








17883
FINANCIAL REPORT AS AT 31 MARCH 2025

This report is submitted directly to the Executive Committee.

PURPOSE

1. To submit to Council the financial position of the uMhlathuze Municipality for the quarter ended 31 March 2025, as required in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003). The monthly and quarterly requirements in terms of Sections 71 and Section 52(d) respectively are included in this report.
2. To disclose to Council the cost containment savings as required in terms of Regulation 15 of Municipal Cost Containment Regulations (MCCR).

IDP STRATEGY AND OBJECTIVES

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
SUSTAINABLE DEVELOPMENT GOALS:       		
STRATEGIES	OBJECTIVES	STRATEGIES
5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliant
		5.1.1.2 mSCOA compliant
		5.1.1.3 Review of all financial related policies
		5.1.1.4 Compliance with all MFMA and relevant local government financial legislation
	5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support on Budget and Financial Management matters
		5.2.1.2 Asset Accounting Management
		5.2.1.3 Accurate and timeous billing and receipting of revenue
		5.2.1.4 Apply Adequate Internal controls
		5.2.1.5 Accurate and timeous payments of creditors
		5.2.1.6 Apply adequate financial management methodologies
	5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management
		5.3.1.2 Accurate contracts and logistics management
		5.3.1.3 Apply adequate financial management methodologies

BACKGROUND

Section 71 of the Municipal Finance Management Act (MFMA), (Act 56 of 2003) prescribes certain conditions that need to be complied with in terms of the mentioned Act.

The Accounting Officer of the Municipality must report, by no later than 10 working days after the end of each month, to the Mayor and the relevant Provincial Treasury, a statement in the **prescribed format** on the state of the Municipality's budget.

Section 66 of the Municipal Finance Management Act further prescribes that all expenditure incurred by the Municipality on staff salaries, allowances and benefits be reported upon in a format and for the prescribed period. It is considered appropriate to report on this section of the Act on a monthly basis, to coincide with the reporting requirements of Section 71(1) of the Act.

Section 52 (d) of the Municipal Finance Management Act prescribes that the Mayor of a Municipality must within thirty (30) days of the end of each quarter submit a report to Council on the implementation of the budget and the financial state of affairs of the Municipality.

The additional monthly reporting as required by Council is also included herein. The MFMA requires that the reporting of the budget (Annual, monthly, mid-year and adjustment) be in terms of a prescribed format.

As mentioned above, the MFMA Section 71 (1) refers to a prescribed format according to which the annual budget is required to be prepared. The National Treasury has issued MFMA Circular No 51 (**DMS 633560**) in which this prescribed format has been set out.

Furthermore, National Treasury has issued Municipal Budget and Reporting Regulations in terms of Government Gazette Number 32141 dated 17 April 2009. These regulations set out the manner in which Municipalities are required to prepare the 2010/11 Budget as well as the in-year reporting effective from January 2010.

The objectives of the budget formats reforms in terms of these regulations are:

- ❖ To ensure that the municipal budget and financial reporting formats support the other financial management reforms introduced by the Municipal Finance Management Act (MFMA).
- ❖ To formalise the norms and standards governing municipal budget and financial reporting formats, so as to improve the credibility, sustainability, transparency, accuracy and reliability of budgets and in-year reports of Municipalities.
- ❖ To improve Council's ability to deliver basic services to all by addressing issues of financial sustainability.
- ❖ To facilitate informed policy choices by Council and medium term planning of service delivery by aligning targets to achieve backlog elimination.

The Minister of Finance has, in terms of Section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs issued the Municipal Regulations on Standard Chart of Accounts as set out in Government Gazette No 37577 (**DMS 974357**) dated 22 April 2014.

These Regulations apply to all Municipalities and Municipal entities and indicate its applicability and relevance to each specific Municipal environment while accommodating organisational uniqueness and structural differences. These regulations took effect on 1 January 2017.

The objective of these regulations is to provide for a national standard, uniform recording and classification of municipal budget and financial information at transactional level by prescribing a standard chart of accounts for municipalities.

Once these regulations are effective the financial reporting will be aligned (budget reporting and financial statements reporting). The regulations require that the financial system used by Municipalities must be compliant with the standard chart of accounts. This means that the financial systems of Municipalities must be capable to accurately record all financial transactions in terms of the required segments. The current financial system used by the Municipality does not provide for the recording of financial transactions as required by the regulations.

The implementation of these regulations requires that the Municipality must proactively procure a financial system solution that will be compliant with the standard chart of accounts. Of similar importance is the provision for training of responsible officials to ensure that they attend the trainings and workshops to be provided by National Treasury.

- ❖ In terms of Council Resolution 8901 dated 26 November 2013, Council was selected as a Pilot Site for the mSCOA implementation.

Section 1 of the MFMA defines the Service Delivery and Budget Implementation Plan (SDBIP) as:

“A detailed plan approved by the mayor of a municipality in terms of section 53(l)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate:

- (a) Projections for each month of:
 - (i) Revenue to be collected, by source; and*
 - (ii) Operational and capital expenditure, by vote.**
- (b) service delivery targets and performance indicators for each quarter.”*

The Service Delivery and Budget Implementation Plan (SDBIP) have been segmented into five components. These are:

- ❑ Component 1: Monthly projections of revenue (including capital grants) to be collected for each source **Annexure AA (DMS 1718165)**;
- ❑ Component 2: Monthly projections of expenditure (operating and capital) and revenue for each vote **Annexure AB (DMS 1718165)**;
- ❑ Component 3: Quarterly projections of service delivery targets and performance indicators for each vote **Annexure AC - AK (DMS 1718165)**;
- ❑ Component 4: Ward information for expenditure and service delivery **Annexure AL and AM (DMS 1718165)**; and
- ❑ Component 5: Detailed capital works plan broken down by ward over three years **Annexure AN (DMS 1718165)**.

DISCUSSION

This report and the supporting schedules will be forwarded to National and Provincial Treasury as required in terms of Section 71 and Section 74 of the MFMA in both printed and electronic formats.

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PART 1 - IN-YEAR REPORTING

1. MAYORAL REPORT FOR THE MONTH OF MARCH 2025

In terms of the Budget Regulations, Part 1 in-year reporting, the Mayor is required to provide a report / comments on:

“(a) **a summary of whether the Municipality’s budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;**

The Mayor has considered the Section 71 report for the month of March 2025, and the performance of the Municipality against its budget is in line with the adjusted budget that was approved by Council in February 2025. A detail of all the points highlighted by the Mayor is included in the report.

Operational Budget

The monthly budget statement summary (Table C1) for the month of March 2025 (year to date actual) shows a deficit of R207,1 million. It was anticipated that with the current controls and cost containment, the deficit to reduce until a surplus is realised. The performance in this area is **Not Acceptable**.

Capital Budget

Council is at the end of third quarter in financial year 2024/25 and capital expenditure is at R373 million (59,34%). This is based on the Adjusted Budget of R627,8 million. Expenditure year to date is slow in this category and should be at least 70% as the council is drawing closer to the end of financial year. The performance in this area is **Not Acceptable**.

Cash Flow

In terms of Council's Adopted Working Capital Policy, the objective is for Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,40:1 Cash in Bank against average monthly liability's (R535m/R382m). This is below the norm therefore the performance in this area is **Not acceptable**.

2. **RESOLUTIONS**

Refer to the recommendations contained in this report.

3. **EXECUTIVE SUMMARY**

This section deals with the financial status of the Municipality at executive level and highlights matters that are of particular importance from the Chief Financial Officer's perspective.

3.1 **Operating Budget**

The following table represents an executive summary for the financial period ended 31 March 2025:

DESCRIPTION	ADJUSTED BUDGET 2024/2025	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL MARCH 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
	R	R	R	%
Revenue (excl capital grants)	5 338 039 747	4 108 454 308	4 086 138 862	99,46%
Expenditure	5 623 917 106	4 184 129 958	4 154 199 378	99,28%
Operating Surplus/(Deficit)	(285 877 359)	(75 675 650)	(68 060 515)	
Less:				
Equitable Share Received in Advance	-	-	(139 062 750)	
Net Operating Surplus/(Deficit)	(285 877 359)	(75 675 650)	(207 123 265)	

Revenue excludes capital grants which are shown under 3.4 Capital Budget Summary source of funding.

Below is the financial performance dashboard extracted from **SAP Reports and Dashboard Module**. It depicts the results as at the end of the month of March 2025 (year to date).

NB: Management is encouraged to make use of the dashboard for ease of reference on the financial performance and capital expenditure. Departments to liaise with the Budget Office and ICT for assistance with reports and dashboard.



COU - FINANCIAL PERFORMANCE DASHBOARD FOR: MARCH, 2025

Operating Revenue (R '000)

5,599,452	Original Budget
5,338,040	Adjusted Budget
509,893	Monthly Actual
4,086,139	YTD Actual
4,063,874	YTD Budget
	System Budget

Operating Expenditure (R '000)

5,589,918	Original Budget
5,623,917	Adjusted Budget
421,341	Monthly Actual
4,154,199	YTD Actual
4,172,928	YTD Budget
5,623,917	System Budget

Capital Transfers & Subsidies (R '000)

219,003	Original Budget
227,008	Adjusted Budget
7,210	Monthly Actual
145,243	YTD Actual
172,808	YTD Budget
0	System Budget

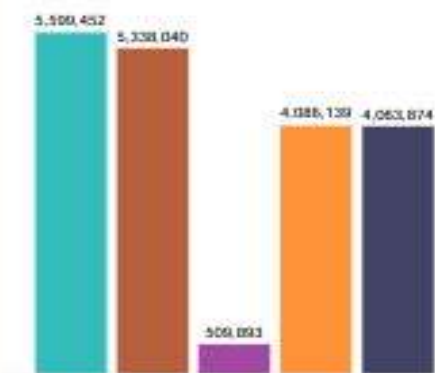
Surplus/(Deficit) for the year excluding Transfers & Subsidies (R '000)

9,534	Original Budget
-285,877	Adjusted Budget
88,552	Monthly Actual
-68,061	YTD Actual
-109,055	YTD Budget
	System Budget

Overview Revenue & Expenditure Analysis

- Original Budget
- Adjusted Budget
- Monthly Actual
- YTD Actual
- YTD Budget
- System Budget

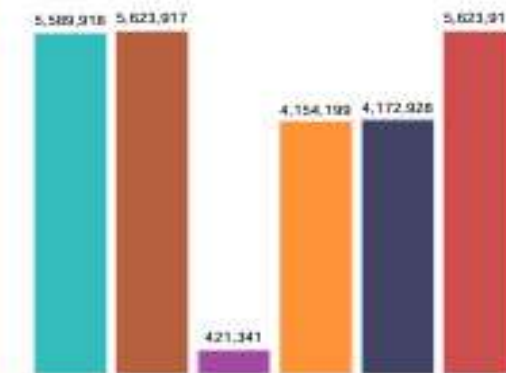
Operating Revenue (R '000)



REVENUE BY SOURCE

Original Budget
Adjusted Budget
Monthly Actuals
Year to Date Actuals
Year to Date Budget
Full Year Forecast

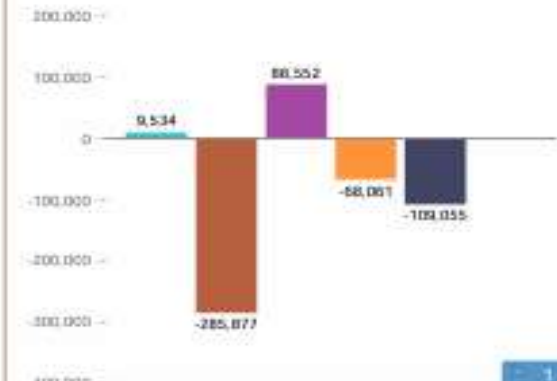
Operating Expenditure (R '000)



EXPENDITURE BY TYPE

Original Budget
Adjusted Budget
Monthly Actuals
Year to Date Actuals
Year to Date Budget
Full Year Forecast

Surplus (R '000)



Surplus

Original Budget
Adjusted Budget
Monthly Actuals
Year to Date Actuals
Year to Date Budget
Full Year Forecast

3.2 Cash Flow Situation

Council's Working Capital:

In terms of Council's Adopted Working Capital Policy the objective is for Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,40:1 (R535 m / R382 m). Working Capital R535 m and Average Creditors R382 m.

It is absolutely important that readers of the report know that "Working Capital" does not address the real amount of funds that Council should have in place under Cash and Cash Equivalents when taking into account all statutory requirements as per Councils Cash, Investments and Reserves Policy (Project Retention Monies, Loan Redemptions, Consumer Deposits, Leave and Bonus Provisions, Unspent Grants and Borrowings, Insurance Reserves and Capital Replacement Reserves). As at 31 March 2025 the Cash and Cash Equivalents is R617 m this that figure should be R1.427 billion.

2.3 Grants Balances

DESCRIPTION OF GRANT	REVISED GRANTS BUDGET 2024/25	AMOUNT RECEIVED AS AT 31/03/2025	ACTUAL EXPENDITURE AS AT 31/03/2025	% EXPENDITURE TO AMOUNT RECEIVED	% EXPENDITURE TO TOTAL	COMMENTS
NATIONAL TREASURY						
Equitable Share	556 251 000	556 251 000	417 188 250	75%	75%	In terms of the Constitution, this allocation is to provide for an equitable sharing of National Revenue. It is primarily for the provision of Basic Services.
Intergrated Urban Development Grant-IUDG	152 438 000	152 438 000	94 126 151	62%	62%	IUDG aims to provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for investment in economic infrastructure.
Financial Management Grant	2 500 000	2 500 000	1 864 289	75%	75%	The purpose of this grant is to promote and support reforms in financial mamagement by building capacity in municipalities to implement Finance Management Act (MFMA).
Water services infrastructure grant	38 600 000	38 600 000	38 600 000	100%	100%	The original Budget for this grant was R 60 000 000, National Treasury issued an amended DORA on 25 March 2025 which reduced the allocation to R38 600 000. The T total amount of R 60 000 000 was fully spent as at 31 march 2025 therefore, the municipality ought to fund the shortfall of R 21 400 000 from own funding.
Extended Public Works Pogramme	2 437 000	2 437 000	1 477 931	61%	61%	The grant is for the operational expenditure for EPWP.Expenditure shown has been incurred in the period under review,The grant was reduced by an amount of R237 000 from amended DORA issued on 25 March 2025.
Integrated National Electrification Programme Grant	7 910 000	7 910 000	2 659 872	34%	34%	The grant is to address the electrification backlog of all exisiting and planned residential dwellings and to install all relevant bulk infrastructure.The grant was reduced by an amount of R1 940 000 from amended DORA issued on 25 March 2025.
Energy Efficiency and Demand Management	5 500 000	5 500 000	1 019 510	19%	19%	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.
TOTAL NATIONAL TREASURY GRANTS	765 636 000	765 636 000	556 936 003	73%	73%	

DESCRIPTION OF GRANT	REVISED GRANTS BUDGET 2024/25	AMOUNT RECEIVED AS AT 31/03/2025	ACTUAL EXPENDITURE AS AT 31/03/2025	% EXPENDITURE TO AMOUNT RECEIVED	% EXPENDITURE TO TOTAL	COMMENTS
PROVINCIAL TREASURY						
Provincialisation of Libraries	10 016 000	10 016 000	28 415 621	284%	284%	Expenditure shown is the total actual operating costs of the Libraries for the period under review.
Community Library Services Grant (Cyber cadets)	2 124 000	2 124 000	1 498 477	71%	71%	Expenditure shown is the total actual operating costs of the Cyber cadets for the period under review.
Housing Operating Account	4 429 000	3 408 033	16 902 138	496%	382%	Expenditure shown is the total actual operating cost of the Human Settlements Section excluding Hostel Operating costs for the period under review.
Museum Subsidy	260 000	-	2 779 975	0%	1069%	Expenditure shown is the total actual operating costs of the Museum for the period under review. The MOA has been signed and submitted to KZN DSAC payment for the subsidy will be done this Month.
TOTAL PROVINCIAL TREASURY GRANTS	16 829 000	15 548 033	49 596 211	319%	295%	
TOTAL GRANTS AND SUBSIDIES	782 465 000	781 184 033	606 532 215	78%	78%	

3.4 Capital Budget Summary

The table below represents Capital Expenditure incurred as at 31 March 2025:

FUNCTION	ADJUSTED BUDGET 2024/2025	ACTUAL MARCH 2025 (YTD)	% OF ADOPTED BUDGET SPENT
	R	R	%
Mayor and Council	52 000	15 072	28,98%
Finance and Administration	65 842 700	23 554 715	35,77%
Community and Social Services	11 135 700	399 653	3,59%
Sport and Recreation	31 117 700	23 203 622	74,57%
Public Safety	675 000	-	0,00%
Housing	3 198 000	-	0,00%
Planning and Development	49 075 000	12 370 406	25,21%
Road Transport	94 418 400	76 662 462	81,19%
Environmental Protection	78 000	-	0,00%
Air Transport - Air port	12 399 000	10 569 994	85,25%
Energy Sources	76 690 300	7 309 245	9,53%
Water Management	202 882 200	150 621 652	74,24%
Waste Water Management	68 425 200	67 822 633	99,12%
Waste Management	11 816 000	-	0,00%
	627 805 200	372 529 454	59,34%

The total adopted Capital Budget funding structure is as follows:

SOURCE OF FUNDING	ADJUSTED BUDGET 2024/2025	ACTUAL MARCH 2025 (YTD)	% OF ADJUSTED BUDGET SPENT
	R	R	%
Borrowing	380 157 400	217 695 789	57,26%
Capital Replacement Reserve	18 074 400	3 706 349	20,51%
Integrated Urban Development Grant	144 863 000	81 339 202	56,15%
Government Grants - National	81 512 600	68 528 115	84,07%
Government Grants - Provincial	632 500	565 420	89,39%
Self Insurance Reserves	2 565 300	694 578	27,08%
TOTAL	627 805 200	372 529 454	59,34%



COU - CAPEX DASHBOARD FOR: MARCH 2025



Original Budget (R '000)	Adjusted Budget (R '000)	Monthly Actual (R '000)	YTD Actual (R '000)	YTD Budget (R '000)	YTD Variance (R '000)
610,994	627,805	39,485	372,529	430,602	-58,073

[Overview](#)[CSC CAPEX-MAIN](#)[SC13A-NEW](#)[SC13B-RENEW](#)[SC13E-UPGRADE](#)[CSC CAPEX-MAIN-Detail](#)[SC13A-NEW-Detail](#)[SC13B-RENEW-Detail](#)[SC13E-UPGRADE-Detail](#)

ALL VOTES

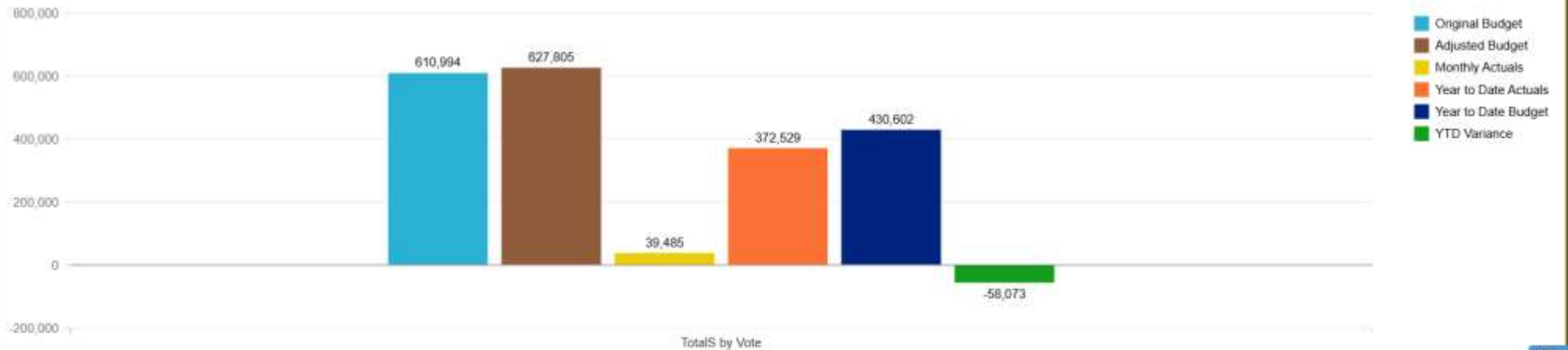
Total by Vote

Functional Classification

Funded By

ALL VOTES

Total Capex (R '000)



NOTES:

OFFICIAL FINAL VERSION

RPT 180289
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3.5 Expenditure per Category

EXPENDITURE BY TYPE	ADJUSTED BUDGET 2024/2025	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL MARCH 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
	R	R	R	%
Employee related costs	1 197 348 600	898 011 450	855 838 313	95,30%
Remuneration of Councillors	38 433 400	28 825 050	25 442 982	88,27%
Bulk Purchases - Electricity	1 802 030 900	1 351 523 175	1 358 826 381	100,54%
Inventory consumed - Water	320 816 181	218 794 871	218 794 871	100,00%
Inventory consumed - Materials	165 164 619	115 813 726	127 626 398	110,20%
Debt Impairment	202 711 600	154 033 700	164 219 530	106,61%
Depreciation and asset impairment	352 759 106	264 569 330	262 003 313	99,03%
Finance Charges	184 846 100	138 634 575	144 152 452	103,98%
Contracted Services	584 436 100	389 657 756	357 987 984	91,87%
Transfers and Subsidies	6 432 000	2 459 291	1 754 462	71,34%
Irrecoverable debts written off	-	-	7 663 210	0,00%
Operational costs	398 934 100	276 322 304	269 617 311	97,57%
Losses - Water Inventory (note 1)	370 004 400	345 484 730	360 272 170	104,28%
TOTAL	5 623 917 106	4 184 129 958	4 154 199 378	99,28%

The above table represents operating expenditure per category as at 31 March 2025.

WATER LOSS OR NON REVENUE WATER BROKEN DOWN

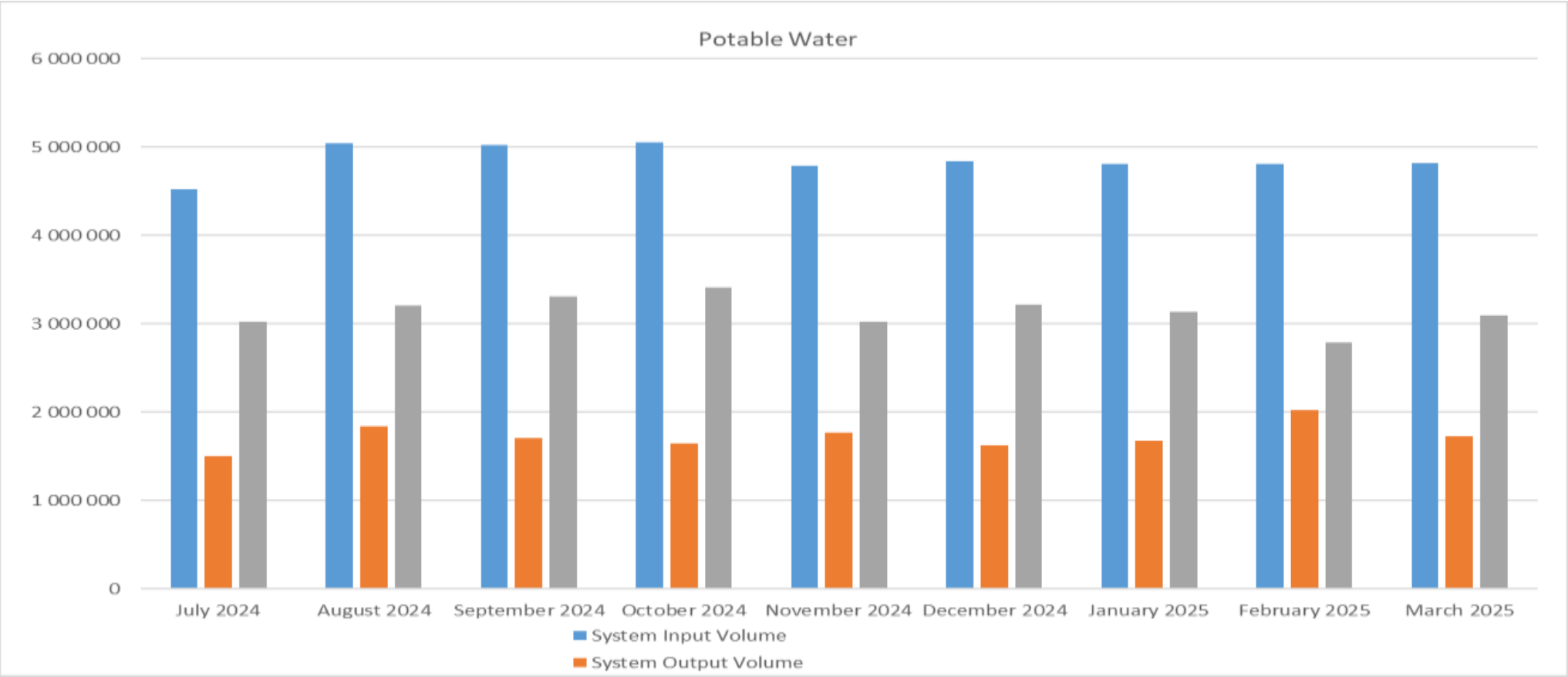
In terms of Version 6.5 of the mSCOA Chart it is required that municipalities account for their water purchases, water production as well their losses in accordance with the water balance model. In financial terms water is referred to as water inventory. This model is derived from the Internal Water Associations Water Balance Model adopted by the Department of Water and Sanitation (DWS) and the National Treasury. It ensures that this very scarce resource is accounted for both in kilolitres and in rands.

NON REVENUE WATER (WATER LOSS) PER CATEGORY:

Water Inventory - in Rands						
Water Inventory	Adopted Budget			Year to Date Actuals		
	Total	Potable	Clarified	Total	Potable	Clarified
	R	R	R	R	R	R
Output						
Inventory consumed - Water Billed (Authorised)	318 387 100	298 002 400	20 384 700	216 628 585	199 244 935	17 383 650
Inventory consumed - Water Unbilled (Authorised)	6 952 900	6 725 400	227 500	2 166 286	1 992 449	173 837
Total - Inventory consumed - Water	325 340 000	304 727 800	20 612 200	218 794 871	201 237 384	17 557 487
Non Revenue Water (Loss - Water Inventory)	369 949 800	367 816 800	2 133 000	360 163 348	357 019 046	3 144 302
Total Water Inventory (Consumed plus losses)	695 289 800	672 544 600	22 745 200	578 958 219	558 256 430	20 701 789

Water Inventory - in Units (kl)						
Water Inventory	Adopted Budget			Year to Date Actuals		
	Total	Potable	Clarified	Total	Potable	Clarified
	kl	kl	kl	kl	kl	kl
Output						
Inventory consumed - Water Billed (Authorised)	29 777 318	25 027 318	4 750 000	17 920 624	15 498 240	2 422 383
Inventory consumed - Water Unbilled (Authorised)	617 827	564 827	53 000	179 206	154 982	24 224
Total - Inventory consumed - Water	30 395 145	25 592 145	4 803 000	18 099 830	15 653 223	2 446 607
Non Revenue Water (Loss - Water Inventory)	31 387 591	30 890 591	497 000	28 310 063	27 837 147	472 916
Non Revenue Water (% Loss - Water Inventory)	50,8%	54,7%	9,4%	61,0%	64,0%	16,2%
Total Water Inventory (Consumed plus losses)	61 782 736	56 482 736	5 300 000	46 409 893	43 490 369	2 919 523

Potable Water Inventory - in Units (kl)									
Water Inventory	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025
System Input Volume	4 522 239	5 044 436	5 016 592	5 053 885	4 788 885	4 835 422	4 802 090	4 806 008	4 818 062
System Output Volume	1 504 562	1 840 172	1 707 798	1 644 168	1 764 576	1 623 215	1 669 220	2 021 167	1 723 361
Non Revenue Water (Loss - Water Inventory)	3 017 677	3 204 264	3 308 794	3 409 717	3 024 309	3 212 207	3 132 870	2 784 841	3 094 701



NON REVENUE WATER (WATER LOSS PER WATER SUPPLY ZONE):

	Mar-25				YTD AS AT 31 MARCH 2025			
	Zone 1 (Richards Bay , Nseleni, Khoza, Mandlanzini, Meerensee , Mzingazi)	Zone 2 (Empangeni, Ngwelezane,Zungu)	Zone 3 (Esikhaleni, Felixton, Vulindlela, Mkwanazi North & South)	Zone 4 (Richards Bay - Clarified Water)	Zone 1 (Richards Bay , Nseleni, Khoza, Mandlanzini, Meerensee , Mzingazi)	Zone 2 (Empangeni, Ngwelezane,Zungu)	Zone 3 (Esikhaleni, Felixton, Vulindlela, Mkwanazi North & South)	Zone 4 (Richards Bay - Clarified Water)
	KL	KL	KL	KL	KL	KL	KL	KL
System Input (Purchased and Produced)	1 750 427	2 069 318	998 317	383 905	16 372 350	18 453 486	8 664 533	2 919 523
Kl/Day	56 465	66 752	32 204	12 384	538 447	606 274	284 667	96 159
System Out Put - Inventory Consumed	1 088 253	484 244	168 098	251 084	9 415 819	4 675 102	1 562 302	2 446 607
Kl/Day	35 105	15 621	5 423	8 099	310 421	153 953	51 395	80 761
Inventory consumed - Water Billed (Authorised)	1 077 478	479 450	166 433	248 598	9 322 593	4 628 814	1 546 834	2 422 383
Inventory consumed - Water Unbilled (Authorised)	10 775	4 794	1 664	2 486	93 226	46 288	15 468	24 224
Non Revenue Water (Water Loss)	662 174	1 585 074	830 219	132 821	6 956 531	13 778 384	7 102 231	472 916
Kl/Day	21 360	51 131	26 781	4 285	227 310	450 758	232 389	15 398
Water Losses:Apparent Losses:Customer Meter Inaccuracies	59 596	142 657	74 720	11 954	626 088	1 240 055	639 201	42 562
Water Losses:Apparent Losses:Unauthorised Consumption (Theft)	33 109	79 254	41 511	-	347 827	688 919	355 112	192
Water Losses:Real Losses:Leakage and Overflows at Storage Tanks/Reservoirs	26 818	64 195	33 624	5 711	281 739	558 025	287 640	20 326
Water Losses:Real Losses:Leakage on Service Connections up to the point of Customer Meter	152 863	365 914	191 656	32 554	1 605 915	3 180 740	1 639 550	115 857
Water Losses:Real Losses:Leakage on Transmission and Distribution Mains	356 680	853 800	447 198	75 960	3 747 135	7 421 727	3 825 617	270 333
Water Losses:Data Transfer and Management Errors	33 109	79 254	41 511	6 641	347 827	688 919	355 112	23 646
Non Revenue Water (% Loss - Water Inventory)	37,8%	76,6%	83,2%	34,6%	42,5%	74,7%	82,0%	16,2%
Total Water Inventory (Consumed plus losses)	1 750 427	2 069 318	998 317	383 905	16 372 350	18 453 486	8 664 533	2 919 523

3.6 Revenue by Source

The source of funding for the above comprises the following revenue categories:

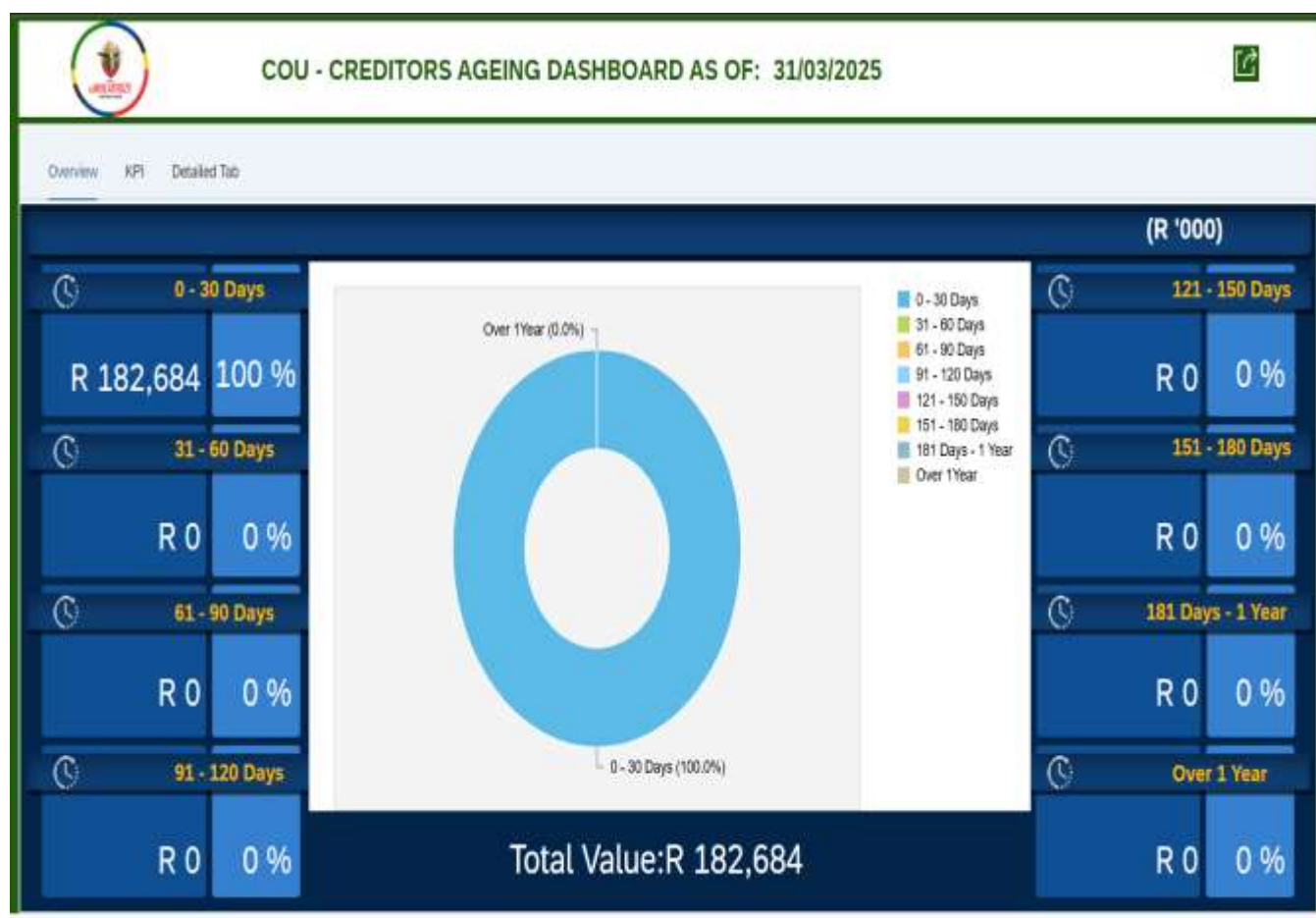
REVENUE BY SOURCE	ADJUSTED BUDGET 2024/2025	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL MARCH 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
	R	R	R	%
Exchange Revenue				
Service Charges – Electricity revenue	2 348 456 700	1 708 492 816	1 744 584 313	102,11%
Service Charges – Water revenue	572 907 000	423 608 952	419 905 690	99,13%
Service charges - Waste Water Management	132 281 600	101 020 759	100 950 980	99,93%
Service charges - Waste management	120 401 900	92 609 563	93 482 744	100,94%
Sale of Goods and Rendering of Services	76 627 247	38 064 015	23 153 874	60,83%
Agency services	8 364 800	6 999 270	6 911 896	98,75%
Interest earned from Receivables	29 400	2 132	2 132	100,00%
Interest from Current and Non Current Assets	45 000 000	28 323 673	27 563 174	97,31%
Rent on Land	2 811 700	1 625 638	1 477 588	90,89%
Rental from Fixed Assets	16 264 500	9 540 223	9 372 298	98,24%
Operational Revenue	15 736 400	15 111 794	14 144 189	93,60%
Non-Exchange Revenue				
Property rates	778 223 600	587 300 822	580 062 471	98,77%
Surcharges and Taxes	7 832 900	5 882 857	6 097 444	103,65%
Fines, penalties and forfeits	5 313 500	3 924 053	6 808 932	173,52%
Licence and permits	3 631 700	2 753 685	2 785 968	101,17%
Transfers and subsidies - Operational	592 697 200	593 949 725	577 141 426	97,17%
Interest	1 870 000	1 369 809	1 427 630	104,22%
Other Gains	27 840 801	20 880 601	20 940 385	100,29%
Gains on disposal of Assets	-	10 792 174	12 656 614	0,00%
Gains - Water Inventory	581 748 799	456 201 748	436 669 115	95,72%
TOTAL OPERATING REVENUE	5 338 039 747	4 108 454 308	4 086 138 862	99,46%
LESS: EQUITABLE SHARE				
Equitable Share Received in Advance	-	-	(139 062 750)	0,00%
TOTAL REVENUE	5 338 039 747	4 108 454 308	3 947 076 112	96,07%

The above table represents operating revenue by source as at 31 March 2025.

3.7 Creditors Age Analysis

Creditors age analysis by customer type:

Creditors Age Analysis By Customer Type	0 - 30 Days
	R
Bulk Electricity	161 016 820
PAYE deductions	-
Pensions / Retirement deductions	-
Trade Creditors	21 667 030
Total By Customer Type	182 683 850



The above table represents the ageing of creditors outstanding as at 31 March 2025. As per the National Treasury Circular 71 uniform ratios the formula to calculate the creditors payment period is as follows - *Trade creditors outstanding/credit purchases (operating and capital) x 365*. Based on the formula, the creditors payment period as at end of March 2025 is **27 days**. It must be noted that amounts over 90 days are invoices that were accrued due to year-end cut-off. However, final sign off and verification still needed to be done by User Departments.

3.8 Debtors Age Analysis

➤ Debtors Age Analysis by Category

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Organs of State	158 726 999	7 898 260	3 282 451	108 083 285	277 990 995
Business	187 884 471	8 720 677	5 357 758	123 626 711	325 589 618
Households	67 812 529	15 146 680	9 686 304	214 065 228	306 710 742
Other	996 484	533 680	396 812	10 793 392	12 720 368
Total	415 420 483	32 299 298	18 723 325	456 568 618	923 011 724
%	45,01%	3,50%	2,03%	49,47%	

FINANCIAL REPORTING ON INCOME / DEBT

Section 216 (1)(c) of the Constitution and Section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National Treasury determined the formulas for every financial ratio in terms of Circular 71. These formulas will therefore be used in the reporting.



Debt Collection Rate

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The following formula and norm is included in the circular:

<i>Formula (As per circular 71)</i>	<i>Norm</i>
Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	The norm is 95%

PAYMENT RATIO'S					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	12 Month Rolling %	INTERPRETATION
1	Collection Rate - Rolling 12 Months	95%		97%	Please refer to page 5 of MFMA Circular No. 71
			Gross Debtors closing balance end March 2025	731 476 671	
			Gross Debtors opening balance April 2024	675 693 766	
			Bad debts written Off April 2024 to March 2025	49 300 034	
			Billed Revenue April 2024 - March 2025	3 867 720 583	

➤ Net Debtors Days

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services. The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful Debts:

<i>Formula (As per circular 71)</i>	<i>Norm</i>
((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365	The norm is 30 Days

NETT DEBTORS IN DAYS					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	12 Month Rolling %	INTERPRETATION
2	Net Debtors Days	30 days		43 days	Please refer to page 6 of MFMA Circular No. 71
			Gross Debtors closing balance end March 2025	731 476 671	
			Bad debts Provision / Impairment 2024 / 2025	274 732 500	
			Billed Revenue April 2024 - March 2025	3 867 720 583	

➤ **Top 10 Debtors**

TOP 10 DEBTORS							
Contract Account	Consumer Type	0-30 days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
1854904	PRIVATE BUSINESS	-	-	-	-	22 333 088	22 333 088
531788	STATE OWNED ENTITIES	-	-	-	137	21 328 793	21 328 930
188345	STATE OWNED ENTITIES	2 334 113	4 304 691	1 746 653	-	17 975 115	26 360 573
30000543	PRIVATE BUSINESS	580 710	290 355	290 355	290 355	8 543 719	9 995 494
1153881	PRIVATE BUSINESS	69 094	34 547	34 547	35 295	7 594 643	7 768 124
416383	PRIVATE BUSINESS	85 344	170 688	85 344	-	7 227 140	7 568 516
2369555	STATE OWNED ENTITIES	440 240	219 025	221 261	221 306	6 602 771	7 704 603
2328365	STATE OWNED ENTITIES	-	-	-	-	6 496 650	6 496 650
1610626	PRIVATE BUSINESS	-	69 723	-	-	6 185 169	6 254 892
501543	STATE OWNED ENTITIES	111 115	239 019	171 252	-	5 718 752	6 240 138
		3 620 615	5 328 047	2 549 412	547 092	110 005 840	122 051 007

Government Debt

The Top Ten (10) Government debtors are as follows:

Government Departments - Summary of ALL Debt						
Government Departments	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
National	8 253 596	1 560 410	265 815	232 322	2 657 163	12 969 306
Provincial	11 832 560	5 281 850	2 295 988	383 963	44 020 418	63 814 778
Government accounts in Dispute	12 596	6 298	6 298	6 298	773 642	805 132
National Departments	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
National Public Works	7 730 013	1 334 633	48 411	27 342	840 868	9 981 267
SA Revenue Services	45 503	6 797	13 211	8 634	65 146	139 291
Stats SA	39 406	21 065	6 413	-	-	66 884
Dept of Agriculture and Rural Development & land Reform	62 686	22 310	22 254	22 219	770 919	900 388
Department of Water Affairs and Sanitation	375 989	175 606	175 525	174 126	980 230	1 881 477
	8 253 596	1 560 410	265 815	232 322	2 657 163	12 969 306
Provincial Departments	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Public Works	61 823	26 418	27 310	25 698	9 926 184	10 067 432
Education	2 094 711	282 277	121 003	38 740	5 839 221	8 375 952
Tvet Colleges	3 154 635	4 669 124	2 081 736	277 334	23 178 034	33 360 862
Human Settlement	142 094	32 241	23 956	27 653	932 929	1 158 873
Department of Transport	205 547	13 237	15 333	14 538	212 959	461 613
Department of Health	6 005 628	257 509	26 651	-	3 931 091	10 220 879
Department of Social Welfare	168 122	1 045	-	-	-	169 166
	11 832 560	5 281 850	2 295 988	383 963	44 020 418	63 814 778
Other Organs of State	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
Transnet	11 562 483	-1 212 827	21 396	36 543	1 797 340	12 204 935
ESKOM	338 688	59 337	24 664	2 530	115 072	540 291
Telkom	682 772	964	3 528	734	-128 407	559 591
Foskor	36 267 568	19 255	-	-	-	36 286 824
SA Post Office	51 094	3 651	1 347	541	48 837	105 469
Richards Bay IDZ	4 982 645	-	-	-	-	4 982 645
Mhlathuze Water Board	2 850 735	233 264	236 928	233 400	23 422 084	26 976 410
King Cetshwayo District Municipality	8 866 035	239 019	171 252	-	5 718 752	14 995 058
	65 602 019	-657 338	459 115	273 748	30 973 678	96 651 222
Ingonyama Trust Board	866 191	430 916	435 068	435 157	29 009 905	31 177 237

3.9 Employee Debt / Councillor Debt

At a previous Financial Services Portfolio Committee meeting, Councillors requested that Officials and Councillors debt be submitted to Council.

Employees debt amounts to R190 602,63 as per **Annexure AP - DMS 1718165**.

Councillors debt amounts to R38 155,16 as per **Annexure AO - DMS 1718165**.

3.10 MFMA Circular number 71 Uniform Financial Ratios

MFMA Circular 71 contained on **DMS 928606** sets out requirements for financial ratios and norms. This Circular covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation. These ratios also aid in long-term financial planning and can be used to track progress over a number of years. Norms or standards have been assigned to each financial ratio.

This template is included as **Annexure AF** is available on **DMS 1718165**.

4. EXCEPTION REPORTING ON OPERATING EXPENSES - FOR ENTIRE MUNICIPALITY

4.1 LOSSES TO COUNCIL'S PROPERTY

The tables below represent losses to Council's property for the period 1 January to 31 March 2025:

GLASS REPLACEMENT CLAIMS										
DATE	CLAIM NUMBER	CATERGORY	DETAILS OF INCIDENT	VEHICLE	V TYPE	AREA	DPT/SECT	EXCESS	DAMAGE	CLL COST
03/03/2025	222024/95	Glass Replacement	V2020 - Driven by Lindokhule Makhuga was damaged when a stone picked up and cracked the windscreen	V2020 - NRB 99052	Power Star	John Ross	I&TS - Water and Sanitation	3 500,00	3 500,00	3 500,00
25/03/2025	222024/106	Glass Replacement	V1389 driven by Bongani Majola - windscreen was damaged when a stone picked up and creaked the windscreen	V1389 - NRB 89063	Ford Ranger	Ngwelezane	I&TS - Roads & Stormwater	2 875,00	2 875,00	2 875,00
								6 375,00	6 375,00	6 375,00

PUBLIC LIABILITY CLAIMS										
DATE	CLAIM NUMBER	CATERGORY	DETAILS OF INCIDENT	VEHICLE	V TYPE	AREA	DPT/SECT	EXCESS	DAMAGE	CLL COST
11/12/2024	222024/77	Public Liability	Sandile Mthiyane is claiming for damages to his vehicle window caused by grass cutting operations			Meerensee	Comms - Parks	5 000,00	950,00	950,00
28/10/2024	222024/78	Public Liability	Gumede is claiming for damages to his right door vehicle window caused by grass cutting			Knutzen Str	Comms - Parks	5 000,00	580,00	580,00
31/10/2024	222024/79	Public Liability	Khayelihle Myeni is claiming for damages to his windscreen caused by grass cutting			Empangeni	Comms - Parks	5 000,00	2 875,00	2 875,00
25/07/2024	222024/80	Public Liability	Khoza/Mthiyane is claiming for damages to his left side window caused by grass cutting operations			Rex Henderson	Comms - Parks	5 000,00	910,00	910,00
20/01/2025	222024/83	Public Liability	Sakhile Dladla is claiming for damages to his vehicle due to grass cutting			Empangeni	Comms - Parks	5 000,00	16 396,18	5 000,00
04/02/2025	222024/85	Public Liability	Kwazi Zikhali is claiming for damages to his vehicle due to grass cutting			Brackenham	Comms - Parks	5 000,00	3 757,05	3 757,05
07/02/2025	222024/89	Public Liability	Johanna Neveling is claiming for damages to her property and car due to tree felling			Meerensee	Comms - Parks	5 000,00		
18/01/2025	222024/90	Public Liability	Joseph Ndlovu is claiming for damages to his vehicle due to a Council vehicle allegedly colliding with him			Ntambanana	I&TS - Water and Sanitation	5 000,00	9 000,00	9 000,00
07/02/2025	222024/91	Public Liability	V0432 - Driven by BPV Ngema was damaged when its brakes failed to engage and it collided with a SPAR truck	V0432 - NRB 41594	Nissan	Empangeni	Comms - Solid Waste		2 800,00	2 800,00
12/01/2025	222024/104	Public Liability	SE Mthembu is claiming for damages to his property allegedly caused by a blocked storm water drain			Nseleni	I&TS - Roads & Stormwater	5 000,00		
24/02/2025	222024/107	Public Liability	V1250 driven by Jacobus Kruger was involved in a collision with TP P Mbuyazi driving BN 85 Fy ZN	V1250 - NRB 85814	Nissan NP 300	Richards Bay	Energy Services - Fleet	5 000,00		
								50 000	37 268	25 872

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THEFT CLAIMS										
DATE	CLAIM NUMBER	CATERGORY	DETAILS OF INCIDENT	VEHICLE	V TYPE	AREA	DPT/SECT	EXCESS	DAMAGE	CLL COST
06/03/2025	222024/102	Theft	Intruders entered the SCMU property over the fence and stole cables from the yard			Richards Bay	Finance - SCM			
03/03/2025	222024/103	Theft	BT Ncikazi reported that his laptop cable was missing - he last left the cable in his office			Esikhaleni	I&TS - Roads & Stormwater			
24/03/2025	222024/105	Theft	The airdryer of V1120 was stolen whilst the vehicle was parked off for the night	V1120 - NRB 63104	Powerstar	Empangeni	Comms - Solid Waste	0.00	1 491	1 491
									1 491	1 491

PROPERTY DAMAGE CLAIMS										
DATE	CLAIM NUMBER	CATERGORY	DETAILS OF INCIDENT	VEHICLE	V TYPE	AREA	DPT/SECT	EXCESS	DAMAGE	CLL COST
14/01/2025	222024/65	Property Loss	Copper pipes stripped off and stolen at Mdlebishona RD			Esikhawini	I&TS - Roads and Stormwater	0	0	0
12/01/2025	222024/67	Property Loss	Nseleni Library study room ceiling collapsed due to heavy rains			Nseleni	Comms - Libraries	0	0	0
19/12/2024	222024/73	Property Loss	4x air conditioners stolen at Aquadene library			Aquadene	Comms - Libraries	0	0	0
11/12/2024	222024/74	Property Loss	4x air conditioners stolen at Nseleni library			Nseleni	Comms - Libraries	0	102 120,00	0
23/01/2025	222024/75	Property Loss	Civic Centre was vandalized by protestors			Richards Bay	Corp Services	0	31 982,67	0
27/01/2025	222024/99	Property Loss	Copper pipes stolen from Esikhaleni Depot			Esikhawini	Comms - Solid Waste	0	0	0
01/11/2024	222024/81	Property Loss	3x PCs at Nseleni Library damaged by electrical surge due to lightning			Nseleni	Comms - Libraries	0	0	0
23/02/2025	222024/92	Property Loss	8 book shelves and carpet damaged at Esikhawini Library due to heavy rains			Esikhawini	Comms - Libraries	0	0	0
								-	134 103	-

DAMAGES TO COUNCIL VEHICLES										
DATE	CLAIM NUMBER	CATEGORY	DETAILS OF INCIDENT	VEHICLE	V TYPE	AREA	DPT/SECT	EXCESS	DAMAGE	CLL COST
22/12/2024	222024/66	Vehicle Damage	V0346 - Driven by M Mndaba was damaged when the gears and brake failed to engage causing truck to roll	V0346 - NRB 83984	MAN CLA	Ntambanana	I&TS - Water and Sanitation	-	-	-
24/12/2024	222024/68	Vehicle Damage	V1449 - Driven by B Mhlongo was damaged when TP vehicle collided into it	V1449 - NRB 88737	Ford Ranger	Richards Bay	I&TS - Water and Sanitation	5 000	63 404	5 000
07/01/2025	222024/71	Vehicle Damage	V1408 - Driven by NB Nyawo was damaged when she knocked a passer by	V1408 - NRB 51341	Ford Ranger	Esikhawini	I&TS - Waste Services	-	34 417	34 417
17/01/2025	222024/72	Vehicle Damage	V0350 - Driven by SF Khoza damaged its and TPs vehicle side mirrors	V0350 - NRB 78816	UD Tipper Truck	Nseleni	I&TS - Roads and Stormwater	-	-	-
20/01/2025	222024/76	Vehicle Damage	V1498 - Driven by Ntombi Chamane was bumped by TP vehicle	V1498 - NRB 35398	Audi A1	Empangeni	Traffic Services	-	16 400	16 400
27/01/2025	222024/82	Vehicle Damage	V2038 - Driven by RJ Ndlela, rear wheels came off and damaged 2 TP vehicles	V2038 - NRB 43725	FAW CA Series	Empangeni	I&TS - Waste Services	-	-	-
02/02/2025	222024/84	Vehicle Damage	V1236 - Driven by DD Mthiyane was damaged when TP vehicle bumped into it	V1236 - NRB 72973	NP 200	Meerensee	Finance - SCM	-	8 522	8 522
10/02/2025	222024/86	Vehicle Damage	V1412 - Driven by NV Magwaza's vehicle keys were taken from the key box	V1412 - NRB 72578	VW Polo	Esikhawini	I&TS - Roads and Stormwater	-	-	-
04/02/2025	222024/87	Vehicle Damage	V2042 - Driven by P Ndebele was damaged when a stone picked up and cracked the windscreen	V2042 - NUF 63406	VW Crafter	Empangeni	I&TS - Roads and Stormwater	-	-	-
26/12/2025	222024/88	Vehicle Damage	V1232 - Driven by N Nduli was damaged when he drove into a pole	V1232 - NRB 77983	Nissan NP300	Alton	Electrical and Energy Services	-	24 835	24 835
07/02/2025	222024/91	Vehicle Damage	V0432 - Driven by BPV Ngema was damaged when its brakes failed to engage and it collided with a SPAR truck	V0432 - NRB 41594	Nissan	Empangeni	Comms - Solid Waste	-	2 800	2 800
17/02/2025	222024/93	Vehicle Damage	V1361 - Driven by Ben Mngomezulu was damaged when it collided with TP vehicle	V1361 - NRB 89190	Ford Ranger	Empangeni	OMM - Public Participation	-	-	-
11/02/2025	222024/94	Vehicle Damage	V1642 - Driven by Siphos Sibambo was damaged when he collided into a skip	V1642 - NRB 50877	Bell TLB	Empangeni	Comms - Waste	-	43 446	43 446
27/02/2025	222024/96	Vehicle Damage	V1487 - Driven by Siphos Dladu was involved in a collision with a third party	V1487 - NRB 94190	Nissan Hardbody	John Ross	I&TS - Water and Sanitation	-	529 700	529 700
27/02/2025	222024/96	Vehicle Damage	V1487 - Driven by Siphos Dladu was involved in a collision with a third party	V1487 - NRB 94190	Nissan Hardbody	John Ross	I&TS - Water and Sanitation	-	-	850
28/02/2025	222024/97	Vehicle Damage	V1673 - Driven by SL Gumede was getting towed by V1411 when it hit a pothole, trailer jack knifed and got damaged	V1673 - FL173E7X	Jetting Machine	Empangeni	I&TS - Roads and Stormwater	-	-	-
04/03/2025	222024/98	Vehicle Damage	V2064 - Driven by MM Langa was parked at the landfill site offloading garbage and TP vehicle damaged its side mirror	V2064 - GCK993X	UD Compactor	Empangeni	Comms - Solid Waste	-	-	-
13/03/2025	222024/100	Vehicle Damage	V1624 - Driven by JM Mkhwanazi was damaged when a stone picked up and shattered the windscreen	V1624 - NRB 88869	Bell TLB	Nseleni	I&TS - Roads and Stormwater	-	31 064	31 064
14/03/2025	222024/101	Vehicle Damage	V2064 - Driven by NL Mpanza was damaged whilst offloading a skip	V2064 - GCK993X	UD Compactor	Esikhawini	Comms - Solid Waste	-	-	-
								5 000	754 589	697 035

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- Public liability claims remain problematic, damages allegedly caused by potholes and vehicle collisions were increased this term. It is also noticed that legal approaches have also increased.
- Pothole claims do not necessarily imply poor repairs and maintenance, there are other contributing factors. Due to extreme weather conditions and heavy traffic usage (specifically haulage trucks), exceeding that what the road was designed for. The extent to which pothole risks arise are often beyond the capacity which a Municipality can contain.

It is important to note that Council can only be held liable when there is evident gross negligence on the part of the Municipality.

- There has been an increase in motor vehicle accidents, this category as well lacks thorough investigations and consequence management, the urgency of this cannot be expressed enough.
- Delayed reporting of incidents and lack of co-operation from departments remain a challenge in finalising claims and attract unnecessary legal action.
- Vehicle inspection check sheets must be re-introduced as it has been very effective previously.
- Vehicle inspection check sheets must be re-introduced as it has been very effective previously.

4.2 PROCEEDS FROM LAND SALES

As required in terms of the Chief Financial Officer's Performance Plan (**DMS 1308528**), the following progress on land sales that have been prepared by the Department City Development and approved by Council for sale, the process followed by the Department Financial Services be noted:

- No Land sales for the quarter ended 31 March 2025.

4.3 **COST CONTAINMENT POLICY**

The implementation of Municipal Cost Containment Regulations (MCCR) was effective from 1 July 2019. The containment policy **(DMS 1407523)** was approved by Council in terms of Council Resolution 14091 dated 26 August 2020 **(RPT 167608)**:

ANNEXURE D: COST CONTAINMENT REPORT AS AT 31 MARCH 2025				
COST CONTAINMENT MEASURES	ADJUSTED BUDGET 2024/25	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL MARCH 2025 (YTD)	SURPLUS/ (DEFICIT)
Advertisement & Marketing	5 156 200	3 867 150	1 337 134	2 530 016
Sponsorship, Events and Catering Services	3 554 600	2 665 950	838 477	1 827 473
Conference, meetings and study tours	540 100	405 075	146 153	258 922
Entertainment	135 400	101 550	-	101 550
Communications:Radio and TV Transmission and SMS Bulk Message Service	3 194 100	2 395 575	1 830 087	565 488
Consultants Sevices	211 977 500	158 983 125	120 990 294	37 992 831
Travel and subsistence allowance (incl accommodation)	2 500 800	1 875 600	1 317 525	558 075
Vehicle hire for Public office bearers	280 800	210 600	280 351	(69 751)
TOTAL	227 339 500	170 504 625	126 740 020	43 764 605

4.4 Over-expenditure

The table below represents operating budget over-expenditures as at 31 March 2025:

Commitment Item	Commitment Item Description	Adjusted Budget 2024/25	Actuals	Actuals as at 31/03/2025 (incl commitment)	Over Spent
4400000300	IE:CS:Busi Adv:Busi Finance Management	1 923 500	598 767	1 526 200	(83 575)
4400002300	IE:CS:Laboratory Services: Water	2 961 600	2 544 382	2 679 907	(458 707)
4400002600	IE:CS:Legal Advice and Litigation	4 793 200	4 061 533	4 686 958	(1 092 058)
4400003200	IE:CS:Contr:Event Promoters	332 900	279 000	279 000	(29 325)
4400003400	IE:CS:Contr:Fire Protection	615 500	403 175	519 605	(57 980)
4400003650	IE:CS:Contractors: Electrical Installations	55 600	372 829	661 539	(619 839)
4400003700	IE:CS:Contr: Maint Buildings & Facilities	13 050 000	9 291 545	12 290 764	(2 503 264)
4400003800	IE:CS:Contractors: Maintenance of Equipment	24 241 800	19 221 235	22 782 060	(4 600 710)
4400003900	IE:CS:Contractor: Maintenance of Unspecified Assets	101 087 900	74 410 201	91 048 216	(15 232 291)
4400004400	IE:CS:Contractors: Plants,Flowers&Other Decorations	30 000	65 000	65 000	(42 500)
4400004500	IE:CS:Contr:Safeguard and Security	70 072 200	63 445 582	67 557 975	(15 003 825)
4400004750	IE:CS:Contr:Shark Nets	2 886 400	2 757 230	2 757 230	(592 430)
4400005000	IE:CS:Alien Vegetation Control	907 900	868 385	878 385	(197 460)
4400006000	IE:CS:Burial Services	804 100	719 895	748 762	(145 687)
4400007300	IE:CS:Sewerage Services	21 956 900	19 920 951	20 968 518	(4 500 843)
4400007800	IE:CS:Contractors:Air Traffic & Navigation	4 439 500	2 915 295	4 439 401	(1 109 776)
4400007900	IE:CS:Outsour Services:Clearing & Grass Cutting	12 500	188 262	269 225	(259 850)
4450000300	IE:Inventory Consumed:Materials and Supplies	107 491 600	83 167 322	96 483 312	(15 864 612)
4500000800	IE:Op Cost:Adver,Pcity&Market:Staff Recruitment	73 100	105 840	105 840	(51 015)
4500002400	IE:Op Cost:Dumping Fees (District Council)	13 351 100	10 436 404	11 782 120	(1 768 795)
4500002600	IE:Op Cost:Entertainment:Mayor	25 800	-	24 720	(5 370)
4500002800	IE:Op Cost:External Audit Fees	6 435 400	6 859 280	6 859 280	(2 032 730)
4500003200	IE:Op Cost:Specialised Computer Service	5 068 800	3 664 779	3 942 293	(140 693)
4500004500	IE:Municipal Services: Eskom Direct Supply	18 509 400	15 654 608	15 654 608	(1 772 558)
4500005300	IE:Op Cost: Signage	589 800	503 932	582 022	(139 672)
4500007500	IE:Op Cost:Travel&Subsis:Foreign:Air Transport	44 000	43 991	43 991	(10 991)
4500007610	IE:Op Cost:Travel & Subsis:Non-employees (Accomm)	65 100	63 600	63 600	(14 775)
4500007700	IE:Op Cost:Uniform and Protective Clothing PPE	9 195 200	4 341 955	6 995 002	(98 602)
4500008010	IE:Op Cost:Hire Charges:Mach & Equip: Jetting Mach	568 000	734 440	880 880	(454 880)
4500008040	IE:Op Cost:Hire Charges:Mach & Equip: TLB	688 800	366 580	706 680	(190 080)
4500008050	IE:Op Cost:Hire Charges:Mach & Equip: Other	6 183 800	3 385 375	4 765 940	(128 090)
4500008100	IE:Op Cost:Hire Charges:Transport Assets	7 677 200	6 712 399	6 899 464	(1 141 564)
4500008500	IE:Op Cost:Uniform & Protective Clothing Specials	3 217 700	1 193 719	3 045 914	(632 639)

Legal Advice and Litigation – is overspent by R1 m as at the end of the third quarter. Looking at the trend, Legal Services will overspend its budget before financial year ends.

Repairs and Maintenance – Contracted Services: Maintenance of Buildings and Facilities; Maintenance of Equipment and Maintenance of Unspecified Assets: these commitment items refer to maintenance taking place within the municipality and its infrastructure. Contractors are more and more preferred than internal employees. This is a practice that is discourage considering that we already have employees in the payroll. Repairs and maintenance is made up of Labour, materials and supply, transport and contracted services. Departments that are involved in maintenance must make use of internal resources to avoid double charge. As at 31 March 2025 these contracted services are overspent by a R22,3 m.

Safeguard and Security – this commitment item is over-spent against pro-rata budget by R15 m and an amount R2,5 m is remaining of the total budget. It is clear that Security Services will not be able to meet its obligation to pay invoices for the remainder of the year.

5. **IN-YEAR BUDGET STATEMENT TABLES**

The following monthly budget statement tables (**DMS 1736501**) respectively have been prepared in accordance with the Municipal Budgeting and Reporting Regulations:

TABLE NUMBER	DESCRIPTION	ANNEXURE
Table C1	Monthly Budget Statement Summary	A
Table C2	Monthly Budget Financial Performance (Standard Classification)	B
Table C2C	Monthly Budget Financial Performance (Detail) (Standard Classification)	C
Table C3	Monthly Budget Financial Performance (Revenue and Expenditure by Municipal Vote)	D
Table C3C	Monthly Budget Financial Performance (Detail) (Revenue and Expenditure by Municipal Vote)	E
Table C4	Monthly Budget Financial Performance (Revenue by source and Expenditure by Item)	F
Table C5	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	G
Table C5C	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	H
Table C6	Monthly Budgeted Financial Position	I
Table C7	Monthly Budgeted Cash Flows	J
Table SC1	Material variance explanations	K
Table SC2	Monthly Performance indicators	L
Table SC3	Aged Debtors	M
Table SC4	Aged Creditors	N
Table SC5	Investment Portfolio	O
Table SC6	Transfers and grant receipts	P
Table SC7(1)	Transfers and grant expenditure	Q
Table SC7(2)	Expenditure Against Approved Rollovers	R
Table SC8	Councillor and Staff Benefits	S
Table SC9	Monthly actuals and revised targets for cash receipts (cash flow)	T
Table SC12	Monthly capital expenditure trend	U
Table SC13a	Monthly capital expenditure on new assets by asset class	V
Table SC13b	Monthly capital expenditure on the renewal of existing assets by asset class	W
Table SC13c	Monthly repairs and maintenance expenditure by asset class	X
Table SC13d	Monthly depreciation by asset class	Y

PART 2 - SUPPORTING DOCUMENTATION

6. **SUPPLY CHAIN MANAGEMENT POLICY**

LEGISLATIVE FRAMEWORK

- Supply Chain Management Policy.
- Contract Management Policy.

SUPPLY CHAIN MANAGEMENT POLICY

- **Oversight Role of Council**

Clause 6 of the Municipal Supply Chain Management Policy requires:

“6.3 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.

6.4 The reports must be made public in accordance with section 21A of the Municipal Systems Act.”

Supply Chain Management Policy Amendment

There was no Policy amendment in Quarter 3 of 2024/2025.

CONTRACT MANAGEMENT POLICY

- **Statutory reporting and compliance**

Clause 7(4) of contract management policy requires contract management unit to maintain contract register and Provincial Circular No. 2 of 2016/2017 in relation to Contract Management also required all municipalities to submit updated Contract Registers by the 7th of every month. As from 7 November 2017, the submission of this report has commenced.

- **Staffing**

Staffing in the Supply Chain Management Unit (SCMU) remains critical considering the legislative requirements that should be fulfilled to avoid Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure. Furthermore, certain functions were transferred to the Unit without increasing the staff, i.e. travelling and bid report writing. There were no vacancies filled during the quarter under review.

- **Internal Audit**

There were two (2) follow ups and one (1) new finding from Internal Audit function in Quarter 3 of 2024/25 financial year.

- **Training and workshops**

The Supply Chain Management Policy, Clause 8 stipulates that training of Officials involved in implementing the Supply Chain Management Policy should be in accordance with National Treasury guidelines on Supply Chain Management Training. The following trainings were attended:

Date	Number of Beneficiaries	Training/Workshop	Service Provider
11/02/2025	7	Transversal Term Contract Training	KZN Provincial treasury
25/02/2025	7	Supplier Development Training	KZN Provincial treasury

- **Supply Chain Management Module - uMSAP**

During the quarter, as a requirement from National Treasury, the Department embarked on a project to interface Central Supply Database with Council's database. After completion of the exercise, it will reduce the time and resources required to complete the database application forms. The Unit will only need the MAAA_ _ _ _ _ CSD registration number and the confirmation of the bank details.

DEMAND AND ACQUISITION MANAGEMENT

- **Capturing of vendors on Council's database**

The total number of vendors registered in this quarter:

MONTH	NUMBER OF VENDORS
Jan-25	36
Feb-25	38
Mar-25	31
	105

- **Reporting of Supply Chain Management awards above R100 000 captured on the National Treasury database.**

Sections 74(1) and 104(1)(b) of the Municipal Finance Management Act (MFMA) prescribes the following regarding general reporting obligations:

“The accounting officer of a municipality [and municipal entity] must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.”

Since 1 July 2006, in terms of National Treasury Circular MFMA Circular No 34, Municipalities and Municipal Entities are required to submit a separate report for each contract awarded (and signed) above R100 000, and which must be submitted within 15 days of the end of each month. A backlog still exists with the capturing of data, mainly due to the fact that the database is very slow during working hours.

A list of orders in excess of R100 000 is included under **Annexure AQ on DMS 1718165**:

- **Reporting on the Supply Chain Management Policy in terms of Section 36 (2) in which any deviation from the Supply Chain Management Policy must be approved by the City Manager.**

The Supply Chain Management Policy, prescribe on Clause 36(2) *The accounting officer must record the reasons for any deviations in terms of sub Clauses (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.* The reporting is delegated to the User Department to complete this task.

Number of Deviations Year to Date at end of Quarter 3 amounting to R16 223 735,68 (view Annexure AR – DMS 1718165). However, there were no deviations for quarter 3.

DEVIATIONS AS AT THE QUARTER ENDED 31 MARCH 2025								
DEPARTMENT	QUARTER 1		QUARTER 2		QUARTER 3		TOTAL NUMBER OF DEVIATION (YTD)	TOTAL AMOUNT OF DEVIATIONS (YTD)
	No.	Value	No.	Value	No.	Value		
Corporate Services (CS)	2	13 369 387	-	-	-	-	2	13 369 387
Financial Services (FS)	1	2 715 564	-	-	-	-	1	2 715 564
Electricity and Energy Services (EES)	-	-	1	33 365	-	-	1	33 365
Community Services (COMS)	1	68 916	1	36 504	-	-	2	105 420
Total	4	16 153 867	2	69 869	-	-	6	16 223 736

AWARDED TENDERS FOR THE THIRD QUARTER

MONTH	NUMBER OF AWARDS	TOTAL
Jan-25	2	48 193 122
Feb-25	0	-
Mar-24	3	141 527 541
TOTAL	5	189 720 663

TENDER NUMBERS ISSUED, PUBLISHED, CANCELLED AND SITTING OF BID COMMITTEES				
Tender numbers issued to user departments	Number of tenders published	Number of tenders Cancelled	Number of Bid Committees seated and cancelled	
			Seated	Cancelled
19	5	4	BSC 8	2
			BEC 16	2
			BAC 19	2

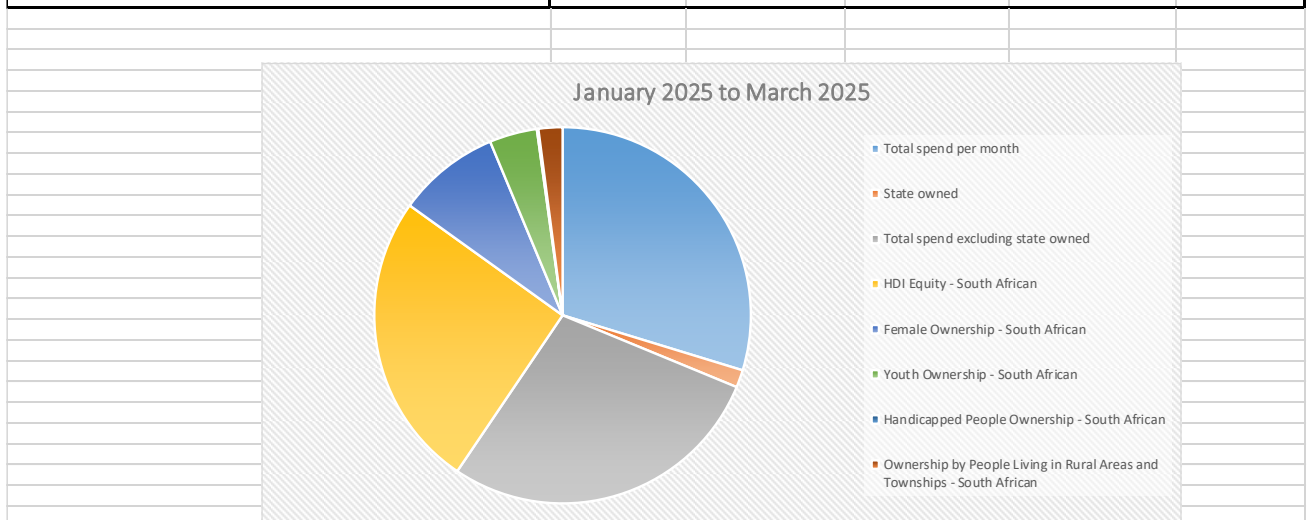
Number of Tenders where Validity Period were extended	
Number	Reasons
22	Due to the tender being referred back from the Committees for various reasons such as lack of supporting documentation and information.

Number of section 32 and value			
Number	The name of the Entity that SCM Regulation 32 was sourced from.	Awarded to	Total value of tenders awarded through SCM Regulation 32.
1	National Treasury RT57	Mathabatha Noko Ramphele	R 10 451 121.67

APPROVAL OF TENDERS NOT RECOMMENDED	
	Total
Number of approved Tenders not recommended by Bid Evaluation in terms of supply chain management policy clause 29(7)(a)	0

• **Purchase Order report reflecting how SCM performed on each category in Quarter 2:**

	January 2025	February 2025	March 2025	Total per group	Percentages
Total spend per month	102 523 587,12	107 502 707,69	135 130 483,19	345 156 778,00	
State owned	5 205 790,50	1 661 908,45	354 443,18	7 222 142,13	
Total spend excluding state owned	97 317 796,62	105 840 799,24	134 776 040,01	337 934 635,87	
HDI Equity - South African	87 852 732,94	94 912 895,35	127 788 233,61	310 553 861,90	91,90%
Female Ownership - South African	30 330 612,26	53 050 114,89	51 806 880,78	135 187 607,93	40,00%
Youth Ownership - South African	14 120 706,27	19 880 777,21	13 993 126,10	47 994 609,58	14,20%
Handicapped People Ownership - South African	451 456,00	2 571 282,80	324 096,50	3 346 835,30	0,99%
Ownership by People Living in Rural Areas and Townships - South African	7 098 069,79	16 246 918,56	11 654 799,02	34 999 787,37	10,36%



- Report on Objections and Complaints**

Refer to Section 1 of this report for a detailed list:

In terms of the Supply Chain Management Policy, Clause 49, *Persons aggrieved by **decisions** or **actions** taken in the implementation of this Supply Chain Management system, may lodge within 14 days of the decision or action:*

(a) *if the **objection or complain is against the procurement process**, submit a written **objection or complaint against the decision or action** to the accounting officer of the municipality who shall, in turn, within 24 hours refer the written objection or complaint to the dependent and impartial refer the written objection or complaint to the dependent and impartial person referred to in Clause 50 for resolution;*

(b) **Objections and Complaints Table:**

1 January – 31 March 2025	
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, clause 49)	
Details of objections or complaints	<ul style="list-style-type: none"> Tender 8/2/1/UMH1244-22/23 – Mills Fitchet Africa (Pty) Ltd; Tender 8/2/1 UMH1369-23/24 – Provantage (Pty) Ltd; and Tender 8/2/1/UMH952-21/22 – SA Water Product (Pty) Ltd
Against the procurement process	None
Against the decision or action	3
MUNICIPAL BID APPEALS TRIBUNAL (In terms of SCMP, clause 50A)	
Case referred by Bidder	None
RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES (In terms of SCMP, clause 50)	
Details of decision or action and queries taken in the implementation of the procurement process in terms of the supply chain management system; or any matter arising from a contract awarded in the course of the supply chain management system;	<ol style="list-style-type: none"> The ongoing objection/ complaint by Mills Fitchet Africa (Pty) Ltd for Tender 8/2/1/UMH1244-22/23 is currently in court; The objection for Tender 8/2/1/UMH1369-23/24 is currently with the attorneys; and The objection for Tender 8/2/1/UMH952-21/22 is currently with Legal Services

CONTRACT AND LOGISTICS MANAGEMENT

CONTRACT REGISTER – QUARTER 3	
Details	Number
Contracts Expiring in 6 months	35
Total Contracts Carried Over from 31/12/2024	164
Total Effective Contracts as of 31/03/2025	177
Total Contracts closed in Q2	29
Total Captured in Q3	27
Number of Contracts amended using 15% and 20% threshold	5

- Monthly Stock Count**

The stock count results for Quarter 3 ending 31 March 2025 are as follows:

There was no stock take conducted during the quarter, the municipality is busy re-fencing the stores yard and the site is currently being shared with the service provider and Quarter 3 stock take was deferred to May 2025:

PART 3 - SUPPORTING DOCUMENTATION

7. DEBTORS ANALYSIS

Refer to supporting table SC3 - Aged Debtors (**Annexure M**) for the month ended 31 March 2025.

8. CREDITORS ANALYSIS

Refer to supporting table SC4 - Aged Creditors (**Annexure N**) for the month ended 31 March 2025.

9. INVESTMENT PORTFOLIO ANALYSIS

Refer to supporting table SC5 - Investment portfolio (**Annexure O**) for the month ended 31 March 2025.

10. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Refer to supporting table SC6 - Transfers and grant receipts (**Annexure P**) and supporting table SC7 - transfers and grant expenditure (**Annexure Q**) for the month ended 31 March 2025.

11. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R**) for the month ended 31 March 2025.

12. MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP COMPONENT 5 SUMMARISED)

The first quarter progress on the quarterly projections of Service Delivery Targets and performance indicators is indicated on **Annexures AN**.

Although the detailed Component 5 **is attached as Annexure AN**, the tables below depict a summary of the most applicable components thereof.

NB: (Please note when looking at the detailed version of Component 5 **attached as Annexure AN**, each vote is illustrated in number order on the extreme left, vote detail of which is illustrated over 3 pages):

DEPARTMENT	ADJUSTED BUDGET 2024/2025	SUPPLEMENTS / (RETURNS)	VIREMENTS	FINANCIAL SYSTEM BUDGET 2024/25	ACTUAL MARCH 2025 (YTD)	% OF PROPOSED ADJUSTED BUDGET SPENT
DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT	53 839 400	70 400	(1 000 000)	52 909 800	13 248 906	25%
CITY DEVELOPMENT	53 839 400	70 400	(1 000 000)	52 909 800	13 248 906	25%
DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES	41 122 200	229 700	10 472 100	51 824 000	23 374 342	45%
COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	5 288 000	-	(3 030 000)	2 258 000	9 900	0%
COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	35 736 700	175 700	13 502 100	49 414 500	23 325 566	47%
COMMUNITY SERVICES - PROTECTION SERVICES	97 500	54 000	-	151 500	38 876	26%
DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES	49 415 500	-	(7 322 700)	42 092 800	22 612 607	54%
CORPORATE SERVICES - ADMINISTRATION	14 399 200	-	(1 199 000)	13 200 200	10 821 157	82%
CORPORATE SERVICES - ICT	34 940 100	-	(6 123 700)	28 816 400	11 791 450	41%
CORPORATE SERVICES - LEGAL SERVICES		-	-	-	-	0%
CORPORATE SERVICES - HUMAN RESOURCES	76 200	-	-	76 200	-	0%
CHIEF FINANCIAL OFFICER	14 509 000	-	100 000	14 609 000	2 250 487	15%
FINANCIAL SERVICES	14 509 000	-	100 000	14 609 000	2 250 487	15%
DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SERVICES	105 857 800	-	(10 485 500)	95 372 300	18 092 224	19%
ELECTRICAL SUPPLY SERVICES	105 857 800	-	(10 485 500)	95 372 300	18 092 224	19%
DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES	363 009 300	-	8 236 100	371 245 400	292 935 815	79%
ENGINEERING SUPPORT SERVICES	99 754 700	-	(6 776 000)	92 978 700	54 581 421	59%
TRANSPORT, ROADS AND STORMWATER	77 061 000	-	8 096 800	85 157 800	67 477 200	79%
WATER AND SANITATION	186 193 600	-	6 915 300	193 108 900	170 877 194	88%
OFFICE OF THE MUNICIPAL MANAGER	52 000	-	-	52 000	15 072	29%
TOTAL OFFICE OF THE MUNICIPAL MANAGER	52 000	-	-	52 000	15 072	29%
TOTAL CAPITAL BUDGET	627 805 200	300 100	-	628 105 300	372 529 454	59%

13. CAPITAL PROGRAMME PERFORMANCE

Refer to the following tables for the month ended 31 March 2025:

- ❑ Table C5 - Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding (**Annexure G**).
- ❑ Table C5C - Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding (**Annexure H**).
- ❑ Table SC12 - Monthly capital expenditure trend (**Annexure U**).

- ❑ Table SC13A - Monthly capital expenditure on new assets by asset class (**Annexure V**).
- ❑ Table SC13B - Monthly capital expenditure on the renewal of existing assets by asset class (**Annexure W**).
- ❑ Table SC13C - Monthly repairs and maintenance expenditure by asset class (**Annexure X**).
- ❑ Table SC13D - Monthly depreciation by asset class (**Annexure Y**).

14. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Refer to **DMS 1738040 (Annexure AR)**.

PART 4 - OTHER LEGISLATION REQUIREMENTS

15. WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS

In accordance with Section 11(4) of the Municipal Finance Management Act 2003 (No 56 of 2003), the Accounting Officer must within 30 days after the end of each quarter table a consolidated report of all withdrawals made in terms of Sub-section (1) (b) to (j) during that quarter and submit a copy of the report to the relevant Provincial Treasury and the Auditor-General. Refer to **Annexure AT (DMS 1718165)** for Form D.

“Withdrawals from municipal bank accounts-

“(a) to defray expenditure authorised in terms of Section 26(4).”

None

“(b) to defray unforeseeable and unavoidable expenditure authorised in terms of Section 29(1).”

“(c) in the case of a bank account opened in terms of Section 12 to make payments from the account in accordance with Sub-section (4) of that section.”

None

“(d) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state:”

R31 430 809,75 (NPA vehicle licence pay over).

“(e) to refund money incorrectly paid into a bank account.”

R6 8375,90

“(f) to refund guarantees sureties and security deposits.”

R 1 224 332,49 (Refund of credit balances and deposits debtors accounts).

“(g) for cash management and investment purposes in accordance with Section 13.”

Refer to **Annexure O** and **Annexure S**.

ENVIRONMENTAL IMPLICATIONS

None

FINANCIAL IMPLICATIONS

This has been covered in details throughout the report.

LEGAL IMPLICATIONS

The monthly and quarterly financial report is prepared in terms of Section 71 and Section 72 of the Municipal Finance Management Act, 2003 (MFMA), (Act 56 of 2003).

COMMENTS OF THE CHIEF FINANCIAL OFFICER

Refer to the Executive summary contained in this report for comments.

RECOMMENDED THAT:

1. the financial position of the uMhlathuze Municipality as at 31 March 2025, as required in terms of Section 71 and Section 66 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and as set out in the monthly budget statement tables **(DMS 1736501)** including the quarterly requirements in terms of Section 52(d) be noted; and
2. the cost containment savings as required in terms of Regulation 15 of Municipal Cost Containment Regulations (MCCR), be noted.