

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
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Quarterly Budget Statement

2026(Q2)

2025/26 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 accordance with Section 71 of the MFMA, the actual year-to-date revenue recognised on an accrual basis amounted to R257,5 million, compared to the year-to-date budget of R201,5 million, resulting in a favourable variance of R56,0 million (28%). The variance is mainly attributable to performance against specific revenue sources, the details of which are explained under the relevant revenue item sub-headings in the Monthly Budget Statement schedules.

Property Rates

Revenue accrued from property rates amounted to R77,019 million, compared to the year-to-date budget of R68,9 million, resulting in a favourable variance of 12%. This variance is mainly attributable to customers who elected to be billed through annual debit raising, resulting in accelerated revenue recognition.

Refuse Removal

Revenue accrued from refuse removal services amounted to R9,4 million, compared to the year-to-date budget of R7,068 million, resulting in a favourable variance of 34%. The variance is primarily attributable to customers who opted for annual debit raising, which accelerated revenue recognition.

Investment Revenue

This relates to interest earned on call account deposits held by the municipality. Interest revenue recognised amounts to R4,9 million, compared to the year-to-date budget of R6,5 million, resulting in an unfavourable variance of 23%. The underperformance is mainly attributable to interest on the Standard Bank fixed deposit, which will only be recognised upon maturity of the investment..

Other Revenue

Rental of Facilities and Equipment

Revenue from rental of facilities and equipment amounted to R3,8 million, which is in line with the year-to-date budget of R3,8 million, resulting in a nil variance (0%).

Fines

Revenue from fines amounted to R524 285,14, compared to the year-to-date budget of R801 402,00, resulting in an unfavourable variance of 35%. The underperformance is mainly attributable to traffic fines not yet recorded due to a faulty traffic fines system.

Licences and Permits

Revenue from licences and permits amounted to R1,8 million, compared to the year-to-date budget of R1,6 million, resulting in a favourable variance of 10%.

Agency Fees

Revenue from agency fees amounted to R938 268,71, compared to the year-to-date budget of R1,1 million, resulting in an unfavourable variance of 16%. The variance is mainly attributable to December payments that have not yet been recorded.

Other Operational Revenue

Other operational revenue amounted to R1,7 million, compared to the year-to-date budget of R250 278,00, resulting in a favourable variance of 585%. This category includes revenue from building plan fees, subdivisions, campsite fees, and scholar patrol services. The significant variance is primarily due to the receipt of an insurance refund amounting to R1,5 million in respect of a grader during December.

Interest Earned on Receivables

Interest earned on receivables amounted to R1,035 million, compared to the year-to-date budget of R918 462,00, resulting in a favourable variance of 13%. The variance is mainly attributable to increased outstanding debt balances arising from low collection levels.

Grants and Subsidies

All grant funding has been received. However, in the Statement of Financial Performance, only revenue recognised in accordance with the conditions met is reported for conditional grants, while for unconditional grants, such as the Equitable Share, the total receipts are recognised as revenue. The amount recognised to date amounts to R145,9 million, compared to the year-to-date budget of R100,2 million, resulting in a favourable variance of 46%. The variance is mainly attributable to the

receipt of R60,6 million in Equitable Share funding, which was received during December..

Operating Expenditure

In respect of operating expenditure, actual year-to-date expenditure amounted to R202,4 million, compared to a year-to-date budget of R224,4 million, resulting in an underspending variance of R22,0 million (10%). The main contributors to this variance include contracted services with a variance of R21,1 million, bad debts written off with a variance of R12,080 million, irrecoverable bad debts written off, as well as employee-related costs with a variance of R7,5 million.

Employee Costs

As at the end of December 2025, the municipality has spent R96,5 million on employee-related costs, compared to the year-to-date budget of R88,9 million, resulting in an unfavourable variance of 9%. The variance is mainly attributable to the payment of bonuses and salary equalisation.

Remuneration of Councillors

Expenditure on councillor remuneration totals R8,8 million, against a year-to-date budget of R9,2 million, resulting in a favourable variance of 4%.

Operational cost

This line item includes all other operating expenses such as accommodation, telephone, electricity, protective clothing, audit fees, and software licenses. Actual expenditure amounts to R32,5 million, compared to the year-to-date budget of R33,3 million, resulting in a favourable variance of 2%. The variance is primarily due to payments for external audit fees and software licenses being made in November.

Debt Impairment

Expenditure on debt impairment amounts to R8,4 million, against a year-to-date budget of R3,6 million, resulting in an unfavourable variance of 332%. The significant variance is due to the implementation of the debt relief programme, which resulted in the writing off of irrecoverable debt.

Depreciation & Asset Impairment

Expenditure on depreciation and asset impairment amounts to R21,1 million, compared to the year-to-date budget of R21,4 million, resulting in a favourable variance of 2%.

Inventory Consumed

This category includes expenditure on cleaning materials, road maintenance materials, and stationery. Actual expenditure amounts to R2,9 million, against a year-to-date budget of R3,7 million, resulting in a favourable variance of 21%. The variance is mainly due to cleaning materials and stationery being purchased quarterly or as required.

Contracted Services

Expenditure on contracted services amounts to R39,3 million, compared to the year-to-date budget of R60,4 million, resulting in a favourable variance of 35%. The variance is primarily attributable to projects currently undergoing SCM processes, with expenditure expected to reflect once payments are made.

Transfers and Subsidies

Expenditure on transfers and subsidies amounts to R1,1 million, compared to a year-to-date budget of R2,3 million, resulting in a favourable variance of 52%. Included in this category is R558 681,00 budgeted for disaster relief, with expenditure expected to reflect once payments are processed.

Capital Expenditure

Actual capital expenditure amounts to R29,5 million, compared to the year-to-date budget of R40,5 million, resulting in an underspending variance of R11,0 million (27%). The detailed variance analysis is provided in Table C5, where departmental capital expenditures are reflected.

CAPITAL EXPENDITURE (VAT EXCLUSIVE)

Funding	Year-to Date Actual	Received	Full Year Projection	Percentage Spent to Date
Conditional-MIG Capex	16 829 431,83	29 036 956,52	30 836 174.00	58%
Municipal Disaster Response Grant (Opening Balance)	-	-	10 278 027.55	0%
Small Town Rehabilitation Grant(Opening Balance)	-	-	3 893.56	0%
Conditional-Provincial Grants	860 058,93	869 565.00	869 565,00	99%
Unconditional-Own Funding	11 864 729,36	49 213 043.00	49 213 043.00	24%
TOTAL	29 444 120.12	79 119 564.52	80 918 782.00	37%

CONDITIONAL OPERATIONAL GRANTS

Funding	Allocation	Received	Year-to-date Expenditure	Percentage spent to date
MIG -Opex	1 866 400.00	1 757 500,00	1 302 054,45	74%
EPWP	1 385 000.00	923 869,57	1 815 849,90	197%
FMG	2000 000.00	2000 000.00	1 153 441,09	58%
INEP	4 451 000.00	2 890 000.00	1 421 400,00	49%
Title Deeds Restoration Grant(Opening Balance)	587 558.00	-	-	0%
Municipal Employment Initiative(Opening Balance)	31 147.00	1000 000.00	-	0%
Beach Infrastructure Grant (Opening Balance)	321 415.00	-	-	0%
Municipal Disaster Response Grant (Opening Balance)	123.29	-	-	0%
Energy Efficiency & Demand Side Management (Opening Balance)	673 852.00	-	-	0%
Library Grant	11 554 000.00	8 571 369.57	5 692 355.44	66%

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 4.09:1). 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.

Current Assets	322 045 013
Current Liabilities	78 694 482

Cash Flows

The municipality ended the month with a positive cash and cash equivalents balance R195,3 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 - Q2 Second Quarter									
Description	2024/25	Budget Year 2025/26							
	R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %
Financial Performance									
Property rates	129 634	137 803	137 803	9 893	77 019	68 901	8 118	12%	137 803
Service charges	12 431	14 136	14 136	1 078	9 465	7 068	2 397	34%	14 136
Investment revenue	14 037	13 000	13 000	624	4 975	6 500	(1 525)	-23%	13 000
Transfers and subsidies - Operational	203 943	200 570	200 570	60 617	145 968	100 285	45 683	46%	200 570
Other own revenue	43 862	37 532	37 532	4 389	20 122	18 766	1 356	7%	37 532
Total Revenue (excluding capital transfers and	403 908	403 041	403 041	76 602	257 549	201 521	56 028	28%	403 041
Employee costs	162 243	177 968	177 968	14 907	96 556	88 984	7 572	9%	177 968
Remuneration of Councilors	16 853	18 539	18 539	1 419	8 866	9 270	(404)	-4%	18 539
Depreciation and amortisation	49 764	42 917	42 917	3 524	21 103	21 458	(355)	-2%	42 917
Interest	1 178	2 367	2 367	-	2	1 184	(1 181)	-100%	2 367
Inventory consumed and bulk purchases	6 145	7 500	7 500	277	2 955	3 750	(795)	-21%	7 500
Transfers and subsidies	3 309	4 769	4 769	100	1 148	2 384	(1 237)	-52%	4 769
Other expenditure	190 323	194 882	194 882	11 118	71 859	97 441	(25 582)	-26%	194 882
Total Expenditure	429 815	448 943	448 943	31 344	202 489	224 471	(21 982)	-10%	448 943
Surplus/(Deficit)	(25 908)	(45 901)	(45 901)	45 258	55 060	(22 951)	78 011	-340%	(45 901)
Transfers and subsidies - capital (monetary allocations)	43 519	36 462	36 462	-	20 343	18 231	2 112	12%	36 462
Transfers and subsidies - capital (in-kind)	85	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1698%	(9 440)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1698%	(9 440)
Capital expenditure & funds sources									
Capital expenditure	51 540	80 919	80 919	110	29 554	40 459	(10 905)	-27%	80 919
Capital transfers recognised	37 921	31 706	31 706	-	17 689	15 853	1 837	12%	31 706
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13 620	49 213	49 213	110	11 865	24 607	(12 742)	-52%	49 213
Total sources of capital funds	51 540	80 919	80 919	110	29 554	40 459	(10 905)	-27%	80 919
Financial position									
Total current assets	254 100	317 804	317 804	-	322 045	-	-	-	317 804
Total non current assets	645 766	725 484	725 484	-	674 240	-	-	-	725 484
Total current liabilities	76 785	189 199	189 199	-	78 694	-	-	-	189 199
Total non current liabilities	47 798	58 145	58 145	-	46 868	-	-	-	58 145
Community wealth/Equity	795 283	795 944	795 944	-	825 465	-	-	-	795 944
Cash flows									
Net cash from (used) operating	54 520	15 124	15 124	57 158	92 758	7 562	(85 197)	-1127%	15 124
Net cash from (used) investing	(51 540)	(88 057)	(88 057)	(2 467)	(46 818)	(44 028)	2 790	-6%	(88 057)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	149 379	145 177	145 177	-	195 339	181 643	(13 696)	-8%	76 465
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	10 916	13 162	4 754	4 443	4 319	4 921	18 560	173 691	234 766
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2: Quarterly 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) - Q2 Second Quarter										
Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue - Functional										
<i>Governance and administration</i>		351 029	357 087	357 087	74 634	232 549	178 544	54 005	30%	357 087
Executive and council		182 907	182 785	182 785	60 623	136 784	91 393	45 392	50%	182 785
Finance and administration		168 122	174 302	174 302	14 012	95 764	87 151	8 613	10%	174 302
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		16 233	12 328	12 328	198	7 656	6 164	1 492	24%	12 328
Community and social services		15 805	11 777	11 777	19	7 285	5 889	1 396	24%	11 777
Sport and recreation		391	513	513	176	353	257	96	37%	513
Public safety		-	-	-	-	-	-	-	-	-
Housing		37	38	38	3	19	19	0	0%	38
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		65 764	54 114	54 114	513	27 188	27 057	131	0%	54 114
Planning and development		3 878	3 931	3 931	28	1 579	1 965	(387)	-20%	3 931
Road transport		61 885	50 184	50 184	485	25 610	25 092	518	2%	50 184
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		14 486	15 973	15 973	1 257	10 499	7 986	2 512	31%	15 973
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 486	15 973	15 973	1 257	10 499	7 986	2 512	31%	15 973
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	447 512	439 503	439 503	76 602	277 892	219 751	58 141	26%	439 503
Expenditure - Functional										
<i>Governance and administration</i>		206 396	211 029	211 029	13 520	97 117	105 515	(8 398)	-8%	211 029
Executive and council		42 240	48 130	48 130	5 361	26 085	24 065	2 019	8%	48 130
Finance and administration		162 862	160 719	160 719	8 048	70 365	80 360	(9 994)	-12%	160 719
Internal audit		1 293	2 180	2 180	110	667	1 090	(423)	-39%	2 180
<i>Community and public safety</i>		64 584	76 515	76 515	5 680	37 418	38 257	(840)	-2%	76 515
Community and social services		26 339	30 189	30 189	2 375	14 390	15 094	(705)	-5%	30 189
Sport and recreation		27 923	36 601	36 601	2 548	18 096	18 300	(205)	-1%	36 601
Public safety		7 528	6 512	6 512	589	3 498	3 256	242	7%	6 512
Housing		2 792	3 213	3 213	168	1 434	1 607	(173)	-11%	3 213
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		128 589	119 226	119 226	10 049	51 989	59 613	(7 624)	-13%	119 226
Planning and development		15 279	21 855	21 855	2 014	10 200	10 928	(728)	-7%	21 855
Road transport		113 310	97 371	97 371	8 035	41 789	48 685	(6 896)	-14%	97 371
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		30 247	42 172	42 172	2 095	15 966	21 086	(5 120)	-24%	42 172
Energy sources		3 984	3 400	3 400	-	-	1 700	(1 700)	-100%	3 400
Water management		-	-	-	-	-	-	-	-	-
Waste water management		645	-	-	-	26	-	26	-	-
Waste management		25 618	38 772	38 772	2 095	15 940	19 386	(3 446)	-18%	38 772
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	429 815	448 943	448 943	31 344	202 489	224 471	(21 982)	-10%	448 943
Surplus/ (Deficit) for the year		17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1698%	(9 440)

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) - Q2 Second Quarter										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		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		182 907	182 012	182 012	60 623	136 784	91 006	45 778	50,3%	182 012
Vote 2 - FINANCIAL SERVICES		160 447	166 371	166 371	13 382	91 907	83 186	8 721	10,5%	166 371
Vote 3 - TECHNICAL SERVICES		68 292	58 562	58 562	1 260	32 232	29 281	2 951	10,1%	58 562
Vote 4 - CORPORATE SERVICES		7 674	7 931	7 931	630	3 858	3 965	(108)	-2,7%	7 931
Vote 5 - COMMUNITY SERVICES		24 312	20 695	20 695	680	11 533	10 348	1 185	11,5%	20 695
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		3 878	3 931	3 931	28	1 579	1 965	(387)	-19,7%	3 931
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	447 512	439 503	439 503	76 602	277 892	219 751	58 141	26,5%	439 503
Expenditure by Vote	1									
Vote 1 - COUNCIL GENERAL		44 125	51 924	51 924	5 472	26 751	25 962	789	3,0%	51 924
Vote 2 - FINANCIAL SERVICES		69 451	52 799	52 799	2 062	17 520	26 400	(8 880)	-33,6%	52 799
Vote 3 - TECHNICAL SERVICES		130 773	122 239	122 239	8 848	49 914	61 120	(11 206)	-18,3%	122 239
Vote 4 - CORPORATE SERVICES		69 445	81 545	81 545	3 874	39 974	40 773	(799)	-2,0%	81 545
Vote 5 - COMMUNITY SERVICES		101 278	121 220	121 220	9 176	58 421	60 610	(2 188)	-3,6%	121 220
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		14 743	19 214	19 214	1 912	9 909	9 607	301	3,1%	19 214
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	429 815	448 943	448 943	31 344	202 489	224 471	(21 982)	-9,8%	448 943
Surplus/ (Deficit) for the year	2	17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1697,6%	(9 440)

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) - Q2 Second Quarter										
Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity	1	-	-	-	-	1	-	1		-
Service charges - Water	-	-	-	-	-	-	-	-		-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-		-
Service charges - Waste management	12 430	14 136	14 136	1 078	9 464	7 068	2 396	34%		14 136
Sale of Goods and Rendering of Services	13 664	7 761	7 761	350	2 911	3 881	(970)	-25%		7 761
Agency services	2 339	2 247	2 247	-	938	1 124	(185)	-16%		2 247
Interest	-	-	-	-	-	-	-			-
Interest earned from Receivables	2 056	1 837	1 837	179	1 035	918	117	13%		1 837
Interest earned from Current and Non Current Assets	14 037	13 000	13 000	624	4 975	6 500	(1 525)	-23%		13 000
Dividends	-	-	-	-	-	-	-			-
Rent on Land	-	-	-	-	-	-	-			-
Rental from Fixed Assets	7 340	7 644	7 644	636	3 836	3 822	14	0%		7 644
Licence and permits	7	10	10	-	10	5	5	106%		10
Special rating levies	-	-	-	-	-	-	-			-
Operational Revenue	484	501	501	1 574	1 715	250	1 465	585%		501
Non-Exchange Revenue										
Properly rates	129 634	137 803	137 803	9 893	77 019	68 901	8 118	12%		137 803
Surcharges and Taxes	-	-	-	-	-	-	-			-
Fines, penalties and forfeits	1 330	1 603	1 603	0	524	801	(277)	-35%		1 603
Licence and permits	3 104	3 272	3 272	383	1 805	1 636	169	10%		3 272
Transfer and subsidies - Operational	203 943	200 570	200 570	60 617	145 968	100 285	45 683	45%		200 570
Interest	14 456	12 658	12 658	1 265	7 347	6 329	1 018	16%		12 658
Fuel Levy	-	-	-	-	-	-	-			-
Operational Revenue	-	-	-	-	-	-	-			-
Gains on disposal of Assets	(109)	-	-	-	-	-	-			-
Other Gains	(808)	-	-	-	-	-	-			-
Discontinued Operations	-	-	-	-	-	-	-			-
Total Revenue (excluding capital transfers and		403 908	403 041	403 041	76 602	257 549	201 521	-		403 041
Expenditure By Type										
Employee related costs	162 243	177 968	177 968	14 907	96 556	88 984	7 572	9%		177 968
Remuneration of councillors	16 853	18 539	18 539	1 419	8 866	9 270	(404)	-4%		18 539
Bulk purchases - electricity	-	-	-	-	-	-	-			-
Inventory consumed	6 145	7 500	7 500	277	2 955	3 750	(795)	-21%		7 500
Debt impairment	(263)	7 280	7 280	-	(8 440)	3 640	(12 080)	-332%		7 280
Depreciation and amortisation	49 764	42 917	42 917	3 524	21 103	21 458	(355)	-2%		42 917
Interest	1 178	2 367	2 367	-	2	1 184	(1 181)	-100%		2 367
Contracted services	107 543	120 965	120 965	9 013	39 318	60 483	(21 165)	-35%		120 965
Transfers and subsidies	3 309	4 769	4 769	100	1 148	2 384	(1 237)	-52%		4 769
Irrecoverable debts written off	26 419	-	-	-	8 418	-	8 418			-
Operational costs	56 497	66 637	66 637	2 105	32 562	33 318	(756)	-2%		66 637
Losses on Disposal of Assets	127	-	-	-	-	-	-			-
Other Losses	-	-	-	-	-	-	-			-
Total Expenditure		429 815	448 943	448 943	31 344	202 489	224 471	(21 982)	-10%	448 943
Surplus/(Deficit)		(25 908)	(45 901)	(45 901)	45 258	55 060	(22 951)	21 982	(0)	(45 901)
Transfers and subsidies - capital (monetary allocations)	43 519	36 462	36 462	-	20 343	18 231	2 112	0		36 462
Transfers and subsidies - capital (in-kind)	85	-	-	-	-	-	-			-
Surplus/(Deficit) after capital transfers & contributions		17 696	(9 440)	(9 440)	45 258	75 403	(4 720)			(9 440)
Income Tax	-	-	-	-	-	-	-			-
Surplus/(Deficit) after income tax		17 696	(9 440)	(9 440)	45 258	75 403	(4 720)			(9 440)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-			-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		17 696	(9 440)	(9 440)	45 258	75 403	(4 720)			(9 440)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		17 696	(9 440)	(9 440)	45 258	75 403	(4 720)			(9 440)

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

The overall actual expenditure incurred is R29,5 million whilst year to date expenditure is sitting at R40,5 million. The overall variance is sitting at 27%. Technical Services Department; the spending on MIG projects is on track.

Planning and Development; The EDTEA Funded project (Umzinto Informal Traders Project) on this project actual spent is R 860 058,93 while year to date budget is sitting at R 434 782,50. The variance is 98%.

Corporate Services; capex has an actual expenditure incurred of R 11,8 million while the year to date budget is sitting at R 24,6 million in the capex funded by municipal own funding. This results in a variance of 52%.

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

KZN212 Umdoni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		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		-	1 647	1 647	-	-	823	(823)	-100%	1 647
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	3 083	3 083	68	68	1 541	(1 474)	-96%	3 083
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		-	870	870	-	860	435	425	98%	870
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	-	5 999	5 999	68	928	2 799	(1 871)	-67%	5 999
Single Year expenditure appropriation	2									
Vote 1 - COUNCIL GENERAL		-	87	87	-	-	43	(43)	-100%	87
Vote 2 - FINANCIAL SERVICES		145	130	130	-	-	65	(65)	-100%	130
Vote 3 - TECHNICAL SERVICES		39 933	55 277	55 277	-	19 048	27 638	(8 590)	-31%	55 277
Vote 4 - CORPORATE SERVICES		5 007	18 652	18 652	18	9 554	9 326	228	2%	18 652
Vote 5 - COMMUNITY SERVICES		4 522	1 087	1 087	25	25	543	(519)	-95%	1 087
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		1 933	87	87	-	-	43	(43)	-100%	87
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	51 540	75 320	75 320	42	28 626	37 660	(9 034)	-24%	75 320
Total Capital Expenditure	3	51 540	80 919	80 919	110	29 554	40 459	(10 905)	-27%	80 919
Capital Expenditure - Functional Classification										
Governance and administration		5 152	10 900	10 900	18	9 554	9 450	104	1%	10 900
Executive and council		-	87	87	-	-	43	(43)	-100%	87
Finance and administration		5 152	18 813	18 813	18	9 554	9 407	147	2%	18 813
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		18 119	18 674	18 674	92	4 870	9 337	(4 467)	-48%	18 674
Community and social services		11 532	15 935	15 935	-	4 777	7 968	(3 190)	-40%	15 935
Sport and recreation		2 608	2 739	2 739	92	92	1 370	(1 277)	-93%	2 739
Public safety		3 978	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		28 168	40 736	40 736	-	12 912	20 368	(7 456)	-37%	40 736
Planning and development		1 933	957	957	-	860	478	382	80%	957
Road transport		26 235	39 779	39 779	-	12 052	19 890	(7 838)	-39%	39 779
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		101	2 609	2 609	-	2 218	1 304	914	70%	2 609
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		101	2 609	2 609	-	2 218	1 304	914	70%	2 609
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	51 540	80 919	80 919	110	29 554	40 459	(10 905)	-27%	80 919
Funded by:										
National Government		36 036	30 836	30 836	-	16 829	15 418	1 411	9%	30 836
Provincial Government		1 884	870	870	-	860	435	425	98%	870
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		37 921	31 706	31 706	-	17 689	15 853	1 837	12%	31 706
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		13 620	49 213	49 213	110	11 865	24 607	(12 742)	-52%	49 213
Total Capital Funding	7	51 540	80 919	80 919	110	29 554	40 459	(10 905)	-27%	80 919

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 - Q2 Second Quarter						
Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		149 379	144 813	144 813	195 339	144 813
Trade and other receivables from exchange transactions		30 643	29 758	29 758	19 718	29 758
Receivables from non-exchange transactions		73 931	115 639	115 639	86 093	115 639
Current portion of non-current receivables			-	-	-	-
Inventory			-	-	-	-
VAT			26 806	26 806	20 747	26 806
Other current assets		147	789	789	147	789
Total current assets		254 100	317 804	317 804	322 045	317 804
Non current assets						
Investments			-	-	-	-
Investment property		7 118	6 815	6 815	6 922	6 815
Property, plant and equipment		638 350	718 427	718 427	667 039	718 427
Biological assets			-	-	-	-
Living and non-living resources			-	-	-	-
Heritage assets		261	261	261	261	261
Intangible assets		36	(19)	(19)	19	(19)
Trade and other receivables from exchange transactions			-	-	-	-
Non-current receivables from non-exchange transactions			-	-	-	-
Other non-current assets			-	-	-	-
Total non current assets		645 766	725 484	725 484	674 240	725 484
TOTAL ASSETS		899 866	1 043 289	1 043 289	996 285	1 043 289
LIABILITIES						
Current liabilities						
Bank overdraft			-	-	-	-
Financial liabilities		33	301	301	344	301
Consumer deposits		2 540	2 526	2 526	2 527	2 526
Trade and other payables from exchange transactions		60 129	171 470	171 470	31 700	171 470
Trade and other payables from non-exchange transactions		11 528	3 255	3 255	33 407	3 255
Provision			3 339	3 339	6 166	3 339
VAT			8 307	8 307	4 549	8 307
Other current liabilities		2 556	-	-	-	-
Total current liabilities		76 785	189 199	189 199	78 694	189 199
Non current liabilities						
Financial liabilities			175	175	89	175
Provision		12 623	26 763	26 763	19 148	26 763
Long term portion of trade payables			-	-	-	-
Other non-current liabilities		35 175	31 207	31 207	27 631	31 207
Total non current liabilities		47 798	58 145	58 145	46 868	58 145
TOTAL LIABILITIES		124 583	247 345	247 345	125 563	247 345
NET ASSETS	2	775 283	795 944	795 944	870 723	795 944
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		791 696	792 581	792 581	821 878	792 581
Reserves and funds		3 587	3 363	3 363	3 587	3 363
Other			-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	795 283	795 944	795 944	825 465	795 944

Table C7: Cash flow

The table below reflects positive cash flow position. The closing balance of cash and cash equivalents as at end of December 2025 is R195,3 million. This is more than the budgeted R181,6 million. Narrations per category are as follows;

Property Rates

Collections are R75,059 million to date are more than the anticipated year to date budget of R58,5 million. Variance is sitting at 28%. Annual ratepayers have paid for their rates for the year. The payment received is more than what was anticipated. It should be noted that the increased collection levels do not necessarily mean that the collection rate has increased by the same percentage. The comparison to the budget in the statement of cash flows is merely based on the projections made during budget preparation period looking at the trend at that time.

Service Charges

The amount collected on service charges amounts to R 7,049 million against the expected R6,9 million. The variance is 2%.

Other Revenue

The variance is due to the anticipated refunds from SARS. The variance here is caused by the monies received under this category and those receipts consists of SARS, insurance refund, INEP receipt and the Public Works payment.

Interest

An amount of R4,9 million was recognised against the expected interest of R6,5 million which results in a variance of 23%.

Transfers and Subsidies - Operational

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

Suppliers and Employees

Payments to suppliers and employees have a variance of 1% this variance is very insignificant.

Transfers and Grants

Actual amount spent on transfers and subsidies paid is R1,1 million against the year-to-date budget of R 3,074 million which results in a variance of 63%.

Capital Assets

Payments are more than the budget because the accelerated spending rate which was more than anticipated.

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.

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

KZN212 Umdoni - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		110 050	117 132	117 132	8 038	75 059	58 566	16 493	28%	117 132
Service charges		9 595	13 818	13 818	827	7 049	6 909	140	2%	13 818
Other revenue		23 240	60 655	60 655	9 329	21 697	30 328	(8 631)	-28%	60 655
Transfers and Subsidies - Operational		251 597	200 570	200 570	61 240	152 629	100 285	52 344	52%	200 570
Transfers and Subsidies - Capital		-	35 462	35 462	11 952	40 644	17 731	22 914	129%	35 462
Interest		16 090	13 000	13 000	624	4 975	6 500	(1 525)	-23%	13 000
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(351 564)	(419 365)	(419 365)	(34 853)	(208 164)	(209 683)	(1 519)	1%	(419 365)
Interest		(1 178)	-	-	-	-	-	-	-	-
Transfers and Subsidies		(3 309)	(6 149)	(6 149)	-	(1 132)	(3 074)	(1 943)	63%	(6 149)
NET CASH FROM/(USED) OPERATING ACTIVITIES		54 520	15 124	15 124	57 158	92 758	7 562	(85 197)	-1127%	15 124
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(51 540)	(88 057)	(88 057)	(2 467)	(46 818)	(44 028)	2 790	-6%	(88 057)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(51 540)	(88 057)	(88 057)	(2 467)	(46 818)	(44 028)	2 790	-6%	(88 057)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		2 981	(72 933)	(72 933)	54 691	45 941	(36 467)			(72 933)
Cash/cash equivalents at beginning:		146 398	218 110	218 110		149 398	218 110			149 398
Cash/cash equivalents at month/year end:		149 379	145 177	145 177		195 339	181 643			76 465

PART 2: SUPPORTING DOCUMENTATION

Table SC1: Material Variances and explanation

KZN212 Umdoni - Supporting Table SC1 Material variance explanations - Q2 Second Quarter				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Property rates	12%	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	34%	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	-23%	It is under performance that was not anticipated	This line item has to be adjusted downward in in an adjustments budget
	Rental of boilers	0%	N/A	N/A
	Fines	-35%	Traffic fines report is being reconciled by the finance department, once reconciled it will then be loaded into the financial system and appear in January	To follow up if the amounts were recognized in December 2025
	Licenses and permits	10%	There has been a significant increase in the licenses and permits that was not anticipated.	This line item has to be adjusted upward in in an adjustments budget
	Agency Fees	-16%	There are payments that has not been received for this item those payments will reflect in January report	This line item has to be adjusted upward in in an adjustments budget
	Operational Revenue	585%	This so huge variance is a result of the insurance refund	This line item has to be adjusted upward in in an adjustments budget
	Interest earned from receivables	13%	The variance is due to the increasing old debt and low collection rate.	This trend will continue due to the high debtors books
	Grants and subsidies	46%	The budget is exceeded due to equitable share received in December and the grants not yet recognised.	On going monitoring to establish that all grant expenditure are recognised.
2	Expenditure By Type			
	Employee Costs	9%	This variance is caused by the payment of bonuses and salary equalisation.	This line item has to be adjusted upward in in an adjustments budget
	Remuneration of Councilors	-4%	This variance is caused by the high percentage increase in the remuneration of Councilors	This line item has to be adjusted downward in in an adjustments budget
	Operational Costs (Other expenditure)	-2%	N/A	N/A
	Debt Impairment	-332%	The variance is caused by the debt write-off	The variance will be monitored every month.
	Depreciation & Asset Impairment	-2%	N/A	N/A
	Inventory Consumed	-21%	Cleaning material and stationery are bought quarterly or as when needed. More will reflect when the payments are made.	The variance will be monitored every month.
	Contracted Services	-35%	There are many projects undergoing SCM processes in this category, expending will reflect when payments are made	The variance will be monitored every month.
	Transfers and Subsidies	-52%	An amount of R 558 681,00 has been budgeted under this category for disaster relief expenses, no spending has been incurred.	The variance will be monitored every month.
3	Capital Expenditure			
	Capital Assets	-27%	There are some projects that are going through SCM processes that will reflect when payment is made.	The variance will be monitored every month.
4	Financial Position			
5	Cash Flow			
6	Measurable performance			
7	Municipal Entities			

Table SC3: Aged Debtors

The municipality is being owed a total amount of R234,7 million, of which the biggest portion is owed by households sitting at R167,3 million.

The second biggest is government departments that are sitting at R36,7 million. Business debtors owing just over R26,3 million.

KZN212 Umdoni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter														
Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts iLo Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
<i>R thousands</i>														
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	13 577	10 412	3 365	3 131	2 226	2 200	10 968	86 565	132 443	105 090	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	6	6	6	-	-	
Receivables from Exchange Transactions - Waste Management	1600	2 853	1 489	414	380	284	303	1 380	9 601	16 104	11 948	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1 284	583	510	569	561	561	3 301	17 682	25 119	22 672	-	-	
Interest on Arrear Debtor Accounts	1810	67	238	133	162	167	183	1 498	44 938	47 436	46 998	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(6 664)	431	273	201	1 081	1 674	1 414	14 849	13 058	19 219	-	-	
Total By Income Source	2000	19 916	13 162	4 754	4 443	4 319	4 921	18 560	173 691	234 766	205 933	-	-	
2024/25 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 383	2 016	924	881	266	287	1 397	28 616	36 772	31 450	-	-	
Commercial	2300	2 327	2 871	567	503	498	391	1 963	17 183	26 303	29 534	-	-	
Households	2400	6 235	8 107	3 230	3 032	3 510	4 215	15 023	124 036	167 388	149 816	-	-	
Other	2500	(28)	169	33	26	42	28	177	3 855	4 303	4 129	-	-	
Total By Customer Group	2600	19 916	13 162	4 754	4 443	4 319	4 921	18 560	173 691	234 766	205 933	-	-	

Table SC4: Aged Creditors

The municipality owes suppliers an amount of R0.00 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 - Q2 Second Quarter											
Description	NT Code	Budget Year 2025/26									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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100										-
Bulk Water	0200										-
PAYE deductions	0300										-
VAT (output less input)	0400										-
Pensions / Retirement deductions	0500										-
Loan repayments	0600										-
Trade Creditors	0700										-
Auditor General	0800										-
Other	0900										-
Medical Aid deductions	0950										-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

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 December 2025. Total cash available was R142,8 million. The cash coverage is 06 months.

KZN212 Umdoni - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - Q2 Second 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 (Rand)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
ABSA :32-3600-6170		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	24 900	116			25 015
ABSA :2081 665 687		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	-				-
ABSA :2081 665 726		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	0				0
FNB :6 222 5155 391		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	25 709	133			25 843
STD BANK :3676 211 6007		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	3 301	18	(18)		3 301
STD BANK 5 876 211 6015		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	2 795	15		18	2 828
STD BANK 0587621160028		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	3 638	20			3 658
STD BANK 0587621160029		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	3 672	20			3 692
STD BAK 0587621160036		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	1 487	8			1 495
STD BANK 0587621160036		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	-				-
STD BANK 0587621160037		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	30 582				30 582
NEDBANK : 788 101775994		No specified	CALL DEPOSIT	Yes		0	No	No	31/12/2025	6 669	38			6 707
NEDBANK : 1768000029		No specified	Fixed deposit	Yes		0	No	No	31/12/2025	39 450	257			39 707
										-				-
Municipality sub-total										142 205	624	(18)	18	142 829

Table SC6: Grants Receipts

All grants that were expected to be received were received. During December 2025. Grants received in December were the following: An amount of R11 952 000 for MIG, R623 000 for EPWP and R890 000 for the INEP.

KZN212 Umdoni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter										
Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:	1,2	200 892	188 016	188 016	62 728	144 340	94 008	50 332	53,5%	188 016
Operational Revenue: General Revenue: Equitable Share	3	182 890	182 765	182 765	60 617	136 769	91 383	45 387	49,7%	182 765
Operational Revenue: General Revenue: Fuel Levy		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side (Schedule 5B)		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)		1 249	1 385	1 385	623	924	693	231	33,4%	1 385
Infrastructure Skills Development Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant (Schedule 5B)		1 900	2 000	2 000	-	2 000	1 000	1 000	100,0%	2 000
Municipal Disaster Grant (Schedule 5B)		14 853	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Municipal Demarcation Transition Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (Schedule 5B)		-	1 866	1 866	598	1 758	933	824	88,3%	1 866
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	-	-	890	2 890	-	2 890	-	-
Municipal Rehabilitation Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Programme and Project Preparation Support Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		10 976	11 554	11 554	-	12 291	5 777	6 514	112,8%	11 554
Specify (Add grant description)		10 976	11 554	11 554	-	12 291	5 777	6 514	112,8%	11 554
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	211 868	199 570	199 570	62 728	156 631	99 785	56 846	57,0%	199 570
Capital Transfers and Grants										
National Government:		39 729	35 462	35 462	11 354	33 393	17 731	15 662	88,3%	35 462
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (Schedule 5B)		38 529	35 462	35 462	11 354	33 393	17 731	15 662	88,3%	35 462
Neighbourhood Development Partnership Grant (Schedule 5B)		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		1 200	-	-	-	-	-	-	-	-
Provincial Government:		-	1 000	1 000	-	6 094	500	5 594	118,9%	1 000
Specify (Add grant description)		-	1 000	1 000	-	1 000	500	500	100,0%	1 000
Specify (Add grant description)		-	-	-	-	5 094	-	5 094	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	39 729	36 462	36 462	11 354	39 487	18 231	21 256	116,6%	36 462
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	251 597	236 032	236 032	74 082	196 118	118 516	78 102	65,9%	236 032

Table SC7: Grants expenditure

The table below reflects expenditure on grants' expenditures as at December 2025. Also, these amounts are inclusive of VAT.

KZN212 Umdoni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		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:		192 510	188 016	188 016	1 078	4 293	94 008	(89 715)	-95,4%	188 016
Operational Revenue:General Revenue:Equitable Share		182 890	182 765	182 765	-	-	91 383	(91 383)	-100,0%	182 765
Operational Revenue:General Revenue:Fuel Levy		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		895	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 249	1 385	1 385	299	1 816	693	1 123	162,2%	1 385
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 900	2 000	2 000	577	1 153	1 000	153	15,3%	2 000
Municipal Disaster Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		3 899	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		1 677	1 866	1 866	201	1 324	933	390	41,8%	1 866
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Programme and Project Preparation Support Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		10 976	12 554	12 554	1 193	8 534	6 277	2 257	36,0%	12 554
Specify (Add grant description)		-	1 000	-	-	-	500	(500)	-100,0%	1 000
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		10 976	11 554	12 554	1 193	8 534	5 777	2 757	47,7%	11 554
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		203 486	200 570	200 570	2 271	12 827	100 285	(87 458)	-87,2%	200 570
Capital expenditure of Transfers and Grants										
National Government:		41 427	35 462	35 462	-	20 775	17 731	3 044	17,2%	35 462
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	1 421	-	1 421	-	-
Municipal Infrastructure Grant [Schedule 5B]		36 852	35 462	35 462	-	19 354	17 731	1 623	9,2%	35 462
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		4 575	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		2 092	1 000	1 000	-	6 084	500	5 584	1116,7%	1 000
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		2 092	-	-	-	5 094	-	5 094	-	-
SMALL TOWN REHABILITATION GRANT		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
UPGRADE OF UMZINTO INFORMAL TRADERS STALLS		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	1 000	1 000	-	989	500	489	97,8%	1 000
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		43 519	36 462	36 462	-	26 859	18 231	8 628	47,3%	36 462
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		247 005	237 032	237 032	2 271	39 686	118 516	(78 830)	-66,5%	237 032

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 December 2025 is R105,4 million.

KZN212 Umdoni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter										
Summary of Employee and Councillor remuneration	Ref	2024/25			Budget Year 2025/26					
		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)										
Basic Salaries and Wages		14 939	16 158	16 158	1 253	7 871	8 079	(208)	-3%	16 158
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		287	593	593	33	191	297	(106)	-36%	593
Cellphone Allowance		1 627	1 788	1 788	133	804	894	(90)	-10%	1 788
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		16 853	18 539	18 539	1 419	8 866	9 270	(404)	-4%	18 539
% increase	4		10,0%	10,0%						10,0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	5 192	6 007	6 007	464	2 746	3 003	(258)	-9%	6 007
Pension and UIF Contributions		10	13	13	1	7	6	0	3%	13
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		27	366	366	19	95	183	(88)	-48%	366
Cellphone Allowance		37	57	57	7	45	28	17	60%	57
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	1	0	0	1	(0)	-20%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarify		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 266	6 443	6 443	491	2 893	3 222	(328)	-10%	6 443
% increase	4		22,4%	22,4%						22,4%
Other Municipal Staff										
Basic Salaries and Wages		98 582	109 260	109 260	9 884	60 807	54 630	6 177	11%	109 260
Pension and UIF Contributions		16 448	20 095	20 095	1 595	10 056	10 047	9	0%	20 095
Medical Aid Contributions		7 419	8 007	8 007	745	4 252	4 003	249	6%	8 007
Overtime		16 380	11 947	11 947	1 649	8 517	5 973	2 544	43%	11 947
Performance Bonus		7 299	9 022	9 022	256	8 341	4 511	3 831	85%	9 022
Motor Vehicle Allowance		106	78	78	-	-	39	(39)	-100%	78
Cellphone Allowance		236	249	249	25	139	125	15	12%	249
Housing Allowances		521	1 967	1 967	44	261	983	(722)	-73%	1 967
Other benefits and allowances		1 496	3 337	3 337	6	3	1 669	(1 665)	-100%	3 337
Payments in lieu of leave		2 567	1 800	1 800	2	596	900	(304)	-34%	1 800
Long service awards		1 608	1 485	1 485	-	-	743	(743)	-100%	1 485
Post-retirement benefit obligations	2	4 316	4 278	4 278	209	689	2 139	(1 449)	-68%	4 278
Entertainment		-	-	-	-	-	-	-	-	-
Scarify		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		156 977	171 525	171 525	14 416	93 663	85 762	7 901	9%	171 525
% increase	4		9,3%	9,3%						9,3%
Total Parent Municipality		179 096	196 507	196 507	16 325	105 422	98 254	7 168	7%	196 507
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Other Staff of Entities										
% increase	4									
Total Municipal Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS		179 096	196 507	196 507	16 325	105 422	98 254	7 168	7%	196 507
% increase	4		9,7%	9,7%						9,7%
TOTAL MANAGERS AND STAFF		162 243	177 968	177 968	14 907	96 556	88 984	7 572	9%	177 968

Key Financial Ratios and Analysis

Current Ratio

	4,09
Current Assets	322 045 013
Current Liabilities	78 694 482

Comment:

The ratio of 4,09:1 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	52 510 279
Unspent Conditional Grants	32 083 201
Overdraft	-
Short Term Investments	142 828 778
Total Annual Operational Expenditure	398 745 664

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 five months. The current ratio and this ratio are favourable depicting sound cash management and application of prudent principles.

Collection Ratio

Gross Debtors closing balance	236 470 874
Gross Debtors opening balance	220 428 164
Bad debts written Off	-
Billed Revenue	99 684 272

Comment:

The ratio is 84% which is below the 95% norm. Due to the weakening economy customers are struggling to pay.

Net Debtors Collection Days Ratio

Gross debtors	236 470 874
Bad debts Provision	124 719 494
Billed Revenue	99 684 272

Comment:

The ratio of 409 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.

Creditors Payment Days Ratio

	27 days
Trade Creditors	7 703 620
Contracted Services	31 899 195
Repairs and Maintenance	7 418 567
General expenses	32 562 429
Bulk Purchases	2 955 469
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	29 554 220

Comment:

The ratio of 27 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 December 2025. Total amount spent to date equals to R7,4 million against the expected budget of R 22,1 million. The variance is sitting at 66,6%. The maintenance of some assets is corrective maintenance rather than preventative maintenance. There are many projects undergoing SCM processes expenditure will reflect when payments are made.

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

KZN212 Umdoni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q2 Second										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		41 812	31 640	31 640	2 130	4 470	15 820	(11 350)	-71,7%	31 640
Roads Infrastructure		2 252	3 140	3 140	-	956	1 570	(814)	-39,1%	3 140
Roads		2 252	3 140	3 140	-	956	1 570	(814)	-39,1%	3 140
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3 393	2 500	2 500	-	-	1 250	(1 250)	-100,0%	2 500
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		2 157	2 500	2 500	-	-	1 250	(1 250)	-100,0%	2 500
Capital Spares		1 236	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		36 167	26 000	26 000	2 130	3 514	13 000	(9 486)	-73,0%	26 000
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		36 167	26 000	26 000	2 130	3 514	13 000	(9 486)	-73,0%	26 000
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1 199	2 673	2 673	137	559	1 337	(778)	-58,2%	2 673
Community Facilities		580	1 827	1 827	-	180	914	(734)	-80,3%	1 827
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		189	252	252	-	-	126	(126)	-100,0%	252
Cemeteries/Crematoria		-	315	315	-	-	158	(158)	-100,0%	315
Police		-	-	-	-	-	-	-	-	-
Parks		-	400	400	-	-	200	(200)	-100,0%	400
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		307	360	360	-	180	180	-	-	360
Public Abortion Facilities		84	500	500	-	-	250	(250)	-100,0%	500
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		819	846	846	137	379	423	(44)	-10,5%	846
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		819	846	846	137	379	423	(44)	-10,5%	846
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		4 921	4 050	4 050	175	1 121	2 025	(904)	-44,6%	4 050
Operational Buildings		4 921	4 050	4 050	175	1 121	2 025	(904)	-44,6%	4 050
Municipal Offices		4 921	4 050	4 050	175	1 121	2 025	(904)	-44,6%	4 050
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Computer Equipment		-	24	24	-	-	12	(12)	-100,0%	24
Computer Equipment		-	24	24	-	-	12	(12)	-100,0%	24
Furniture and Office Equipment		-	29	29	-	-	14	(14)	-100,0%	29
Furniture and Office Equipment		-	29	29	-	-	14	(14)	-100,0%	29
Machinery and Equipment		1 082	2 843	2 843	24	835	1 422	(587)	-41,3%	2 843
Machinery and Equipment		1 082	2 843	2 843	24	835	1 422	(587)	-41,3%	2 843
Transport Assets		2 186	3 130	3 130	29	434	1 565	(1 131)	-72,3%	3 130
Transport Assets		2 186	3 130	3 130	29	434	1 565	(1 131)	-72,3%	3 130
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	51 200	44 389	44 389	2 496	7 419	22 194	14 776	66,6%	44 389

QUALITY CERTIFICATE

I, WEST THAMISANQA GUMEDE (Full Names), the Municipal Manager of Umdoni Municipality hereby certify that the Section 52d Report for the Quarter ended 31st December 2025 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 W.T. GUMEDE

ACTING MUNICIPAL MANAGER

28/01/2026
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 2025/26 FY Q2

	Date	Ukey	Item description	Amount before virement	Amount after virement	Virement Amount	Comments
Virement 3	12-Aug-25	20210317001257	Expenditure: Contracted Services:Contractors:Maintenance of Equipment	300 000,00	229 038,00	(70 962,00)	This virement will not result in adjustment to the approved
Virement 3	12-Aug-25	20230228051570	Expenditure: Operational Cost: Management Fee	2 000 000,00	2 070 962,00	70 962,00	SDBIP. The virement is made
Virement 4	26-Sep-25	20210802065995	Expenditure: Contracted Services:Contractors:Maintenance of Unspecified Assets	700 000,00	434 000,00	(266 000,00)	This virement will not result in adjustment to the approved
Virement 4	26-Sep-25	20210802065986	Expenditure: Contracted Services:Contractors:Maintenance of Equipment	400 000,00	666 000,00	266 000,00	SDBIP. The virement is made in line with our virement
Virement 5	17-Dec-25	20230719004712	Expenditure: Operational Cost: Wet Fuel	6 850 000,00	6 650 000,00	(200 000,00)	This virement will not result in
Virement 5	17-Dec-25	20251125134417	Expenditure: Operational Cost: Hire Charges	-	200 000,00	200 000,00	adjustment to the approved
Virement 6	19-Dec-25	20210802065926	Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management	90 000,00	45 000,00	(45 000,00)	This virement will not result in adjustment to the approved
Virement 6	19-Dec-25	20220719996220		150 000,00	195 000,00	45 000,00	SDBIP. The virement is made in line with our virement
Virement 7	11-Nov-25	20250227065301	Expenditure: Contracted Services: Consultants and Professional Services: Legal Cost: Legal Advice and Litigation	450 000,00	350 000,00	(100 000,00)	This virement will not result in adjustment to the approved
Virement 7	11-Nov-25	20210317001262	Expenditure: Operational Cost: Registration Fees: Seminars, Conferences, Workshops and Events: National	-	100 000,00	100 000,00	SDBIP. The virement is made in line with our virement
Virement 8	18-11-2025	20220719996154	Expenditure: Contracted Services: Outsourced Services: Clearing and Grass Cutting Services	4 050 000,00	3 600 000,00	(450 000,00)	This virement will not result in adjustment to the approved
Virement 8	18-11-2025	20170623001203	Expenditure: Employee Related Cost: Municipal Staff: Salaries, Wages and Allowances: Basic Salary and Wages	10 368 921,00	10 818 921,00	450 000,00	SDBIP. The virement is made in line with our virement policy (Section 7.3.11 of
Virement 10	21-11-2025	20210317001108	Expenditure: Contracted Services: Outsourced Services: Security Services	18 000 000,00	17 850 000,00	(150 000,00)	This virement will not result in adjustment to the approved
Virement 10	21-11-2025	20251124105724	Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management	-	150 000,00	150 000,00	SDBIP. The virement is made in line with our virement policy (Section 7.3.11 of

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

From	Virement 11	25-11-2025	20230719004712	Expenditure:Operational Cost:Wet Fuel	7 000 000,00	6 850 000,00	(150 000,00)	This virement will not result in adjustment to the approved
To	Virement 11	25-11-2025	20251125134417	Expenditure:Operational Cost:Hire Charges	200 000,00	350 000,00	150 000,00	
From	Virement 12	2-Dec-25	20210317001257	Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Workshops and Events:National	229 038,00	199 038,00	(30 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made in line with our virement
To	Virement 12	2-Dec-25	20190723112040	Expenditure:Contracted Services:Contractors:Catering Services	-	30 000,00	30 000,00	
From	Virement 13	3-Dec-25	20220617012177	Expenditure:Contracted Services:Contractors:Catering Services	500 000,00	471 000,00	(29 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made in line with our virement
To	Virement 13	3-Dec-25	20230228051553	Expenditure:Contracted Services:Contractors:Catering Services	50 000,00	79 000,00	29 000,00	
From	Virement 14	3-Dec-25	20220719996218	Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Workshops and Events:National	270 000,00	244 000,00	(26 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made in line with our virement
To	Virement 14	3-Dec-25	20230228051553	Expenditure:Contracted Services:Contractors:Catering Services	50 000,00	76 000,00	26 000,00	
From	Virement 15	3-Dec-25	20230719004660	Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	270 000,00	120 000,00	(150 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made in line with our virement
To	Virement 15	3-Dec-25	20220719996220	Expenditure:Contracted Services:Contractors:Sports and Recreation	-	150 000,00	150 000,00	
From	Virement 16	3-Dec-25	20190723112359	Expenditure:Transfers and Subsidies:Operational:Monetary Allocations:Non-profit institutions:Public Schools:Section 20 Schools	200 000,00	40 000,00	(160 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made in line with our virement policy(Section 7.3.11of
To	Virement 16	3-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	1 200 000,00	1 360 000,00	160 000,00	
From	Virement 17	3-Dec-25	20230719004590	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Project Management	305 000,00	199 000,00	(106 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made in line with our virement policy(Section 7.3.11of
To	Virement 17	3-Dec-25	20170623000778	Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodation	1 360 000,00	1 466 000,00	106 000,00	
From	Virement 18	8-Dec-25	20210317001243	Expenditure:Operational Cost:Bursaries (Employees)	450 000,00	340 000,00	(110 000,00)	This virement will not result in adjustment to the approved
To	Virement 18	8-Dec-25	20200311041494	Expenditure:Operational Cost:Hire Charges	-	110 000,00	110 000,00	
From	Virement 19	24-Oct-25	20190723112043	Expenditure:Contracted Services:Contractors:Gas	80 000,00	60 000,00	(20 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made
To	Virement 19	24-Oct-25	20210317001133	Expenditure:Contracted Services:Contractors:Sports and Recreation	-	20 000,00	20 000,00	
From	Virement 20	24-Oct-25	20190723112043	Expenditure:Contracted Services:Contractors:Gas	60 000,00	50 000,00	(10 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made
To	Virement 20	24-Oct-25	20251029103710	Expenditure:Contracted Services:Contractors:Sports and Recreation	-	10 000,00	10 000,00	
From	Virement 21	28-Oct-25	20200311041483	Expenditure:Operational Cost:Travel and Subsistence:Domestic:Accommodation	50 000,00	-	(50 000,00)	This virement will not result in adjustment to the approved SOBIP. The virement is made in line with our virement
To	Virement 21	28-Oct-25	20200311041538	Expenditure:Contracted Services:Contractors:Sports and Recreation	50 000,00	100 000,00	50 000,00	

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

From	Virement 22	5-Dec-25	20170623000309	Expenditure:Operational Cost:Ward Committees	2 225 600,00	1 735 600,00	(490 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made
To	Virement 22	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	1 466 000,00	1 956 000,00	490 000,00	
From	Virement 23	5-Dec-25	20200311041462	Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	72 000,00	37 518,00	(34 482,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement
To	Virement 23	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	1 956 000,00	1 990 482,00	34 482,00	
From	Virement 24	5-Dec-25	20230719004662	Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	90 000,00	69 000,00	(21 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement
To	Virement 24	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	1 990 482,00	2 011 482,00	21 000,00	
From	Virement 25	5-Dec-25	20190723112359	Expenditure:Transfers and Subsidies:Operational:Monetary Allocations:Non-profit institutions:Public Schools:Section 20 Schools	40 000,00	3 000,00	(37 000,00)	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
To	Virement 25	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	2 011 482,00	2 048 482,00	37 000,00	
From	Virement 26	5-Dec-25	20250715031677	Expenditure:Operational Cost:Hire Charges	150 000,00	73 000,00	(77 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made
To	Virement 26	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	2 048 482,00	2 125 482,00	77 000,00	
From	Virement 27	5-Dec-25	20210317001238	Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	25 000,00	1 000,00	(24 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement
To	Virement 27	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	2 125 482,00	2 149 482,00	24 000,00	
From	Virement 28	5-Dec-25	20210317001237	Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	50 000,00	25 000,00	(25 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement
To	Virement 28	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	2 149 482,00	2 174 482,00	25 000,00	
From	Virement 29	5-Dec-25	20240310026224	Expenditure:Operational Cost:Hire Charges	25 000,00	1 500,00	(23 500,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made
To	Virement 29	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	2 174 482,00	2 197 982,00	23 500,00	
From	Virement 30	5-Dec-25	20230719004714	Expenditure:Operational Cost:Hire Charges	90 000,00	36 000,00	(54 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made
To	Virement 30	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	2 197 982,00	2 251 982,00	54 000,00	
From	Virement 31	5-Dec-25	20240310026226	Expenditure:Transfers and Subsidies:Operational:Monetary Allocations:Non-profit institutions:Public Schools:Section 20 Schools	200 000,00	165 000,00	(35 000,00)	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
To	Virement 21	5-Dec-25	20170623000778	Expenditure:Contracted Services:Contractors:Sports and Recreation	2 251 982,00	2 286 982,00	35 000,00	
From	Virement 32	17-Dec-25	20230228051584	Expenditure:Transfers and Subsidies:Operational:Monetary Allocations:Households:Social Security Payments:Social Assistance:Grant In Aid	100 000,00	48 700,00	(51 300,00)	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
To	Virement 32	17-Dec-25	20210317001294	Expenditure:Operational Cost:Hire Charges	333 000,00	384 300,00	51 300,00	
From	Virement 33	17-Dec-25	20220617012201	Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Workshops and Events:National	471 000,00	421 000,00	(50 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement
To	Virement 33	17-Dec-25	20220617012177	Expenditure:Contracted Services:Contractors:Catering Services	54 000,00	104 000,00	50 000,00	
From	Virement 34	17-Dec-25	201726233000777	Expenditure:Contracted Services:Contractors:Maintenance of Equipment	30 000,00	13 000,00	(17 000,00)	This virement will not result in adjustment to the approved SDBIP. The virement is made
To	Virement 34	17-Dec-25	20210317001294	Expenditure:Operational Cost:Hire Charges	333 000,00	350 000,00	17 000,00	

ANNEXURE C

UMDONI MUNICIPALITY



QUARTERLY REPORT TO THE MUNICIPAL COUNCIL IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY

(As per Section 6(1) (3) of the Municipal SCM Regulations)

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1. Introduction

In terms of clause 6(1) (3) of the Municipal Supply Chain Management Regulations, 2005, which deals with the Oversight role of a Council of a municipality or board of directors of municipal entity:

- (1) The council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.
- (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.

2. SCM Policy & Procedures

2.1 Adoption of Policy by Council

The SCM Policy was adopted by Council on 20 May 2024

2.2 SCM Procedures

The SCM Procedure Manual was last reviewed in 2021 to align it to mSCOA.

2.3 Delegations

SCM delegations are in place as per the last approved Council delegations.

2.4 Infrastructure Procurement

Council adopted the Infrastructure Procurement and Delivery Management Policy to improve procurement processes.

3. Functioning of the SCM Unit

3.1 SCM Structure:

An approved Structure is in place and all positions are filled.

3.2 Declaration of Interest:

All SCM Personnel declared their interests for the 2024/2025 financial year.

3.3 Code of Conduct for SCM Practitioners:

All SCM Personnel signed the Code of Conduct.

3.4 Training of SCM Personnel:

All SCM Personnel been trained and workshopped in all SCM related documents.

4. Functioning of Bid Committees

4.1 Bid Committees have been constituted in line with Regulations 27, 28 & 29.

4.2 Infrastructure Committees aligned with Infrastructure Delivery Management System (IDMS).

4.3 Bid Committee Terms of Reference in place.

4.4 12 Bid Committee Meetings held during the reporting period (July-Sept).

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

5. Reporting Items

5.1 Deviations

5.1.1 Section 114 (Approval of tenders not recommended)

Date of Award	Bid No.	Description of Goods/Services/Works	Award Value	BEC Recommendation	BAC Recommendation	Reason for Deviation	Notifications		
							AG	PT	NT
None									

5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)

Date of Award	Contract Description	Award Value	Service Provider	Name of Contract Owner (Department / Municipality)	Consent obtained from Organ of State and Service Provider		Reason for Deviation	PT Decision	
					Yes	No		Approved	Not Approved
None									

5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

Description of Goods/Services/Works	Date of Award	Awarded To	Award Value	Reason for Deviation	Date reported to Council
OPERATION AND MAINTENANCE OF HUMBERDALE LASNFILL SITE	AUG 2025	LIANA CONSULTING	R2 827 850	The tender process to appoint a contractor for 36 months has not concluded. Due to the permit	

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

Description of Goods/Services/Works	Date of Award	Awarded To	Award Value	Reason for Deviation	Date reported to Council
				conditions 17.15 compulsory for daily operations, failing which this can contribute to non-compliant which will result in a fine of R10 million. In addition daily operations ensures waste is compacted and covered ensuring the municipality does not run out of airspace which will lead to no facility to dispose waste.	
PAYMENT TO INSIDE DATA NORTH FOR EMAIL, PRINTING & POSTAGE OF DEBTORS STATEMENTS & NOTICES	AUG 2025	INSIDEDATA NORTH	R240 000	Request for a 3 month extension as the matter is currently with bid adjudication whilst the process is being finalised, we need to ensure business continuity and postage of statements, letter of demand etc.	
PAYMENT TO GEODEBT FOR CREDIT CONTROL & DEBT COLLECTION SOFTWARE FROM JULY TO DEC 2025	AUG 2025	GEODEBT SOLUTIONS	R150 000	Extension of contract is requested for credit control & debt collection software whilst the upgrade of the financial system is being finalised. This is to ensure that the unit continue with legal proceedings of issuing of letter of demands, notices etc.	
ACCOMMODATION IN CAPE TOWN FOR NETBALL PLAYERS	AUG 2025	ADVENTURE TRAVEL	R152 961.5	The request was received in a period which did not allow SCM to advertise for service providers to bid which is 7 days. Therefore deviation is requested to book the accommodation.	
REPAIRS TO ELECTRIC DAMAGED CABLES-ACACIA BLOCK RSP	AUG 2025	ELECTROMASTER	R99 475	For a service provider to be urgently called to fix all electrical switches, plug points that are tripping leading to water taps shocking causing a death threats.	
PAYMENT TO SONGIYA WEALTH FOR INSURANCE PREMIUMS FOR NEW TRUCKS	SEP 2025	SONGIYA WEALTH	R413 490.55	Due to instabilities of the municipality, we were unable to renew or start and finalise the appointment of the new service provider. Due to the expiry of the contract of the existing service provider. The municipality is exposed to high risks. I request the appointment of a service provider for a period of 1 (one) year to have enough to start and finalise the	

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

Description of Goods/Services/Works	Date of Award	Awarded To	Award Value	Reason for Deviation	Date reported to Council
				proper process to appoint the service provider for insurance.	
REQUEST TO TOW GRADER NX 37009 FROM MISTAKEN FARM	SEP 2025	BLACK TAR TOWING	R16 284	Grader NX 37009 is stuck at Mistake farm. The Grader requires to be towed up from this location.	
REQUEST FOR X1 7 SEATERS FOR PUBLIC PARTICIPATION	SEP 2025	ADVENTURE TRAVEL	R49 491.35	Request to hire vehicles to transport officials attending umkhosi womhlanga on the 12th to 14th of September but we request vehicles to be pecked up and available by 10/09/2025 to 17/09/2025, due to request being only approved on the 05/09/2025. We request a deviation from the SCM process.	
TECHNICIAN SERVICE PROVIDER REQUESTED TO CHECK AND REPAIR PLUGS AT MAYOR'S OFFICE AND ILALA BUILDING	SEP 2025	EZAMADLABA HOLDINS	R12 700	There was an emergency when the office of the Mayor, security guard's house and public participation office's electrical plugs paints were affected.	
PAYMENT OF TCS SOFTWARE LICENSE	SEP 2025	TOTAL CLIENT SERVICES LIMITED	R54 000	Software programme to assist with the capture traffic fine & warrant of arrsts for paid & unpaid fines.	
PAYMENT OF TCS SOFTWARE LICENSE TRAFFIC FINE MANAGEMENT	SEP 2025	TOTAL CLIENT SERVICES LIMITED	R52 000	Software programme to assist with the capture traffic fine & warrant of arrsts for paid & unpaid fines.	
PAYMENT OF BLUE FLAG APPLICATION FEE	Oct. 2025	WILDLIFE AND ENVIRONMENT SOCIETY OF SOUTH AFRICA	R 82,477.49	WISSA is the only regulator for the Bblue lag Program I South Africa.	
REQUEST OF PRIVATE INVESTIGATION SERVICE PROVIDER	Oct. 2025	ELIDNA GENESIS CONSULTING	R 200,000.00	The municipality komatsu was stolen/hyjacked on the 27 August 2025. Taking to consideration the urgent of the matter, we request for the deviation from normal SCM processing.	

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

Description of Goods/Services/Works	Date of Award	Awarded To	Award Value	Reason for Deviation	Date reported to Council
PAYMENT TO IMESA FOR IMESA CONFERENCE FOR DELEGATES T MNGUNI AND S XULU	Oct. 2025	IMESA	R 21,600.00	The IMESA conference is a premier event for municipal engineers and technical practitioners providing valuable insight into infrastructure planning, design and service delivery innovations. Attendance will enhance the officials technical knowledge, professional network and exposure to the best practices in municipal engineering. IMESA is also the sole provider of this content.	
HIRE OF 30 TON LANDFILL TRASH COMPACTOR	Oct. 2025	WADYNS TRADING	R 888,375.00	The bid for the 36 months contractor for the operations at the landfill site closed on 19 September 2025. The bid has to go through the various stages until an appointment is made and with the current work stoppage at the municipality, this could further delay the sitting of the committees. We require the above-mentioned plant to ensure we comply with the permit conditions to avoid non-compliance from EDTEA which could lead to a fine of R10 million. In addition compaction of waste ensures we have airspace on site. We require plant for 30 days until process are complete and a service provider is appointed.	
TAXIS TO LIMPOPO FOR KARATE TO BE HIRED	Oct. 2025	MTHO AND NDILE	R 60,000.00	The date to which the request from the Feration was sent and received by sport office, made it impossible for a 7 day advertisement to be done. Therefore this process to deviate is our option in ensuring that the required service is provided.	

5.2 Unauthorized, Irregular, Fruitless & Wasteful Expenditure

- i) Template as per MFMA Circular 68 to be utilized
- ii) Submission of Register to PT
- iii) Report as per KZN Municipal Circular 04 of 2018/19

IRREGULAR EXPENDITURE

Date identified	DESCRIPTION	Reason for irregular	Payment no./ EFT no./ Cheque No.	Supplier	Services Rendered	mSCOA Line Items Segment	End User Department	Amount (inclusive of VAT)
03.10.2025	SECURITY SERVICES PROVISION	NON COMPLIANCE WITH SCM RULES AND REGULATIONS	966408	TAMU SECURITY	SECURITY	OPEX - CONTRACTED SERVICES	COMMUNITY SERVICES	R1 536 637,98
31.10.2025	SECURITY SERVICES PROVISION	NON COMPLIANCE WITH SCM RULES AND REGULATIONS	966666	TAMU SECURITY	SECURITY	OPEX - CONTRACTED SERVICES	COMMUNITY SERVICES	R1 536 637,98
28.11.2025	SECURITY SERVICES PROVISION	NON COMPLIANCE WITH SCM RULES AND REGULATIONS	966812	TAMU SECURITY	SECURITY	OPEX - CONTRACTED SERVICES	COMMUNITY SERVICES	R1 536 637,98
19.12.2025	SECURITY SERVICES PROVISION	NON COMPLIANCE WITH SCM RULES AND REGULATIONS	967065	TAMU SECURITY	SECURITY	OPEX - CONTRACTED SERVICES	COMMUNITY SERVICES	R1 536 637,98

Fruitless & Wasteful Expenditure

<i>Date identified</i>	<i>Date reported to Mayor</i>	<i>Nature of fruitless and wasteful expenditure</i>	<i>Date payment made</i>	<i>Payment no./EFT no/ Cheque No.</i>	<i>Supplier</i>	<i>Amount</i>
25.06.2025		INTEREST	25.06.2025	965700	ESKOM	R2 236.1
30.06.2025		INTEREST	30.06.2025	965747	ESKOM	R189.72
24.07.2025		INTEREST	24.07.2025	965795	ESKOM	R458.07
24.07.2025		INTEREST	24.07.2025	965796	ESKOM	R1 392.95
13.08.2025		INTEREST	13.08.2025	966075	ESKOM	R 2 557.38
04.09.2025		INTEREST	04.09.2025	966260	ESKOM	R1 208.01
26.09.2025		INTEREST	26.09.2025	966343	ESKOM	R1 023.38
22.10.2025		INTEREST	22.10.2025	966506	SARS	R2484,32

5.3 Central Suppliers Database (CSD)

- i) Access / challenges
 - 1. Provincial Treasury provided assistance in loading orders as we were experiencing numerous errors when we tried to do it ourselves..

5.4 Procurement Plan Implementation

- i) The format of the Umdoni Procurement Plan is as per Circular 62 (Annexure B)
- ii) Report on implementation as per KZN Municipal Circular 04 of 2018/19

5.5 Bids Awarded >R100K – October 2025

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

Description of Goods / Service or Works required	Successful bidder	Amount	Purchase order	
			Number	Date issued
SUPPLY AND DELIVERY OF HAND STONES	LEBONDA	R149,990.00	852381	03/10/2025
INSTALL AND REPAIR 12 GARAGE DOORS AND BARGLAR GAURDS AT SCOTTBURGH	PHUMLOKUHLE TRADING	R104,400.00	852374	02/10/2025
HOES AND HOE HANDLES FOR ONE HOME ONE GARDEN PROJECTS	GQOBHOKA CONSTRUCTION (PTY) LTD	R120,000.00	852462	17/10/2025
MODIFICATION OF BIN LIFTERS AND HYDRAULIC SYSTEM FOR REFUSE TRUCK-NX 46751	VUMANI MANUFACTURING (PTY) LTD	R180,341.52	852435	16/10/2025
AGRICULTURAL IMPLEMENTS FOR ONE HOME ONE GARDEN PROJECT	GQOBHOKA CONSTRUCTION (PTY) LTD	R120,000.00	852462	17/10/2025
WORKSHOP TOOLS	JOBENYOSI HOLDINGS	R122,985.50	852472	23/10/2025
11 LAPTOPS	JOBE SALES AND SERVICES	R198,835.00	852430	14/10/2025
SUPPLY AND DELIVERY OF REFUSE BLACK BAGS	THABY INVESTMENTS	R198,875.00	852429	14/10/2025
SUPPLY AND DELIVERY OF BIN LIFTER	VUMANI MANUFACTURING (PTY) LTD	R191,502.60	852479	23/10/2025
7 DESKTOPS	MKHIZEGUMEDE PTY LTD	R133,700.00	852476	23/10/2025
REPAIRS TO FLAT 1 ALOE AND FLAT 10 BAOBAB BLOCK	NQABINI	R116,725.00	852386	6/10/2025

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

Bids Awarded >R100K – November 2025

Description of Goods / Service or Works required	Successful bidder	Amount	Purchase order	
			Number	Date issued
RENOVATION AT KWA CELE HALL	SGWEWU TRADINGS	R147,980.00	852552	05/11/2025
TSHASENI ROAD WARD1 RURAL GRAVEL ROAD UPGRADE 50M CONTRETE STEEP SECTION	CEBUZA CBK (PTY) LTD	R217,747.69	852564	10/11/2025
MABHALA ROAD WARD 4 RURAL GRAVEL UPDRADE 50M CONTRETE STEEP SECTION	MUTSAKA PTY LTD	R280,879.59	852584	13/11/2025
MAKO ROAD WARD 3 RUARAL GRAVEL ROAD UPGRADE 50M CONCRETE STEEP SECTION	JOBENYOSI HOLDINGS	R199,743.27	852583	13/11/2025
SGQOKO ROAD WARD 2 RURAL GRAVEL UPGRADE 50M CONTRETE STEEPSECTION	SHIYANI CONSTRUCTION AND TRADING	R202,583.72	852585	13/11/2025
MAKO ROAD WARD 3 RUARAL GRAVEL ROAD UPGRADE 50M CONCRETE STEEP SECTION	JOBENYOSI HOLDINGS	R199,743.27	852583	13/11/2025
MABHALA ROAD WARD 4 RURAL GRAVEL UPDRADE 50M CONTRETE STEEP SECTION	MUTSAKA PTY LTD	R280,879.59	852584	13/11/2025
ASSESSMENT FOR SECURITY SERVICES ON MUNICIPAL SITES	MOTSILING	R142,830.00	852624	18/11/2025
A4 WHITE PAPER ROTA TRIM	ISIPHETHU PROJECT (PTY) LTD	R190,000.00	852623	18/11/2025
STEEEPHILL WARD 6	NTOBELA'S BUSINESS ENTERPRISE	R226,071.25	852626	18/11/2025
STEEEPHILL WARD 5	MAQHAWE CIVILS ENGINEERING	R275,066.23	852660	21/11/2025
SUPPLY AND DELIVERY OF FAN RAKES	ZOELLE TRADING AND SUPPLIES	R124,752.00	852575	12/11/2025

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

REFUSE BLACK BAGS	GAWOZI ELIHLE TRADING	R130,000.00	852638	20/11/2025
2PLY WHITE TOILET PAPER	GLYCOLESS	R129,500.00	852642	20/11/2025
SERVICING OF THE FOGGING SYSTEM	ELECTROMASTER	R136,275.00	852644	20/11/2025
SKILL DEVELOPMENT : PLUMBING HANDOVER	MJ'S BOYS	R245,000.00	852643	20/11/2025
STEEPHILL IN WARD 19	PHONDOPHISAPHEPHA SECURITY	R216,764.62	852672	25/11/2025
SECURITY SERVICES FOR THE MONTH OF NOVEMBER	TAMU SECURITY	R1,536,637.98	852671	25/11/2025
SANITATION SERVECES FOR UMZINTO	UGU DISTRICT MUNICIPALITY	R402,097.50	852681	27/11/2025

Bids Awarded >R100K – December 2025

Description of Goods / Service or Works required	Successful bidder	Amount	Purchase order	
			Number	Date issued
TAXI FOR SALGA GAMES THLETES	MATHOMBENI PROJECTS	R175,000.00	852701	02/12/2025
REFUSE BLACK BAGS	OPTIMUM PREMIUM SUPPLIES	R271,667.00	852705	03/12/2025
STEEPHILL WARD 9	GOLDCOAST ALUMINIUM	R167,803.75	852719	05/12/2025
STEEPHILL WARD 7	THABY INVESTMENTS	R188,211.19	852720	05/12/2025
CHRISTMAS LIGHT AND DÉCOR	ELECTROMASTER	R235,750.00	852729	05/12/2025
RENOVATIONS AT MAHLAFUNA HALL	AMAGCABA TRADING AND PROJECT	R125,676.00	852747	08/12/2025

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

STEEPHILL WARD 8	UKUKHANYAKWESHABA TRADING	R256,557.00	852721	05/12/2025
RURAL GRAVEL ROAD UPGRADE	AMAPHITHI AB PROJECTS (PTY) LTD	R287,563.00	852781	10/12/2025
RURAL GRAVEL ROAD UPGRADE	LOTHEKI	R206,414.25	852783	10/12/2025
RURAL GRAVEL ROAD UPGRADE	SIBAMNYAMANA ENTERPRISE	R209,045.81	852782	10/12/2025
RURAL GRAVEL ROAD UPGRADE	GOD'S GRACE TRADING PTY LTD	R267,199.22	852784	10/12/2025
SUPPLY AND INSTALLATION OF AIRCONDITIONS	QHUBEKA LIGHTING & BUSINESS	R122,200.00	852737	07/12/2025
STEEPHILL WARD 11	AAA CD PROJECTS PTY LTD	R272,207.25	852791	11/12/2025
BRUSH CUTTER WITH HELMETS AND HARNESS COMPLETE	INKANYEZI BUSINESS SOLUTION	R171,500.00	852819	17/12/2025
INSTALATION AND CONNECTION OF FLOODS LIGHT	NQABINI	R102,062.50	852808	15/12/2025
95 FOOD PARCELS FOR CITIZENS	ZAMAGAWULA TRADING	R180,000.00	852867	23/12/2025
RENOVATIONS AT DUDUDU HALL	AMAGCABA TRADING AND PROJECT	R130,300.00	852860	23/12/2025
INSTALL AND REPAIRS 12 GARAGE DOORS	SHALOM STEEL GLASS	R151,800.00	852855	22/12/2025
MAINTANANCE TO SOCIAL DEVELOPMENT BUILDING	AMAGERILLA ENTERPRISE (PTY) LTD	R148,500.00	852846	19/12/2025

5.6 Municipal Bid Appeals

- i) Bids appealed
NIL

5.7 Contract Management

5.7.1 Contracts Register Statistics

No. of Current Contracts	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
313	3	92

5.7.2 Variations

i) Variations within 15% or 20%

Contract No.	Contract Description	Contract Value	Reasons for Variation	Amount
NONE				

ii) Variations above 15% or 20% (Comply with MFMA S116(3))

Contract No. & Description	Contract Value	Reasons for Variation	Amount	Date Tabled at Council	Date of Notice to Community
NONE					

5.7.3 Supplier Performance Management

Contract no. & Description	Name of Contractor	Date of Supplier performance assessment	Supplier Performance Assessment Report Compiled		Supplier performance assessment / performance rating
			Yes	No	
Bid 11/2021: Supply, install and maintain	GEO DEBT Solutions				Good

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credit control and debt collection system					
Bid 01/2025: Provision of Asset Management Services`	BONAKUDE CONSULTING				Satisfactory
Bid 10/2021: Implementation and delivery of the valuation roll from 01/07/2023 to 30/06/2028	Mills Fitchet				Good
Year 2001: Financial System Support SAMRAS	Altron Bytes				Satisfactory
Bid 24/2015: Provision of banking services for a period of 5 years	Standard Bank				Good
Bid 21/2023:Cash-in-Transit Solution Services	FIDELITY CASH SOLUTIONS				Good

5.8 Logistics / Inventory Management

- i) Policy
- ii) Cycle counts
- iii) Challenges
- iv) Other activities

5.9 Unsolicited Bids

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No
NONE							

5.10 E-Tender Portal

- i) We have access to the E-tender portal and are utilizing this function.

- ii) We struggling with loading awards on e-tender website, we have asked for assistance to no avail from e-tenders administration.

6. Preferential Procurement Policy Framework Act (PPPFA), Regs2022

6.1 Contracts with Pre-Qualification (Regulation 4)

Contract Description	Pre-Qualification Criteria	Award Value	Date of Award
NONE			

6.2 Contracts with Objective Criteria (Section 2(1) (f) PPPF Act)

Contract Description	Objective Criteria	Award Value	Date of Award
313	80/20	R564 060 970.41	

6.3 Contracts above R30 million (Contract Participation Goals) (Regulation 4)

Contract Description	Sub-Contracting Criteria	Award Value	Amount Sub-Contracted	Date of Award
NONE				

7. Local Content Procurement

Contract Description	Designated Sector	% Designated	Award Value	Date of Award	Reporting to DTI
NONE					

8. Risk Management

8.1 Fraud Prevention Plan

A Fraud Prevention Plan is in place.

8.2 Internal Audit Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
NONE			

8.3 Provincial Treasury Assessment Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
NONE			

8.4 Auditor General Findings

Findings Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
0	NONE	N/A	N/A

9. Conclusion

Whilst we have experienced challenges – issues with the CSD and E-tenders, – SCM have, on the whole, performed well this quarter. ...

ANNEXURE D



MSCOA PROGRSS REPORT FOR 2025/26FY

2nd QUARTER OF 2025/26 FY ENDED ON THE 31 December 2025

DECEMBER 31, 2025
UMDONI MUNICIPALITY(KZN212)
MAIN OFFICES, SCOTTBURGH

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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
- mSCOA Circular 15, 09 July 2024
- mSCOA Circular 16, 16 October 2024
-

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

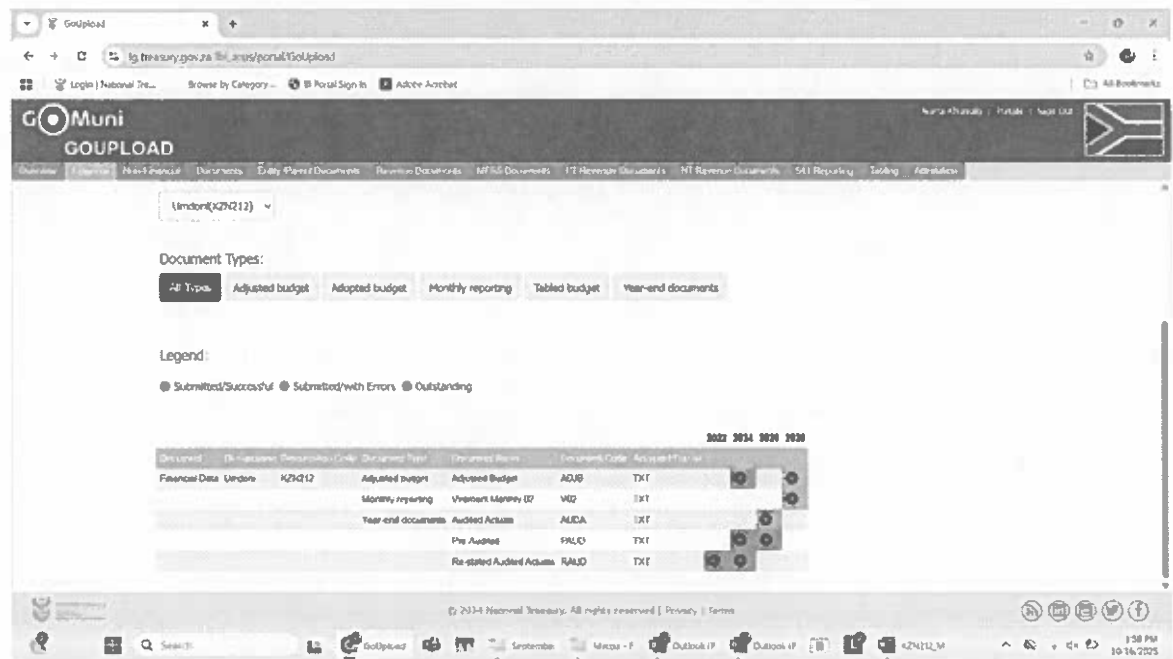
- *Officials attended CFO's forum*

In this quarter, the following officials attended the CFO's forum on the following dates: 16th of October 2025, 26th October 2025 & 09 December 2025.

- 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):



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.

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

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*

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.

Work streams

1. *mSCOA steering committee & project management*

The mSCOA steering committees had been established. The project manager appointed is the Acting Budget manager.

2. *IT infrastructure and network*

The municipality has been experiencing challenges on the network connectivity in whole municipality due to infrastructure related challenges such as capacity & old infrastructure. 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 was completed, of which the results 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 the municipality had adopted the assessment report done and its implementation plan. Currently the network is stable and emails are working.

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, Municipality will conduct a 100% assets verification program in 2025-2026 financial year end. The data-cleansing exercise on debtor is also done & is updated when it's required, there is an improvement on debt collection since this exercise has been completed.

5. *HR and payroll*

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

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

work stream and Provincial Treasury to check whether the system complies with the mSCOA requirements. The job evaluation process is done and the municipality is currently busy finalizing the job moderation and will be completed hopefully end of January, the grading of the Municipality, salary equalisation was implemented and benchmarking is still to be done. The Municipality has revised its organogram is finalized.

Planning (IDP, budget, SDBIP & Performance management)

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. The municipality is in progress of implementing upgraded system called Platinum Quarter and the plan is to migrate beginning of February and Payroll and HR will migrate to Platinum system in March 2025.

6. *Core system and additional systems;*

The Municipality has requested assistance for full assessment of current Financial management system as per circular 80 of MFMA as a result upgraded system called platinum is in progress.

7. *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.

8. *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 2.

ROAD MAP (PROJECT IMPLEMENTATION PLAN) STAGE OF COMPLETION

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

FINANCIAL IMPLICATIONS

The municipality has spent R4.1 million to date for mSCOA Implementation.

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

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE SECOND QUARTER OF 2025/26 FINANCIAL YEAR

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 and will now be implemented in the new financial system.
- 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, in light of challenges that we have with the current financial management system, the full Mscoa assessment is required to ensure that the system of the Municipality is in compliance with circular 80 of MFMA.

RECOMMENDATIONS

It is recommended that Council notes the report.

.....
Mr. Thando Mketsu
Chief Financial Officer

.....
Date

ANNEXURE E



UMDONI MUNICIPALITY
2025/2026 FINANCIAL YEAR_Q2

KZN 212 - ANNEXURE D Total savings disclosure in the in - year and annual report cost						
Cost containment in-year report measures						
Measures	Budget R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000	Savings R'000
Use of Consultants	12 536 500,00	2 546 456,86	2 840 558,11	-	-	7 149 485,03
Vehicle used for political office - bearers	-	-	-	-	-	-
Travel and subsistence.	387 059,00	60 504,01	93 943,74	-	-	232 611,25
Domestic accommodation	1 190 520,00	52 572,44	340 909,94	-	-	797 037,62
Sponsorship, events and catering	2 476 500,00	368 100,86	1 167 171,48	-	-	941 227,66
Communications	315 000,00	-	-	-	-	315 000,00
Other related expenditure items	50 196 928,00	2 165 882,83	10 497 602,00	-	-	37 533 443,17
Total	67 102 507,00	5 193 517,00	14 940 185,27	-	-	46 968 804,73
Cost containment annual report measures						
Cost Containment Measures	Budget R'000	Total expenditure R'000	Savings R'000			
Use of Consultants	12 536 500,00	5 387 014,97	7 149 485,03			
Vehicle used for political office - bearers	-	-	-			
Travel and subsistence.	387 059,00	154 447,75	232 611,25			
Domestic accommodation	1 190 520,00	393 482,38	797 037,62			
Sponsorship, events and catering	2 476 500,00	1 535 272,34	941 227,66			
Communications	315 000,00	-	315 000,00			
Other related expenditure items	50 196 928,00	12 663 484,83	37 533 443,17			
Total	67 102 507,00	20 133 702,27	46 968 804,73			

ANNEXURE F

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/10/2025 to 31/12/2025 (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	
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 : / /2025
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

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/10/2025 to 31/12/2025 (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: / /2025
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.

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