

Umdoni Municipality



In-Year Report of the Municipality

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

Quarterly Budget Statement

2025(Q1)

2024/25 Financial Year

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Glossary

Accrual Accounting – An accounting method that measures the performance and position of the municipality by recognising events regardless of when cash transactions occur.

Adjustment Budget – Prescribed in section 28 of the MFMA

Allocations – Money received from other Municipalities, Provincial or National Government.

Budget – Financial Plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include credit control policy, rates policy, tariff policy and funding and reserves policy.

Capital Expenditure – Expenditure on items such as machinery, buildings, land, infrastructure (roads).

Cash Flow Statement – Provides aggregate data regarding all cash inflows the municipality receives from both its ongoing operations and external investment sources, as well as all cash outflows that pay for municipality's activities and investments during a month.

DORA – Division of Revenue Act. Annual legislation reflecting total allocations per municipality made by provincial and national governments.

Equitable Share – A general grant paid to municipalities predominantly targeted to help with free basic services.

Fruitless and Wasteful Expenditure – Expenditure made in vain, that would have been avoided had reasonable care been exercised.

MBRR – Local Government Municipal Budget and Reporting Regulations.

MIG – Municipal Infrastructure Grant

MTREF – Medium Term Revenue and Expenditure Framework.

Operating Expenditure – Day to day expenses of the Municipality such as salaries, repairs and maintenance and general expenses.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards achieving those objectives.

Unauthorised Expenditure – Spending without budget or in excess of the approved budget

Vote – A department

SECTION 1 – EXECUTIVE SUMMARY

1.1 Introduction

MFMA Accountability cycle begins with the preparation and approval of the IDP, MTERF and SDBIP, which is followed by in year reporting, Annual Financial Statements, Annual Audit (Audit Report) and ultimately Annual and Oversight Reports. The MFMA legislates what must be reported on, by when, and the MFMA Budget and Reporting Regulations prescribes the format of the reports.

MFMA Section 71 states that the Accounting Officer must within 10 working days of the end of each month, submit a report to the Mayor on the implementation of the budget and the financial state of affairs of the municipality.

Municipal budget regulations sub-heading 2.5 requires that this report must be in the Section 71 of the MFMA format, which requires that this report must be prepared in the following manner:

- Actual Revenue per revenue source;
- Actual expenditure per vote;
- Actual Capital Expenditure per vote;
- The amount of any allocations received,
- Actual Expenditure on allocations received,
- Actual Expenditure on those allocations,
- Where necessary, explanations on:
 - Any material variances from the municipality's projected revenue per source, and from the municipality's expenditure projections per vote.
 - Any material variances from the SDBIP, and
 - Remedial or corrective steps taken or to be taken by the municipality

The statement must include: -

- Projections of municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections;

Further to that, MFMA Sec 52d requires that the mayor *"must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial affairs of the municipality;"*

The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget. This report has been prepared using the accrual method of accounting. The general idea is that economic events are recognised by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is received or made. This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of the municipality's current financial position.

Table C1&C4 Quarterly Budget Statement Summary

Operating Revenue

In terms of financial performance, the actual year-to-date revenue accrued is R129.4 million against year-to-date budget of R100.7 million giving rise to a variance of 28%. Variance contributing factors are explained in the sub headings of the revenue items.

Property Rates

The amount accrued on rates amounts to R118 million, against the expected R88.2 million. This has resulted to 43% variance. The variance is caused by the customers who opted for annual debit raising.

Refuse Removal

Amount accrued on refuse removal is R4,7 million against the expected R3,4 million. Variance is sitting at 37%. The variance is caused by the customers who opted annual debit raising.

Investment Revenue

This relates to interests received on the call account deposits held. Interest recognised amounts to R3,4 million against the expected R3,1 million. The variance is 10%.

Other Revenue

Rental of facilities and Equipment; R1,8 million has been recognised instead of the expected R1,876 million. Variance is sitting at 3% and immaterial.

Fines; R Nil has been recognised instead of the expected R416 thousands. Variance is 100%. A percentage is below than anticipated and is expected to improve during holiday seasons.

Licenses and permits; R358 million has been recognised, and the municipality expected to recognised R1,6 million. Variance is sitting at 78%. Two months of the first quarter municipality was not operational.

Agency Fees; The amount recognised amounts to R318 thousand and the municipality expected to recognise 622 thousand. Variance is sitting at 49%. Two months of the first quarter municipality was not operational. This is expected to improve during the year.

Operational Revenue; R110 thousand has been recognised instead of the expected R96 thousand. This category includes general revenue sources like building plan fees, subdivisions revenue, campsite fees and scholar patrol revenue. The variance is 15%. The variance is a bit high since it's the first quarter, it is expected to improve during the financial year.

Interest earned from receivables; R394 thousand has been accrued instead of the expected R57 thousand. Variance is 588%. The variance is due to the increasing old debt and the impact of the July and August community strike which affected the service delivery very negatively hence debt is increasing and low collection rate.

Grants and Subsidies

All the grants have been received. However, in the statement of financial performance only revenue recognised based on conditions met is reported for conditional grants. For unconditional grants, like equitable share the total receipts are reported under this category. The amount recognised to date is R80.7 million. Variance amounts to 59%. The municipality has just received the first tranche, variance to improve as the financial year progresses.

Operating Expenditure

On the operating expenditure, R77.3 million was spent against the year-to-date budget of R113.1 million giving rise to a variance of 32%. Major contributors to this variance are Contracted Services with a variance of R12,3 million, Employee related costs of R7.9 million and Other Expenditure with variance of R7 million. There is under-spending in some categories, details will be provided on each category below.

Employee Costs

R34,6 million has been spent to date on employee related costs against the expected R45.1 million. The variance is sitting at 23%. The variance is due to vacant posts not filled resulting from the resignations, retirements and deaths. In addition to that, there is an impact of provisions which will be recognised at year-end.

Remuneration of Councillors

Amount spent totals to R3,8 million against the year-to-date budget of R4,4 million. Variance is sitting at 13%.

Operational cost

This line item includes all the other operating expenses like accommodation, telephone, electricity, protective clothing, audit fees etc. Expenditure is R9.4 million against the expected budget of R16,6 million. The variance is sitting at 42%. The variance is caused by the once off transactions which will be paid during the financial year like the insurance, management fee (SALGA) and audit fees etc. The Municipality was also not fully operational in July and August 2024.

Debt Impairment

Expenditure is R0 against the expected budget of 1.7 million. The debtors are assessed on an annual basis and will be impaired at year end.

Depreciation & Asset Impairment

Expenditure is R10.5 million against the expected budget of R10,2 million. Variance is 3%. The variance is immaterial as it's below 10%.

Inventory Consumed

This category includes budget for cleaning material, material for roads maintenance and stationery. Expenditure is R nil against the expected budget of R3 million. Variance is sitting at 100%. There are transactions undergoing SCM processes in September 2024 and expenditure will reflect once payment is made.

Contracted Services

Expenditure is R18,7 million against the year-to-date budget of R31 million. Variance is 40%. The variance is at this stage because it's the first quarter. It'll improve as the financial year progresses.

Transfers and Subsidies

Expenditure is R6 thousand against the year-to-date budget of R876 thousand. The variance is 99%. More expenditure will be incurred when further payments are done during the course of the financial year.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R4.8 million against the expected R12.5 million budget to date. This will be explained more on table C5 where departmental expenditures are reflected.

CAPITAL EXPENDITURE (VAT EXCLUSIVE)

Funding	Year-to-Date Actual	Year-to-Date Budget	Full Year Projection	Percentage Spent to date
Conditional – MIG & FMG	4 840 400.78	8 663 580.00	34 654 393,00	13%
Unconditional – Own Funding	0	3 683 586,00	14 734 413,00	0%
Conditional- Provincial Grants	0	163 041,00	652 174,00	0%
TOTAL	4 840 400.78	12 510 207.00	50 040 980,00	9%

Financial Position

The municipality's current assets exceed the current liabilities. The municipality's ability to pay its short term liabilities is tested by taking the total current assets and dividing them by current liabilities (current ratio 5,6:1). The ratio is above the norm of 1,5 – 2:1, which reflects healthy financial state. This test is mainly used to give an idea of the municipality's ability to pay back its short term liabilities using the current assets.

Cash Flows

The municipality ended the month with a positive cash and cash equivalents balance (R185,7 million).

Table C1- Quarterly Budget Statement Summary

The table below reflects on the summary of the total municipality's budget against year to date collections/recognised or expenditures.

KZN212 Umdoni - Table C1 Monthly Budget Statement Summary - Q1 First Quarter									
Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance									
Property rates	120 535	130 005	130 005	(2 207)	43 404	32 501	10 903	34%	130 005
Service charges	11 151	13 833	13 833	799	4 744	3 458	1 286	37%	13 833
Investment revenue	14 608	12 500	12 500	2 869	3 445	3 125	320	10%	12 500
Transfers and subsidies - Operational	195 692	203 785	203 785	4 464	80 787	50 946	29 841	59%	203 785
Other own revenue	34 217	43 049	43 049	(7 075)	(2 968)	10 762	(13 730)	-128%	43 049
Total Revenue (excluding capital transfers and	376 202	403 171	403 171	(1 151)	129 412	100 793	28 619	28%	403 171
Employee costs	150 815	180 736	180 736	12 382	34 637	45 184	(10 547)	-23%	180 736
Remuneration of Councillors	16 335	17 631	17 631	1 287	3 855	4 408	(553)	-13%	17 631
Depreciation and amortisation	46 593	40 873	40 873	3 502	10 505	10 218	287	3%	40 873
Interest	3 075	2	2	-	-	1	(1)	-100%	2
Inventory consumed and bulk purchases	6 723	12 076	12 076	-	-	3 019	(3 019)	-100%	12 076
Transfers and subsidies	2 937	3 505	3 505	6	6	876	(870)	-99%	3 505
Other expenditure	185 162	197 891	197 891	21 583	28 352	49 473	(21 121)	-43%	197 891
Total Expenditure	411 641	452 715	452 715	38 759	77 354	113 179	(35 824)	-32%	452 715
Surplus/(Deficit)	(35 438)	(49 544)	(49 544)	(39 910)	52 058	(12 386)	64 444	-520%	(49 544)
Transfers and subsidies - capital (monetary allocations)	38 879	40 603	40 603	3 301	5 566	10 151	(4 584)	-45%	40 603
Transfers and subsidies - capital (in-kind)	3 670	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)	59 859	-2678%	(8 941)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)	59 859	-2678%	(8 941)
Capital expenditure & funds sources									
Capital expenditure	51 003	50 041	50 041	346	4 840	12 510	(7 670)	-61%	50 041
Capital transfers recognised	34 190	35 307	35 307	346	4 840	8 827	(3 986)	-45%	35 307
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	16 813	14 734	14 734	-	-	3 684	(3 684)	-100%	14 734
Total sources of capital funds	51 003	50 041	50 041	346	4 840	12 510	(7 670)	-61%	50 041
Financial position									
Total current assets	249 095	290 619	290 619		298 186				290 619
Total non current assets	661 310	676 939	676 939		655 645				676 939
Total current liabilities	67 259	170 961	170 961		53 061				170 961
Total non current liabilities	31 842	64 590	64 590		55 494				64 590
Community wealth/Equity	787 652	732 008	732 008		845 275				732 008
Cash flows									
Net cash from (used) operating	35 728	51 281	51 281	(27 067)	42 314	12 820	(29 494)	-230%	51 281
Net cash from (used) investing	(50 471)	(54 067)	(54 067)	(2 235)	(3 025)	(13 517)	(10 492)	78%	(54 067)
Net cash from (used) financing	(44)	50	50	63	64	13	(51)	-408%	50
Cash/cash equivalents at the month/year end	146 398	128 658	128 658	-	185 751	130 710	(55 041)	-42%	143 662
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	7 774	31 038	4 453	3 202	171 255	-	-	-	217 722
Creditors Age Analysis									
Total Creditors	6 469	-	-	-	-	-	-	-	6 469

Table C2: Statement of Financial Performance by Standard Classification

This table reflects the operating budget in the standard classification which are the Government Finance Statistics Functions and Sub-Functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of organisational structures used by different institutions. The main functions are Governance and administration, Community and public safety, Economic and environmental services, and Trading Services. It is for this reason that the financial performance is reported in standard classification, Table C2 and by municipal vote, Table C3.

KZN212 Umdoni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		336 686	346 619	346 619	(6 654)	119 292	86 655	32 637	38%	346 619
Executive and council		173 625	182 963	182 963	1	76 232	45 741	30 491	67%	182 963
Finance and administration		163 061	163 656	163 656	(6 656)	43 060	40 914	2 146	5%	163 656
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 149	11 766	11 766	39	94	2 942	(2 848)	-97%	11 766
Community and social services		8 756	11 295	11 295	28	60	2 824	(2 763)	-98%	11 295
Sport and recreation		2 558	419	419	7	24	105	(81)	-77%	419
Public safety		-	29	29	-	-	7	(7)	-100%	29
Housing		836	24	24	3	9	6	3	59%	24
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		56 838	71 355	71 355	7 876	10 455	17 839	(7 384)	-41%	71 355
Planning and development		5 071	2 623	2 623	55	91	656	(565)	-86%	2 623
Road transport		51 767	68 732	68 732	7 821	10 364	17 183	(6 819)	-40%	68 732
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		13 078	14 033	14 033	890	5 138	3 508	1 630	46%	14 033
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 078	14 033	14 033	890	5 138	3 508	1 630	46%	14 033
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	418 752	443 774	443 774	2 151	134 978	110 943	24 035	22%	443 774
Expenditure - Functional										
Governance and administration		189 980	203 107	203 107	22 905	44 873	50 777	(5 904)	-12%	203 107
Executive and council		42 055	46 753	46 753	904	4 017	11 688	(7 671)	-66%	46 753
Finance and administration		146 787	154 671	154 671	22 000	40 784	38 668	2 116	5%	154 671
Internal audit		1 138	1 683	1 683	-	72	421	(348)	-83%	1 683
Community and public safety		59 217	75 973	75 973	1 085	5 859	18 993	(13 134)	-69%	75 973
Community and social services		23 716	32 201	32 201	462	2 777	8 050	(5 274)	-66%	32 201
Sport and recreation		25 751	31 983	31 983	623	2 393	7 996	(5 603)	-70%	31 983
Public safety		6 623	7 262	7 262	-	493	1 816	(1 323)	-73%	7 262
Housing		3 127	4 526	4 526	-	197	1 131	(934)	-83%	4 526
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		126 179	129 729	129 729	14 101	23 395	32 432	(9 037)	-28%	129 729
Planning and development		17 771	21 546	21 546	2 940	3 988	5 386	(1 398)	-26%	21 546
Road transport		108 408	108 183	108 183	11 162	19 407	27 046	(7 639)	-28%	108 183
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		36 264	43 907	43 907	668	3 228	10 977	(7 749)	-71%	43 907
Energy sources		4 019	4 794	4 794	-	367	1 198	(832)	-69%	4 794
Water management		-	-	-	-	-	-	-	-	-
Waste water management		550	-	-	-	-	-	-	-	-
Waste management		31 695	39 114	39 114	668	2 861	9 778	(6 918)	-71%	39 114
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	411 641	452 715	452 715	38 759	77 354	113 179	(35 824)	-32%	452 715
Surplus/ (Deficit) for the year		7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)	59 859	-2678%	(8 941)

Table C3: Quarterly Financial Performance (Revenue and Expenditure by vote)

Operating budget of the institution is approved by council on municipal vote level. The municipal votes are Council, Financial Services, Technical Services, Corporate Services, Community Services, and Strategic Planning and Development.

Unauthorised expenditure occurs if the total budget in a vote is exceeded by expenditure. No department is overspending. Therefore, no unauthorised expenditure incurred.

KZN212 Umdoni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - COUNCIL GENERAL		173 625	182 228	182 228	1	76 232	45 557	30 675	67,3%	182 228
Vote 2 - FINANCIAL SERVICES		151 633	156 220	156 220	(7 260)	41 167	39 055	2 112	5,4%	156 220
Vote 3 - TECHNICAL SERVICES		57 758	71 342	71 342	8 099	14 626	17 836	(3 209)	-18,0%	71 342
Vote 4 - CORPORATE SERVICES		11 428	7 437	7 437	604	1 893	1 859	34	1,8%	7 437
Vote 5 - COMMUNITY SERVICES		19 237	23 924	23 924	651	969	5 981	(5 012)	-83,8%	23 924
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		5 071	2 623	2 623	55	91	656	(565)	-86,1%	2 623
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	418 752	443 774	443 774	2 151	134 978	110 943	24 035	21,7%	443 774
Expenditure by Vote	1									
Vote 1 - COUNCIL GENERAL		44 388	50 586	50 586	904	4 456	12 646	(8 190)	-64,8%	50 586
Vote 2 - FINANCIAL SERVICES		60 321	50 296	50 296	13 520	25 869	12 574	13 295	105,7%	50 296
Vote 3 - TECHNICAL SERVICES		132 055	134 352	134 352	12 199	22 293	33 588	(11 295)	-33,6%	134 352
Vote 4 - CORPORATE SERVICES		62 696	77 910	77 910	7 049	10 290	19 477	(9 188)	-47,2%	77 910
Vote 5 - COMMUNITY SERVICES		93 975	119 529	119 529	2 368	10 919	29 882	(18 963)	-63,5%	119 529
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		18 207	20 043	20 043	2 719	3 527	5 011	(1 483)	-29,6%	20 043
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	411 641	452 715	452 715	38 759	77 354	113 179	(35 824)	-31,7%	452 715
Surplus/ (Deficit) for the year	2	7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)	59 859	-2677,8%	(8 941)

Table C4- Statement of Financial Performance

The operating revenue and operating expenditure disclosed on table A1 emanates from this table. The explanations for variances have been provided on page 5 to 7.

KZN212 Umdoni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue										
Exchange Revenue		41 952	50 034	50 034	4 935	11 329	12 509	(1 179)	-9%	50 034
Service charges - Electricity		-	-	-	0	0	-	0		-
Service charges - Water		-	-	-	-	-	-	-		-
Service charges - Waste Water Management		-	-	-	-	-	-	-		-
Service charges - Waste management		11 151	13 833	13 833	798	4 744	3 458	1 286	37%	13 833
Sale of Goods and Rendering of Services		3 572	13 098	13 098	377	495	3 274	(2 780)	-85%	13 098
Agency services		2 589	2 487	2 487	164	318	622	(304)	-49%	2 487
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		1 877	229	229	92	394	57	337	588%	229
Interest earned from Current and Non Current Assets		14 608	12 500	12 500	2 869	3 445	3 125	320	10%	12 500
Dividends		-	-	-	-	-	-	-		-
Rent on Land		-	-	-	-	-	-	-		-
Rental from Fixed Assets		7 620	7 504	7 504	616	1 816	1 876	(60)	-3%	7 504
Licence and permits		2	2	2	-	7	0	7	1711%	2
Operational Revenue		533	382	382	19	110	96	14	15%	382
Non-Exchange Revenue		334 250	353 137	353 137	(6 086)	118 083	88 284	29 799	34%	353 137
Property rates		120 535	130 005	130 005	(2 207)	43 404	32 501	10 903	34%	130 005
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		1 198	1 663	1 663	-	0	416	(416)	-100%	1 663
Licence and permits		2 951	6 473	6 473	243	358	1 618	(1 260)	-78%	6 473
Transfer and subsidies - Operational		195 692	203 785	203 785	4 464	80 787	50 946	29 841	59%	203 785
Interest		12 152	11 210	11 210	(8 585)	(6 466)	2 803	(9 269)	-331%	11 210
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		-	-	-	-	-	-	-		-
Other Gains		1 722	-	-	-	-	-	-		-
Discontinued Operations		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and		376 202	403 171	403 171	(1 151)	129 412	100 793	28 619	28%	403 171
Expenditure By Type										
Employee related costs		150 815	180 736	180 736	12 382	34 637	45 184	(10 547)	-23%	180 736
Remuneration of councillors		16 335	17 631	17 631	1 287	3 855	4 408	(553)	-13%	17 631
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		6 723	12 076	12 076	-	-	3 019	(3 019)	-100%	12 076
Debt impairment		24 747	7 000	7 000	-	-	1 750	(1 750)	-100%	7 000
Depreciation and amortisation		46 593	40 873	40 873	3 502	10 505	10 218	287	3%	40 873
Interest		3 075	2	2	-	-	1	(1)	-100%	2
Contracted services		104 540	124 356	124 356	14 390	18 755	31 089	(12 334)	-40%	124 356
Transfers and subsidies		2 937	3 505	3 505	6	6	876	(870)	-99%	3 505
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		53 973	66 535	66 535	7 193	9 596	16 634	(7 037)	-42%	66 535
Losses on Disposal of Assets		1 901	-	-	-	-	-	-		-
Other Losses		-	-	-	-	-	-	-		-
Total Expenditure		411 641	452 715	452 715	38 759	77 354	113 179	(35 824)	-32%	452 715
Surplus/(Deficit)		(35 438)	(49 544)	(49 544)	(39 910)	52 058	(12 386)	64 444	(0)	(49 544)
Transfers and subsidies - capital (monetary allocations)		38 879	40 603	40 603	3 301	5 566	10 151	(4 584)	(0)	40 603
Transfers and subsidies - capital (in-kind)		3 670	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)			(8 941)
Income Tax		-	-	-	-	-	-	-		-
Surplus/(Deficit) after income tax		7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)			(8 941)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)			(8 941)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		7 111	(8 941)	(8 941)	(36 609)	57 624	(2 235)			(8 941)

Table C5: Capital Expenditure (Municipal Vote, standard classification, and funding)

Year to date budget of R4.8 million whilst expenditure is sitting at R12,5 million. The overall variance is sitting at 61%. Grant spending is still very low because it's still the first quarter it will improve as the financial year progresses.

KZN212 Umdoni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - TECHNICAL SERVICES		-	87	87	-	-	22	(22)	-100%	87
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	87	87	-	-	22	(22)	-100%	87
Single Year expenditure appropriation	2									
Vote 1 - COUNCIL GENERAL		192	-	-	-	-	-	-	-	-
Vote 2 - FINANCIAL SERVICES		63	174	174	-	-	43	(43)	-100%	174
Vote 3 - TECHNICAL SERVICES		42 332	44 410	44 410	346	4 840	11 103	(6 262)	-56%	44 410
Vote 4 - CORPORATE SERVICES		6 518	4 666	4 666	-	-	1 166	(1 166)	-100%	4 666
Vote 5 - COMMUNITY SERVICES		239	-	-	-	-	-	-	-	-
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		1 659	704	704	-	-	176	(176)	-100%	704
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	51 003	49 954	49 954	346	4 840	12 489	(7 648)	-61%	49 954
Total Capital Expenditure	3	51 003	50 041	50 041	346	4 840	12 510	(7 670)	-61%	50 041
Capital Expenditure - Functional Classification										
Governance and administration		7 792	4 840	4 840	-	-	1 210	(1 210)	-100%	4 840
Executive and council		192	-	-	-	-	-	-	-	-
Finance and administration		7 600	4 840	4 840	-	-	1 210	(1 210)	-100%	4 840
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		21 345	20 291	20 291	346	3 861	5 073	(1 212)	-24%	20 291
Community and social services		13 302	17 682	17 682	-	1 858	4 421	(2 563)	-58%	17 682
Sport and recreation		8 042	2 609	2 609	346	2 003	652	1 351	207%	2 609
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		21 171	22 302	22 302	-	980	5 575	(4 596)	-82%	22 302
Planning and development		1 659	704	704	-	-	176	(176)	-100%	704
Road transport		19 512	21 597	21 597	-	980	5 399	(4 420)	-82%	21 597
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		696	2 609	2 609	-	-	652	(652)	-100%	2 609
Energy sources		-	2 609	2 609	-	-	652	(652)	-100%	2 609
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		696	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	51 003	50 041	50 041	346	4 840	12 510	(7 670)	-61%	50 041
Funded by:										
National Government		32 531	34 654	34 654	346	4 840	8 664	(3 823)	-44%	34 654
Provincial Government		1 659	652	652	-	-	163	(163)	-100%	652
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		34 190	35 307	35 307	346	4 840	8 827	(3 986)	-45%	35 307
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds	6	16 813	14 734	14 734	-	-	3 684	(3 684)	-100%	14 734
Total Capital Funding	7	51 003	50 041	50 041	346	4 840	12 510	(7 670)	-61%	50 041

Table C6: Statement of Financial Position

The table below depicts the financial position of the institution in a greater detail. Our current assets are more than the current liabilities, which then indicates strong liquidity of the institution.

KZN212 Umdoni - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter						
Description	Ref	2023/24	Budget Year 2024/25			
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		146 398	128 604	128 604	185 751	128 604
Trade and other receivables from exchange transactions		16 313	22 743	22 743	20 601	22 743
Receivables from non-exchange transactions		69 199	108 684	108 684	72 567	108 684
Current portion of non-current receivables		–	–	–	–	–
Inventory		–	–	–	–	–
VAT		17 003	30 143	30 143	19 085	30 143
Other current assets		182	446	446	182	446
Total current assets		249 095	290 619	290 619	298 186	290 619
Non current assets						
Investments		–	–	–	–	–
Investment property		7 511	4 752	4 752	7 413	4 752
Property, plant and equipment		653 467	671 912	671 912	647 909	671 912
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		261	261	261	261	261
Intangible assets		71	14	14	62	14
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		661 310	676 939	676 939	655 645	676 939
TOTAL ASSETS		910 405	967 558	967 558	953 831	967 558
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		301	40	40	301	40
Consumer deposits		2 526	2 547	2 547	2 475	2 547
Trade and other payables from exchange transactions		53 049	157 329	157 329	32 975	157 329
Trade and other payables from non-exchange transactions		6 935	4	4	12 506	4
Provision		4 289	3 171	3 171	4 136	3 171
VAT		158	7 870	7 870	669	7 870
Other current liabilities		–	–	–	–	–
Total current liabilities		67 259	170 961	170 961	53 061	170 961
Non current liabilities						
Financial liabilities		175	110	110	175	110
Provision		31 667	36 189	36 189	31 667	36 189
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	28 290	28 290	23 652	28 290
Total non current liabilities		31 842	64 590	64 590	55 494	64 590
TOTAL LIABILITIES		99 101	235 550	235 550	108 555	235 550
NET ASSETS	2	811 304	732 008	732 008	845 275	732 008
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		784 288	728 865	728 865	841 912	728 865
Reserves and funds		3 363	3 143	3 143	3 363	3 143
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	787 652	732 008	732 008	845 275	732 008

Table C7: Cash flow

The table below reflects positive cash flow position. The closing balance of cash and cash equivalents as at end of September 2024 is R185,7 million. This is more than the budgeted R130.7 million. Narrations per category are as follows;

Property Rates

Collections R19,6 million to date are more than the anticipated year to date budget of R29,8 million. Variance is sitting at 34%. This variance is a result of community riots, and the municipality was not operational in July and August and that affected a service delivery very negatively and collection.

Service Charges

The amount accrued on service charges amounts to R1,4 million, against the expected 2.9 million. This variance is a result of community riots, and the municipality was not operational in July and August and that affected a service delivery very negatively and collection.

Other Revenue

The variance is due to the anticipated refunds from SARS. The municipality has appointed the consultant to assist in resolving the vat issues.

Interest

An amount of R2.8 million was recognised against the expected interest of R3.1 million which results in a variance of R10%, this variance will be monitored.

Transfers and Subsidies – Operational

All grants and subsidies operational that were expected to be received were received in July & August as per NT payment schedule.

Suppliers and Employees

Payments to suppliers and employees are lower due to underspending in most of the expenditure categories as explained in the preceding sections of this report.

Transfers and Grants

Capital Assets

Actual expenditure is lower than the year to date budget expenditure because we are still in the first quarter and because of the disturbances that occurred in July and August that had negative impact on the service delivery.

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Consumer deposits

The budget under this category is meant for movements in the consumer deposits of which the municipality does not have control over those deposits i.e. verge deposits.

KZN212 Umdoni - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		107 431	119 240	119 240	11 445	19 672	29 810	(10 138)	-34%	119 240
Service charges		11 151	11 758	11 758	923	1 498	2 939	(1 441)	-49%	11 758
Other revenue		11 310	58 233	58 233	283	3 962	14 558	(10 596)	-73%	58 233
Transfers and Subsidies - Operational		194 693	198 806	198 806		78 442	49 701	28 741	58%	198 806
Transfers and Subsidies - Capital		38 171	40 603	40 603		13 482	10 151	3 331	33%	40 603
Interest		14 608	12 695	12 695	2 869	2 869	3 174	(305)	-10%	12 695
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(338 692)	(386 545)	(386 545)	(42 510)	(77 502)	(96 636)	(19 134)	20%	(386 545)
Interest		(6)	(2)	(2)			(1)	(1)	100%	(2)
Transfers and Subsidies		(2 937)	(3 505)	(3 505)	(77)	(110)	(876)	(767)	87%	(3 505)
NET CASH FROM/(USED) OPERATING ACTIVITIES		35 728	51 281	51 281	(27 067)	42 314	12 820	(29 494)	-230%	51 281
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		532	-	-			-	-		-
Decrease (increase) in non-current receivables		-	-	-			-	-		-
Decrease (increase) in non-current investments		-	-	-			-	-		-
Payments										
Capital assets		(51 003)	(54 067)	(54 067)	(2 235)	(3 025)	(13 517)	(10 492)	78%	(54 067)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(50 471)	(54 067)	(54 067)	(2 235)	(3 025)	(13 517)	(10 492)	78%	(54 067)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		(44)	-	-			-	-		-
Borrowing long term/refinancing		-	-	-			-	-		-
Increase (decrease) in consumer deposits		-	50	50	63	64	13	51	408%	50
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(44)	50	50	63	64	13	(51)	-408%	50
NET INCREASE/(DECREASE) IN CASH HELD		(14 787)	(2 736)	(2 736)	(29 239)	39 353	(684)			(2 736)
Cash/cash equivalents at beginning:		161 185	131 394	131 394		146 398	131 394			146 398
Cash/cash equivalents at month/year end:		146 398	128 658	128 658		185 751	130 710			143 662

PART 2: SUPPORTING DOCUMENTATION

Table SC1: Material Variances and explanation

KZN212 Umdoni - Supporting Table SC1 Material variance explanations - Q1 First Quarter				
Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue			
	Property rates	34%	The variance is caused by the customers who opted for annual debit raising.	To re-evaluate after payment of annual rates and refuse.
	Service charges - Waste management	37%	The variance is caused by the customers who opted for annual debit raising.	To re-evaluate after payment of annual rates and refuse.
	Investment Revenue	10%	This 10% variance will change as the financial year progresses	This dependant on interest rates after SARB committee meets.
	Own Other revenue:	15%	The variance is so high because of the skills levy refund receive that was more than anticipated	To re-evaluate after payment of annual rates and refuse.
	Rental of facilities	-3%	The variance is due to the actual being less by 3% when compared to the budget. The variance is immaterial	To re-evaluate monthly should the variance become material
	Fines	-100%	Q1 fines have not yet recognised, it is then expected to be recognised in the month of October 2024	To follow up if the amounts were recognised in October 2024
	Licenses and permits	-78%	Two months of the first quarter municipality was not operational. The variance is 78% under collected	In September 2024, the amounts collected will improve.
	Agency Fees	-49%	Two months of the first quarter municipality was not operational. The variance is 49% under collected	In September 2024, the amounts collected will improve.
	Operational Revenue	15%	The variance is 14% more than anticipated due to skills development levy refund	To re-evaluate monthly should the variance become material
	Interest earned from receivables	588%	The variance is due to the increasing old debt and the impact of the July and August community strike which affected the service delivery very negatively hence debt is increasing and low collection rate. 588% due to high debtors.	This trend will continue due to the high debtors books
	Grants and subsidies	59%	The budget is exceeded due to equitable share received in July 2024.	On going monitoring to establish that all grants are received.
2	Expenditure By Type			
	Employee Costs	-23%	The variance is due to vacant positions which have not yet been filled. Variance is 23%	Monitor to establish if the variance increases beyond 45%.
	Remuneration of Councillors	-13%	The variance is due to vacant positions which were not filled in July and August. 13%	Monitor to establish that budget is not exceeded
	Operational Costs	-42%	Operational costs are so low because the municipality was not operational in July and August variance is 42%	Ensure that service delivery items are prioritized.
	Debt Impairment	-100%	The debtors are assessed on a regular basis and will be impaired at year end.	Impairment take place at year end.
	Depreciation & Asset Impairment	3%	The variance is 3% between budget vs actual - accurate figures are processed at year end.	Monitor that all completed projects are accounted for.
	Inventory Consumed	-100%	There are transactions undergoing SCM processes in September 2024 and expenditure will reflect once payment is made. Variance is 100%. Orders have been issued but not paid as at reporting date.	To prioritize service purchases and monitor the budget
	Contracted Services	-40%	Spending is low because the municipality was not operational in July and August, variance is 40%	To prioritize service purchases and monitor the budget
	Transfers and Subsidies	-99%	More expenditure will be incurred when further payments are done during the course of the financial year. Variance 99%	Ensure that the budget is not exceeded and only deserving Expenditure is processed.
3	Capital Expenditure			
	Capital Assets	-61%	Unforeseen circumstances which occurred in the municipality during July and August resulted negatively in the service delivery. Variance is 61%	Capital expenditure will improve with the spending on internal funds and MIG projects

Table SC3: Aged Debtors

The municipality is being owed a total amount of R217,7 million, of which the biggest portion is owed by households sitting at R149,1 million. The UAG is still withholding rates to the value of R 23 million. The UAG together with other debtors have been handed over to attorneys on the panel for collection terms of the credit control and debt collection policy.

The second biggest is government departments that are sitting at R43,6 million after the adjustment of SANRAL. Further attempts through the IGR structures are being perused to collect government debt. Business debtors owing just over R18.5 million.

KZN212 Umdoni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter													
Description	NT Code	Budget Year 2024/25											
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200									-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	4 682	27 643	2 330	2 052	90 422				127 129	92 474	-	-
Receivables from Exchange Transactions - Waste Water Management	1500									-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 242	2 489	267	254	10 756				15 008	11 010	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1 800	836	1 008	796	19 396				23 835	20 192	-	-
Interest on Arrear Debtor Accounts	1810	45	67	80	97	38 246				38 535	38 343	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-
Other	1900	6	3	769	3	12 435				13 215	12 438	-	-
Total By Income Source	2000	7 774	31 038	4 453	3 202	171 255	-	-	-	217 722	174 457	-	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	970	12 308	752	483	29 111	-			43 624	29 594	-	-
Commercial	2300	1 006	2 855	334	301	14 020				18 517	14 321	-	-
Households	2400	5 780	14 918	3 272	2 326	122 884				149 180	125 210	-	-
Other	2500	18	957	95	92	5 240				6 402	5 332	-	-
Total By Customer Group	2600	7 774	31 038	4 453	3 202	171 255	-	-	-	217 722	174 457	-	-

Table SC4: Aged Creditors

The municipality owes suppliers an amount of R6,4 million. There are instances of delays in payment where work still needs to be verified and when there are queries relating to the payment and discrepancies in the invoice.

KZN212 Umdoni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter											
Description R thousands	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	1 745	-	-	-	-	-	-	-	1 745	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	4 724	-	-	-	-	-	-	-	4 724	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	6 469	-	-	-	-	-	-	-	6 469	-

Table SC5: Investment Portfolio Analysis

All the call deposits are highly liquid short-term investments and are held for the purpose of meeting short-term commitments rather than the purpose of earning a return (interest).

The table below reflects on account balances (excluding the main account) as at the end of September 2024. Total cash available was R179,2 million. The cash coverage is 05 months.

KZN212 Umdoni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
		R thousands												
Municipality														
ABSA :92-3600-6170		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	22 717	271			22 988
ABSA :2081 665 687		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	30 000				30 000
ABSA :2081 665 726		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	35 000				35 000
FNB :6 222 5155 391		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	23 251	457			23 708
STD BANK :5876 211 6/007		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	23 301	120	(20 000)	(120)	3 301
STD BANK :5 876 211 6/015		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	12 244	562		120	12 926
STD BANK :058762116/028		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	5 926	165			6 091
STD BANK :058762116/029		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	4 390	122			4 512
STD BANK :058762116/032		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	-	-			-
STD BANK :058762116/035		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	1 332	36			1 368
NEDBANK : 7881017759/94		No specified ter	CALL DEPOSIT	Yes		0	No	No	30/12/2024	38 243	1 136			39 379
-										-				-
Municipality sub-total										196 405	2 869		-	179 273

Table SC6: Grants Receipts

All grants that were expected to be received in September 2024 were received, as per in the payment NT payment schedule.

KZN212 Umdoni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		188 027	192 862	192 862	-	79 056	48 216	30 841	64,0%	192 862
Operational Revenue:General Revenue:Equitable Share	3	173 612	182 950	182 950	-	76 229	45 738	30 492	66,7%	182 950
Operational:Revenue:General Revenue:Fuel Levy		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 601	1 249	1 249	-	313	312	1	0,2%	1 249
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 950	1 900	1 900	-	1 900	475	1 425	300,0%	1 900
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		9 400	5 033	5 033	-	-	1 258	(1 258)	-100,0%	5 033
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		1 464	1 730	1 730	-	614	432	182	42,1%	1 730
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		11 917	10 976	10 976	-	-	2 744	(2 744)	-100,0%	10 976
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Capacity Building and Other		8 417	10 976	10 976	-	-	2 744	(2 744)	-100,0%	10 976
Capacity Building and Other		2 500	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		1 000	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	199 944	203 838	203 838	-	79 056	50 960	28 097	55,1%	203 838
Capital Transfers and Grants										
National Government:		36 171	39 853	39 853	-	12 874	9 963	2 911	29,2%	39 853
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		36 171	36 853	36 853	-	11 674	9 213	2 461	26,7%	36 853
Municipal Disaster Recovery Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		-	3 000	3 000	-	1 200	750	450	60,0%	3 000
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Provincial Government:		2 000	750	750	-	-	188	(188)	-100,0%	750
Specify (Add grant description)		2 000	750	750	-	-	188	(188)	-100,0%	750
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	38 171	40 603	40 603	-	12 874	10 151	2 723	26,8%	40 603
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	238 115	244 441	244 441	-	91 930	61 110	30 820	50,4%	244 441

Table SC7: Grants expenditure

The table below reflects expenditure on grants' expenditures as at September 2024. Also, these amounts are inclusive of VAT.

KZN212 Umdoni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		10 515	192 862	192 862	4 464	4 558	48 216	(43 658)	-90,5%	192 862
Operational Revenue:General Revenue:Equitable Share		-	182 950	182 950	-	-	45 738	(45 738)	-100,0%	182 950
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 601	1 249	1 249	-	-	312	(312)	-100,0%	1 249
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 950	1 900	1 900	560	645	475	170	35,8%	1 900
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		5 501	5 033	5 033	3 899	3 899	1 258	2 641	209,9%	5 033
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		1 464	1 730	1 730	5	14	432	(419)	-96,9%	1 730
Provincial Government:		11 430	10 976	10 976	904	2 525	2 744	(219)	-8,0%	10 976
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		834	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		8 417	10 976	10 976	904	2 525	2 744	(219)	-8,0%	10 976
District Municipality:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		21 945	203 838	203 838	5 368	7 082	50 960	(43 877)	-86,1%	203 838
Capital expenditure of Transfers and Grants										
National Government:		36 171	39 799	39 799	398	5 566	9 950	(4 383)	-44,1%	39 799
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		36 171	36 799	36 799	398	5 566	9 200	(3 633)	-39,5%	36 799
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		-	3 000	3 000	-	-	750	(750)	-100,0%	3 000
Provincial Government:		2 708	750	750	-	-	63	(63)	-100,0%	750
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		38 879	40 549	40 549	398	5 566	10 012	(4 446)	-44,4%	40 549
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		60 824	244 387	244 387	5 766	12 649	60 972	(48 323)	-79,3%	244 387

Table SC8: Councillor and Staff benefits

The table below reflects on councillor's benefits, senior managers and other municipal staff. Total amount spent on salaries and councillors remuneration as at September 2024 is R38.4 million.

KZN212 Umdoni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter										
Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		14 307	15 366	15 366	1 103	3 293	3 842	(548)	-14%	15 366
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		356	564	564	38	132	141	(9)	-7%	564
Cellphone Allowance		1 672	1 701	1 701	146	430	425	5	1%	1 701
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		16 335	17 631	17 631	1 287	3 855	4 408	(553)	-13%	17 631
% increase	4		7,9%	7,9%						7,9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 768	5 437	5 437	452	1 358	1 359	(1)	0%	5 437
Pension and UIF Contributions		12	13	13	1	3	3	0	6%	13
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		380	449	449	22	96	112	(16)	-14%	449
Cellphone Allowance		57	58	58	4	14	14	(1)	-6%	58
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		41	1	1	6	6	0	6	2549%	1
Payments in lieu of leave		-	-	-	80	80	-	80	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	12	12	-	12	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 259	5 958	5 958	577	1 570	1 489	80	5%	5 958
% increase	4		13,3%	13,3%						13,3%
Other Municipal Staff										
Basic Salaries and Wages		95 584	112 391	112 391	8 470	19 334	28 098	(8 764)	-31%	112 391
Pension and UIF Contributions		16 447	20 409	20 409	1 489	4 890	5 102	(212)	-4%	20 409
Medical Aid Contributions		6 996	11 154	11 154	-	1 859	2 788	(929)	-33%	11 154
Overtime		11 780	7 684	7 684	885	2 166	1 921	245	13%	7 684
Performance Bonus		7 247	9 130	9 130	-	1 522	2 282	(761)	-33%	9 130
Motor Vehicle Allowance		-	83	83	7	21	21	-	-	83
Cellphone Allowance		234	279	279	117	164	70	94	135%	279
Housing Allowances		524	2 097	2 097	45	394	524	(130)	-25%	2 097
Other benefits and allowances		1 028	1 989	1 989	78	409	497	(88)	-18%	1 989
Payments in lieu of leave		1 630	3 500	3 500	-	583	875	(292)	-33%	3 500
Long service awards		856	1 785	1 785	-	298	446	(149)	-33%	1 785
Post-retirement benefit obligations		4 066	4 278	4 278	599	1 311	1 069	242	23%	4 278
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	116	116	-	116	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		146 394	174 779	174 779	11 805	33 067	43 695	(10 628)	-24%	174 779
% increase	4		19,4%	19,4%						19,4%
Total Parent Municipality		167 987	198 368	198 368	13 669	38 492	49 592	(11 100)	-22%	198 368

Key Financial Ratios and Analysis

Current Ratio

	5,62
Current Assets	298 185 634
Current Liabilities	53 061 410

Comment:

The ratio of 5,62 is above the norm of 1,5 – 2.1. It means the assets of the institution can cover the short term demands (current liabilities). Thus, depicting sound financial status despite having implemented the massive repairs and maintenance programmes during the year.

Cash Ratio

	5 Month
Cash and cash equivalents	6 478 028
Unspent Conditional Grants	12 512 720
Overdraft	-
Short Term Investments	179 273 440
Total Annual Operational Expenditure	404 841 949

Comment:

The cash ratio of 05 months is above the norm of 1-3 months. The available cash can last the municipality for a period of six months. The current ratio and this ratio are favourable depicting sound cash management and application of prudent principles.

Collection Ratio

	81%
Gross Debtors closing balance	217 722 342
Gross Debtors opening balance	209 070 902
Bad debts written Off	-
Billed Revenue	45 648 005

Comment:

The ratio is 81% which is below the 95% norm. Due to the weakening economy customers are struggling to pay.

Net Debtors Collection Days Ratio

	744 days
Gross debtors	217 722 342
Bad debts Provision	124 719 494
Billed Revenue	45 648 005

Comment:

The ratio of 744 days is extremely high as it exceeds the norm of 30 days. This ratio is interconnected to the collection ratio. The low collection rate indicates that debtors are taking longer to pay due to affordability issues. The majority of the debt has been outstanding beyond 120 days. This ratio is currently distorted by the by the annual debt of ratepayer who opt to pay their rates and refuse charges annually. The due date for payment of annual levies is 31 October 2024.

Creditors Payment Days Ratio

	14 days
Trade Creditors	1 422 564
Contracted Services	18 755 119
Repairs and Maintenance	4 250 580
General expenses	9 596 463
Bulk Purchases	-
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	4 840 401

Comment:

The ratio of 14 days is within the norm of 30 days. There are instances of delays in payment where work still needs to be verified and when there are queries relating to the payment.

Repairs and Maintenance

The table below depicts the total budget for repairs and maintenance and the spending for the month of September 2024. Total amount spent to date equals to R4,2 million against the expected budget of R13,1 million. The variance is sitting at 67,6%. During the months of July and August 2024, the Municipality was not operational which had an impact on expenditure for repairs and maintenance.

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE FIRST QUARTER OF 2024/25 FINANCIAL YEAR

KZN212 Umdoni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q1 First Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		39 474	35 840	35 840	3 948	3 948	8 960	(5 012)	-55,9%	35 840
Roads Infrastructure		2 608	7 807	7 807	-	-	1 952	(1 952)	-100,0%	7 807
Roads		1 616	6 580	6 580	-	-	1 645	(1 645)	-100,0%	6 580
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		992	1 227	1 227	-	-	307	(307)	-100,0%	1 227
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 962	3 000	3 000	-	-	750	(750)	-100,0%	3 000
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		2 962	3 000	3 000	-	-	750	(750)	-100,0%	3 000
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		33 903	25 033	25 033	3 948	3 948	6 258	(2 310)	-36,9%	25 033
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		33 903	25 033	25 033	3 948	3 948	6 258	(2 310)	-36,9%	25 033
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		2 901	3 440	3 440	61	183	860	(678)	-78,8%	3 440
Community Facilities		2 276	2 480	2 480	17	51	620	(569)	-91,8%	2 480
Halls		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries	39	280	280	280	-	-	70	(70)	-100,0%	280
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves	238	360	360	360	17	51	90	(39)	-43,4%	360
Public Ablution Facilities	1 999	1 840	1 840	1 840	-	-	460	(460)	-100,0%	1 840
Markets		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	625	960	960	960	44	132	240	(108)	-45,2%	960
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities	625	960	960	960	44	132	240	(108)	-45,2%	960
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		2 544	5 302	5 302	120	120	1 325	(1 206)	-90,9%	5 302
Operational Buildings		2 544	5 302	5 302	120	120	1 325	(1 206)	-90,9%	5 302
Municipal Offices		2 544	5 302	5 302	120	120	1 325	(1 206)	-90,9%	5 302
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Computer Equipment		-	24	24	-	-	6	(6)	-100,0%	24
Computer Equipment		-	24	24	-	-	6	(6)	-100,0%	24
Furniture and Office Equipment		-	48	48	-	-	12	(12)	-100,0%	48
Furniture and Office Equipment		-	48	48	-	-	12	(12)	-100,0%	48
Machinery and Equipment		1 859	2 951	2 951	-	-	738	(738)	-100,0%	2 951
Machinery and Equipment		1 859	2 951	2 951	-	-	738	(738)	-100,0%	2 951
Transport Assets		3 603	4 908	4 908	-	-	1 227	(1 227)	-100,0%	4 908
Transport Assets		3 603	4 908	4 908	-	-	1 227	(1 227)	-100,0%	4 908
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	50 380	52 513	52 513	4 129	4 251	13 128	8 878	67,6%	52 513

QUALITY CERTIFICATE

I, _____ (Full Names), the Municipal Manager of Umdoni Municipality hereby certify that the Section 52d Report for the Quarter ended 30th September 2024 has been prepared in accordance with the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

MR N.G. KUMALO

ACTING MUNICIPAL MANAGER

DATE

ANNEXURE B

Virements

The virements were made in line with our virement policy section 7.3.11 of Umdoni municipality and also full compliant with MCOA requirements.



Virement Schedule 2024/25 FY Q1

		Date	Ukey	Item description	Amount before virement	Amount after virement	Virement Amount	Comments
To	Virement 01	12-Sep-24	20170623001123	Expenditure:Operational Cost:Advertising, Publicity and Marketing:Staff Recruitment	80 000,00	130 000,00	50 000,00	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement policy(Section 7.3.11of Umdoni Virement policy, and it is also in full compliance MSCOA requirements.
From	Virement 01	12-Sep-24	20210317001089	Expenditure:Contracted Services:Outsourced Services:Business and Advisory:Qualification Verification	80 000,00	30 000,00	(50 000,00)	
To	Virement 02	16-Sep-24	20240918152814	Expenditure:Contracted Services:Contractors:Catering Services	-	60 000,00	60 000,00	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement policy(Section 7.3.11of Umdoni Virement policy, and it is also in full compliance MSCOA requirements.
From	Virement 02	16-Sep-24	20230719004680	Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodation	160 000,00	100 000,00	-60 000,00	
To	Virement 03	16-Sep-24	20220719996218	Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Workshops and Events:National	160 000,00	260 000,00	100 000,00	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement policy(Section 7.3.11of Umdoni Virement policy, and
From	Virement 03	16-Sep-24	20230719004680	Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodation	100 000,00	-	-100 000,00	

ANNEXURE C

QUOTATIONS AWARDED IN SEPT 2024							
NO	ORDER NO	COMPANY NAME	DESCRIPTION	DEPARTMENT	AMOUNT	LOCALITY	COMMENTS
1	850963	BOYIAH CONSTRUCTION (PTY) LTD	INSTALLATION OF STEEL SHELVING FOR SALARY, CUPBOARD FOR EXPENDITURE PLUS DOOR FRAME TO SALARIES	FINANCE	R 145 000,00	UMKOMAAS	This was advertised on the munipal website for seven days.
2	850964	ISENAMISO SUPPLY SERVICES	SUPPLY AND DELIVER NEWSPAPERS FOR LIBRARIES FOR PERIOD OF 9 MONTHS SPEC ATTACHED.	COMMUNITY SERVICES	R 85 536,00	SCOTTBURGH	This was advertised on the munipal website for seven days.
TENDERS AWARDED IN SEPT 2024							
NO	BID NO	COMPANY NAME	DESCRIPTION	DEPARTMENT	AMOUNT	LOCALITY	COMMENTS
1							
DEVIATIONS FOR THE MONTH OF SEPT 2024							
NO	ORDER NO	COMPANY NAME	DESCRIPTION	DEPARTMENT	AMOUNT	LOCALITY	COMMENTS
1	850875	JULA LIFEGUARD SERVICES	PAYMENT OF SWIMMING SUPERVISION FEES	COMMUNITY SERVICES	R 241 258,50	SCOTTBURGH	The new lifeguard services has not been awarded and this service is required for the month of June 2024 and July season for 19 days.
2	850903	MATHOMBENI PROJECTS	TRANSPORTTION OF MAIDENS TO KWANONGOMA FOR UMKHOSI WOMHLANGA	MMO	R 210 000,00	SCOTTBURGH	The requisition could not be submitted in time because of the closure of the municipality causes by workers and community protests.
3	850929	INSIDE DATA SOUTH (PTY) LTD	ANNUAL PURCHASE REQUISITION 2024/2025 FY FOR INSIDEDATA SOUTH AFRICA	FINANCE	R 930 000,00	DURBAN	Printing and postage tender has been advertised with closing date being 20-06-2024 whilst this process is underway, statements / letters of demand need to be generated and postage is required therefore we request an extension of contract(4) months to ensure continuity of business process. The evaluation process was further delayed by the ongoing disruptions since mid May-August 2024.

ANNEXURE D

Unauthorised, Irregular, Fruitless & Wasteful Expenditure

UNAUTHORISED EXPENDITURE NOTE

Opening balance as previously reported	27 866 838,00
Correction of prior period error	-
Opening balance as restated	27 866 838,00
Movement	
Add: Unauthorized expenditure - current year	-
Add: Unauthorized expenditure - prior year	6 582 405,00
Less: Amounts recoverable - current	-
Less: Amounts recoverable - prior period	-
Less: Amounts written-off - current	-
Less: Amounts written-off - prior period	-
Less: Reveal of asset impairment in 2022-2023	-
Unauthorized expenditure awaiting condonation	34 449 243,00

IRREGULAR EXPENDITURE NOTE

Opening balance as previously reported	252 754,00
Correction of prior period error	
Opening balance as restated	252 754,00
Movement	
Add: Irregular expenditure - current year	3 947 585,76
Add: Irregular expenditure - prior year	16 355 650,00
Less: Amounts recoverable - current	-
Less: Amounts recoverable - prior period	-
Less: Amounts written-off - current	
Less: Amount transferred to fruitless and wasteful expenditure	
Less: Amounts written-off - prior period	
Irregular expenditure awaiting condonation	20 555 989,76

FRUITLESS & WASTEFUL EXPENDITURE NOTE

Opening balance as previously reported	18 258 412,00
Correction of prior period error	
Opening balance as restated	18 258 412,00
Movement	
Add: Fruitless expenditure - prior year	111325
Add: Fruitless expenditure - current year	-
Less: Amounts recoverable - current	-
Less: Amounts recoverable - prior period	
Less: Amounts written-off - current	
Less: Amounts written-off - prior period	-
Fruitless expenditure awaiting condonation	18 258 412,00

ANNEXURE E



MSCOA PROGRESS REPORT FOR 2024/25FY

1ST QUARTER OF 2024/25 FY ENDED ON THE 30 SEPTEMBER 2024

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PURPOSE OF THE REPORT

The purpose of this report is to update council on the implementation of the Municipal Standard Chart of Accounts (mSCOA) within the municipality.

LEGISLATIVE REQUIREMENT

- The Constitution of the Republic of South Africa Act 108 of 1996 [Section 216(1)]
- The Municipal Finance Management Act 56 of 2003
- Municipal Regulations on Standard Chart of Accounts, 22 April 2014
- mSCOA Circular 1, 30 July 2015
- mSCOA Circular 2, 21 September 2015
- mSCOA Circular 3, 2 November 2015
- mSCOA Circular 4, 3 March 2016
- mSCOA Circular 5, 15 July 2016
- mSCOA Circular 6, 2 August 2016
- mSCOA Circular 7, 2 March 2020
- mSCOA Circular 8, 29 April 2020
- mSCOA Circular 9, 9 June 2020
- mSCOA Circular 10, 14 October 2020
- mSCOA Circular 11, 4 December 2020
- mSCOA Circular 12, 01 October 2021
- mSCOA Circular 13, 10 May 2022
- mSCOA Circular 14, 16 May 2022

BACKGROUND

Section 216(1) of the Constitution states that National legislation must establish a National Treasury and prescribe measures to ensure both transparency and expenditure control in each sphere of government. Uniform expenditure classifications in the form of Standard Chart of Accounts (SCOA) have already been rolled out for the National and Provincial Government departments. SCOA is currently being rolled out to Local Government.

The Minister of Finance promulgated the Municipal Regulations on Standard Chart of Accounts (mSCOA) on 22 April 2014. The objective of the Regulation is to provide a national standard for uniform recording and classification of municipal budget and financial information at a transactional level by providing a standard chart of accounts.

In accordance with this regulation, all municipalities and municipal entities were required to be mSCOA compliant by 1 July 2017.

In terms of Section 4.25 of mSCOA Circular No. 1, a progress report on the mSCOA implementation including an updated risk register must be tabled to the Municipal Council on a quarterly basis.

PROGRESS

Awareness, Change Management & Training

- Officials are attended National Treasury mSCOA _working group provided by National Treasury.

In this quarter, the following officials attended the National Treasury mSCOA _working group:

- Nomathemba Khumalo
- Prince Ndlanzi
- We are in full compliant with mScoa reports.
 - Below is an extract of the latest status of submission on the portal(Go-Muni):

Document	Document Type	Document Code	Document Title	Document Status	Document Code	Document Type	2022	2023	2024	2025
Financial Code - Umdoni	KZN012	Adjusted Budget	Adjusted Budget	AG-B	TXT					
		Monthly reporting	In-Year Monthly CI	MO	TXT					
		Year-end documents	Audited Accounts	RA/DA	TXT					
		Pre-Audited	PA/BI	TXT						
		Re-stated Audited Accounts	RA/BI	TXT						

NB: Reports that are not green it's because they have not yet reach its due dates, they are currently in process.

Governance

- What has been done to date regarding establishment of the committees (mSCOA Steering committee & mSCOA project implementation team/committee) and the effective functioning of these committees;
Both the mSCOA steering and mSCOA project implementation committee has been revived. The composition of the committees is made up of officials from across all the business functions within the municipality.

The mSCOA steering committee is made up of the senior management (general managers) of the municipality with the Municipal Manager being the project sponsor.

- Governance documentation drafted and signed. (Terms of reference for steering committee; Terms of reference for project implementation team; Appointment letter for project sponsor; appointment letter for project manager; code of ethics signed by project implementation team; Oath of secrecy signed by project implementation team)

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE FIRST QUARTER OF 2024/25 FINANCIAL YEAR

The following governance documentation is in place and had been presented to the new management;

- Terms of reference for steering committee;
- Appointment letter for project sponsor;
- Appointment letter for project manager

The Code of ethics and Oath to secrecy had been signed by the Implementation team.

- *Whether the mSCOA project plan was approved by council and the date approved.*
The mSCOA revised project is yet to be approved by council.
- *The updated risk register and implementation of mitigating strategies to address such risks.*
Kindly see attached risk register as annexure A.

Work streams

1. *mSCOA steering committee & project management*

The mSCOA steering committees had been established. The project manager who was appointed in the meeting held on the 08th December 2022 has resigned as at 17th of May 2024.

2. *IT infrastructure and network*

The municipality has been experiencing challenges on the network connectivity in whole municipality due to many users attempting to access the system at the same time and various other issues. This prompted the mSCOA Steering Committee to resolve that the Department of Corporate services must conduct the assessment of the whole IT Infrastructure. The assessment of the ICT Infrastructure has been completed, of which the results was reported to MANCO, relevant Portfolios and the MSCOA Implementation Committee. In addition to that assessment, COGTA assisted with the wide-range assessment of ICT to inform the strategic decisions to be taken regarding ICT environment and other functions of the municipality impacted. Salga was also requested to do an ICT assessment of the IT infrastructure and network, the report has been issued and we are currently looking at the impact of its findings and develop action plan to address those findings.

3. *Review vote structures and prepare mSCOA budget*

The structure is reviewed as an on-going exercise as we transact as well as during AFS period and Budget Preparation phase.

4. *Data cleansing and gap analysis*

The municipality had undertaken an extensive data purification exercise, the exercise focused mainly on municipal assets in the 2020/21 financial year, this exercise was done was done and completed. The municipality is yet to do data cleansing on debtors and debt profiling in preparation of migrating to the new module. KZN COGTA is assisting with the data cleansing. The data-cleansing exercise on debtor is also complete.

The Finance Department has since handover Debtors to Debt Collectors after the Debt cleansing exercise has been completed. We also have been improved on our debt collection since this exercise has been completed.

5. *HR and payroll*

The Organogram has been reviewed and approved. The HR and Payroll module is not part of the core system; it is an external system. To link the two systems, files are loaded onto the core system. The assessment of the module is required to be conducted by the work stream and Provincial Treasury to check whether the system complies with the mSCOA requirements. The job evaluation process is still incomplete due to inquiry by organised labour regarding the grading of the Municipality, salary equalisation and benchmarking.

Progress to be reported in the second coming quarters.

6. *Planning (IDP, budget, SDBIP & Performance management)*

The financial year has just started and the new budget is being implemented. IDP/PMS Manager is yet to receive training on how to use the SAMRAS web based system to do the SDBIP and other PMS activities and to generate certain documents from the system. The training and the modules will be conducted by the system vendor as the ICT assessment has now been done and it has been determined that the module can function without interruptions. There is no further progress in Quarter 1.

7. *Core system and additional systems;*

The municipality had received quotes from the vendor for the SCM web based system. Item was discussed in the mSCOA Steering Committee meeting held on the 8th December 2022. It was agreed that the modules will be implemented as the full ICT Assessment has been conducted. In addition to that assessment, COGTA is assisting with the wide-range assessment of ICT to inform the strategic decisions to be taken regarding ICT environment and other functions of the municipality impacted. There is no further development in Quarter 1.

8. *Real estate, land use and grant management*

The municipal council had adopted the SPLUMA by-laws. Lease agreements are reviewed as and when they are about to fall due. Land Use Management Scheme is in place and adopted.

The grant management module is in the development stage. Grant administration is currently done manually. There is no further progress in Quarter 1.

9. *Document management.*

The municipality has the document management system in place which was bought through an outright purchase. The system is yet to be rolled out into Finance Department and Corporate Services Department (Registry Unit) after the purchase of the necessary equipment and renewal of the licenses. There is no further progress in Quarter 1

ROAD MAP (PROJECT IMPLEMENTATION PLAN) STAGE OF COMPLETION

The stage of completion is sitting at 60% in overall.

FINANCIAL IMPLICATIONS

The municipality had budgeted R2 million for mSCOA Implementation. To date R1 232 692.05 including commitments has been spent.

CHALLENGES

- One of the challenges remains is being compliant in meeting all the requirements set out by National Treasury. As mentioned before, the chart of accounts is still changing on an annual basis, and Treasury itself is still working on *mSCOA* as we speak. In the meantime, we just need to adapt to the changes and requirements as it occurs.
- The system Vendor is still developing some modules and will come at a cost therefore a provision will have to be made in future years for these modules,
- There are still challenges with ICT infrastructure and network in order to fully move to web based application of SAMRAS.

CONCLUSION AND WAY FORWARD

In conclusion, it just needs to be highlighted and mentioned, that the success of the implementation of the project, is the responsibility of each one of us. Budget and treasury are continually striving to ensure compliance; however, it cannot be done in isolation from the rest of the institution. Hard work still needs to be done, but it will depend on our attitudes towards the implementation thereof. We need to provide budget that will become available in the future and unsure that our ICT systems successfully hold these models, in line with our *mSCOA* project implementation plan 2022/23 to 2027/28

As always, we are optimistic that we will reach full compliance at one stage or another. Let us continue to work together and ensure we get there.


RECOMMENDATIONS

It is recommended that Council notes the report.

.....
Mr. Mahendra Chandulal
Chief Financial Officer

.....
Date

ANNEXURE F

						
<p style="text-align: center;">UMDONI MUNICIPALITY 2024/2025 FINANCIAL YEAR _ Q1</p>						
KZN 212 - ANNEXURE D Total savings disclosure in the in - year and annual report cost						
Cost containment in-year report measures						
	Budget	Q1	Q2	Q3	Q4	Savings
Measures	R'000	R'000	R'000	R'000	R'000	R'000
Use of Consultants	12 260 063,00	3 473 747,91	-	-	-	8 786 315,09
Vehicle used for political office - bearers	-	-	-	-	-	-
Travel and subistance.	327 444,00	12 268,58	-	-	-	315 175,42
Domestic accommodation	1 065 494,00	-	-	-	-	1 065 494,00
Sponsorship, events and catering	2 892 767,00	204 020,00	-	-	-	2 688 747,00
Communications	477 344,00	-	-	-	-	477 344,00
Other related expenditure items	387 818 837,00	63 159 172,76	-	-	-	324 659 664,24
Total	404 841 949,00	66 849 209,25	-	-	-	337 992 739,75
Cost containment annual report measures						
	Budget	Total expenditure	Savings			
Cost Containment Measures	R'000	R'000	R'000			
Use of Consultants	12 260 063,00	3 473 747,91	8 786 315,09			
Vehicle used for political office - bearers	-	-	-			
Travel and subistance.	327 444,00	12 268,58	315 175,42			
Domestic accommodation	1 065 494,00	-	1 065 494,00			
Sponsorship, events and catering	2 892 767,00	204 020,00	2 688 747,00			
Communications	477 344,00	-	477 344,00			
Other related expenditure items	387 818 837,00	63 159 172,76	324 659 664,24			
Total	404 841 949,00	66 849 209,25	337 992 739,75			

ANNEXURE G

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET				
Municipal Finance Management Act, section 11(4)				
Consolidated Quarterly Report for period 01/07/2024 to 30/09/2024 (complete relevant period)				
NAME OF MUNICIPALITY: UMDONI MUNICIPALITY KZN212				
Date	Payee	Amount in R'000	Description and Purpose	Authorised by (name)
1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;				
			NIL	
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);				
			NIL	
3. Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);				
			NIL	
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including				
(i) money collected by the municipality on behalf of that person or organ of state by agreement; or				
(ii) any insurance or other payments received by the municipality for that person or organ of state;				
			NIL	
NIL				
			NIL	
6. Section 11(g) - Refund guarantees, sureties and security deposits;				
			NIL	
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;				
			NIL	
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;				
			NIL	
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.				
			NIL	
DISTRIBUTION				
1. Did the Accounting Officer table in Council a consolidated report of all withdrawals within 30 days after the end of the quarter;				YES / NO
2. Date the consolidated report was tabled; and				DATE : / /2024
3. Was the copy of the consolidated report of all withdrawals submitted to the Auditor General				YES / NO
CHIEF FINANCIAL OFFICER				
MUNICIPAL MANAGER				
Instructions for completing this report:				
The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.				
This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.				
Withdrawals that must be reported each quarter:				
Distribution:				
1. Table this report in a full council meeting, including additional motivation on action taken to rectify, within 30 days after the end of each quarter (section 11(4))				
2. Submit a copy to the relevant National Treasury, Provincial Treasury and the Auditor-General				