060		
B	KZN235	Okhahlamba	66 997	(68 584)	(102.4)	(6 827)	(3 623)	-	-	-	(58 134)		
B	KZN237	iNkosi Langalibalele	47 804	8 445	17.7	8 332	-	-	-	-	114		
B	KZN238	Alfred Duma	136 473	26 141	19.2	20 404	20	-	-	-	5 717		
B	DC23	uThukela DM	308 529	40 092	13.0	40 092	-	-	-	-	-		
Total: uThukela Municipalities			559 803	6 095	1.1	62 002	(3 603)	-	-	-	(52 303)		
B	KZN241	eNdumeni	28 655	4 494	15.7	4 494	-	-	-	-	-		
B	KZN242	Nquthu	80 208	17 152	21.4	6 389	-	-	-	-	10 763		
B	KZN244	uMsinga	67 270	18 044	26.8	14 740	949	-	-	-	2 356		
B	KZN245	uMvoti	60 936	15 361	25.2	14 278	-	-	-	-	1 084		
C	DC24	uMzinyathi DM	281 989	41 176	14.6	18 830	(0)	-	-	-	22 347		
Total: uMzinyathi Municipalities			519 058	96 228	18.5	58 730	949	-	-	-	36 550		
B	KZN252	Newcastle	173 486	13 074	7.5	12 016	105	-	-	-	954		
B	KZN253	eMadlangeni	29 228	27 672	94.7	27 672	-	-	-	-	-		
B	KZN254	Dannhauser	36 051	2 835	7.9	-	-	-	-	-	2 835		
C	DC25	Amajuba DM	113 267	29 256	25.8	29 256	-	-	-	-	-		
Total: Amajuba Municipalities			352 032	72 837	20.7	68 943	105	-	-	-	3 789		
B	KZN261	eDumbe	24 581	11 063	45.0	10 658	-	-	-	-	405		
B	KZN262	uPhongolo	56 883	12 430	21.9	6 432	2 116	-	-	-	3 883		
B	KZN263	AbaQulusi	54 044	16 416	30.4	15 909	386	-	-	-	120		
B	KZN265	Nongoma	35 857	6 849	19.1	6 621	-	-	-	-	228		
B	KZN266	Ulundi	43 761	29 437	67.3	20 274	-	-	-	-	9 163		
C	DC26	Zululand DM	500 421	216 644	43.3	216 592	-	-	-	-	52		
Total: Zululand Municipalities			715 547	292 839	40.9	276 487	2 502	-	-	-	13 850		
B	KZN271	uMhlabuyalingana	41 546	6 448	15.5	6 448	-	-	-	-	-		
B	KZN272	Jozini	74 084	(109 785)	(148.2)	(28 606)	-	-	-	-	(81 179)		
B	KZN275	Inkosi uMtubatuba	54 762	2 160	3.9	-	2 160	-	-	-	-		
B	KZN276	Big Five Hlabisa	29 980	5 461	18.2	5 290	-	-	-	-	172		
C	DC27	uMkhanyakude DM	214 806	47 327	22.0	45 682	-	-	-	-	1 644		
Total: uMkhanyakude Municipalities			415 177	(48 389)	(11.7)	28 814	2 160	-	-	-	(79 363)		
B	KZN281	uMfolozi	42 895	11 721	27.3	10 394	1 325	-	-	-	2		
B	KZN282	uMhlathuze	610 994	137 066	22.4	82 641	-	-	-	54 099	326		
B	KZN284	uMlalazi	66 090	17 013	25.7	15 090	-	-	-	-	1 923		
B	KZN285	Mthonjaneni	30 720	9 842	32.0	9 782	-	-	-	-	60		
B	KZN286	Nkandla	34 164	3 242	9.5	3 242	-	-	-	-	-		
C	DC28	King Cetshwayo DM	465 008	108 118	23.3	95 719	-	-	-	-	12 399		
Total: King Cetshwayo Municipalities			1 249 871	287 001	23.0	216 868	1 325	-	-	54 099	14 710		
B	KZN291	Mandeni	127 600	7 177	5.6	5 437	-	-	-	-	1 740		
B	KZN292	KwaDukuza	328 573	100 905	30.7	74 825	2	-	-	-	26 078		
B	KZN293	Ndwedwe	41 194	12 142	29.5	8 610	-	-	-	-	3 532		
B	KZN294	Maphumulo	23 810	15 123	63.5	13 876	-	-	-	-	1 247		
C	DC29	iLembe DM	481 111	40 568	8.4	40 156	-	-	-	-	411		
Total: Ilembe Municipalities			1 002 288	175 915	17.6	142 904	2	-	-	-	33 010		
B	KZN433	Greater Kokstad	105 308	27 564	26.2	14 263	2 622	-	-	-	10 680		
B	KZN434	Johannes Phumani Phungula	62 504	15 105	24.2	7 124	-	-	-	-	7 981		
B	KZN435	uMzimkhulu	92 387	17 095	18.5	7 917	4 206	-	-	-	4 972		
B	KZN436	Dr. Nkosazana Dlamini Zuma	90 551	11 865	13.1	4 996	-	-	-	-	6 869		
C	DC43	Harry Gwala DM	322 312	59 447	18.4	56 028	-	-	-	-	3 419		
Total: Harry Gwala Municipalities			673 061	131 077	19.5	90 327	6 828	-	-	-	33 921		
Total			14 996 675	1 893 051	12.6	1 611 459	20 635	-	-	111 539	149 417		

Source: NT Igdatabase

Annexure D: Capital Expenditure - As at the end of Quarter 1- 2024/25

				Governance and Admin.								Community and Public Safety				Detail			Economic and Environmental Services				Trading Services				Other
				Executive & Council	Finance and administration	Internal audit	Community & Social Services	Sport And Recreation	Public Safety	Housing	Health	Planning and Dev.	Road Transport	Environ. Protection	Energy source	Water management	Waste Water Mgt.	Waste Mgt.									
R'000		Original Budget	Unaudited Actual	% Spent																							
A	KZN2000	eThekweni	7 680 538	600 527	7.8	1 381	17 594	-	9 614	21 556	732	73 155	27	77 865	108 944	2 085	89 200	64 136	117 748	14 977	1 514						
B	KZN212	uMdoni	50 041	4 840	9.7	-	-	-	1 858	2 003	-	-	-	-	980	-	-	-	-	-	-						
B	KZN213	uMzumbe	63 420	28 144	44.4	-	8 538	-	399	-	-	-	-	13 037	6 076	-	-	-	-	94	-						
B	KZN214	uMuziwabantu	28 555	4 328	15.2	-	-	-	-	-	-	-	-	-	4 328	-	-	-	-	-	-						
B	KZN216	Ray Nkonyeni	187 558	21 010	11.2	-	77	-	-	-	316	-	-	20 358	-	7	252	-	-	-	-						
C	DC21	Ugu DM	270 733	107 551	39.7	-	134	-	-	-	-	-	-	-	-	-	-	67 407	40 010	-	-						
Total: Ugu Municipalities			600 308	165 873	27.6	-	8 750	-	2 257	2 003	316	-	-	33 396	11 383	7	252	67 407	40 010	94	-						
B	KZN221	uMshwathi	48 924	8 920	18.2	-	12	-	-	-	-	-	-	8 671	238	-	-	-	-	-	-						
B	KZN222	uMngeni	79 811	8 986	11.3	-	3 071	-	313	-	-	-	-	-	5 602	-	-	-	-	-	-						
B	KZN223	Mpofana	18 099	(313)	(1.7)	-	(313)	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
B	KZN224	iMpindle	29 840	22 385	75.0	-	26	-	102	-	-	-	-	210	22 047	-	-	-	-	-	-						
B	KZN225	Msunduzi	823 982	77 767	9.4	1 557	948	-	(13)	2 222	190	9 534	-	619	37 322	(0)	-	14 178	8 721	2 489	(1)						
B	KZN226	Mkhambathini	21 859	4 311	19.7	-	658	-	1 886	-	87	-	-	-	1 681	-	-	-	-	-	-						
B	KZN227	Richmond	24 090	5 582	23.2	-	14	-	-	104	-	-	-	-	5 464	-	-	-	-	-	-						
C	DC22	uMgungundlovu DM	184 264	37 499	20.4	-	367	-	-	-	-	-	-	-	-	-	37 131	-	-	-	-						
Total: uMgungundlovu Municipalities			1 230 869	165 137	13.4	1 557	4 783	-	2 289	2 326	276	9 534	-	9 500	72 353	(0)	-	51 309	8 721	2 489	(1)						
B	KZN235	Okhahlamba	66 997	(68 584)	(102.4)	-	(20 664)	-	(819)	-	(5 535)	-	-	(35 276)	(587)	-	-	-	-	(2 078)	(3 623)						
B	KZN237	iNkosi Langalibalele	47 804	8 670	18.1	0	17	-	80	-	-	-	-	824	7 459	-	289	-	-	-	-						
B	KZN238	Alfred Duma	136 473	26 141	19.2	8	4 077	-	444	798	68	20	-	30	11 039	-	8 676	-	981	-	-						
C	DC23	uThukela DM	308 529	40 620	13.2	-	-	-	-	-	-	-	-	-	-	-	-	40 620	-	-	-						
Total: uThukela Municipalities			559 803	6 847	1.2	8	(16 571)	-	(295)	798	(5 467)	20	-	(34 421)	17 912	-	8 965	40 620	981	(2 078)	(3 623)						
B	KZN241	eNdumeni	28 655	4 494	15.7	-	-	-	1 498	463	-	-	-	-	2 533	-	-	-	-	-	-						
B	KZN242	Nquthu	80 208	17 152	21.4	-	-	-	10 290	1 542	2	-	-	360	3 730	-	-	-	-	1 227	-						
B	KZN244	uMsinga	67 270	18 044	26.8	-	2 035	-	-	-	321	-	-	-	15 688	-	-	-	-	-	-						
B	KZN245	uMvoti	60 936	15 361	25.2	-	761	-	3 787	941	-	-	-	-	9 550	-	-	-	-	323	-						
C	DC24	uMzinyathi DM	281 989	41 176	14.6	97	86	-	39	-	-	-	-	21	-	-	38 294	2 640	-	-	-						
Total: Umzinyathi Municipalities			519 058	96 228	18.5	97	2 883	-	15 613	2 946	323	-	-	382	31 501	-	-	38 294	2 640								

Source: NT Igdatabase

Annexure E: Debtors Age Analysis (Total) - As at the end of Quarter 1 - 2024/25

R'000			0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total	Actual Bad Debts Written Off to Debtors		Impairment - Bad Debts ito Council Policy	
			Total	%	Total	%	Total	%	Total	%		Amount	%	Amount	%
A	KZN2000	eThekwini	3 682 190	10.6	1 541 656	4.4	1 557 076	4.5	27 892 258	80.4	34 673 179	-	0.0	2 112 568	6.1
B	KZN212	uMdoni	34 626	15.9	4 218	1.9	4 429	2.0	174 448	80.1	217 722	-	-	-	-
B	KZN213	uMzumbe	-	-	-	-	12 433	25.6	36 133	74.4	48 566	-	-	-	-
B	KZN214	uMuziwabantu	5 429	13.6	3 350	8.4	2 647	6.6	28 593	71.4	40 018	-	-	-	-
B	KZN216	Ray Nkonyeni	72 192	10.3	79 743	11.3	20 086	2.9	530 636	75.5	702 657	-	-	-	-
C	DC21	Ugu DM	60 492	4.2	44 656	3.1	37 830	2.6	1 302 640	90.1	1 445 618	-	-	-	-
Total: Ugu Municipalities			172 740	7.0	131 967	5.4	77 425	3.2	2 072 449	84.4	2 454 581	-	-	-	-
B	KZN221	uMshwathi	882	0.8	(2 078)	(1.9)	2 859	2.6	108 077	98.5	109 741	-	-	-	-
B	KZN222	uMngeni	22 806	9.5	5 974	2.5	5 439	2.3	206 523	85.8	240 742	-	-	-	-
B	KZN223	Mpofana	9 878	5.4	(123)	(0.1)	3 069	1.7	168 703	92.9	181 526	-	-	-	-
B	KZN224	iMpendle	779	3.2	299	1.2	3 479	14.4	19 590	81.1	24 147	-	-	-	-
B	KZN225	Msunduzi	1 067 382	13.9	12 269	0.2	163 272	2.1	6 459 597	83.9	7 702 521	-	-	4 191 945	54.4
B	KZN226	Mkhambathini	(368)	(0.9)	1 654	4.2	1 149	2.9	36 840	93.8	39 275	-	-	-	-
B	KZN227	Richmond	1 713	2.6	16 456	25.0	370	0.6	47 365	71.9	65 904	-	-	-	-
C	DC22	uMgungundlovu DM	107 971	8.2	150	0.0	43 531	3.3	1 165 178	88.5	1 316 830	-	-	-	-
Total: uMgungundlovu Municipalities			1 211 045	12.5	34 601	0.4	223 167	2.3	8 211 872	84.8	9 680 685	-	-	4 191 945	43.3
B	KZN235	Okhahlamba	5 144	5.0	(169)	(0.2)	1 975	1.9	95 270	93.2	102 220	-	-	-	-
B	KZN237	iNkosi Langalibalele	34 496	5.8	17 859	3.0	48 638	8.2	489 222	82.9	590 216	-	-	-	-
B	KZN238	Alfred Duma	68 425	6.3	42 978	3.9	30 097	2.8	950 829	87.0	1 092 329	-	-	-	-
C	DC23	uThukela DM	31 845	2.5	27 540	2.2	24 015	1.9	1 178 249	93.4	1 261 648	-	-	-	-
Total: uThukela Municipalities			139 910	4.6	88 208	2.9	104 725	3.4	2 713 570	89.1	3 046 413	-	-	-	-
B	KZN241	eNdumeni	19 310	8.5	11 245	4.9	30 183	13.3	166 491	73.3	227 228	-	-	-	-
B	KZN242	Nquthu	4 239	19.9	1 056	5.0	359	1.7	15 614	73.4	21 268	-	-	-	-
B	KZN244	uMsinga	1 779	7.5	854	3.6	1 513	6.4	19 527	82.5	23 673	-	-	-	-
B	KZN245	uMvoti	11 274	19.3	147	0.3	2 078	3.6	44 953	76.9	58 452	-	-	-	-
C	DC24	uMzinyathi DM	23 863	3.5	4 261	0.6	11 986	1.7	648 748	94.2	688 857	-	-	-	-
Total: uMzinyathi Municipalities			60 464	5.9	17 563	1.7	46 118	4.5	895 333	87.8	1 019 478	-	-	-	-
B	KZN252	Newcastle	113 620	5.7	42 490	2.1	40 772	2.0	1 797 181	90.1	1 994 063	-	-	-	-
B	KZN253	eMadlangeni	9 430	11.5	(57)	(0.1)	3 663	4.5	68 915	84.1	81 951	-	-	-	-
B	KZN254	Dannhauser	3 493	4.1	3 159	3.7	3 004	3.5	75 572	88.7	85 228	-	-	-	-
C	DC25	Amajuba DM	3 334	5.3	81	0.1	6 290	10.0	53 460	84.6	63 165	-	-	-	-
Total: Amajuba Municipalities			129 877	5.8	45 673	2.1	53 729	2.4	1 995 128	89.7	2 224 406	-	-	-	-
B	KZN261	eDumbe	8 473	3.5	(63)	2.1	18 427	2.0	212 831	90.1	239 669	-	-	-	-
B	KZN262	uPhongolo	10 997	3.6	(37)	(0.0)	4 022	0.7	292 315	47.6	307 298	-	-	-	-
B	KZN263	AbaQulusi	49 379	10.7	21 470	4.7	17 925	3.9	371 629	80.7	460 403	16	0.0	-	-
B	KZN265	Nongoma	3 905	4.6	6	0.0	17 020	20.2	63 140	75.1	84 070	-	-	-	-
B	KZN266	Ulundi	19 882	8.2	(220)	(0.1)	54 598	22.5	168 510	69.4	242 770	-	-	-	-
C	DC26	Zululand DM	9 192	3.7	7 216	2.9	6 443	2.6	226 166	90.8	249 017	-	-	-	-
Total: Zululand Municipalities			101 830	6.4	28 372	1.8	118 434	7.5	1 334 591	84.3	1 583 226	16	0.0	-	-
B	KZN271	uMhlabyalingana	4 308	5.6	(10)	(0.0)	2 033	2.7	70 165	91.7	76 496	-	-	-	-
B	KZN272	Jozini	1 812	1.3	(106)	(0.1)	5 578	4.1	129 817	94.7	137 101	-	-	-	-
B	KZN275	Inkosi uMtubatuba	12 070	4.2	(274)	(0.1)	17 238	6.0	256 054	89.8	285 087	-	-	-	-
B	KZN276	Big Five Hlabisa	2 053	3.0	(803)	(1.2)	6 698	9.7	61 436	88.5	69 384	-	-	-	-
C	DC27	uMkhanyakude DM	13 383	4.8	(40)	(0.0)	5 262	1.9	262 832	93.4	281 437	-	-	-	-
Total: uMkhanyakude Municipalities			33 626	4.0	(1 233)	(0.1)	36								

Source: NT Publication

Annexure F: Debtors by Customer Group (Total) - As at the end of Quarter 1 - 2024/25

R'000		Organs of State						Commercial						Household						Other						Total
		Age category (Days)				Total	%	Age category (Days)				Total	%	Age category (Days)				Total	%							
		30 - 60		60 - 90				Over 90		30 - 60				60 - 90		Over 90				30 - 60		60 - 90		Over 90		
		30 - 60	60 - 90	Over 90				30 - 60	60 - 90	Over 90				30 - 60	60 - 90	Over 90				30 - 60	60 - 90	Over 90				
A	KZN2000 eThekwini	388 447	121 581	485 951	816 950	1 812 928	5.2	1 521 629	359 949	228 935	5 537 526	7 648 039	22.1	1 750 623	1 041 643	832 713	21 424 672	25 049 651	72.2	21 491	18 483	9 477	113 110	162 561	0.5	34 673 179
B	KZN212 uMdoni	12 159	568	386	22 480	35 593	16.3	6 020	570	459	22 990	30 040	13.8	16 248	3 052	3 558	125 406	148 263	68.1	200	28	26	3 572	3 826	1.8	217 722
B	KZN213 uMzumba	-	-	7 645	20 882	28 526	58.7	-	-	2 038	9 216	11 254	23.2	-	-	-	-	-	-	-	-	2 751	6 035	8 786	18.1	48 566
B	KZN214 uMuziwabantu	1 306	1 263	1 457	11 651	15 676	39.2	3 156	1 404	585	7 286	12 431	-	967	684	605	9 656	11 912	29.8	-	-	-	-	-	-	40 018
B	KZN216 Ray Nkonyeni	2 741	25 615	895	48 062	77 313	11.0	28 634	17 712	4 709	98 198	149 254	21.2	40 817	36 415	14 482	384 376	476 089	67.8	-	-	-	-	-	-	702 657
C	DC21 Ugu DM	4 259	1 979	1 093	18 689	26 020	1.8	14 732	8 512	6 102	177 445	206 790	14.3	41 825	34 242	30 714	1 106 461	1 213 243	83.9	(324)	(76)	(79)	44	(435)	(0.0)	1 445 618
Total: Ugu Municipalities		20 465	29 424	11 475	121 765	183 128	7.5	52 542	28 198	13 894	315 135	409 769	16.7	99 856	74 393	49 358	1 625 899	1 849 507	75.3	(124)	(48)	2 698	9 651	12 177	0.5	2 454 581
B	KZN221 uMshwathi	(5 766)	(1 939)	799	16 053	9 146	8.3	3 656	(48)	889	41 337	45 834	41.8	2 635	(65)	976	51 480	55 025	50.1	357	(26)	195	(792)	(265)	(0.2)	109 741
B	KZN222 uMngeni	1 412	181	141	2 851	4 585	1.9	838	54	39	1 968	2 899	1.2	20 143	5 167	4 701	172 993	203 003	84.3	413	572	558	28 711	30 254	12.6	240 742
B	KZN223 Mpofana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 878	(123)	3 069	168 703	181 526	100.0	181 526
B	KZN224 iMpendle	91	(13)	2 552	7 206	9 836	40.7	78	19	240	1 222	1 559	6.5	109	4	13	1 045	1 171	4.9	501	288	674	10 117	11 580	48.0	24 147
B	KZN225 Msunduzi	112 484	(6 521)	11 387																						

Annexure G: Creditors Age Analysis (Total) - As at the end of Quarter 1 - 2024/25

R'000			0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
			Total	%	Total	%	Total	%	Total	%	
A	KZN2000	eThekwini	627 236	96.3	752	0.1	1 039	0.2	22 111	3.4	651 138
B	KZN212	uMdoni	4 735	100.0	-	-	-	-	-	-	4 735
B	KZN213	uMzumbe	224	41.1	2	0.3	2	0.4	318	58.2	546
B	KZN214	uMuziwabantu	244	100.0	-	-	-	-	-	-	244
B	KZN216	Ray Nkonyeni	329	98.5	-	-	-	-	5	1.5	334
C	DC21	Ugu DM	73 134	8.3	56 910	6.5	4 018	0.5	743 975	84.7	878 037
Total: Ugu Municipalities			78 666	8.9	56 912	6.4	4 020	0.5	744 297	84.2	883 895
B	KZN221	uMshwathi	1 368	26.6	789	15.3	240	4.7	2 748	53.4	5 144
B	KZN222	uMngeni	19 594	76.9	5 885	23.1	-	-	-	-	25 479
B	KZN223	Mpofana	9 013	1.6	7 905	1.4	13 430	2.4	539 535	94.7	569 883
B	KZN224	iMpendle	(1 424)	142 371 700.0	1 424	(142 371 800.0)	(96)	9 631 100.0	96	(9 630 900.0)	(0)
B	KZN225	Msunduzi	1 310 569	49.4	40 056	1.5	103 135	3.9	1 200 483	45.2	2 654 243
B	KZN226	Mkhambathini	900	47.8	960	51.0	21	1.1	-	-	1 882
B	KZN227	Richmond	-	-	-	-	-	-	-	-	-
C	DC22	uMgungundlovu DM	4 134	96.7	14	0.3	5	0.1	124	2.9	4 277
Total: uMgungundlovu Municipalities			1 344 154	41.2	57 034	1.7	116 735	3.6	1 742 985	53.5	3 260 908
B	KZN235	Okhahlamba	10 656	95.7	476	4.3	(109)	(1.0)	109	1.0	11 132
B	KZN237	iNkosi Langalibalele	1 710	97.2	12	0.7	4	0.2	34	1.9	1 759
B	KZN238	Alfred Duma	4 552	99.8	-	-	-	-	9	0.2	4 561
C	DC23	uThukela DM	37 834	57.5	10 869	16.5	2 400	3.6	14 724	22.4	65 827
Total: uThukela Municipalities			54 752	65.7	11 357	13.6	2 295	2.8	14 876	17.9	83 280
B	KZN241	eNdumeni	29 119	16.2	6 379	3.5	-	-	144 617	80.3	180 114
B	KZN242	Nquthu	6 794	39.4	8 455	49.1	44	0.3	1 937	11.2	17 230
B	KZN244	uMsinga	-	-	-	-	-	-	-	-	-
B	KZN245	uMvoti	1 915	82.3	-	-	-	-	413	17.7	2 328
C	DC24	uMzinyathi DM	19 886	8.0	9 740	3.9	2 770	1.1	216 824	87.0	249 221
Total: uMzinyathi Municipalities			57 714	12.9	24 573	5.5	2 815	0.6	363 791	81.0	448 893
B	KZN252	Newcastle	143 282	26.8	79 010	14.8	41 814	7.8	270 724	50.6	534 831
B	KZN253	eMadlangeni	7 604	54.7	5 541	39.9	603	4.3	151	1.1	13 899
B	KZN254	Dannhauser	1 873	38.9	188	3.9	151	3.1	2 607	54.1	4 819
C	DC25	Amajuba DM	17 890	15.4	7 425	6.4	818	0.7	90 195	77.5	116 329
Total: Amajuba Municipalities			170 649	25.5	92 165	13.8	43 386	6.5	363 677	54.3	669 877
B	KZN261	eDumbe	12 066	89.5	441	3.3	2	0.0	971	7.2	13 480
B	KZN262	uPhongolo	(1 738)	(170.1)	1 621	158.6	98	9.6	1 042	101.9	1 022
B	KZN263	AbaQulusi	50 992	26.7	34 981	18.3	1 801	0.9	102 931	54.0	190 705
B	KZN265	Nongoma	(9 247)	(33.2)	757	2.7	772	2.8	35 543	127.7	27 825
B	KZN266	Ulundi	17 507	7.5	22 585	9.7	21 593	9.3	171 409	73.5	233 095
C	DC26	Zululand DM	12 988	28.9	697	1.6	31 275	69.6	-	-	44 960
Total: Zululand Municipalities			82 568	16.2	61 081	12.0	55 542	10.9	311 896	61.0	511 087
B	KZN271	uMhlabyalingana	3 619	801.0	(1 917)	(424.2)	(952)	(210.7)	(299)	(66.1)	452
B	KZN272	Jozini	3 225	97.7	(960)	(29.1)	25	0.8	1 013	30.7	3 302
B	KZN275	Inkosi uMtubatuba	(15 710)	91.8	(32 902)	192.2	(184)	1.1	31 680	(185.1)	(17 116)
B	KZN276	Big Five Hlabisa	(1 160)	(58.9)	(2 955)	(150.1)	3 563	180.9	2 521	128.0	1 969
C	DC27	uMkhanyakude DM	23 222	14.0	(9 327)	(5.6)	(5 332)	(3.2)	157 469	94.8	166 032
Total: uMkhanyakude Municipalities			13 196	8.5	(48 061)	(31.1)	(2 880)	(1.9)	192 384	124.4	154 639
B	KZN281	uMfolozi	(520)	(46.7)	(133)	(12.0)	(184)	(16.5)	1 951	175.2	1 114
B	KZN282	uMhlathuze	184 590	92.8	14 234	7.2	-	-	-	-	198 824
B	KZN284	uMlalazi	1 868	96.5	54	2.8	15	0.8	-	-	1 937
B	KZN285	Mthonjaneni	9 586	15.9	9 216	15.3	(2 206)	(3.7)	43 508	72.4	60 103
B	KZN286	Nkandla	1 459	75.8	293	15.2	129	6.7	44	2.3	1 924
C	DC28	King Cetshwayo DM	47 801	82.6	9 471	16.4	-	-	577	1.0	57 849
Total: King Cetshwayo Municipalities			244 783	76.1	33 133	10.3	(2 246)	(0.7)	46 081	14.3	321 750
B	KZN291	Mandeni	11	100.0	-	-	-	-	-	-	11
B	KZN292	KwaDukuza	9 801	88.6	1 068	9.7	11	0.1	180	1.6	11 061
B	KZN293	Ndwedwe	470	102.3	5	1.1	-	-	(15)	(3.4)	460
B	KZN294	Maphumulo	1 065	114.3	9	1.0	6	0.6	(149)	(16.0)	932
C	DC29	iLembe DM	37 902	62.9	33	0.1	916	1.5	21 438	35.6	60 289
Total: iLembe Municipalities			49 250	67.7	1 116	1.5	933	1.3	21 454	29.5	72 753
B	KZN433	Greater Kokstad	180	53.9	145	43.1	-	-	10	3.0	335
B	KZN434	Johannes Phumani Phungula	1 730	100.0	-	-	-	-	-	-	1 730
B	KZN435	uMzimkhulu	-	-	-	-	-	-	522	100.0	522
B	KZN436	Dr. Nkosazana Dlamini Zuma	217	100.0	-	-	-	-	-	-	217
C	DC43	Harry Gwala DM	1 593	94.6	-	-	6	0.4	86	5.1	1 685
Total: Harry Gwala Municipalities			3 721	82.9	145	3.2	6	0.1	617	13.8	4 489
Total			2 726 689	38.6	290 208	4.1	221 643	3.1	3 824 170	54.1	7 062 710

Source: NT Publication

Annexure H : Creditors per Category (Total) - As at the end of Quarter 1 - 2024/25

R'000		Bulk Electricity		Bulk Water		PAYE Deductions		VAT (output less input)		Pensions / Retirement		Loan repayments		Trade Creditors		Auditor-General		Other		Medical Aid Deductions		Total
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	
A	KZN2000 eThekwini	-	-	-	-	183 871	28.2	-	-	176 553	27.1	-	-	182 525	28.0	2 228	0.3	-	-	105 961	16.3	651 138
B	KZN212 uMdoni	-	-	-	-	-	-	11	0.2	-	-	-	-	4 724	99.8	-	-	-	-	-	-	4 735
B	KZN213 uMzumbane	-	-	-	-	-	-	-	-	-	-	-	-	103	18.9	-	-	443	81.1	-	-	546
B	KZN214 uMuziwabantu	-	-	-	-	-	-	214	87.8	-	-	-	-	30	12.2	-	-	-	-	-	-	244
B	KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	-	-	-	-	334	100.0	-	-	-	-	-	-	334
C	DC21 Ugu DM	-	-	449 652	51.2	-	-	-	-	-	-	-	-	357 645	40.7	673	0.1	70 067	8.0	-	-	878 037
Total: Ugu Municipalities		-	-	449 652	50.9	-	-	225	0.0	-	-	-	-	362 836	41.0	673	0.1	70 510	8.0	-	-	883 895
B	KZN221 uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	446	8.7	-	-	4 698	91.3	-	-	5 144
B	KZN222 uMngeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25 479	100.0	-	-	25 479
B	KZN223 Mpofana	-	-	-	-	-	-	-	-	-	-	-	-	568 994	99.8	-	-	889	0.2	-	-	569 883
B	KZN224 iMpendle	-	-	-	-	-	-	-	-	-	-	-	-	(0)	100.0	-	-	-	-	-	-	(0)
B	KZN225 Msunduzi	1 702 829	64.2	781 473	29.4	24	0.0	-	-	-	-	-	-	169 916	6.4	-	-	-	-	-	-	2 654 243
B	KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	468	24.8	-	-	1 414	75.2	-	-	1 882
B	KZN227 Richmond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC22 uMgungundlovu DM	-	-	-	-	-	-	-	-	-	-	-	-	3 415	79.8	-	-	862	20.2	-	-	4 277
Total: uMgungundlovu Municipalities		1 702 829	52.2	781 473	24.0	24	0.0	-	-	-	-	-	-	743 239	22.8	-	-	33 343	1.0	-	-	3 260 908
B	KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	-	10 984	98.7	-	-	148	1.3	-	-	11 132
B	KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-	-	-	-	1 759	100.0	-	-	-	-	-	-	1 759
B	KZN238 Alfred Duma	-	-	-	-	-	-	-	-	-	-	-	-	4 561	100.0	-	-	-	-	-	-	4 561
C	DC23 uThukela DM	-	-	-	-	-	-	-	-	-	-	-	-	65 827	100.0	-	-	-	-	-	-	65 827
Total: uThukela Municipalities		-	-	-	-	-	-	-	-	-	-	-	-	83 132	99.8	-	-	148	0.2	-	-	83 280
B	KZN241 eNdumeni	158 745	88.1	-	-	-	-	-	-	-	-	-	-	21 370	11.9	-	-	-	-	-	-	180 114
B	KZN242 Nquthu	4 501	26.1	-	-	-	-	-	-	-	-	-	-	11 389	66.1	-	-	1 340	7.8	-	-	17 230
B	KZN244 uMsinga	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN245 uMvoti	48	2.1	-	-	-	-	-	-	-	-	-	-	2 281	97.9	-	-	0	0.0	-	-	2 328
C	DC24 uMzinyathi DM	-	-	-	-	-	-	-	-	-	-	-	-	10 868	4.4	-	-	238 353	95.6	-	-	249 221
Total: uMzinyathi Municipalities		163 294	36.4	-	-	-	-	-	-	-	-	-	-	45 907	10.2	-	-	239 693	53.4	-	-	448 893
B	KZN252 Newcastle	210 102	39.3	284 357	53.2	-	-	-	-	-	-	-	-	31 688	5.9	900 409	0.2	7 783	1.5	-	-	534 831
B	KZN253 eMadlangeni	(0)	(0.0)	-	-	-	-	-	-	-	-	-	-	(842)	(6.1)	789 491	5.7	13 952	100.4	-	-	13 899
B	KZN254 Dannhauser	-	-	-	-	-	-	-	-	-	-	-	-	4 819	100.0	-	-	-	-	-	-	4 819
C	DC25 Amajuba DM	-	-	61 429	52.8	-	-	-	-	-	-	-	-	13 731	11.8	532	0.5	40 636	34.9	-	-	116 329
Total: Amajuba Municipalities		210 102	31.4	345 786	51.6	-	-	-	-	-	-	-	-	49 396	7.4	2 222	0.3	62 371	9.3	-	-	669 877
B	KZN261 eDumbe	-	-	10	0.1	-	-	-	-	-	-	-	-	1 812	13.4	-	-	11 657	86.5	-	-	13 480
B	KZN262 uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	1 022	100.0	-	-	(0)	(0.0)	-	-	1 022
B	KZN263 Abaqulusi	178 876	93.8	-	-	-	-	-	-	-	-	-	-	11 829	6.2	-	-	-	-	-	-	190 705
B	KZN265 Nongoma	(687)	(2.5)	-	-	-	-	-	-	-	-	-	-	11 747	42.2	247 364	0.9	16 519	59.4	-	-	27 825
B	KZN266 Ulundi	233 095	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233 095
C	DC26 Zululand DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44 960	100.0	-	-	44 960
Total: Zululand Municipalities		411 283	80.5	10	0.0	-	-	-	-	-	-	-	-	26 410	5.2	247	0.0	73 136	14.3	-	-	511 087
B	KZN271 uMhlabyalingana	-	-	-	-	(0)	(0.0)	-	-	-	-	-	-	53	11.8	-	-	399	88.2	-	-	452
B	KZN272 Jozini	-	-	-	-	-	-	-	-	-	-	-	-	439	13.3	-	-	2 863	86.7	-	-	3 302
B	KZN275 Inkosi uMthabuba	-	-	-	-	-	-	-	-	-	-	-	-	1 153	(6.7)	123 966	(0.7)	(18 393)	107.5	-	-	(17 116)
B	KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-	-	-	-	1 552	78.8	481 864	24.5	(65)	(3.3)	-	-	1 969
C	DC27 uMkhanyakude DM	-	-	17 525	10.6	-	-	-	-	-	-	(632)	(0.4)	117 600	70.8	841 968	0.5	30 695	18.5	-	-	166 032
Total: uMkhanyakude Municipalities		-	-	17 525	11.3	(0)	(0.0)	-	-	-	-	(632)	(0.4)	120 798	78.1	1 448	0.9	15 499	10.0	-	-	154 639
B	KZN281 uMfolozi	-	-	-	-	-	-	-	-	-	-	-	-	161	14.5	-	-	953	85.5	-	-	1 114
B	KZN282 uMhlathuze	133 543	67.2	-	-	29 446	14.8	-	-	13 566	6.8	-	-	22 269	11.2	-	-	-	-	-	-	198 824
B	KZN284 uMlalazi	-	-	-	-	-	-	-	-	-	-	-	-	1 860	96.0	-	-	77	4.0	-	-	1 937
B	KZN285 Mthonjaneni	41 234	68.6	-	-	-	-	-	-	-	-	-	-	13 761	22.9	-	-	5 109	8.5	-	-	60 103
B	KZN286 Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	1 639	85.2	-	-	285	14.8	-	-	1 924
C	DC28 King Cetshwayo DM	-	-	44 349	76.7	-	-	-	-	-	-	-	-	13 500	23.3	-	-	-	-	-	-	57 849
Total: King Cetshwayo Municipalities		174 776	54.3	44 349	13.8	29 446	9.2	-	-	13 566	4.2	-	-	53 190	16.5	-	-	6 423	2.0	-	-	321 750
B	KZN291 Mandeni	-	-	-	-	-	-	-	-	-	-	-	-	11	100.0	-	-	-	-	-	-	11
B	KZN292 KwaDukuza	5	0.0	-	-	-	-	25	0.2	1 083	9.8	-	-	9 949	89.9	-	-	-	-	-	-	11 061
B	KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	-	113	24.5	0	0.0	347	75.5	-	-	460
B	KZN294 Maphumulo	-	-	-	-	-	-	-	-	-	-	-	-	81	8.7	-	-	850	91.3	-	-	932
C	DC29 iLembe DM	-	-	32 184	53.4	-	-	-	-	-	-	-	-	28 105	46.6	-	-	-	-	-	-	60 289
Total: iLembe Municipalities		5	0.0	32 184	44.2	-	-	25	0.0	1 083	1.5	-	-	38 259	52.6	0	0.0	1 198	1.6	-	-	72 755
B	KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-	-	-	-	335	100.0	-	-	-	-	-	-	335
B	KZN434 Johannes Phumani Phungula	-	-	-	-	-	-	-	-	-	-	-	-	1 598	92.3	133	7.7	-	-	-	-	1 730
B	KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-	-	-	-	522	100.0	-	-	-	-	-	-	522
B	KZN436 Dr. Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	217	100.0	-	-	217
C	DC43 Harry Gwala DM	-	-	-	-	-	-	-	-	-	-	-	-	1 685	100.0	-	-	-	-	-	-	1 685
Total: Harry Gwala Municipalities		-	-	-	-	-	-	-	-	-	-	-	-	4 139	92.2	133	3.0	217	4.8	-	-	4 489
Total		2 662 289	37.7	1 670 980	23.7	213 341	3.0	250	0.0	191 202	2.7	(632)	(0.0)	1 709 830	24.2	6 951	0.1	502 539	7.1	105 961	1.5	7 062 710

Source: NT Igdatabase

Annexure I: National Conditional Grant - As at the end of Quarter 1 - 2024/25

R'000			Financial Management Grant			Regional Bulk Infrastructure Grant (Schedule 5B Grant)			Municipal Infrastructure Grant		
			DoRA 2024 Total Avail. (Inc.Adjust.)	Unaudited Actual		DoRA 2024 Total Avail. (Inc.Adjust.)	Unaudited Actual		DoRA 2024 Total Avail. (Inc.Adjust.)	Unaudited Actual	
				Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
A	KZN2000	eThekwini	1 000	104	10.4	-	-	-	-	-	-
B	KZN212	uMdoni	1 950	645	33.1	-	-	-	38 529	5 580	14.5
B	KZN213	uMzumbe	1 850	844	45.6	-	-	-	39 542	17 391	44.0
B	KZN214	uMuziwabantu	1 850	763	41.2	-	-	-	26 795	5 342	19.9
B	KZN216	Ray Nkonyeni	1 950	-	0.0	-	-	-	-	-	-
C	DC21	Ugu DM	1 950	147	7.6	-	-	-	182 877	83 483	45.6
Total: Ugu Municipalities			9 550	2 399	25.1	-	-	-	287 743	111 795	38.9
B	KZN221	uMshwathi	1 920	421	0.0	-	-	-	31 849	9 286	29.2
B	KZN222	uMngeni	1 720	239	13.9	-	-	-	26 469	6 292	23.8
B	KZN223	Mpofana	3 000	-	0.0	-	-	-	13 365	-	-
B	KZN224	iMpendle	2 400	1 355	0.0	-	-	-	12 982	3 812	29.4
B	KZN225	Msunduzi	1 950	264	0.0	-	-	-	231 752	26 656	11.5
B	KZN226	Mkhambathini	3 000	230	7.7	-	-	-	18 159	4 102	22.6
B	KZN227	Richmond	1 950	1 508	77.4	-	-	-	20 974	6 306	30.1
C	DC22	uMgungundlovu DM	1 200	209	17.4	-	-	-	117 200	65 914	56.2
Total: uMgungundlovu Municipalities			17 140	4 226	24.7	-	-	-	472 750	122 368	25.9
B	KZN235	Okhahlamba	1 850	(6 750)	-364.9	-	-	-	42 689	(128 460)	(300.9)
B	KZN237	iNkosi Langelibalele	2 300	209	9.1	-	-	-	43 819	8 799	20.1
B	KZN238	Alfred Duma	2 100	234	11.2	-	-	-	82 415	22 394	27.2
C	DC23	uThukela DM	2 100	-	0.0	-	-	-	191 529	-	-
Total: uThukela Municipalities			8 350	(6 307)	-75.5	-	-	-	360 452	(97 267)	(27.0)
B	KZN241	eNdumeni	2 100	-	0.0	-	-	-	17 155	-	-
B	KZN242	Nquthu	1 850	206	11.1	-	-	-	46 128	7 183	15.6
B	KZN244	uMsinga	1 850	28	1.5	-	-	-	43 516	14 773	33.9
B	KZN245	uMvoti	2 550	117	4.6	-	-	-	44 480	14 560	32.7
C	DC24	uMzinyathi DM	1 850	(8 409)	-454.6	-	-	-	216 278	(963 279)	(445.4)
Total: Umzinyathi Municipalities			10 200	(8 058)	-79.0	-	-	-	367 557	(926 763)	(252.1)
B	KZN252	Newcastle	1 850	176	9.5	-	-	-	131 792	34 781	26.4
B	KZN253	eMadlangeni	3 000	490	16.3	-	-	-	10 160	1 947	19.2
B	KZN254	Dannhauser	1 950	98	5.0	-	-	-	24 921	2 633	10.6
C	DC25	Amajuba DM	2 750	-	0.0	-	-	-	46 744	-	-
Total: Amajuba Municipalities			9 550	764	8.0	-	-	-	213 617	39 362	18.4
B	KZN261	eDumbe	3 000	1 847	61.6	-	-	-	20 507	8 927	43.5
B	KZN262	uPhongolo	3 000	2 048	68.3	-	-	-	40 696	8 040	19.8
B	KZN263	AbaQulusi	3 000	1 227	40.9	-	-	-	43 212	19 308	44.7
B	KZN265	Nongoma	2 000	140	7.0	-	-	-	36 925	7 690	20.8
B	KZN266	Ulundi	2 100	844	40.2	-	-	-	35 780	22 690	63.4
C	DC26	Zululand DM	1 200	195	16.3	214 000	66 251	31.0	259 542	131 471	50.7
Total: Zululand Municipalities			14 300	6 301	44.1	214 000	66 251	31.0	436 662	198 125	45.4
B	KZN271	uMhlabyalingana	1 850	1 032	55.8	-	-	-	40 541	8 843	21.8
B	KZN272	Jozini	3 000	(8 450)	-281.7	-	-	-	43 490	(161 120)	(370.5)
B	KZN275	Inkosi uMtubatuba	1 920	-	0.0	-	-	-	36 784	(8 739)	(23.8)
B	KZN276	Big Five Hlabisa	2 750	332	12.1	-	-	-	24 436	6 130	25.1
C	DC27	uMkhanyakude DM	2 200	-	0.0	-	-	-	246 685	-	-
Total: uMkhanyakude Municipalities			11 720	(7 086)	-60.5	-	-	-	391 936	(154 886)	(39.5)
B	KZN281	uMfolozi	1 850	617	33.4	-	-	-	37 418	12 804	34.2
B	KZN282	uMhlathuze	2 500	284	11.4	-	-	-	-	-	-
B	KZN284	uMlalazi	1 720	833	48.5	-	-	-	57 042	18 161	31.8
B	KZN285	Mthonjaneni	2 850	384	13.5	-	-	-	20 490	6 312	30.8
B	KZN286	Nkandla	2 650	853	32.2	-	-	-	26 189	2 363	9.0
C	DC28	King Cetshwayo DM	1 200	162	13.5	214 744	45 432	21.2	196 496	36 149	18.4
Total: King Cetshwayo Municipalities			12 770	3 134	24.5	214 744	45 432	21.2	337 635	75 789	22.4
B	KZN291	Mandeni	1 850	468	25.3	-	-	-	41 101	5 631	13.7
B	KZN292	KwaDukuza	1 750	289	16.5	-	-	-	60 549	5 975	9.9
B	KZN293	Ndwedwe	3 100	2 186	70.5	-	-	-	34 473	9 815	28.5
B	KZN294	Maphumulo	1 850	1 039	56.2	-	-	-	25 576	10 311	40.3
C	DC29	iLembe DM	1 000	71	7.1	-	-	-	221 550	29 366	13.3
Total: iLembe Municipalities			9 550	4 052	42.4	-	-	-	383 249	61 098	15.9
B	KZN433	Greater Kokstad	1 750	155	8.9	-	-	-	19 666	7 701	39.2
B	KZN434	Johannes Phumani Phungula	1 950	542	27.8	-	-	-	31 042	10 192	32.8
B	KZN435	uMzimkhulu	1 850	855	46.2	-	-	-	59 593	10 319	17.3
B	KZN436	Dr. Nkosazana Dlamini Zuma	1 950	198	10.1	-	-	-	31 318	3 470	11.1
C	DC43	Harry Gwala DM	1 200	-	0.0	-	-	-	230 622	-	-
Total: Harry Gwala Municipalities			8 700	1 750	20.1	-	-	-	372 241	31 683	8.5
Total			112 830	1 279	1.1	428 744	111 682	26.0	3 623 842	(538 697)	(14.9)

Source: NT Igdatabase



Annexure I: National Conditional Grant · - 1st Quarter 2024/25 (Continued...)

R'000			Intergrated National Electrification Programme (municipal) Grant			Expanded Public Works Programme Intergrated Grant (municipality)			Water Services Infrastructure Grant (Schedule 5B Grant)		
			DoRA 2024 Total Avail. (Inc.Adjust.)	Unaudited Actual		DoRA 2024 Total Avail. (Inc.Adjust.)	Unaudited Actual		DoRA 2024 Total Avail. (Inc.Adjust.)	Unaudited Actual	
				Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
A	KZN2000	eThekwini	-	-	-	18 790	-	-	-	-	-
B	KZN212	uMdoni	11 487	-	-	1 249	-	-	-	-	-
B	KZN213	uMzumbe	1 597	1 880	117.7	1 400	343	24.5	-	-	-
B	KZN214	uMuziwabantu	-	-	-	1 497	462	30.8	-	-	-
B	KZN216	Ray Nkonyeni	11 521	-	-	3 255	-	-	-	-	-
C	DC21	Ugu DM	-	-	-	2 864	410	14.3	100 000	39 882	39.9
Total: Ugu Municipalities			24 605	1 880	7.6	10 265	1 215	11.8	100 000	39 882	39.9
B	KZN221	uMshwathi	2 265	-	-	1 760	1 623	92.2	-	-	-
B	KZN222	uMngeni	14 620	-	-	1 336	334	25.0	-	-	-
B	KZN223	Mpofana	917	-	-	1 267	-	-	-	-	-
B	KZN224	iMpendle	14 773	-	-	1 645	866	52.7	-	-	-
B	KZN225	Msunduzi	4 971	801	16.1	2 092	521	24.9	70 000	3 472	5.0
B	KZN226	Mkhambathini	11 643	4 314	37.0	1 541	801	52.0	-	-	-
B	KZN227	Richmond	-	-	-	1 410	258	18.3	-	-	-
C	DC22	uMgungundlovu DM	-	-	-	1 889	338	17.9	100 000	4 732	4.7
Total: uMgungundlovu Municipalities			49 189	5 114	10.4	12 940	4 742	36.6	170 000	8 204	4.8
B	KZN235	Okhahlamba	6 701	(19 980)	(298.2)	2 657	(9 820)	(369.6)	-	-	-
B	KZN237	iNkosi Langalibalele	11 851	-	-	1 807	4 812	266.3	-	-	-
B	KZN238	Alfred Duma	15 556	-	-	2 471	1 285	52.0	-	-	-
C	DC23	uThukela DM	-	-	-	1 685	-	-	100 000	-	-
Total: uThukela Municipalities			34 108	(19 980)	(58.6)	8 620	(3 723)	(43.2)	100 000	-	-
B	KZN241	eNdumeni	9 559	-	-	1 561	-	-	-	-	-
B	KZN242	Nquthu	16 474	3 542	21.5	1 478	525	35.5	-	-	-
B	KZN244	uMsinga	18 629	730	3.9	3 287	712	21.7	-	-	-
B	KZN245	uMvoti	13 811	6 779	49.1	2 115	417	-	-	-	-
C	DC24	uMzinyathi DM	-	-	-	5 349	(24 282)	(454.0)	85 000	(332 541)	(391.2)
Total: Umzinyathi Municipalities			58 473	11 052	18.9	13 790	(22 628)	(164.1)	85 000	(332 541)	(391.2)
B	KZN252	Newcastle	22 344	-	-	1 896	559	29.5	70 000	21 139	30.2
B	KZN253	eMadlangeni	15 518	5 215	33.6	1 331	-	-	-	-	-
B	KZN254	Dannhauser	-	-	-	1 770	-	-	-	-	-
C	DC25	Amajuba DM	-	-	-	1 551	-	-	85 000	-	-
Total: Amajuba Municipalities			37 862	5 215	13.8	6 548	559	8.5	155 000	21 139	13.6
B	KZN261	eDumbe	7 753	7 714	99.5	1 482	1 427	96.3	-	-	-
B	KZN262	uPhongolo	4 474	-	-	1 990	695	34.9	-	-	-
B	KZN263	AbaQulusi	5 518	-	-	1 793	-	-	-	-	-
B	KZN265	Nongoma	-	-	-	2 307	408	17.7	-	-	-
B	KZN266	Ulundi	4 934	255	5.2	2 420	1 990	82.2	-	-	-
C	DC26	Zululand DM	-	-	-	5 227	1 306	25.0	100 000	44 297	44.3
Total: Zululand Municipalities			22 679	7 969	35.1	15 219	5 826	38.3	100 000	44 297	44.3
B	KZN271	uMhlbuyalingana	13 533	1 432	-	2 452	1 249	51.0	-	-	-
B	KZN272	Jozini	7 801	-	-	3 674	(7 731)	(210.4)	-	-	-
B	KZN275	Inkosi uMtubatuba	-	-	-	2 226	153	6.9	-	-	-
B	KZN276	Big Five Hlabisa	8 777	3 500	39.9	1 909	849	-	-	-	-
C	DC27	uMkhanyakude DM	-	-	-	4 270	-	-	-	-	-
Total: uMkhanyakude Municipalities			30 111	4 932	16.4	14 531	(5 480)	(37.7)	-	-	-
B	KZN281	uMfolozi	-	-	-	2 099	1 351	64.3	-	-	-
B	KZN282	uMhlathuze	9 850	-	-	2 674	275	10.3	60 000	31 570	52.6
B	KZN284	uMlalazi	4 021	-	-	2 787	894	32.1	-	-	-
B	KZN285	Mthonjaneni	8 184	4 252	52.0	2 243	1 165	51.9	-	-	-
B	KZN286	Nkandla	7 039	1 466	20.8	2 477	900	36.3	-	-	-
C	DC28	King Cetshwayo DM	-	-	-	4 040	1 009	25.0	100 000	29 411	29.4
Total: King Cetshwayo Municipalities			29 094	5 718	19.7	16 320	5 593	34.3	160 000	60 981	38.1
B	KZN291	Mandeni	9 227	-	-	1 815	543	29.9	-	-	-
B	KZN292	KwaDukuza	18 523	6 082	32.8	1 589	834	52.5	-	-	-
B	KZN293	Ndwedwe	11 477	-	-	2 067	1 231	59.6	-	-	-
B	KZN294	Maphumulo	10 051	6 013	59.8	1 536	1 071	69.8	-	-	-
C	DC29	iLembe DM	-	-	-	3 071	734	23.9	100 000	24 948	24.9
Total: iLembe Municipalities			49 278	12 095	24.5	10 078	4 414	43.8	100 000	24 948	24.9
B	KZN433	Greater Kokstad	14 620	8 336	57.0	1 657	3 329	200.9	-	-	-
B	KZN434	Johannes Phumani Phungula	4 216	4 216	100.0	1 620	689	42.5	-	-	-
B	KZN435	uMzimkhulu	-	-	-	2 471	617	25.0	-	-	-
B	KZN436	Dr. Nkosazana Dlamini Zuma	5 504	-	-	1 832	368	20.1	-	-	-
C	DC43	Harry Gwala DM	-	-	-	4 460	-	-	100 000	-	-
Total: Harry Gwala Municipalities			24 340	12 552	51.6	12 040	5 003	41.5	100 000	-	-
Total			359 739	46 547	12.9	139 141	(4 480)	(3.2)	1 070 000	(133 089)	(12.4)

Source: NT Igdatabase

Source: NT Igdatabase

Annexure J : Criteria for serious financial problems - As at the end of Quarter 1 - 2024/25																																
R'000		Failure to make payments as and when due as per Section 138(a) of the MFMA		Operating deficit in excess of five per cent of revenue as per Section 138(d) of the MFMA				Late submission of AFS/Negative audit opinion as per Sections 138(e) and (f) of the MFMA		Failure to make payments as and when due - amounts of R1 million or more owed for longer than 90 days				Negative cash position for two consecutive quarters as per Section 138(h) of the MFMA				Failure to make payment which is greater than two percent of Operating expenditure and failure to make payment greater than 40 percent of Operating expenditure as per Section 140(2)(c) of the MFMA				Failure to make payment which is greater than two percent of Operating expenditure and failure to make payment greater than 40 percent of Operating expenditure as per Section 140(2)(c) of the MFMA				Failure to make payment which is greater than two percent of Operating expenditure and failure to make payment greater than 40 percent of Operating expenditure as per Section 140(2)(c) of the MFMA		Municipality meeting one or more criteria for financial problems				
		Total creditors owed > 90 days	Indicator	Operating Surplus/(Deficit)	Direct revenue	Percentage	Indicator	Opinion - 2022/23 financial year	Indicator	Bulk electricity amount owed > 90 days	Indicator	Bulk water amount owed > 90 days	Indicator	Cash and cash equivalents - 30 June 2024	Cash and cash equivalents - 30 September 2024	Indicator (Negative cash for two consecutive quarters)	Operating expenditure Budget	Bulk electricity creditors > 90 days	Bulk electricity creditors > 90 days as % Opex Budget	Indicator (> 2%)	Indicator (> 40%)	Bulk water creditors > 90 days	Bulk water creditors > 90 days as % Opex Budget	Indicator (> 2%)	Indicator (> 40%)	Total creditors > 90 days	Total creditors > 90 days as % Opex Budget	Indicator (> 2%)	Indicator (> 40%)			
A	KZN2000	eThekweni	22 111	TRUE	1 286 183	15 776 742	8.2	-	Unqualified with findings	-	-	-	-	985 125	3 187 130	-	55 640 744	-	-	-	-	-	-	-	-	-	22 111	0.0	-	-	-	TRUE
B	KZN212	uMdoni	-	-	52 058	129 412	40.2	-	Unqualified with findings	-	-	-	-	127 455	139 979	-	452 715	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN213	uMzumbi	318	-	22 595	76 837	29.4	-	Qualified	-	-	-	-	(86 557)	26 791	-	206 492	-	-	-	-	-	-	-	-	-	318	0.2	-	-	-	TRUE
B	KZN214	uMuziwabantu	-	-	7 694	73 793	10.4	-	Unqualified with findings	-	-	-	-	(28 976)	71 678	-	270 512	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN216	Ray Nkonyeni	5	-	134 258	426 749	31.5	-	Unqualified with findings	-	-	-	-	183 165	156 149	-	1 249 698	-	-	-	-	-	-	-	-	-	5	0.0	-	-	-	-
C	DC21	Ugu DM	743 975	TRUE	65 726	439 684	14.9	-	Unqualified with findings	-	-	-	379 002	3 538 157	1 495 266	-	857 923	-	-	-	-	-	379 002	44.2	TRUE	TRUE	743 975	86.7	TRUE	TRUE	-	TRUE
B	KZN221	uMshwathi	2 748	TRUE	30 023	80 514	37.3	-	Unqualified with findings	-	-	-	-	95 221	76 660	-	289 246	-	-	-	-	-	-	-	-	-	2 748	0.9	-	-	-	TRUE
B	KZN222	uMngeni	-	-	9 861	156 487	6.3	-	Unqualified with findings	-	-	-	-	84 330	61 326	-	614 180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN223	Mpofana	539 535	TRUE	(33 096)	16 672	(198.5)	TRUE	Qualified	TRUE	-	-	-	(61 137)	37 832	-	192 830	-	-	-	-	-	-	-	-	-	539 535	279.8	TRUE	TRUE	-	TRUE
B	KZN224	iMpindle	96	-	9 596	29 525	32.5	-	Unqualified with findings	-	-	-	-	2 658	52 413	-	73 316	-	-	-	-	-	-	-	-	-	96	0.1	-	-	-	-
B	KZN225	Msunduzi	1 200 483	TRUE	233 157	2 293 405	10.2	-	Qualified	TRUE	781 687	TRUE	391 826	123 602	239 087	-	8 380 271	781 687	9.3	TRUE	-	391 826	4.7	TRUE	-	1 200 483	14.3	TRUE	-	-	TRUE	-
B	KZN226	Mkhambathini	-	-	2 265	50 307	4.5	-	Unqualified with findings	-	-	-	-	28 182	95 438	-	157 981	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN227	Richmond	-	-	27 242	65 417	41.6	-	Unqualified with findings	-	-	-	-	230 433	107 179	-	172 981	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC22	uMgungundlovu DM	124	-	206 187	482 432	42.7	-	Unqualified with findings	-	-	-	-	730 028	1 362 908	-	1 386 036	-	-	-	-	-	-	-	-	-	124	0.0	-	-	-	-
B	KZN235	Okhahlamba	109	-	28 136	87 052	32.3	-	Unqualified with no findings	-	-	-	-	(75 774)	68 748	-	251 944	-	-	-	-	-	-	-	-	-	109	0.0	-	-	-	-
B	KZN237	iNkosi Langalibalele	34	-	91 970	268 800	34.2	-	Qualified	TRUE	-	-	-	218 750	244 409	-	846 295	-	-	-	-	-	-	-	-	-	34	0.0	-	-	-	TRUE
B	KZN238	Alfred Duma	9	-	157 581	447 138	35.2	-	Unqualified with findings	-	-	-	-	1 122 042	780 228	-	1 468 841	-	-	-	-	-	-	-	-	-	9	0.0	-	-	-	-
C	DC23	uThukela DM	14 724	TRUE	(89 019)	36 131	(246.4)	TRUE	Qualified	TRUE	-	-	-	532 728	(1 179)	-	967 232	-	-	-	-	-	-	-	-	-	14 724	1.5	-	-	-	TRUE
B	KZN241	eNdumeni	144 617	TRUE	18 270	124 577	14.7	-	Qualified	TRUE	123 753	TRUE	-	265 925	82 142	-	459 107	123 753	27.0	TRUE	-	-	-	-	-	-	144 617	31.5	TRUE	-	-	TRUE
B	KZN242	Nquthu	1 937	TRUE	52 625	119 538	44.0	-	Unqualified with findings	-	-	-	-	(258 415)	24 966	-	322 072	-	-	-	-	-	-	-	-	-	1 937	0.6	-	-	-	TRUE
B	KZN244	uMzinga	-	-	61 557	107 734	57.1	-	Unqualified with findings	-	-	-	-	336 856	130 386	-	297 637	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN245	uMvoti	413	-	18 505	124 487	14.9	-	Unqualified with findings	-	-	-	-	574 332	90 300	-	480 371	-	-	-	-	-	-	-	-	-	413	0.1	-	-	-	-
C	DC24	uMzinyathi DM	216 824	TRUE	136 827	256 534	53.3	-	Adverse	TRUE	-	-	-	1 694 608	(7 989 176)	-	667 458	-	-	-	-	-	-	-	-	-	216 824	32.5	TRUE	-	-	TRUE
B	KZN252	Newcastle	270 724	TRUE	148 180	790 347	18.7	-	Unqualified with findings	-	59 224	TRUE	204 403	2 139 922	568 516	-	2 617 460	59 224	2.3	TRUE	-	204 403	7.8	TRUE	-	270 724	10.3	TRUE	-	-	TRUE	-
B	KZN253	eMladlangeni	151	-	4 672	37 112	12.6	-	Unqualified with findings	-	-	-	-	(24 886)	(13 830)	-	124 022	-	-	-	-	-	-	-	-	-	151	0.1	-	-	-	TRUE
B	KZN254	Dannhauser	2 607	TRUE	28 159	64 703	43.5	-	Unqualified with findings	-	-	-	-	(24 041)	10 405	-	172 696	-	-	-	-	-	-	-	-	-	2 607	1.5	-	-	-	TRUE
C	DC25	Amajuba DM	90 195	TRUE	32 715	102 196	32.0	-	Qualified	TRUE	-	-	54 345	74 798	150 944	-	256 615	-	-	-	-	-	54 345	21.2	TRUE	-	90 195	35.1	TRUE	-	-	TRUE
B	KZN261	eDumbe	971	-	35 461	85 079	41.7	-	Unqualified with findings	-	-	-	8	(260 786)	18 071	-	237 120	-	-	-	-	-	8	0.0	-	-	971	0.4	-	-	-	-
B	KZN262	uPhongolo	1 042	TRUE	33 109	113 490	29.2	-	Unqualified with findings	-	-	-	-	(67 792)	(63 295)	-	330 181	-	-	-	-	-	-	-	-	-	1 042	0.3	-	-	-	TRUE
B	KZN263	AbaQulusi	102 931	TRUE	8 915	243 984	3.7	-	Unqualified with findings	-	101 604	TRUE	-	221 972	92 852	-	876 649	101 604	11.6	TRUE	-	-	-	-	-	-	102 931	11.7	TRUE	-	-	TRUE
B	KZN265	Nongoma	35 543	TRUE	60 535	117 616	51.5	-	Unqualified with findings	-	-	-	-	47 942	10 539	-	220 760	-	-	-	-	-	-	-	-	-	35 543	16.1	TRUE	-	-	TRUE
B	KZN266	Ulundi	171 409	TRUE	57 297	213 892	26.8	-	Unqualified with findings	-	171 409	TRUE	-	302 155	296 232	-	506 819	171 409	33.8	TRUE	-	-	-	-	-	-	171 409	33.8	TRUE	-	-	TRUE
C	DC26	Zululand DM	-	-	133 052	302 008	44.1	-	Unqualified with findings	-	-	-	-	1 755 310	465 225	-	767 636	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN271	uMhlabyalingana	(299)	-	53 133	115 723	45.9	-	Unqualified with findings	-	-	-	-	212 065	46 164	-	290 504	-	-	-	-	-	-	-	-	-	(299)	(0.1)	-	-	-	-
B	KZN272	Jozini	1 013	TRUE	40 970	129 308	31.7	-	Qualified	TRUE	-	-	-	330 421	272 812	-	330 314	-	-	-	-	-	-	-	-	-	1 013	0.3	-	-	-	TRUE
B	KZN275	Inkosi uMtubatuba	31 680	TRUE	98 215	147 874	66.4	-	Qualified	TRUE	-	-	-	(309)	29 436	-	308 633	-	-	-	-	-	-	-	-	-	31 680	10.3	TRUE	-	-	TRUE
B	KZN276	Big Five Hlabisa	2 521	TRUE	41 622	88 747	46.9	-	Unqualified with findings	-	-	-	-	20 843	101 798	-	236 716	-	-	-	-	-	-	-	-	-	2 521	1.1	-	-	-	TRUE
C	DC27	uMkhanyakude DM	157 469	TRUE	81 677	287 788	28.4																									

Annexure J : Criteria for serious financial problems - As at the end of Quarter 1 - 2024/25

R000			Municipality meeting one or more criteria for financial problems	Comments
A	KZN2000	eThekweni	TRUE	The municipality provided the following reasons for their unpaid Creditors that are older than 90 days: 1. Payment on hold pending investigations - Awaiting decision from department Head whether to void the transaction or proceed with payment once investigation is closed. 2. Bank rejections- queues involving bank details not resolved, unable to reach service provider to update banking details. 3. Debt not owing confirmation from Service provider - Working on reversing/cancelling transaction on system.
B	KZN212	uMdoni	-	
B	KZN213	uMzombe	TRUE	The municipality received a qualified audit opinion for the 2022/23 financial year relating to Commitments, Contingent liabilities, Unauthorised expenditure and Irregular expenditure however, the municipalities financial information indicates that the municipality is not in financial distress.
B	KZN214	uMuziwabantu	-	
B	KZN216	Ray Nkonyeni	-	
C	DC21	Ugu DM	TRUE	Ugu District Municipality reported creditors of R744 million outstanding for more than 90 days as at 30 September 2024. According to the Section 41 report from uMngeni-uThukela Water Board as at 30 September 2024, the municipality owed R452.2 million to the Water Board, which is an increase of R44.1 million from the balance of R408.1 million as at 30 June 2024. The municipality is currently not complying with the signed repayment plan for the debt with uMngeni-uThukela Water Board due to financial constraints. The municipality is currently engaging uMngeni-uThukela Water Board for a revised repayment plan.
B	KZN221	uMshwathi	TRUE	The municipality indicated that the R 2.7 million that was reported of Creditors that is older than 90 days is due to Retention raised and a smaller portion of R 118 227.51 represents the amount of Trade creditors that had disputes with their invoices but the matter has been resolved at the beginning of M04.
B	KZN222	uMngeni	-	
B	KZN223	Mpofana	TRUE	The Mpofana Local Municipality is one of the municipalities which was also identified by National Treasury to be in financial crisis. The municipality is currently under intervention in terms of Section 139(1)(b) of the Constitution. The municipality has a long outstanding debt from Eskom which is reported as Creditors over 90 days. As at 31 August 2024, the municipality owed R521.9 million to Eskom which is an increase of R24.9 million from the balance of R497 million as at 30 June 2024. The municipality is still monitoring and controlling expenditure which has resulted in a significant Operating deficit of R33.1 million or 198.5 percent of Revenue which exceeds 5 percent. The municipality is in financial distress.
B	KZN224	iMpendle	-	
B	KZN225	Msunduzi	TRUE	Msunduzi made payment arrangements with Eskom and uMngeni-uThukela Water Board for the outstanding debts. Both agreements are being honoured, even though the Section 71 and Quarterly reports continue to reflect aging creditors.
B	KZN226	Mkhambathini	-	
B	KZN227	Richmond	-	
C	DC22	uMgungundlovu DM	-	
B	KZN235	Okhahlamba	-	
B	KZN237	iNkosi Langalibalele	TRUE	The municipality received a qualified audit opinion in the 2022/23 financial year as the municipality did not correctly record all items of Property, Plant and Equipment in accordance with GRAP 17, Property, Plant and Equipment. The municipality has an audit action plan which includes a plan to address the qualification issue. Thus, the qualification matter is not an indication of financial distress.
B	KZN238	Alfred Duma	-	
C	DC23	uThukela DM	TRUE	The Operating deficit of R89 million as at the end of September 2024 which constitutes 246.4 percent of the Operating direct revenue is attributable to the municipality failing to timeously report their Month 01 (July 2024) figures including the considerable Equitable share receipt of R255.8 million in July 2024. The municipality indicated that the system challenges that impeded them to report in Month 01 have been resolved and the reported performance will be corrected in future months. The uThukela District Municipality is one of the municipalities identified by National Treasury to be in financial distress. The municipality is currently under intervention in terms of Section 139(1)(b) of the Constitution. The Creditors over 90 days are attributed to the unfavourable cash position at the municipality. The municipality finalised new repayment plans and the municipality is paying monthly instalments of R2.2 million to uMngeni-uThukela Water and R1.1 million to the Department of Water and Sanitation. It should also be noted that the Creditors over 90 days of R14.7 million is significantly understated in relation to the outstanding balance of R160.1 million in the over 120 days category as per the MFMA Section 41 report at the end of September 2024.
B	KZN241	eNdameni	TRUE	The municipality stated that it is facing financial difficulties and it is thus struggling to make full payments as and when due to Eskom for Bulk electricity. The municipality has paid R9 million towards the Eskom debt in September 2024 and it has entered into a payment arrangement with Eskom to settle its historical debt. In addition, the municipality is currently part of the National Treasury Eskom Municipal Debt Relief programme. The municipality is currently facing financial challenges.
B	KZN242	Nquthu	TRUE	The municipality indicated that their creditors are paid timeously and that the amount reflected in the over 90 days category is due to system errors which are currently being addressed with the system vendor. The municipality is currently not facing financial challenges.
B	KZN244	uMzinga	-	
B	KZN245	uMvoti	-	
C	DC24	uMzinyathi DM	TRUE	The municipality stated that it is facing financial difficulties, it currently has a low collection and it is thus struggling to make full payments as and when due to its creditors. In addition, the municipality has entered into a payment arrangement with its two major creditors. The municipality is currently facing financial challenges.
B	KZN252	Newcastle	TRUE	Creditors in over 90 days of R270.7 million according to the municipality is attributable to the debt owing to uThukela Water, Eskom, and other creditors. The reason for non-payment is due to financial constraints, however the municipality has signed a payment arrangement with uThukela Water and has entered into a payment arrangement with Eskom to payoff outstanding debt. The municipality is currently facing financial challenges.
B	KZN253	eMadlangeni	TRUE	The municipality has indicated that the Negative cash position is due to system errors and that the actual position is R85 644.20 as at 30 September 2023. In addition, the municipality has been engaging the service provider since May 2024 to correct this matter with the assistance of the Provincial Treasury, however to date the vendor has not corrected such. The municipality is continuing to engage the vendor with the assistance of Treasury to resolve the matter. The municipality is currently facing financial challenges as they have approved a Unfunded 2024/25 Annual Budget.
B	KZN254	Dannhauser	TRUE	The municipality has stated that the creditors amount reflected in the over 90 days category is due to queries on invoices with regards to goods/services that were partially delivered and due to invoices with outstanding documentation. The municipality further indicated that the creditors amount reflected in the over 90 days category is also due to municipality facing cashflow challenges. The municipality is therefore currently facing financial challenges.
C	DC25	Amajuba DM	TRUE	The municipality has indicated that they are aware of overdue payments that have been outstanding for more than 90 days, particularly those related to bulk water creditors and that they are currently negotiating payment arrangements with creditors to settle these amounts while managing their cash flow constraints. In addition, efforts to improve debtor collection and reduce delays in revenue inflows are also underway, which will support their ability to meet their payment obligations on time.  The municipality further acknowledged that it has not made certain payments that exceed the 2% and 40% thresholds of operating expenditure, particularly with regard to bulk water creditors. The municipality stated that this failure is a direct result of cash flow constraints and that they are taking immediate actions to resolve this, including negotiating extended payment terms and improving their revenue collection efforts to ensure that these outstanding debts are settled in a phased manner. The municipality is currently facing financial challenges.
B	KZN261	eDumbe	-	
B	KZN262	uPhongolo	TRUE	As per the municipality, the negative cash position reported for two consecutive quarters is due to inaccuracies in financial reporting and incorrect cash flow transactions. Furthermore, the municipality has taken steps to address these issues by collaborating with the system vendor to rectify these errors. The municipality also indicated that the Creditors in the Over 90 days category as at 30 September 2024 mainly relates to a dispute with Department of Labour and that this matter is currently under mediation by SALGA.
B	KZN263	AbaQulusi	TRUE	The municipality has indicated that the R102.9 million of the Creditors outstanding as at 30 September 2024 in the Over 90 days' category is attributable to Eskom debt of R101.6 million where the municipality was unable to fully pay the Eskom invoices. A notice of breach was issued on 07 October 2024 by Eskom. However, a meeting between Eskom, the Municipality, CoGTA and Provincial Treasury was held on 22 October 2024 to discuss the proposed new payment plan. Furthermore, the municipality indicated reason for not paying the other portion of Creditors in Over 90 days category is that their financial system does not process payments to suppliers who have issues on the Central Supplier Database (CSD) such as their tax matters.
B	KZN265	Nongoma	TRUE	The municipality indicated that the Creditors outstanding as at 30 September 2024 in the over 90 days' category of R35.5 million is attributable to cash flow challenges faced by the municipality. Payment arrangements have been made to settle amounts owed to these Creditors.
B	KZN266	Ulundi	TRUE	The municipality has a long outstanding debt with Eskom and the municipality is unable to meet its payment obligations due to financial challenges. The Ulundi Local Municipality applied for Debt relief that was approved by the National Treasury, however the municipality has not been able honour the current obligations in line with Debt relief conditions. Should the municipality meet all the conditions stated in MFMA Circular No. 124, the Creditor's balance is expected to reduce.
C	DC26	Zululand DM	-	
B	KZN271	uMhlabuyalingana	-	
B	KZN272	Jozini	TRUE	The Jozini Local Municipality confirmed that the amount of R1 million reflected as outstanding for Over the 90 days category in the Creditors Age Analysis relates to retentions that will be settled in the second quarter of the financial year.
B	KZN275	iNkosi uMthabutaba	TRUE	The Mthabutaba Local Municipality is currently under intervention in terms of Section 139(1)(b) of the Constitution. As part of the intervention process, all payments to Creditors are first approved by an Interim Finance Committee which according to the municipality tend to result in delays in payments. The municipality further indicated that Creditors balance outstanding for a period of greater than 30 days are due to the current constraint cash position of the municipality which results in Creditors being settled on a priority basis.  In prior periods, the municipality was identified as meeting the criteria for Financial distress as the municipality reported creditors exceeding R1 million for a period of greater than 90 days. As per the municipality, the reason for the long outstanding creditors was due to disputes where work performed before the commencement of the Section 139 Intervention could not be verified. The municipality undertook and completed a creditors verification exercise in the 2023/24 financial year in an effort to identify legitimate long outstanding creditors.  The Creditors balance outstanding for a period of greater than 90 days of R31.7 million in the Section 71 Report is incorrect, since as per the municipality prepared Schedule C for Month 03, the total creditors balance is only R21.8 million with a significant portion of the balance reflected in the over 90 days category. The credibility of the aging in the municipality prepared Schedule C is however questionable as the municipality incorrectly allocating payments in the age categories. Furthermore, according to the municipality, the total creditors balance reported in the Section 71 Report of negative R17.1 million is mainly to the challenges with the use of the Creditors' module which resulted in negative creditors balance being reflected in the other creditors age categories, amongst others.  The municipality indicated that they have proactively entered into payment negotiations with several long outstanding creditors in order to ensure that the already constraint cash position does not deteriorate. Furthermore, the municipality has prioritise some of the long outstanding creditors for payments to avoid judgements against the municipality, since these long outstanding creditors have taken the municipality to court.
B	KZN276	Big Five Hlabisa	TRUE	The Big Five Hlabisa Local Municipality indicated that the amount reported of R2.5 million in the over 90 days category in the Section 71 Report as per the Creditor's Analysis uploaded on the National Treasury Go-Muni portal is mainly due to the fact that there were payment allocations that were not updated when downloading the data string for the age analysis, however this has been communicated with the Financial System Service Provider to assist in ensuring that this does not happen going forward. An age analysis drawn from the financial system following the update of payment allocations was subsequently submitted by the municipality reflecting a total Creditors balance of R2 million as at 30 September 2024 with an amount of negative R582 850 reflected in the over 90 days category. The negative creditors balance reported is mainly due to allocation of payments to suppliers in age categories different to when the invoices were raised. Similar to prior periods, there are no apparent financial problems at the municipality as at the end of Quarter 1 as the Creditors balance over the 90 days' category is well below the threshold of R1 million (Section 138(a) of the MFMA).
C	DC27	uMkhanyakude DM	TRUE	The uMkhanyakude District Municipality is under intervention in terms of Section 139(1)(b) of the Constitution. As explained by the municipality in prior reporting periods, the municipality has included payments of long outstanding Creditors as a priority over the 3 years of the 2023/24 MTREF Budget approved by Council. As part of the Section 139(1)(b) intervention process, all payments to Creditors continue to be first approved by an Interim Finance Committee (IFC), which is chaired by the Ministerial Representative.  The amount reflected in the Over 90 days category for Creditors as at the end of Quarter 1 is mainly attributable to the bulk water amount owed to Mhlathuze Water and Department of Water and Sanitation (DWS). As per the municipality, there have been engagements in 2023/24 financial year with Mhlathuze Water Board with the last one being at the beginning of April 2024 regarding outstanding payments as a result of disputes. The municipality further indicated that the invoices under dispute are for the water scheme that belongs to DWS and not the municipality. They also indicated that as at Quarter 1 of the 2024/25 financial year, there has been no further meetings held with DWS since the last meeting planned for April 2024 fell through as DWS could not be in attendance. Subsequently, several requests have been made for another meeting and no response has been received. Thus, there is no confirmation of the next meeting date yet. The municipality is again reminded that a higher creditors balance poses a risk to the funding position of the municipality's budget and the payment arrangements with Mhlathuze and DWS must be concluded as a matter of urgency.  Similar to previous quarters in the 2023/24 financial year, it is also noted that as at Quarter 1, the amount of R17.5 million reflected for Bulk Water as at Month 03 is incorrect due to the ongoing challenges being experienced by the municipality with the use of the Creditors' module where the municipality has incorrectly classified the outstanding debt for DWS in the mSCOA guid. The correct amount in the Bulk water is a total of R118.47 million (DWS: R100.97 million and Mhlathuze: R17.5 million) as per the Accounts Payables Age Analysis as at September 2024 submitted by the municipality.
B	KZN281	uMfolozi	TRUE	The municipality indicated that the creditors reflected in the over 90 days category is due to system reporting errors which are currently being addressed with the system vendor. Furthermore, the municipality indicated that there is no apparent indication of a financial crisis at the municipality.
B	KZN282	uMhlathuze	-	
B	KZN284	uMlalazi	-	
B	KZN285	Mthorjaneni	TRUE	The R43.5 million Total creditors balance above 90 days includes the R33.6 million Eskom account arrears which the municipality was not in a position to pay due to financial constraints. The municipality paid R500 000 on 05 August 2024 towards the R3.7 million July 2024 current account which was due on 02 September 2024. The municipality has entered into a 12 months payment arrangement to settle the R3.9 million arrears from 01 April 2023 to debt relief approval date. The municipality has honoured it's first and second instalment of the monthly payment arrangement of R328 923.81 on 01 September 2024 and 01 October 2024 respectively.
B	KZN286	Nkandla	-	
C	DC28	King Cetshwayo DM	-	
B	KZN291	Mandeni	-	
B	KZN292	KwaDukuza	-	
B	KZN293	Ndwedwe	-	
B	KZN294	Maphumulo	-	
C	DC29	iLembe DM	TRUE	As per the iLembe District Municipality, the Creditors in the Over 90 days category amounted to R21.4 million as at Month 03 comprised of R21.1 million relating to a legal dispute with a supplier where the matter is currently in the court of law. The municipality indicated that while they have raised the debt, they are currently waiting the court decision on the matter. In addition, according to the district municipality, of the R21.4 million creditors outstanding for longer than 90 days is an amount of R129 375 balance of which relates to 2 radio stations for interviews undertaken by the Mayor which has been settled partly and the outstanding balance will be settled once the user departments submits and confirms that remainder of the service has been rendered.
B	KZN433	Greater Kokstad	-	
B	KZN434	Johannes Phumani Phungula	-	
B	KZN435	uMzimkhulu	-	
B	KZN436	Dr. Nkosazana Dlamini Zuma	-	
C	DC43	Harry Gwala DM	-	
Total			26	

Source: NTI Igdtabase