

# **Umdoni Municipality**



## **In-Year Report of the Municipality**

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

## **Quarterly Budget Statement**

**2026(Q1)**

**2025/26 Financial Year**

## TABLE OF CONTENTS

Glossary	3
Executive Summary	4
Quarterly Budget Statement Summary	5
Financial Performance (Standard Classification)	10
Financial Performance (revenue and expenditure by municipal vote)	11
Financial Performance (Revenue and Expenditure)	12
Capital Expenditure (by Municipal Vote)	13
Financial Position	15
Cash Flow	16
<b>PART 2 – SUPPORTING DOCUMENTATION</b>	
Material Variances	18
Debtors' Analysis	19
Creditors Analysis	20
Investment Portfolio Analysis	21
Allocation of grant receipts and expenditure	22
Expenditure on councillors, employees and managers	24
Ratio Analysis	25
Repairs and Maintenance	27
Virements	29
Municipal Manager's Quality Certification	36

## Glossary

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

**Adjustment Budget** – Prescribed in section 28 of the MFMA

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

**Budget** – Financial Plan of the Municipality.

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

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

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

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

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

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

**MBRR** – Local Government Municipal Budget and Reporting Regulations.

**MIG** – Municipal Infrastructure Grant

**MTREF** – Medium Term Revenue and Expenditure Framework.

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

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

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

**Vote** – A department

## SECTION 1 – EXECUTIVE SUMMARY

### 1.1 Introduction

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

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

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

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

The statement must include: -

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

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

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

## Table C1&C4 Quarterly Budget Statement Summary

### Operating Revenue

In terms of financial performance, the actual year-to-date revenue accrued is R140, 7 million against year-to-date budget of 100,7 million giving rise to a variance of 40%. Variance contributing factors are explained in the subheadings of the revenue items.

#### Property Rates

The amount accrued on rates amounts to R47,8 million, against the expected R34,4 million. This has resulted to 39% variance. The variance is caused by the customers who opted for annual debit raising.

#### Refuse Removal

Amount accrued on refuse removal is R5,6 million against the expected R3,5 million. Variance is sitting at 61%. The variance is caused by the customers who opted for annual debit raising.

#### Investment Revenue

This relates to interests received on the call account deposits held. Interest recognised amounts to R1,5 million against the expected R3,2 million. The variance is 52%. This under performance is a result of change in interest rates and is still going to adjust itself during the cause of the financial year.

#### Other Revenue

Rental of facilities and Equipment; R1,9 million has been recognised against the expected budget R 1,9 million. Variance is sitting 1%.

Fines; R330 122,52 has been recognised instead of the expected R 400 701,00 . Variance is 18%. This variance is significant as it is above 10%

Licenses and permits; R872 046,82 has been recognised, and the municipality expected to recognise R 818 034,00. Variance is sitting at 7%. This variance is insignificant as it's below 10%.

Agency Fees; The amount recognised amounts to R 566 553,02 and the municipality expected to recognise R 561 750,00. Variance is sitting at 1%.

Other operational Revenue; R112 008,71 has been recognised instead of the expected R 125 139,00. This category includes general revenue sources like building plan fees, subdivisions revenue, campsite fees and scholar patrol revenue. The variance is 13%. This variance is lower than anticipated because it is still the end of the first quarter it is still going to adjust itself during the course of the financial year.

Interest earned from receivables; R500 913,63 has been accrued instead of the expected R459 231,00. Variance is 9%. The variance is due to the increasing old debt and low collection rate.

#### *Grants and Subsidies*

All the grants have been received. However, in the statement of financial performance only revenue recognised based on conditions met is reported for conditional grants. For unconditional grants, like equitable share the total receipts are reported under this category. The amount recognised to date is R77,1 million instead of the expected R50,1 million. Variance amounts to 54%. The main reason why this variance is so huge is the first trench of equitable share received in July 2025.

#### **Operating Expenditure**

On the operating expenditure, R87,6 million was spent against the year-to-date budget of R112,2 million giving rise to a variance of 22%. Major contributors to this variance are contracted services with a variance of 14,4 million, other bad debt written off with a variance of R10,1 million and other operational expenditure with a variance of 4,7 million.

##### **Employee Costs**

As at end of September 2025 the municipality has spent R44,1 million on employee related costs against the expected R44,4 million. The variance is sitting at 1%.

##### **Remuneration of Councillors**

Amount spent totals to R4,1 million against the year-to-date budget of R4,6 million. Variance is sitting at 10%. This variance is a result of upper limits that has not yet been effected.

##### **Operational cost**

This line item includes all the other operating expenses like accommodation, telephone, electricity, protective clothing, audit fees etc. Expenditure is R11,8 million against budget of R16,6 million. The variance is sitting at 29%. This is due to cost containment measures put in place to ensure that municipality spend with its budget and to avoid deficit with regards to performance statement.

##### **Debt Impairment**

Expenditure is (R8,3 million) against the expected budget of R 1,8 million. The variance is sitting at 560% and is a result of the debt relief programme (debt written-off).

### Depreciation & Asset Impairment

Expenditure is R10,5 million against the expected budget of R10,7 million. The variance is 2%.

### Inventory Consumed

This category includes budget for cleaning material, material for roads maintenance and stationery. Expenditure is R1,068 million against the expected budget of R1,8 million. Variance is sitting at 43%. Cleaning material and stationery are bought quarterly or as when needed.

### Contracted Services

Expenditure is R15,7 million against the year-to-date budget of R30,2 million. Variance is 48%. The variance is at this stage because we have just finished the first quarter. It'll improve as the financial year progresses.

### Transfers and Subsidies

Expenditure is R109 430,90 against the year-to-date budget of R1,1 million the variance is 91%. An amount of R 558 681,00 has been budgeted under this category for disaster relief expenses; no spending has been incurred.

### **Capital Expenditure**

Expenditure is R109 430,90 against the year-to-date budget of R1,1 million the variance is 91%. An amount of R 558 681,00 has been budgeted under this category for disaster relief expenses; no spending has been incurred.

### **CAPITAL EXPENDITURE (VAT EXCLUSIVE)**

<b>Funding</b>	<b>Year-to Date Actual</b>	<b>Year-to Date Budget</b>	<b>Full Year Projection</b>	<b>Percentage Spent to Date</b>
Conditional-MIG Capex	10 860 409,60	7 709 046,00	30 836 174.00	35%
Municipal Disaster Response Grant (Opening Balance)	-	-	10 278 027.55	0%
Small Town Rehabilitation Grant(Opening Balance)	-	-	3 893.56	0%
Conditional-Provincial Grants	606 065,26	217 392,00	869 565,00	70%
Unconditional-Own Funding	9 203 628,11	12 303 261,00	49 213 043.00	19%
<b>TOTAL</b>	<b>20 670 102,97</b>	<b>20 229 699,00</b>	<b>80 918 782.00</b>	<b>26%</b>

**CONDITIONAL OPERATIONAL GRANTS**

<b>Funding</b>	<b>Allocation</b>	<b>Received</b>	<b>Year-to-date Expenditure</b>	<b>Percentage spent to date</b>
MIG -Opex	1 866 400.00	1 159 900,00	567 756,56	30%
EPWP	1 385 000.00	300 869.57	918 351,90	66%
FMG	2000 000.00	2000 000.00	103 935.26	5.2%
INEP	4 451 000.00	2000 000.00	-	0%
Tittle Deeds Restoration Grant(Opening Balance)	587 558.00	-	-	0%
Municipal Employment Initiative(Opening Balance)	31 147.00	-	-	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	-	2 660 065.83	23%

### **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 4.28:1). 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.

	4,28
Current Assets	317 297 881
Current Liabilities	74 077 798

### **Cash Flows**

The municipality ended the month with a positive cash and cash equivalents balance R183,8 million.

## Table C1- Quarterly Budget Statement Summary

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

KZN212 Umdoni - Table C1 Monthly Budget Statement Summary - Q1 First Quarter									
Description R thousands	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
<b>Financial Performance</b>									
Property rates	129 634	137 803	137 803	9 865	47 803	34 451	13 353	39%	137 803
Service charges	12 431	14 136	14 136	1 033	5 686	3 534	2 153	61%	14 136
Investment revenue	14 037	13 000	13 000	547	1 559	3 250	(1 691)	-52%	13 000
Transfers and subsidies - Operational	203 943	200 570	200 570	201	77 125	50 143	26 982	54%	200 570
Other own revenue	43 862	37 532	37 532	2 815	8 572	9 383	(811)	-9%	37 532
<b>Total Revenue (excluding capital transfers and subsidies)</b>	<b>403 908</b>	<b>403 041</b>	<b>403 041</b>	<b>14 461</b>	<b>140 745</b>	<b>100 760</b>	<b>39 985</b>	<b>40%</b>	<b>403 041</b>
Employee costs	162 165	177 968	177 968	14 022	44 131	44 492	(361)	-1%	177 968
Remuneration of Councillors	16 853	18 539	18 539	1 390	4 171	4 635	(464)	-10%	18 539
Depreciation and amortisation	42 286	42 917	42 917	3 524	10 532	10 729	(198)	-2%	42 917
Interest	1 178	2 367	2 367	-	-	592	(592)	-100%	2 367
Inventory consumed and bulk purchases	6 145	7 500	7 500	987	1 068	1 875	(807)	-43%	7 500
Transfers and subsidies	3 309	4 769	4 769	6	109	1 192	(1 083)	-91%	4 769
Other expenditure	194 035	194 882	194 882	1 183	27 663	48 720	(21 057)	-43%	194 882
<b>Total Expenditure</b>	<b>425 971</b>	<b>448 943</b>	<b>448 943</b>	<b>21 112</b>	<b>87 674</b>	<b>112 236</b>	<b>(24 561)</b>	<b>-22%</b>	<b>448 943</b>
<b>Surplus/(Deficit)</b>	<b>(22 064)</b>	<b>(45 901)</b>	<b>(45 901)</b>	<b>(6 651)</b>	<b>53 071</b>	<b>(11 475)</b>	<b>64 547</b>	<b>-562%</b>	<b>(45 901)</b>
Transfers and subsidies - capital (monetary allocations)	43 519	36 462	36 462	-	12 025	9 115	2 909	32%	36 462
Transfers and subsidies - capital (in-kind)	85	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>21 540</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>(6 651)</b>	<b>65 096</b>	<b>(2 360)</b>	<b>67 456</b>	<b>-2858%</b>	<b>(9 440)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>21 540</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>(6 651)</b>	<b>65 096</b>	<b>(2 360)</b>	<b>67 456</b>	<b>-2858%</b>	<b>(9 440)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>51 540</b>	<b>80 919</b>	<b>80 919</b>	<b>857</b>	<b>20 670</b>	<b>20 230</b>	<b>440</b>	<b>2%</b>	<b>80 919</b>
Capital transfers recognised	37 921	31 706	31 706	857	11 466	7 926	3 540	45%	31 706
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13 620	49 213	49 213	-	9 204	12 303	(3 100)	-25%	49 213
<b>Total sources of capital funds</b>	<b>51 540</b>	<b>80 919</b>	<b>80 919</b>	<b>857</b>	<b>20 670</b>	<b>20 230</b>	<b>440</b>	<b>2%</b>	<b>80 919</b>
<b>Financial position</b>									
Total current assets	268 054	317 804	317 804		317 298				317 804
Total non current assets	673 640	725 484	725 484		683 802				725 484
Total current liabilities	79 768	189 199	189 199		74 078				189 199
Total non current liabilities	53 234	58 145	58 145		53 234				58 145
Community wealth/Equity	808 655	795 944	795 944		873 788				795 944
<b>Cash flows</b>									
Net cash from (used) operating	54 176	15 124	15 124	(14 909)	59 023	3 781	(55 242)	-1461%	15 124
Net cash from (used) investing	(50 280)	(88 057)	(88 057)	(2 133)	(24 570)	(22 014)	2 556	-12%	(88 057)
Net cash from (used) financing	(915)	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>149 379</b>	<b>145 177</b>	<b>145 177</b>	<b>-</b>	<b>183 832</b>	<b>199 877</b>	<b>16 044</b>	<b>8%</b>	<b>76 446</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	26 488	5 379	4 717	5 204	3 360	3 083	26 240	160 248	234 721
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

## Table C2: Statement of Financial Performance by Standard Classification

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

KZN212 Umdoni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter										
Description R thousands	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
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		351 029	357 087	357 087	12 304	131 441	89 272	42 169	47%	357 087
Executive and council		182 907	182 785	182 785	1	76 156	45 696	30 459	67%	182 785
Finance and administration		168 122	174 302	174 302	12 303	55 285	43 576	11 710	27%	174 302
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		16 233	12 328	12 328	24	124	3 082	(2 958)	-96%	12 328
Community and social services		15 805	11 777	11 777	8	35	2 944	(2 909)	-99%	11 777
Sport and recreation		391	513	513	13	80	128	(49)	-38%	513
Public safety		-	-	-	-	-	-	-	-	-
Housing		37	38	38	3	9	9	0	0%	38
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		65 764	54 114	54 114	935	15 018	13 529	1 489	11%	54 114
Planning and development		3 878	3 931	3 931	43	1 052	983	69	7%	3 931
Road transport		61 885	50 184	50 184	892	13 966	12 546	1 420	11%	50 184
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		14 486	15 973	15 973	1 198	6 187	3 993	2 194	55%	15 973
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 486	15 973	15 973	1 198	6 187	3 993	2 194	55%	15 973
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	447 512	439 503	439 503	14 461	152 770	109 876	42 894	39%	439 503
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		196 966	211 029	211 029	5 101	40 566	52 757	(12 192)	-23%	211 029
Executive and council		42 240	48 130	48 130	3 366	10 456	12 033	(1 577)	-13%	48 130
Finance and administration		153 433	160 719	160 719	1 587	29 790	40 180	(10 389)	-26%	160 719
Internal audit		1 293	2 180	2 180	148	320	545	(225)	-41%	2 180
<i>Community and public safety</i>		64 584	76 515	76 515	5 623	17 176	19 129	(1 953)	-10%	76 515
Community and social services		26 339	30 189	30 189	2 047	6 570	7 547	(978)	-13%	30 189
Sport and recreation		27 923	36 601	36 601	2 668	8 322	9 150	(829)	-9%	36 601
Public safety		7 528	6 512	6 512	536	1 608	1 628	(21)	-1%	6 512
Housing		2 792	3 213	3 213	372	677	803	(126)	-16%	3 213
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		128 203	119 226	119 226	7 386	22 429	29 807	(7 378)	-25%	119 226
Planning and development		15 279	21 855	21 855	1 142	4 885	5 464	(579)	-11%	21 855
Road transport		112 925	97 371	97 371	6 244	17 544	24 343	(6 799)	-28%	97 371
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		36 218	42 172	42 172	3 002	7 504	10 543	(3 039)	-29%	42 172
Energy sources		3 984	3 400	3 400	-	-	850	(850)	-100%	3 400
Water management		-	-	-	-	-	-	-	-	-
Waste water management		645	-	-	-	26	-	26	-	-
Waste management		31 589	38 772	38 772	3 002	7 478	9 693	(2 215)	-23%	38 772
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	425 971	448 943	448 943	21 112	87 674	112 236	(24 561)	-22%	448 943
<b>Surplus/ (Deficit) for the year</b>		21 540	(9 440)	(9 440)	(6 651)	65 096	(2 360)	67 456	-2858%	(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) - Q1 First Quarter										
Vote Description R thousands	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
<b>Revenue by Vote</b>	1									
Vote 1 - COUNCIL GENERAL		182 907	182 012	182 012	1	76 156	45 503	30 653	67,4%	182 012
Vote 2 - FINANCIAL SERVICES		160 447	166 371	166 371	11 673	53 295	41 593	11 702	28,1%	166 371
Vote 3 - TECHNICAL SERVICES		68 292	58 562	58 562	1 402	18 183	14 641	3 542	24,2%	58 562
Vote 4 - CORPORATE SERVICES		7 674	7 931	7 931	630	1 991	1 983	8	0,4%	7 931
Vote 5 - COMMUNITY SERVICES		24 312	20 695	20 695	712	2 094	5 174	(3 080)	-59,5%	20 695
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		3 878	3 931	3 931	43	1 052	983	69	7,1%	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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	447 512	439 503	439 503	14 461	152 770	109 876	42 894	39,0%	439 503
<b>Expenditure by Vote</b>	1									
Vote 1 - COUNCIL GENERAL		44 125	51 924	51 924	3 514	10 775	12 981	(2 206)	-17,0%	51 924
Vote 2 - FINANCIAL SERVICES		60 100	52 799	52 799	(5 980)	7 497	13 200	(5 703)	-43,2%	52 799
Vote 3 - TECHNICAL SERVICES		136 358	122 239	122 239	8 077	21 527	30 560	(9 033)	-29,6%	122 239
Vote 4 - CORPORATE SERVICES		69 367	81 545	81 545	5 479	16 028	20 386	(4 358)	-21,4%	81 545
Vote 5 - COMMUNITY SERVICES		101 278	121 220	121 220	8 912	27 057	30 305	(3 248)	-10,7%	121 220
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		14 743	19 214	19 214	1 110	4 789	4 804	(15)	-0,3%	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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	425 971	448 943	448 943	21 112	87 674	112 236	(24 561)	-21,9%	448 943
<b>Surplus/ (Deficit) for the year</b>	2	21 540	(9 440)	(9 440)	(6 651)	65 096	(2 360)	67 456	-2858,4%	(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) - Q1 First Quarter										
Description R thousands	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
<b>Revenue</b>										
Exchange Revenue									%	
Service charges - Electricity		1	-	-	-	0	-	0		-
Service charges - Water		-	-	-	-	-	-	-		-
Service charges - Waste Water Management		-	-	-	-	-	-	-		-
Service charges - Waste management		12 430	14 136	14 136	1 033	5 686	3 534	2 152	61%	14 136
Sale of Goods and Rendering of Services		13 664	7 761	7 761	240	688	1 940	(1 252)	-65%	7 761
Agency services		2 339	2 247	2 247	183	567	562	5	1%	2 247
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		2 056	1 837	1 837	165	501	459	42	9%	1 837
Interest earned from Current and Non Current Assets		14 037	13 000	13 000	547	1 559	3 250	(1 691)	-52%	13 000
Dividends		-	-	-	-	-	-	-		-
Rent on Land		-	-	-	-	-	-	-		-
Rental from Fixed Assets		7 340	7 644	7 644	629	1 922	1 911	11	1%	7 644
Licence and permits		7	10	10	-	10	2	8	313%	10
Special rating levies		-	-	-	-	-	-	-		-
Operational Revenue		484	501	501	17	112	125	(13)	-10%	501
<b>Non-Exchange Revenue</b>										
Property rates		129 634	137 803	137 803	9 865	47 803	34 451	13 353	39%	137 803
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		1 330	1 603	1 603	201	330	401	(71)	-18%	1 603
Licence and permits		3 104	3 272	3 272	201	872	818	54	7%	3 272
Transfer and subsidies - Operational		203 943	200 570	200 570	201	77 125	50 143	26 982	54%	200 570
Interest		14 456	12 658	12 658	1 179	3 570	3 164	405	13%	12 658
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue		(261)	-	-	-	-	-	-		-
Gains on disposal of Assets		(109)	-	-	-	-	-	-		-
Other Gains		(548)	-	-	-	-	-	-		-
Discontinued Operations		-	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and</b>		<b>403 908</b>	<b>403 041</b>	<b>403 041</b>	<b>14 461</b>	<b>140 745</b>	<b>100 760</b>	<b>-</b>		<b>403 041</b>
<b>Expenditure By Type</b>										
Employee related costs		162 165	177 968	177 968	14 022	44 131	44 492	(361)	-1%	177 968
Remuneration of councilors		16 853	18 539	18 539	1 390	4 171	4 635	(464)	-10%	18 539
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		6 145	7 500	7 500	987	1 068	1 875	(807)	-43%	7 500
Debt impairment		(1 502)	7 280	7 280	(9 067)	(8 366)	1 820	(10 186)	-560%	7 280
Depreciation and amortisation		42 286	42 917	42 917	3 524	10 532	10 729	(198)	-2%	42 917
Interest		1 178	2 367	2 367	-	-	592	(592)	-100%	2 367
Contracted services		107 543	120 965	120 965	6 050	15 788	30 241	(14 453)	-48%	120 965
Transfers and subsidies		3 309	4 769	4 769	6	109	1 192	(1 083)	-91%	4 769
Irrecoverable debts written off		26 419	-	-	98	8 344	-	8 344	-	-
Operational costs		61 449	66 637	66 637	4 102	11 897	16 659	(4 762)	-29%	66 637
Losses on Disposal of Assets		127	-	-	-	-	-	-		-
Other Losses		-	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>425 971</b>	<b>448 943</b>	<b>448 943</b>	<b>21 112</b>	<b>87 674</b>	<b>112 236</b>	<b>(24 561)</b>	<b>-22%</b>	<b>448 943</b>
<b>Surplus/(Deficit)</b>		<b>(22 064)</b>	<b>(45 901)</b>	<b>(45 901)</b>	<b>(6 651)</b>	<b>53 071</b>	<b>(11 475)</b>	<b>24 561</b>	<b>(0)</b>	<b>(45 901)</b>
Transfers and subsidies - capital (monetary allocations)		43 519	36 462	36 462	-	12 025	9 115	2 909	0	36 462
Transfers and subsidies - capital (in-kind)		85	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>21 540</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>(6 651)</b>	<b>65 096</b>	<b>(2 360)</b>			<b>(9 440)</b>
Income Tax		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after income tax</b>		<b>21 540</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>(6 651)</b>	<b>65 096</b>	<b>(2 360)</b>			<b>(9 440)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>21 540</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>(6 651)</b>	<b>65 096</b>	<b>(2 360)</b>			<b>(9 440)</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>		<b>21 540</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>(6 651)</b>	<b>65 096</b>	<b>(2 360)</b>			<b>(9 440)</b>

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

The overall actual expenditure incurred is R20,6 million whilst year to date expenditure is sitting at R20,2 million. The overall variance is sitting at 2%. 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 606 065,26 while year to date budget is sitting at R 217 392,00. The variance is 179%.

Corporate Services; capex has an actual expenditure incurred of R 9,2 million while the year to date budget is sitting at R 12,3 million in the capex funded by municipal own funding. This results in a variance of 25%.

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

KZN212 Umdoni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First 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									
<u>Multi-Year expenditure appropriation</u>	2									
Vote 1 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - TECHNICAL SERVICES		-	1 647	1 647	-	-	412	(412)	-100%	1 647
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		-	3 083	3 083	-	-	771	(771)	-100%	3 083
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		-	870	870	-	606	217	389	179%	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]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	5 599	5 599	-	606	1 400	(794)	-57%	5 599
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - COUNCIL GENERAL		-	87	87	-	-	22	(22)	-100%	87
Vote 2 - FINANCIAL SERVICES		145	130	130	-	-	33	(33)	-100%	130
Vote 3 - TECHNICAL SERVICES		39 933	55 277	55 277	857	10 860	13 819	(2 959)	-21%	55 277
Vote 4 - CORPORATE SERVICES		5 007	18 652	18 652	-	9 204	4 663	4 541	97%	18 652
Vote 5 - COMMUNITY SERVICES		4 522	1 087	1 087	-	-	272	(272)	-100%	1 087
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		1 933	87	87	-	-	22	(22)	-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]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	51 540	75 320	75 320	857	20 064	18 830	1 234	7%	75 320
<b>Total Capital Expenditure</b>	3	51 540	80 919	80 919	857	20 670	20 230	440	2%	80 919
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		5 152	18 900	18 900	-	9 204	4 725	4 479	95%	18 900
Executive and council		-	87	87	-	-	22	(22)	-100%	87
Finance and administration		5 152	18 813	18 813	-	9 204	4 703	4 500	96%	18 813
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		18 119	18 674	18 674	857	2 607	4 669	(2 062)	-44%	18 674
Community and social services		11 532	15 935	15 935	857	2 607	3 984	(1 377)	-35%	15 935
Sport and recreation		2 608	2 739	2 739	-	-	685	(685)	-100%	2 739
Public safety		3 978	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		28 168	40 736	40 736	-	8 860	10 184	(1 324)	-13%	40 736
Planning and development		1 933	957	957	-	606	239	367	153%	957
Road transport		26 235	39 779	39 779	-	8 254	9 945	(1 691)	-17%	39 779
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		101	2 609	2 609	-	-	652	(652)	-100%	2 609
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		101	2 609	2 609	-	-	652	(652)	-100%	2 609
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	51 540	80 919	80 919	857	20 670	20 230	440	2%	80 919
<u>Funded by:</u>										
National Government		36 036	30 836	30 836	857	10 860	7 709	3 151	41%	30 836
Provincial Government		1 884	870	870	-	606	217	389	179%	870
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparlm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		-	-	-	-	-	-	-	-	-
<i>Transfers recognised - capital</i>		37 921	31 706	31 706	857	11 466	7 926	3 540	45%	31 706
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		13 620	49 213	49 213	-	9 204	12 303	(3 100)	-25%	49 213
<b>Total Capital Funding</b>	7	51 540	80 919	80 919	857	20 670	20 230	440	2%	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 - Q1 First Quarter						
Description R thousands	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>ASSETS</b>	1					
<b>Current assets</b>						
Cash and cash equivalents		149 379	144 813	144 813	183 832	144 813
Trade and other receivables from exchange transactions		17 943	29 758	29 758	22 026	29 758
Receivables from non-exchange transactions		81 869	115 639	115 639	92 376	115 639
Current portion of non-current receivables			—	—	—	—
Inventory			—	—	—	—
VAT		18 717	26 806	26 806	18 916	26 806
Other current assets		147	789	789	147	789
<b>Total current assets</b>		<b>268 054</b>	<b>317 804</b>	<b>317 804</b>	<b>317 298</b>	<b>317 804</b>
<b>Non current assets</b>						
Investments			—	—	—	—
Investment property		7 118	6 815	6 815	7 020	6 815
Property, plant and equipment		666 224	718 427	718 427	676 493	718 427
Biological assets			—	—	—	—
Living and non-living resources			—	—	—	—
Heritage assets		261	261	261	261	261
Intangible assets		36	(19)	(19)	28	(19)
Trade and other receivables from exchange transactions			—	—	—	—
Non-current receivables from non-exchange transactions			—	—	—	—
Other non-current assets			—	—	—	—
<b>Total non current assets</b>		<b>673 640</b>	<b>725 484</b>	<b>725 484</b>	<b>683 802</b>	<b>725 484</b>
<b>TOTAL ASSETS</b>		<b>941 694</b>	<b>1 043 289</b>	<b>1 043 289</b>	<b>1 001 100</b>	<b>1 043 289</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft			—	—	—	—
Financial liabilities		344	301	301	344	301
Consumer deposits		2 540	2 526	2 526	2 537	2 526
Trade and other payables from exchange transactions		56 284	171 470	171 470	36 751	171 470
Trade and other payables from non-exchange transactions		11 528	3 255	3 255	25 075	3 255
Provision		5 417	3 339	3 339	5 306	3 339
VAT		3 656	8 307	8 307	4 065	8 307
Other current liabilities			—	—	—	—
<b>Total current liabilities</b>		<b>79 768</b>	<b>189 199</b>	<b>189 199</b>	<b>74 078</b>	<b>189 199</b>
<b>Non current liabilities</b>						
Financial liabilities		89	175	175	89	175
Provision		25 515	26 763	26 763	25 515	26 763
Long term portion of trade payables			—	—	—	—
Other non-current liabilities		27 631	31 207	31 207	27 631	31 207
<b>Total non current liabilities</b>		<b>53 234</b>	<b>58 145</b>	<b>58 145</b>	<b>53 234</b>	<b>58 145</b>
<b>TOTAL LIABILITIES</b>		<b>133 003</b>	<b>247 345</b>	<b>247 345</b>	<b>127 312</b>	<b>247 345</b>
<b>NET ASSETS</b>	2	<b>808 692</b>	<b>795 944</b>	<b>795 944</b>	<b>873 788</b>	<b>795 944</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		805 068	792 581	792 581	870 200	792 581
Reserves and funds		3 587	3 363	3 363	3 587	3 363
Other			—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>808 655</b>	<b>795 944</b>	<b>795 944</b>	<b>873 788</b>	<b>795 944</b>

## Table C7: Cash flow

The table below reflects positive cash flow position. The closing balance of cash and cash equivalents as at end of September 2025 is R183,8 million. This is less than the budgeted R199,8 million. Narrations per category are as follows;

### Property Rates

Collections are R42,054 million to date are more than the anticipated year to date budget of R29,2 million. Variance is sitting at 44%. 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 3,6 million against the expected R3,4 million. The variance is 5% and this because of the residents who have paid for their annual refuse collection.

### Other Revenue

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

### Interest

An amount of R1,5 million was recognised against the expected interest of R3,2 million which results in a variance of R52%.

### 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 7% this variance is very insignificant.

### Transfers and Grants

Actual amount spent on transfers and subsidies paid is R627 503,06 against the year-to-date budget of R 1,5 million which results in a variance of 59%.

**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 FIRST QUARTER OF 2025/26 FINANCIAL YEAR

KZN212 Umdoni - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description R thousands	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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	1									%
<b>Receipts</b>										
Property rates		143 192	117 132	117 132	10 268	42 054	29 283	12 771	44%	117 132
Service charges			13 818	13 818	975	3 610	3 454	156	5%	13 818
Other revenue		3 675	60 655	60 655	849	7 692	15 164	(7 472)	-49%	60 655
Transfers and Subsidies - Operational		236 636	200 570	200 570	-	79 098	50 143	28 955	58%	200 570
Transfers and Subsidies - Capital			35 462	35 462	-	23 598	8 865	14 733	166%	35 462
Interest		28 109	13 000	13 000	547	1 559	3 250	(1 691)	-52%	13 000
Dividends			-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(353 133)	(419 365)	(419 365)	(27 547)	(97 961)	(104 841)	(6 881)	7%	(419 365)
Interest		(1 397)	-	-	-	-	-	-	-	-
Transfers and Subsidies		(2 906)	(6 149)	(6 149)	-	(628)	(1 537)	(910)	59%	(6 149)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>54 176</b>	<b>15 124</b>	<b>15 124</b>	<b>(14 909)</b>	<b>59 023</b>	<b>3 781</b>	<b>(55 242)</b>	<b>-1461%</b>	<b>15 124</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		1	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(50 281)	(88 057)	(88 057)	(2 133)	(24 570)	(22 014)	2 556	-12%	(88 057)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(50 280)</b>	<b>(88 057)</b>	<b>(88 057)</b>	<b>(2 133)</b>	<b>(24 570)</b>	<b>(22 014)</b>	<b>2 556</b>	<b>-12%</b>	<b>(88 057)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		10	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(926)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(915)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>2 981</b>	<b>(72 933)</b>	<b>(72 933)</b>	<b>(17 042)</b>	<b>34 453</b>	<b>(18 233)</b>			<b>(72 933)</b>
Cash/cash equivalents at beginning:		146 398	218 110	218 110		149 379	218 110			149 379
Cash/cash equivalents at month/year end:		149 379	145 177	145 177		183 832	199 877			76 446

## PART 2: SUPPORTING DOCUMENTATION

**Table SC1: Material Variances and explanation**

KZN212 Umdoni - Supporting Table SC1 Material variance explanations - M03 September				
Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<u>Revenue</u>			
	Property rates	39%	The variance is caused by the customers who opted for annual debt rating.	The variance will be monitored every month.
	Service charges - Waste management	61%	The variance is caused by the customers who opted for annual debt rating.	The variance will be monitored every month.
	Investment Revenue	-52%	This under performance is a result of change in interest rates that was not anticipated	The variance will be monitored every month.
	Rental of facilities	1%	NA	NA
	Fines	-18%	This variance is still going to adjust itself as financial year progresses	NA
	Licenses and permits	7%	Variance is sitting at 7%. This variance is insignificant as it's below 10%.	The variance will be monitored every month.
	Agency Fees	1%	NA	NA
	Operational Revenue	-10%	This variance will change as the financial year progresses	The variance will be monitored every month.
	Interest earned from receivables	9%	The variance is due to the increasing old debt and low collection rate.	The variance will be monitored every month.
2	<u>Expenditure By Type</u>			
	Employee Costs	-1%	NA	NA
	Remuneration of Councillors	-10%	This variance is a result of upper limits that has not yet been implemented.	The variance will be monitored every month.
	Operational Costs (Other expenditure)	-29%	This is due to cost containment measures put in place to ensure that municipality spend within its budget.	The variance will be monitored every month.
	Debt Impairment	-560%	The variance is caused by the debt write-off	The variance will be monitored every month.
	Depreciation & Asset Impairment	-2%	NA	NA
	Inventory Consumed	-43%	Cleaning material and stationery are bought quarterly or as when needed.	The variance will be monitored every month.
	Contracted Services	-48%	The variance is at this stage because the financial year has just started.	The variance will be monitored every month.
3	<u>Transfers and Subsidies</u>			
		-91%	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	<u>Capital Expenditure</u>			
	Capital Assets	2%	NA	NA

### 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 R167,8 million.

The second biggest is government departments that are sitting at R35,2 million. Business debtors owing just over R27,4 million.

KZN12 Umdoni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter												
Description	NT Code	Budget Year 2025/26										
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Ds	151-180 Ds	181 Ds-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
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	27 169	4 025	2 495	2 418	2 170	2 074	17 426	77 843	135 619	101 930	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	6	6	-
Receivables from Exchange Transactions - Waste Management	1600	3 799	447	318	338	265	248	1 729	8 934	16 078	11 514	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1 270	592	687	569	568	541	3 425	16 554	24 207	21 658	-
Interest on Arrear Debtor Accounts	1810	63	101	113	136	153	174	2 195	42 228	45 162	44 885	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(5 813)	215	1 104	1 744	204	47	1 464	14 683	13 648	18 142	-
<b>Total By Income Source</b>	<b>2000</b>	<b>26 488</b>	<b>5 379</b>	<b>4 717</b>	<b>5 204</b>	<b>3 360</b>	<b>3 083</b>	<b>26 240</b>	<b>160 248</b>	<b>234 721</b>	<b>198 136</b>	<b>-</b>
<b>2024/25 - totals only</b>												
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	3 281	1 323	278	311	251	217	6 127	23 420	35 208	30 326	-
Commercial	2300	6 256	593	696	458	443	389	2 444	16 123	27 403	19 857	-
Households	2400	16 749	3 437	3 701	4 408	2 640	2 452	17 379	117 043	167 810	143 922	-
Other	2500	201	26	42	27	26	26	290	3 662	4 300	4 030	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>26 488</b>	<b>5 379</b>	<b>4 717</b>	<b>5 204</b>	<b>3 360</b>	<b>3 083</b>	<b>26 240</b>	<b>160 248</b>	<b>234 721</b>	<b>198 136</b>	<b>-</b>

## Table SC4: Aged Creditors

The municipality owes suppliers an amount of R0.00 there are instances of delays in payment where work still needs to be verified and when there are queries relating to the payment and discrepancies in the invoice.

KZN212 Umdoni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter										
Description R thousands	NT Code	Budget Year 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	
<b>Creditors Age Analysis By Customer Type</b>										
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	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Table SC5: Investment Portfolio Analysis

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

The table below reflects on account balances (excluding the main account) as at the end of September 2025. Total cash available was R164,4 million. The cash coverage is 06 months.

KZN12 Umdoni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate <sup>a</sup>	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														
<b>Municipality</b>														
ABSA :92-3600-6170		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	24 533	123			24 656
ABSA :2081 665 687		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	-				-
ABSA :2081 665 726		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	0				0
FNB 6 222 5155 391		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	25 293	140			25 432
STD BANK :5876 211 6/007		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	3 301	18	(18)		3 301
STD BANK 5 876 211 6/015		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	24 420	132			24 570
STD BANK 058762116/028		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	6 487	76			6 564
STD BANK 058762116/029		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	3 587	42			3 629
STD BAK 058762116/035		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	1 454	16			1 470
STD BANK 058762116/036		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	-				-
STD BANK 058762116/037		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	30 000				30 000
NEDBANK: 7881017759/94		No specified term	CALL DEPOSIT	Yes		0	No	No	31/12/2025	6 556				6 556
NEDBANK: 1766000029		No specified term	Fixed deposit	Yes		0	No	No	31/12/2025	38 234				38 234
-		-									-			-
<b>Municipality sub-total</b>										163 866	547	(18)	18	164 413

## Table SC6: Grants Receipts

All grants that were expected to be received were received as per in the NT payment schedule, and only MIG was received in September 2025.

KZN212 Umdoni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First 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										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		200 892	188 016	188 016	560	79 613	47 004	32 609	69,4%	188 016
Operational Revenue:General Revenue:Equitable Share	3	182 890	182 765	182 765	-	76 152	45 691	30 461	66,7%	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	-	301	346	(45)	-13,1%	1 385
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 900	2 000	2 000	-	2 000	500	1 500	300,0%	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	560	1 160	467	693	148,6%	1 866
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
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	-	-	2 889	(2 889)	-100,0%	11 554
Specify (Add grant description)		10 976	11 554	11 554	-	-	2 889	(2 889)	-100,0%	11 554
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	211 868	199 570	199 570	560	79 613	49 893	29 720	59,6%	199 570
<b>Capital Transfers and Grants</b>										
National Government:		39 729	35 462	35 462	10 638	22 038	8 865	13 173	148,6%	35 462
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		38 529	35 462	35 462	10 638	22 038	8 865	13 173	148,6%	35 462
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		1 200	-	-	-	-	-	-	-	-
Provincial Government:		-	1 000	1 000	-	1 000	250	750	300,0%	1 000
Specify (Add grant description)		-	1 000	1 000	-	1 000	250	750	300,0%	1 000
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	39 729	36 462	36 462	10 638	23 038	9 115	13 923	152,7%	36 462
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	251 597	236 032	236 032	11 198	102 651	59 258	43 643	73,6%	236 032

## Table SC7: Grants expenditure

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

KZN212 Umdoni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter											
Description	Ref	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											
<b>EXPENDITURE</b>											
<b>Operating expenditure of Transfers and Grants</b>											
National Government:		192 510	188 016	188 016	501	1 590	47 004	(45 414)	-96,6%	188 016	
Operational Revenue: General Revenue: Equitable Share		182 890	182 765	182 765			45 691	(45 691)	-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	918	346	572	165,2%	1 385	
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-			-	-	-	-	
Local Government Financial Management Grant [Schedule 5B]		1 900	2 000	2 000	-	104	500	(396)	-79,2%	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	568	467	101	21,7%	1 866	
Water Services Infrastructure Grant		-	-	-			-	-	-	-	
Programme and Project Preparation Support Grant		-	-	-			-	-	-	-	
Provincial Government:		10 976	12 554	12 554	1 099	3 759	3 139	621	19,8%	12 554	
Specify (Add grant description)		-	1 000	1 000	-	-	250	(250)	-100,0%	1 000	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		10 976	11 554	11 554	1 099	3 759	2 889	871	30,1%	11 554	
Specify (Add grant description)		-	-	-			-	-	-	-	
Higher Educational Institutions		-	-	-			-	-	-	-	
Parent Municipality / Entity		-	-	-			-	-	-	-	
<b>Total operating expenditure of Transfers and Grants:</b>		203 486	200 570	200 570	1 600	5 349	50 143	(44 793)	-89,3%	200 570	
<b>Capital expenditure of Transfers and Grants</b>											
National Government:		41 427	35 462	35 462	985	12 404	8 865	3 539	39,9%	35 462	
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-	
Municipal Infrastructure Grant [Schedule 5B]		36 852	35 462	35 462	985	12 404	8 865	3 539	39,9%	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	-	606	250	356	142,4%	1 000	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		2 092	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Specify (Add grant description)		-	-	-			-	-	-	-	
Parent Municipality / Entity		-	-	-			-	-	-	-	
Transfer from Operational Revenue		-	-	-			-	-	-	-	
<b>Total capital expenditure of Transfers and Grants</b>		43 519	36 462	36 462	985	13 010	9 115	3 895	42,7%	36 462	
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		247 005	237 032	237 032	2 585	18 359	59 258	(40 899)	-69,0%	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 September 2025 is R48,3 million.

KZN212 Umdoni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First 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	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		14 939	16 158	16 158	1 223	3 674	4 039	(366)	-9%	16 158
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		287	593	593	33	93	148	(55)	-37%	593
Cellphone Allowance		1 627	1 788	1 788	135	404	447	(43)	-10%	1 788
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>	4	<b>16 853</b>	<b>18 539</b>	<b>18 539</b>	<b>1 390</b>	<b>4 171</b>	<b>4 635</b>	<b>(464)</b>	<b>-10%</b>	<b>18 539</b>
% increase		10,0%	10,0%							10,0%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		5 192	6 007	6 007	455	1 383	1 502	(119)	-8%	6 007
Pension and UIF Contributions		10	13	13	1	3	3	0	0%	13
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		27	366	366	19	38	91	(53)	-58%	366
Cellphone Allowance		37	57	57	7	24	14	10	69%	57
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	1	0	0	0	(0)	-25%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	4	<b>5 266</b>	<b>6 443</b>	<b>6 443</b>	<b>482</b>	<b>1 448</b>	<b>1 611</b>	<b>(163)</b>	<b>-10%</b>	<b>6 443</b>
% increase		22,4%	22,4%							22,4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		98 582	109 260	109 260	9 501	30 540	27 315	3 225	12%	109 260
Pension and UIF Contributions		16 448	20 095	20 095	1 588	5 041	5 024	17	0%	20 095
Medical Aid Contributions		7 419	8 007	8 007	700	2 038	2 002	37	2%	8 007
Overtime		16 380	11 947	11 947	1 480	3 965	2 987	978	33%	11 947
Performance Bonus		7 299	9 022	9 022	-	80	2 255	(2 176)	-96%	9 022
Motor Vehicle Allowance		106	78	78	-	-	20	(20)	-100%	78
Cellphone Allowance		236	249	249	23	69	62	7	10%	249
Housing Allowances		521	1 967	1 967	44	129	492	(362)	-74%	1 967
Other benefits and allowances		1 496	3 337	3 337	6	(15)	834	(849)	-102%	3 337
Payments in lieu of leave		2 489	1 800	1 800	2	488	450	38	9%	1 800
Long service awards		1 608	1 485	1 485	-	-	371	(371)	-100%	1 485
Post-retirement benefit obligations	2	4 316	4 278	4 278	196	346	1 069	(723)	-68%	4 278
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	4	<b>156 899</b>	<b>171 525</b>	<b>171 525</b>	<b>13 540</b>	<b>42 682</b>	<b>42 881</b>	<b>(199)</b>	<b>0%</b>	<b>171 525</b>
% increase		9,3%	9,3%							9,3%
<b>Total Parent Municipality</b>		<b>179 018</b>	<b>196 507</b>	<b>196 507</b>	<b>15 412</b>	<b>48 301</b>	<b>49 127</b>	<b>(825)</b>	<b>-2%</b>	<b>196 507</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase	4	-	-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>179 018</b>	<b>196 507</b>	<b>196 507</b>	<b>15 412</b>	<b>48 301</b>	<b>49 127</b>	<b>(825)</b>	<b>-2%</b>	<b>196 507</b>
% increase	4	9,8%	9,8%							9,8%
<b>TOTAL MANAGERS AND STAFF</b>		<b>162 165</b>	<b>177 968</b>	<b>177 968</b>	<b>14 022</b>	<b>44 131</b>	<b>44 492</b>	<b>(361)</b>	<b>-1%</b>	<b>177 968</b>

## Key Financial Ratios and Analysis

### ***Current Ratio***

	4,28
Current Assets	317 297 881
Current Liabilities	74 077 798

Comment:

The ratio of 4,28:1 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***

	6 Month
Cash and cash equivalents	19 419 406
Unspent Conditional Grants	26 043 956
Overdraft	-
Short Term Investments	164 412 790
Total Annual Operational Expenditure	303 642 240

Comment:

The cash ratio of 06 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***

	80%
Gross Debtors closing balance	234 720 648
Gross Debtors opening balance	223 271 379
Bad debts written Off	-
Billed Revenue	58 107 722

Comment:

The ratio is 80% which is below the 95% norm. Due to the weakening economy customers are struggling to pay.

**Net Debtors Collection Days Ratio**

	704 days
Gross debtors	234 720 648
Bad debts Provision	122 674 399
Billed Revenue	58 107 722

Comment:

The ratio of 704 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**

	26 days
Trade Creditors	3 432 836
Contracted Services	14 374 818
Repairs and Maintenance	1 412 965
General expenses	11 897 030
Bulk Purchases	-
Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	20 670 103

Comment:

The ratio of 26 days is within the norm of 30 days. There are instances of delays in payment where work still needs to be verified and when there are queries relating to the payment.

## Repairs and Maintenance

The table below depicts the total budget for repairs and maintenance and the spending for the month of September 2025. Total amount spent to date equals to R1,4 million against the expected budget of R 11,097 million. The variance is sitting at 878,3%. The maintenance of some assets is corrective maintenance rather than preventative maintenance. Therefore, spending will be incurred when the need arises.

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

KZN212 Umdoni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q1 First Quarter												
Description	Ref	2024/25		Budget Year 2025/26								
		1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast	
<b>R thousands</b>												
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>												
<b>Infrastructure</b>		41 812	31 640	31 640	423	452	7 910	(7 458)	-94,3%	31 640		
Roads Infrastructure		2 252	3 140	3 140	423	452	785	(333)	-42,4%	3 140		
Roads		2 252	3 140	3 140	423	452	785	(333)	-42,4%	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	—	—	625	(625)	-100,0%	2 500		
Power Plants		—	—	—	—	—	—	—	—	—		
HV Substations		—	—	—	—	—	—	—	—	—		
HV Switching Station		—	—	—	—	—	—	—	—	—		
HV Transmission Conductors		—	—	—	—	—	—	—	—	—		
MV Substations		—	—	—	—	—	—	—	—	—		
MV Switching Stations		—	—	—	—	—	—	—	—	—		
MV Networks		—	—	—	—	—	—	—	—	—		
LV Networks		2 157	2 500	2 500	—	—	625	(625)	-100,0%	2 500		
Capital Spares		1 236	—	—	—	—	—	—	—	—		
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—		
Dams and Weirs		—	—	—	—	—	—	—	—	—		
Capital Spares		—	—	—	—	—	—	—	—	—		
Coastal Infrastructure		36 167	26 000	26 000	—	—	6 500	(6 500)	-100,0%	26 000		
Sand Pumps		—	—	—	—	—	—	—	—	—		
Piers		—	—	—	—	—	—	—	—	—		
Revetments		—	—	—	—	—	—	—	—	—		
Promenades		—	—	—	—	—	—	—	—	—		
Capital Spares		36 167	26 000	26 000	—	—	6 500	(6 500)	-100,0%	26 000		
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—		
Data Centres		—	—	—	—	—	—	—	—	—		
Core Layers		—	—	—	—	—	—	—	—	—		
Distribution Layers		—	—	—	—	—	—	—	—	—		
Capital Spares		—	—	—	—	—	—	—	—	—		
<b>Community Assets</b>		1 199	2 673	2 673	78	235	668	(434)	-64,9%	2 673		
Community Facilities		580	1 827	1 827	30	90	457	(367)	-80,3%	1 827		
Halls		—	—	—	—	—	—	—	—	—		
Centres		—	—	—	—	—	—	—	—	—		
Crèches		—	—	—	—	—	—	—	—	—		
Clinics/Care Centres		—	—	—	—	—	—	—	—	—		
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—		
Testing Stations		—	—	—	—	—	—	—	—	—		
Museums		—	—	—	—	—	—	—	—	—		
Galleries		—	—	—	—	—	—	—	—	—		
Theatres		—	—	—	—	—	—	—	—	—		
Libraries		189	252	252	—	—	63	(63)	-100,0%	252		
Cemeteries/Crematoria		—	315	315	—	—	79	(79)	-100,0%	315		
Police		—	—	—	—	—	—	—	—	—		
Parks		—	400	400	—	—	100	(100)	-100,0%	400		
Public Open Space		—	—	—	—	—	—	—	—	—		
Nature Reserves		307	360	360	30	90	90	—	—	360		
Public Ablution Facilities		84	500	500	—	—	125	(125)	-100,0%	500		
Markets		—	—	—	—	—	—	—	—	—		
Stalls		—	—	—	—	—	—	—	—	—		
Abattoirs		—	—	—	—	—	—	—	—	—		
Airports		—	—	—	—	—	—	—	—	—		
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—		
Capital Spares		—	—	—	—	—	—	—	—	—		
Sport and Recreation Facilities		619	846	846	48	145	212	(67)	-31,6%	846		
Indoor Facilities		—	—	—	—	—	—	—	—	—		
Outdoor Facilities		619	846	846	48	145	212	(67)	-31,6%	846		
Capital Spares		—	—	—	—	—	—	—	—	—		
<b>Heritage assets</b>		—	—	—	—	—	—	—	—	—		
Monuments		—	—	—	—	—	—	—	—	—		
Historic Buildings		—	—	—	—	—	—	—	—	—		
Works of Art		—	—	—	—	—	—	—	—	—		
Conservation Areas		—	—	—	—	—	—	—	—	—		
Other Heritage		—	—	—	—	—	—	—	—	—		
<b>Investment properties</b>		—	—	—	—	—	—	—	—	—		
Revenue Generating		—	—	—	—	—	—	—	—	—		
Improved Property		—	—	—	—	—	—	—	—	—		
Unimproved Property		—	—	—	—	—	—	—	—	—		
Non-revenue Generating		—	—	—	—	—	—	—	—	—		
Improved Property		—	—	—	—	—	—	—	—	—		
Unimproved Property		—	—	—	—	—	—	—	—	—		
<b>Other assets</b>		4 921	4 050	4 050	233	233	1 012	(779)	-77,0%	4 050		
Operational Buildings		4 921	4 050	4 050	233	233	1 012	(779)	-77,0%	4 050		
Municipal Offices		4 921	4 050	4 050	233	233	1 012	(779)	-77,0%	4 050		
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—		
<b>Computer Equipment</b>		—	24	24	—	—	6	(6)	-100,0%	24		
Computer Equipment		—	24	24	—	—	6	(6)	-100,0%	24		
<b>Furniture and Office Equipment</b>		—	29	29	—	—	7	(7)	-100,0%	29		
Furniture and Office Equipment		—	29	29	—	—	7	(7)	-100,0%	29		
<b>Machinery and Equipment</b>		1 082	2 843	2 843	346	411	711	(299)	-42,1%	2 843		
Machinery and Equipment		1 082	2 843	2 843	346	411	711	(299)	-42,1%	2 843		
<b>Transport Assets</b>		2 186	3 130	3 130	23	82	782	(701)	-89,5%	3 130		
Transport Assets		2 186	3 130	3 130	23	82	782	(701)	-89,5%	3 130		
<b>Land</b>		—	—	—	—	—	—	—	—	—		
Land		—	—	—	—	—	—	—	—	—		
<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—		
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—		
<b>Living resources</b>		—	—	—	—	—	—	—	—	—		
Mature		—	—	—	—	—	—	—	—	—		
Policing and Protection		—	—	—	—	—	—	—	—	—		
Zoological plants and animals		—	—	—	—	—	—	—	—	—		
Immature		—	—	—	—	—	—	—	—	—		
Policing and Protection		—	—	—	—	—	—	—	—	—		
Zoological plants and animals		—	—	—	—	—	—	—	—	—		
<b>Total Repairs and Maintenance Expenditure</b>	1	51 200	44 389	44 389	1 104	1 413	11 097	9 684	87,3%	44 389		

# **QUALITY CERTIFICATE**

I, \_\_\_\_\_ (Full Names), the Municipal Manager of Umdoni Municipality hereby certify that the Section 52d Report for the Quarter ended 30th September 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.

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**MR W.T. GUMEDE**

**ACTING MUNICIPAL MANAGER**

---

**DATE**

# ANNEXURE B

## Virements

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



Virement Schedule 2025/26 FY Q1

		Date	Ukey	Item description	Amount before virement	Amount after virement	Virement Amount	Comments
To	Virement 01	12-Aug-25	20230228051570	Expenditure:Operational Cost:Management Fee	2 000 000,00	2 070 962,00	70 962,00	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement policy(Section 7.3.11of Umdoni Virement policy) and it is also in full compliance MSCOA requirements.
From	Virement 01	12-Aug-25	20210802065986	Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Workshops and Events:National	300 000,00	229 038,00	(70 962,00)	
To	Virement 02	26-Sep-25	20210802065986	Expenditure:Contracted Services:Contractors:Maintenance of Equipment	400 000,00	666 000,00	266 000,00	This virement will not result in adjustment to the approved SDBIP. The virement is made in line with our virement policy(Section 7.3.11of Umdoni Virement policy) and it is also in full compliance MSCOA requirements.
From	Virement 02	26-Sep-25	20210802065995	Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	700 000,00	434 000,00	-266 000,00	

**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)*

## Contents

<b>1. Introduction</b> .....	33
<b>2. SCM Policy &amp; Procedures</b> .....	33
2.1 Adoption of Policy by Council .....	33
2.2 SCM Procedures .....	33
2.3 Delegations.....	33
2.4 Infrastructure Procurement.....	33
<b>3. Functioning of the SCM Unit (phrase as questions)</b> .....	33
3.1 SCM Structure:.....	34
3.2 Declaration of Interest: .....	34
3.3 Code of Conduct for SCM Practitioners: .....	34
3.4 Training of SCM Personnel:.....	34
<b>4. Functioning of Bid Committees</b> .....	34
<b>5. Reporting Items</b> .....	35
<b>5.1 Deviations</b> .....	35
5.1.1 <b>Section 114 (Approval of tenders not recommended)</b> .....	35
5.1.2 <b>Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)</b> .....	35
5.1.3 <b>Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)</b> .....	35
<b>5.2 Unauthorised, Irregular, Fruitless &amp; Wasteful Expenditure</b> .....	38
<b>5.3 Central Suppliers Database (CSD)</b> .....	39
<b>5.4 Procurement Plan Implementation</b> .....	39
<b>5.5 Bids Awarded &gt;R100K</b> .....	39
<b>5.6 Municipal Bid Appeals</b> .....	42
<b>5.7 Contract Management</b> .....	42
5.7.1 <b>Contracts Register Statistics</b> .....	42
5.7.2 <b>Variations</b> .....	42
5.7.3 <b>Supplier Performance Management</b> .....	42
<b>5.8 Logistics / Inventory Management</b> .....	43
<b>5.9 Unsolicited Bids</b> .....	43
<b>5.10 E-Tender Portal</b> .....	43
<b>6. Preferential Procurement Policy Framework Act (PPPFA), Regs2017</b> .....	44
<b>6.1 Contracts with Pre-Qualification (Regulation 4)</b> .....	44
<b>6.2 Contracts with Objective Criteria (Section 2(1)(f) PPPF Act)</b> .....	44
<b>6.3 Contracts above R30 million (Contract Participation Goals) (Regulation 4)</b> .....	44
<b>7. Local Content Procurement</b> .....	44

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

<b>8. Risk Management.....</b>	<b>44</b>
<b>8.1 Fraud Prevention Plan .....</b>	<b>44</b>
<b>8.2 Internal Audit Findings .....</b>	<b>45</b>
<b>8.3 Provincial Treasury Assessment Findings.....</b>	<b>45</b>
<b>8.4 Auditor General Findings.....</b>	<b>45</b>
<b>9. Conclusion .....</b>	<b>45</b>

## 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 2022*

### 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).

## 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 LASNDFILL 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 FIRST 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 covened 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 continues 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 finalize the	

UMDONI MUNICIPALITY IN-YEAR REPORT FOR THE FIRST 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 picked 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 arrears 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 arrears for paid & unpaid fines.	

## 5.2 Unauthorised, Irregular, Fruitless & Wasteful Expenditure

- i) Template as per MFMA Circular 68 to be utilised
- 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	Pay men t no./ EFT no/ Cheq ue No.	Supplier	Service s Render ed	mSCOA Line Items Segment	End User Departm ent	Amount (inclusive of VAT)
25.07. 2025	SECURIR Y SERVICES PROVISIO N	NON COMPLIANCE WITH SCM RULES AND REGULATIONS	9658 28	TAMU SECURITY	SECURI TY	OPEX - CONTRACT ED SERVICES	COMMUNI TY SERVICES	R1 551 325.01
29.08. 2025	SECURIR Y SERVICES PROVISIO N	NON COMPLIANCE WITH SCM RULES AND REGULATIONS	9661 51	TAMU SECURITY	SECURI TY	OPEX - CONTRACT ED SERVICES	COMMUNI TY SERVICES	R1 551 325.01
03.11. 2025	SECURIR Y SERVICES PROVISIO N	NON COMPLIANCE WITH SCM RULES AND REGULATIONS	9664 08	TAMU SECURITY	SECURI TY	OPEX - CONTRACT ED SERVICES	COMMUNI TY SERVICES	R1 551 325.01

### Fruitless & Wasteful Expenditure

Date identified	Date reported to Mayor	Nature of fruitless and wasteful expenditure	Date payment made	Payment no./EFT no/ Cheque No.	Supplier	Amount
25.06.2025		INTEREST	25.06.2025	965700	ESKOM	R2 236.1

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

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

### 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***

Bid No.	Bid Description	Award Value	Award Date	Date Contract Signed	Contract Start Date	Contract Duration
	SERVICE PROVIDER TO PROCURE AND SUPPLY THE DISASTER MANAGEMENT FIRE AND RESUE COMBACT CLOTHINGS	R185 302.86	JUL 2025	JUL 2025	JUL 2025	ONCE OFF
	APPOINTMENT OF FULLY INDEPENDENT	R799 153.64	JUL 2025	JUL 2025	JUL 2025	3 YEARS

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

<b>Bid No.</b>	<b>Bid Description</b>	<b>Award Value</b>	<b>Award Date</b>	<b>Date Contract Signed</b>	<b>Contract Start Date</b>	<b>Contract Duration</b>
	SUITABLE REGISTERED LABORATORY TO TEST SEA WATER SAMPLES FOR A PERIOD OF 36 MONTHS					
	REFURBISHMENT OF 25 X 6 M3 STAKABLE INDUSTRIAL SKIP CONTAINER FOR UMDONI MUNICIPALITY	R663 403.13	JUL 2025	JUL 2025	JUL 2025	3 YEARS
	FACILITATOR TO CONDUCT 03 DAY TRAINING SESSION FOR WARD COMMITTEES	R244 000	AUG 2025	AUG 2025	AUG 2025	ONCE OFF
	VERGE MAINTENANCE FOR A4 PENNINGTON FROM SEPTEMBER TO DECEMBER 25	R219 996	AUG 2025	AUG 2025	AUG 2025	ONCE OFF
	SUPPLY AND DELIVER ROAD MARKING PAINT TO LOT 169 UMZINTO NELESON MANDELA ROAD	R189 000	AUG 2025	AUG 2025	AUG 2025	ONCE OFF
	UNIFORM FOR TRAFFIC PERSONNEL	R283 599.20	AUG 2025	AUG 2025	AUG 2025	ONCE OFF
	VERGE MAINTENANCE FOR A6 SEZELA FROM SEPTEMBER TO DECEMBER 25	R131 000	AUG 2025	AUG 2025	AUG 2025	ONCE OFF
	VERGE MAINTENANCE	R140 000	AUG 2025	AUG 2025	AUG 2025	ONCE OFF

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

<b>Bid No.</b>	<b>Bid Description</b>	<b>Award Value</b>	<b>Award Date</b>	<b>Date Contract Signed</b>	<b>Contract Start Date</b>	<b>Contract Duration</b>
	FOR A7 BAZELY FROM SEPTEMBER TO DECEMBER 25					
	VERGE MAINTENANCE FOR A8 IFAFA AND ELYSUIM FROM SEPTEMBER TO DECEMBER 25	R159 996	AUG 2025	AUG 2025	AUG 2025	ONCE OFF
	HOSTING WEBSITE AND UPGRADING UMDONI	R182 741.45	SEP 2025	SEP 2025	SEP 2025	ONCE OFF
	VERGE MAINTENANCE FOR A2 PARK RYNIE NORTH	R172 000	SEP 2025	SEP 2025	SEP 2025	ONCE OFF
	KINDLY HIRE 14 TAXIS	R196 000	SEP 2025	SEP 2025	SEP 2025	ONCE OFF
	PLEASE PROVIDE LUNCH PACKS	R98 480.66	SEP 2025	SEP 2025	SEP 2025	ONCE OFF
	PLEASE KINDLY PROVIDE SECURITY TRAINING FOR UMDONI YOUTH	R188 390	SEP 2025	SEP 2025	SEP 2025	ONCE OFF
	SUPPLY AND DELIVERY OF 100 GABION BASKET	R110 000	SEP 2025	SEP 2025	SEP 2025	ONCE OFF
	VERGE MAINTENANCE FOR A1 SCOTTBURGH TO FREELAND PARK	R227 560	SEP 2025	SEP 2025	SEP 2025	ONCE OFF
	SUPPLY AND DELIVERY OF 40X 200 L ANIONIC STABLE 60% DRUMS	R172 689.74	SEP 2025	SEP 2025	SEP 2025	ONCE OFF

## 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	2	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	

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

Bid 11/2021: Supply, install and maintain credit control and debt collection system	GEO DEBT Solutions				Good
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
<b>NONE</b>							

### **5.10 E-Tender Portal**

- i) We have access to the E-tender portal and are utilising this function.
- ii) We are struggling with loading awards on etender website, we have asked for assistance to no avail from etenders 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 etenders, for instance – SCM have, on the whole, performed well this quarter. ...



# MSCOA PROGRESS REPORT FOR 2025/26FY

1st QUARTER OF 2025/26 FY ENDED ON THE 30 SEPTEMBER 2025

## TABLE OF CONTENTS

<b>PURPOSE</b> .....	<b>2</b>
<b>LEGISLATIVE REQUIREMENT</b> .....	<b>2</b>
<b>BACKGROUND</b> .....	<b>2</b>
<b>PROGRESS</b> .....	<b>3</b>
<b>ROAD MAP STAGE OF COMPLETION</b> .....	<b>7</b>
<b>FINANCIAL IMPLICATIONS</b> .....	<b>7</b>
<b>CHALLENGES</b> .....	<b>7</b>
<b>RECOMMENDATIONS</b> .....	<b>7</b>

## 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*

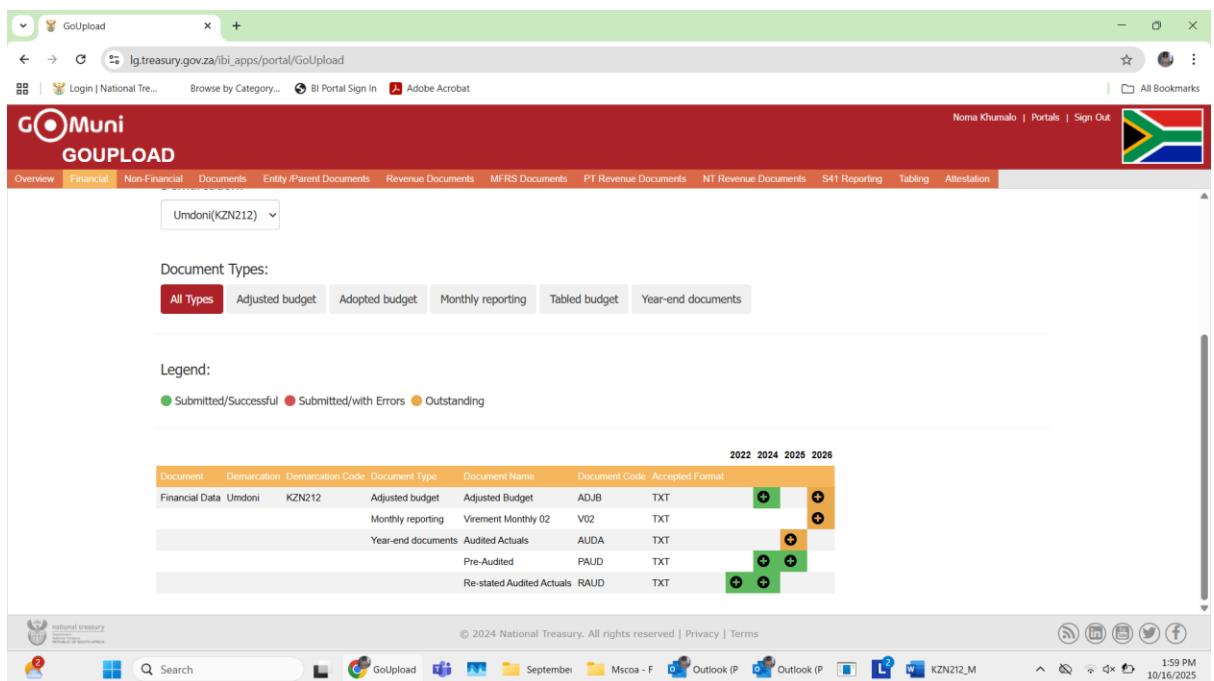
In this quarter, the following officials attended the CFO's forum on the 24<sup>th</sup> of July 2025.

- Nomathemba Khumalo
- Prince Ndlanzi

- There is also coming CFO's forum on the 16<sup>th</sup> of October 2025.

- 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.

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 has now busy with 100% assets verification program in 2025-2026 financial year. 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 work stream and Provincial Treasury to check whether the system complies with the mSCOA requirements. The job evaluation process is still incomplete due to inquiry by organised labour regarding the grading of the Municipality, salary equalisation and benchmarking. The Municipality has revised its organogram and do a job evaluation is in progress.

6. *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 1.

7. *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.

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

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

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

9. *Document management.*

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

## ROAD MAP (PROJECT IMPLEMENTATION PLAN) STAGE OF COMPLETION

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

## FINANCIAL IMPLICATIONS

The municipality 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 itself is still working on mSCOA as we speak. In the meantime, we just need to adapt to the changes and requirements as it occurs.
- The system Vendor is still developing some modules and will come at a cost therefore a provision will have to be made in future years for these modules,
- There are still challenges with ICT infrastructure and network in order to fully move to web based application of SAMRAS.

## CONCLUSION AND WAY FORWARD

In conclusion, 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 compliant 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 \_ Q1

### KZN 212 - ANNEXURE D Total savings disclosure in the in - year and annual report cost

Measures	Cost containment in-year report measures					
	Budget	Q1	Q2	Q3	Q4	Savings
	R'000	R'000	R'000	R'000	R'000	R'000
Use of Consultants	12 536 500,00	2 546 456,86	-	-	-	9 990 043,14
Vehicle used for political office - bearers	-	-	-	-	-	-
Travel and substistance.	387 059,00	60 504,01	-	-	-	326 554,99
Domestic accommodation	1 190 520,00	52 572,44	-	-	-	1 137 947,56
Sponsorship, events and catering	1 394 000,00	368 100,86	-	-	-	1 025 899,14
Communications	315 000,00	-	-	-	-	315 000,00
Other related expenditure items	50 196 928,00	2 165 882,83	-	-	-	48 031 045,17
<b>Total</b>	<b>66 020 007,00</b>	<b>5 193 517,00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60 826 490,00</b>

# ANNEXURE F

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET							
Municipal Finance Management Act, section 11(4)							
Consolidated Quarterly Report for period 01/07/2025 to 30/09/2025 (complete relevant period)							
NAME OF MUNICIPALITY: UMDONI MUNICIPALITY KZN212							
<b>Date</b>	<b>Payee</b>	<b>Amount in R'000</b>	<b>Description and Purpose</b>	<b>Authorised by (name)</b>			
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			NIL				
(ii) any insurance or other payments received by the municipality for that person or organ of state;			NIL				
NIL			NIL				
5. Section 11(f) - 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			NIL				
(ii) any insurance or other payments received by the municipality for that person or organ of state;			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				
<b>DISTRIBUTION</b>							
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				
<b>CHIEF FINANCIAL OFFICER</b>		<b>MUNICIPAL MANAGER</b>					
<i>Instructions for completing this report:</i>							
The Accounting Officer must include information motivating the non-budgeted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.							
This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.							
<i>Withdrawals that must be reported each quarter:</i>							
<i>Distribution:</i>							
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							