RICHMOND
Local Municipality

In-Year Report
December 2024

(Mid-Year Budget and Performance Assessment)

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Mayor's Report

The Mid-Year Budget statements for 2024/2025 set out a viable framework to ensure control and management of our finances. It is our responsibility to make sure that all fiscal and financial regulations are strictly adhered to and build the capabilities of maximing our output so that we achieve the municipaliy's vision of service delivery which is on par with the excelllence expected of us.

Furthermore the internal audit unit and external audit committee play a supportive role in guiding this process by making progressive input and recommendations. All Councillors are committed to maintain a clean financial management and a sustainable municipality.

A SUMMARY OF THE POTENTIAL IMPACT OF THE NATIONAL ADJUSTMENTS BUDGET AND RELEVANT PROVINCIAL ADJUSTMENT BUDGET

In the 2024 Medium Term Budget Policy Statement, on the 30 October 2024, the Minister of Finance stated that:

"Sadly, many of our municipalities face serious governance, planning and financial management challenges. As things stand, 50 of the 257 municipalities in the country have active financial recovery plans. Three municipalities are under national intervention and these are Mangaung, Enoch Mgijima and Lekwa. This situation is untenable. And the reality is that national government cannot intervene in all municipalities at the same time.To resolve local government failures systematically, several initiatives are underway"

In concluding, the minister further stated

"We must use this opportunity to create an environment for strengthened service delivery, particularly to underserved communities in urban and rural areas. We must seize the moment to build and invest for the future."

We acknowledge the pivotal role of local government in delivering effective services to communities. We also recognise that the provincial and municipal spheres are under pressure to meet increasing infrastructure service demands. The government remains dedicated to supporting the sustainability and financial stability of our municipalities. Let there be no doubt, effective local governance is the bedrock of service delivery. Equally, financially stable municipalities are the foundation of our nation's economic prosperity."

A RECOMMENDATION AS TO WHETHER AN ADJUSTMENTS BUDGET IS NECESSARY

Mid-year of a financial period often sees the need to re-look at and rehash our budget to ensure that our financial planning serves our needs. It is often a time when we are able to assess our progress and look at ways to ensure financial stability.

Council has adopted the 2024/2025 IDP and Budget, during the course of the year focus had been on social responsibility and service delivery infrastructure. Obviously, the budget adjustments are required to ensure municipal viability, sustainabilty and continuity and to ensure a well organized Municipality.

Therefore it is recommended that we adjust our Budget for more effective upward mobility that serves to guide our fiscal disciplinewithin the limited resouces we have.

In line with Section 72(3) of the MFMA and in accordance with Section 23(1) of the Budget and reporting Regulations we should adjust and confirm the budgets before 28 February 2025. Council is committed to ensuring compliancy herein and finalsing an effective adjustment budget to address all needs up to 30 June 2025.

As an agent for change we are obliged to face the realities that beset us from time to time and thus change our thinking so that we are progressive in the implementation of equal opportunities and rid of ourselves of unequalities, one of the cornerstones and objectives of government. There is also a dire need to review our Employment Equity policy to ensure that we have the correct balance of employees as reflected by our population.

We have committed Councillors and staff who, together with the community, can strive to achieve this. I confidently believe that we have together built a team that can sustain success and serve the needs of the community.

....

His Worship the Mayor

Cllr. M.K. Ngcongo

Richmond Local Municipality

RESOLUTIONS

a) That the report on the Second Quarter and Mid Year Budget assessment , as per Section 72 of the MFMA, for the 2024/2025 financial year, as presented, be accepted and noted;

b) That the report on the Second Quarter and Mid year Service Delivery and Budget Implementation Plan (SDBIP) assessment, as referred to Section 72 of the MFMA, for the 2024/2025 be accpeted and noted.

c) That Council consider an adjustment budget before the end of February 2025.

1.1 Executive Summary

The Municipal Finance Management Act (MFMA) assigns various responsibilities to the Mayor and the Accounting Officer (Municipal Manager).

As per Section 72 (1) (a) and (b) of the MFMA" *The accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the year and submit a report of such an assessment to the mayor of the municipality, National Treasury and Provincial Treasury.*

Section 72(3)(a) and (b) of the MFMA also states that" *the Accounting Officer must as part of the review make recommendations as to whether an Adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary."*

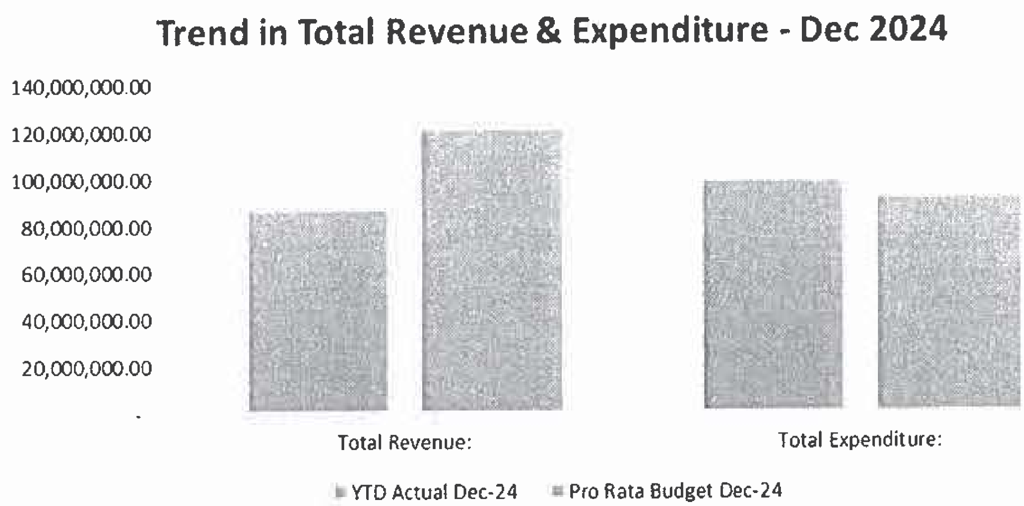
Furthermore, Section 52(d) of the MFMA states: *"**52. General responsibilities:** - The Mayor of a municipality-*

(d) 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 state of affairs of the municipality."

This in year report is prepared in terms of the municipal budget and reporting regulations that were promulgated in the Government Gazette No. 32141 of 17 April 2009.

1.1.1 Overview of financial performance

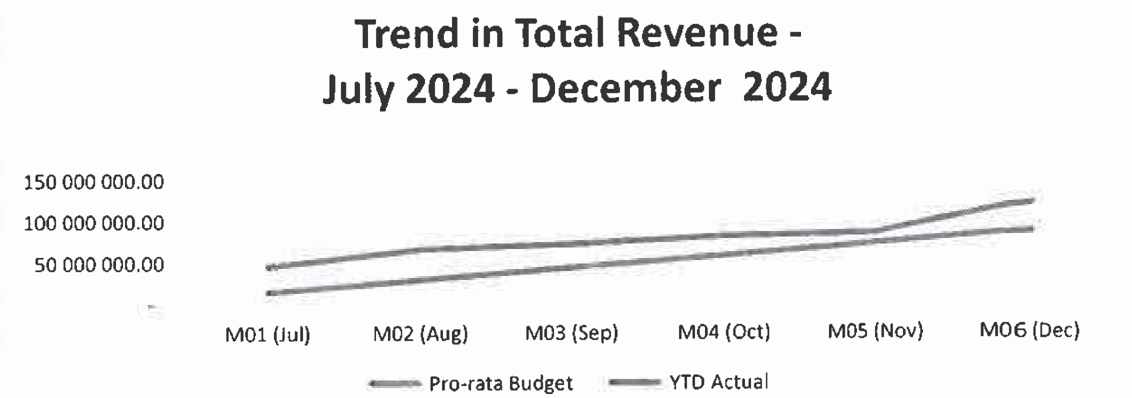
Description	Table 1 - Summary for Financial Period ended Dec-24					
	Full Year Budget 2024/25	Pro Rata Budget Dec-24	YTD Actual Dec-24	YTD Variance Dec-24		
Total Revenue:	**172,889,112.00**	**86,444,556.00**	**120,951,962.03**	R	**34,507,406**	**39.92%**
Revenue - Operational	150,763,812.00	75,381,906.00	107,136,622.57	R	31,754,717	42.13%
Revenue - Capital	22,125,300.00	11,062,650.00	13,815,339.46	R	2,752,689	24.88%
Total Expenditure:	**197,071,068.00**	**98,535,534.00**	**91,155,283.72**	R	**-7,380,250**	**-7.49%**
Expenditure - Operational	172,980,884.00	86,490,442.00	78,518,305.85	R	-7,972,136	-9.22%
Expenditure - Capital	24,090,184.00	12,045,092.00	12,636,977.87	R	591,886	4.91%
						Source: Budget Table C1



Key Observations:

- The table & illustrations above provide an overview of the municipal financial performance and position as at **December 2024**
- Total revenue accrued amounted to **R 121 million** which is above the pro-rata budget of **R 86,4 million.** The main contributing factor is the equitable share of R 32,7 million received in December 2024.
- Total expenditure incurred amounted to **R 98,5 million** which is lower compared to the pro-rata budget of **R 91,2 million**.

1.1.2 Revenue Trend



The illustration above provides an overview and trend of total revenue for **July 2024 to December 2024**.

1.1.3 Revenue by source

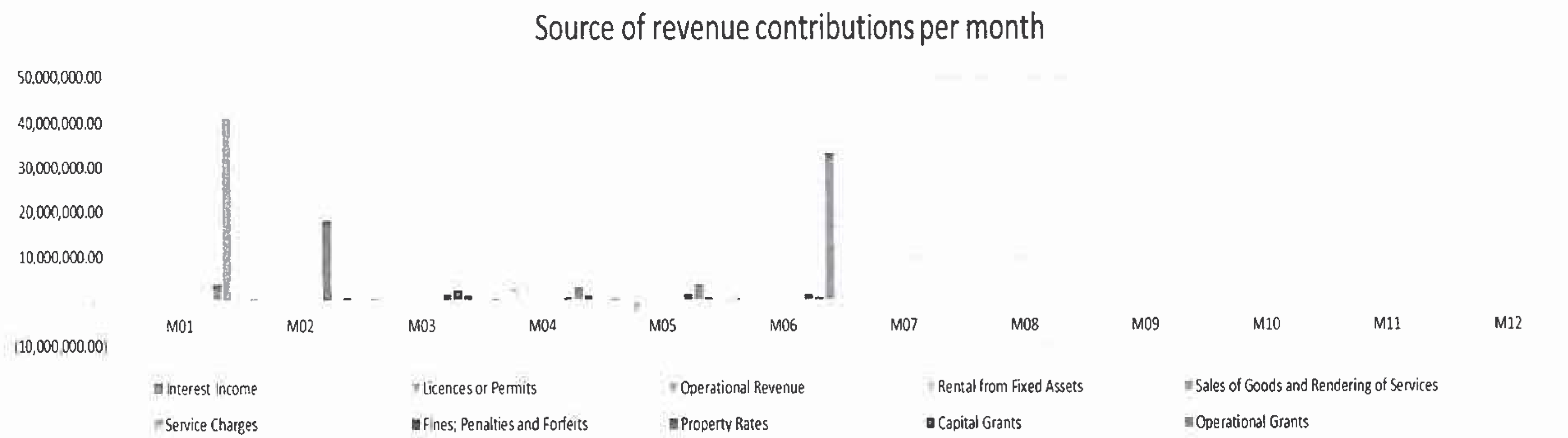
The following revenue tables are from municipality's financial system their purpose is to disclose revenue performance by source. These tables are aligned with **Table C4, Monthly Budget Statement – Financial performance (revenue M06)**. Key variances are further detailed and analysed below:

Revenue by Source	Total Budget	Budget to Date	Total Actual	Variance
Property Rates	28,888,812.00	14,444,406.00	23,079,887.80	8,635,481.80
Operational Grants	106,213,692.00	53,106,846.00	78,150,717.64	25,043,871.64
Interest Income	4,044,516.00	2,022,258.00	2,912,372.55	890,114.55
Capital Grants	22,125,300.00	11,062,650.00	13,815,339.46	2,752,689.46
Rental from Fixed Assets	910,488.00	455,244.00	471,776.15	16,532.15
Service Charges	1,078,596.00	539,298.00	537,799.14	(1,498.86)
Licenses or Permits	2,735,508.00	1,367,754.00	1,217,637.10	(150,116.90)
Operational Revenue	945,312.00	472,656.00	357,503.74	(115,152.26)
Fines; Penalties and Forfeits	2,375,964.00	1,187,982.00	222,541.32	(965,440.68)
Sales of Goods and Rendering of Services	3,570,924.00	1,785,462.00	186,387.13	(1,599,074.87)

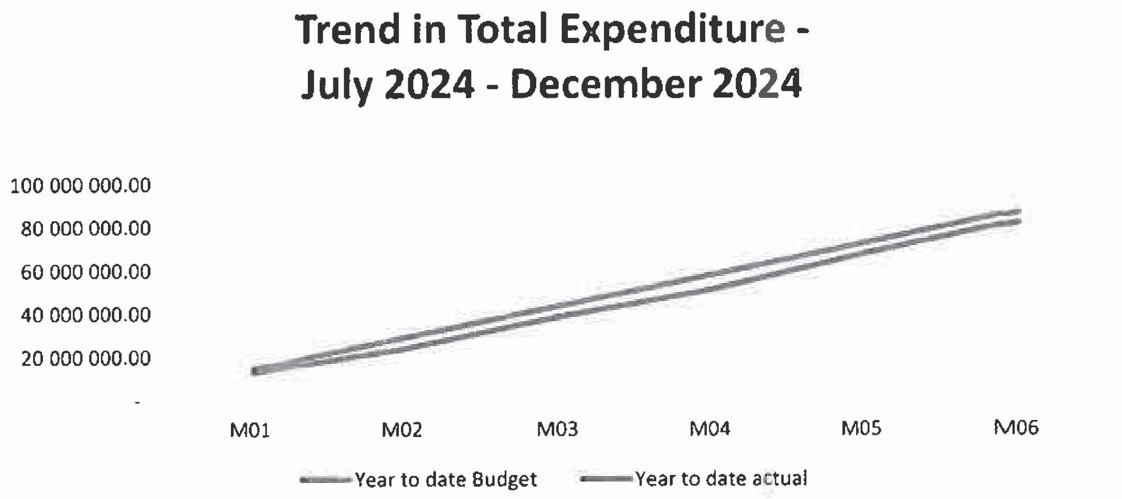
%	Revenue by Source	Comment	Explanations for variances above +/-10%
60%	Property Rates	Favorable	Due to annual raising of rates in August, variance to even out during the year. No adjustment.
47%	Operational Grants	Favorable	Due to the second tranche of equitable share allocation received in December. No adjustment.
44%	Interest Income	Favorable	Due to aggressive investment on surplus cash. The municipality will adjust upwards during the adjustment budget in February
25%	Capital Grants	Favorable	Due to good performance on MIG funded projects and FMG grants. No adjustment.
4%	Rental from Fixed Assets	Favorable	Variance within acceptable threshold
0%	Service Charges	Favorable	Variance within acceptable threshold
-11%	Licenses or Permits	Unfavorable	Variance within acceptable threshold
-24%	Operational Revenue	Favorable	Due to insurance refunds which are outstanding and due to the municipality. No adjustment.
-81%	Fines; Penalties and Forfeits	Unfavorable	Variance is due to collection charges on customer accounts. The municipality is considering adjusting downwards during February.
-90%	Sales of Goods and Rendering of Services	Unfavorable	Due to the construction contract revenue from INEP that was erroneously budgeted. The correction will take place during the adjustment budget.

The table and graph below further show revenue per source monthly:

Revenue by Source	TotalBudget	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	TotalActual
Interest Income	4,044,516.00	328,913.95	547,321.92	530,880.98	494,365.07	426,086.14	584,804.49							2,912,372.55
Licences or Permits	2,735,508.00	169,070.64	224,136.40	237,892.37	247,757.02	233,960.66	104,820.01							1,217,637.10
Operational Revenue	945,312.00	86,319.33	21,587.76	31,688.61	2,948,792.31	(2,881,184.33)	150,300.06							357,503.74
Rental from Fixed Asse	910,488.00	66,746.43	65,349.09	86,972.97	71,919.10	116,712.58	64,075.98							471,776.15
Sales of Goods and Re	3,570,924.00	14,344.06	38,339.93	15,658.87	34,123.63	58,946.27	24,974.37							186,387.13
Service Charges	1,078,596.00	87,664.31	90,662.27	89,930.57	89,868.14	89,868.14	89,805.71							537,799.14
Fines; Penalties and Fc	2,375,964.00	219,950.32	-	1,554.60	518.20	-	518.20							222,541.32
Property Rates	28,888,812.00	-	18,052,482.30	1,410,619.53	741,007.31	1,437,889.33	1,437,889.33							23,079,887.80
Capital Grants	22,125,300.00	3,713,175.87	-	2,454,315.33	3,148,997.97	3,808,850.29	690,000.00							13,815,339.46
Operational Grants	106,213,692.00	40,886,888.64	792,229.16	1,320,281.48	1,251,684.36	722,240.27	33,177,393.73							78,150,717.64
Totals	**172,889,112.00**	**45,573,073.55**	**19,832,108.83**	**6,179,795.31**	**9,029,033.11**	**4,013,369.35**	**36,324,581.88**	-	-	-	-	-	-	**120,951,962.03**



1.1.4 Expenditure Trend



The table and illustration above provide an overview and trend of Total Expenditure for **July 2024 to December 2024**.

1.1.5 Expenditure by Type

Operational cost

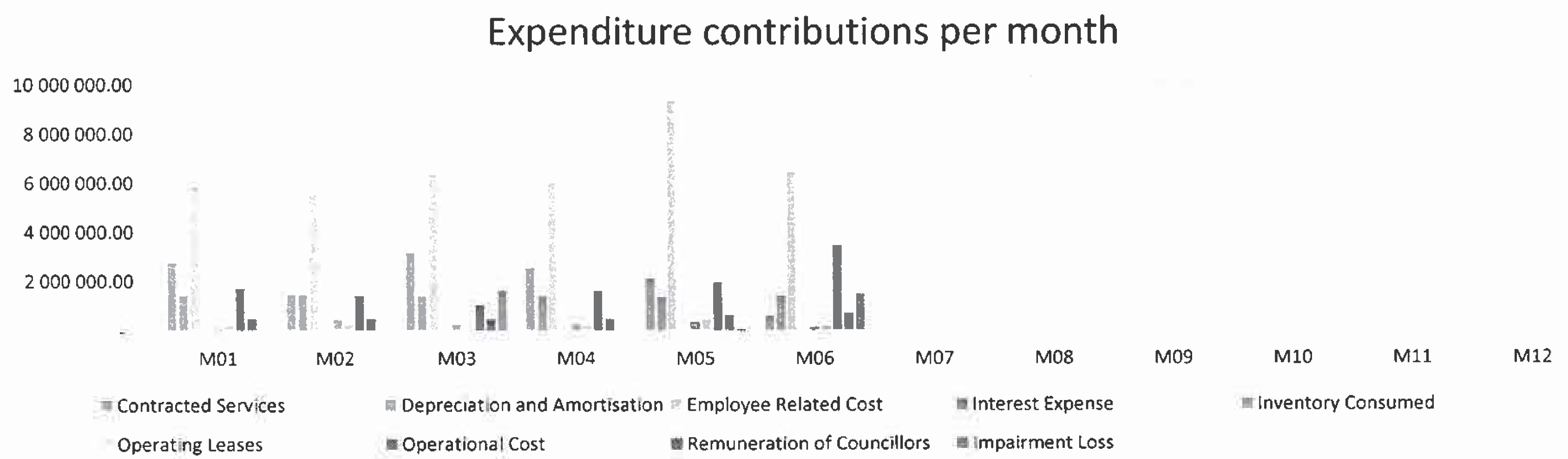
The following expenditure tables are from Richmond Local Municipality financial system, their purpose is to disclose expenditure by type. These tables are aligned with **Table C4, Monthly Budget Statement – Financial performance (expenditure M06)**. Key variances are further detailed and analysed below:

Expenditure by type	Total Budget	Budget To date	Total Actual	Variance
Interest Expense	421,284.00	210,642.00	8,822.08	201,819.92
Operating Leases	5,216,088.00	2,608,044.00	1,425,895.30	1,182,148.70
Contracted Services	35,551,556.00	17,775,778.00	12,642,498.87	5,133,279.13
Depreciation and Amortization	20,455,524.00	10,227,762.00	8,565,267.16	1,662,494.84
Inventory Consumed	3,703,916.00	1,851,958.00	1,655,512.48	196,445.52
Remuneration of Councilors	7,218,528.00	3,609,264.00	3,348,930.11	260,333.89
Impairment Loss	6,781,596.00	3,390,798.00	3,304,130.12	86,667.88
Employee Related Cost	73,130,460.00	36,565,230.00	39,610,224.32	(3,044,994.32)
Operational Cost	20,501,932.00	10,250,966.00	11,261,155.53	(1,010,189.53)

%	Expenditure by Source	Comment	Explanations for variances above +/-10%
96%	Interest Expense	Favorable	Interest charge on discounting of landfill site provision done only at year end.
45%	Operating Leases	Favorable	Due to the budget on the new upcoming rental fleet contract.
29%	Contracted Services	Favorable	Due to cost curtailment measures and expenditure prioritization
16%	Depreciation and Amortization	Favorable	System generated monthly depreciation is below budget.
11%	Inventory Consumed	Favorable	Due to cost curtailment measures and expenditure prioritization
7%	Remuneration of Councilors	Favorable	Variance within acceptable threshold
3%	Impairment Loss	Favorable	Variance within acceptable threshold
-8%	Employee Related Cost	Unfavorable	Variance within acceptable threshold
-10%	Operational Cost	Unfavorable	Variance within acceptable threshold

The table and graph below further show expenditure per source on a monthly basis:

Expenditure by type	Total Budget	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	Total Actual
Contracted Services	35,551,556.00	2,715,797.33	1,464,096.93	3,161,461.86	2,522,967.05	2,126,705.00	651,470.70							12,642,498.87
Depreciation and Amortisation	20,455,524.00	1,440,543.33	1,440,543.33	1,394,419.47	1,444,006.61	1,398,107.24	1,447,647.18							8,565,267.16
Employee Related Cost	73,130,460.00	5,885,949.73	5,537,571.01	6,374,890.82	6,007,607.53	9,344,585.51	6,459,619.72							39,610,224.32
Interest Expense	421,284.00	1,843.51	1,695.61	1,546.69	1,396.74	1,245.77	1,093.76							8,822.08
Inventory Consumed	3,703,916.00	106,107.03	466,111.31	265,464.73	293,159.61	360,646.10	164,023.70							1,655,512.48
Operating Leases	5,216,088.00	258,105.61	263,983.29	5,315.38	219,081.03	462,759.22	216,650.77							1,425,895.30
Operational Cost	20,501,932.00	1,728,778.01	1,414,941.14	1,068,842.85	1,622,361.39	1,953,805.87	3,472,426.27							11,261,155.53
Remuneration of Councillors	7,218,528.00	504,371.88	495,632.18	495,632.18	495,632.18	630,884.37	726,777.32							3,348,930.11
Impairment Loss	6,781,596.00	-	33,761.73	1,647,582.33	28,776.16	99,216.08	1,494,793.82							3,304,130.12
Grand Total	172,980,884.00	12,641,496.43	11,118,336.53	14,415,156.31	12,634,988.30	16,377,955.16	14,634,503.24	-	-	-	-	-	-	81,822,435.97



1.1.6 Financial Health Indicators

The following provides an overview of the key financial health indicators

Crucial ratios	A brief definition of that ratio	M01	M02	M03	M04	M05	M06
Collection rate	The ratio indicates the collection rate; i.e. level of payments. It measures an increase or decrease in debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written off are taken into consideration. The norm is 95%	214%	12%	28%	37%	50%	66%
Cash/Cost Coverage ratio (excluding unspent conditional grants)	The ratio indicates the municipality's or municipal entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue, during that month. The norm range is between 1 month to 3 months.	3.8 months	3.5 months	3 months	2 months	2 months	3.2 Months
Current ratio	The ratio is used to assess the municipality's or municipal entity's ability to pay back its short-term liabilities (Debt and Payables) with its short-term assets (cash, inventory, receivables). The norm ranges between 1.5 to 2:1	3	2.8	2	2	2	2.4
Creditor payment period	This ratio indicates the average number of days taken for trade creditors to be paid. The norm is 30 days	29 Days	28 Days	25 Days	22 Days	15 Days	16 Days

<u>Debtors collection rate (norm 95%)</u>

Collection rate as at the end of June was 66%. This is considered below the norm of 95%, however this is mainly due to the yearly billing that was done during August. The ratio is expected to continue increasing during the year.

<u>Cash coverage (norm 1-3 months)</u>

Currently this ratio is well within norm, which means the municipality can continue its operations for 2 months by only utilizing its own funds.

Current ratio: (Norm 1:1.5)

Current ratio for December is still within the norm which means the municipality is still able to meet it short term obligations.

Creditors payment period (norm 30 days)

The municipality is within the norm of paying it short term creditors within 30 days. This means that the municipality is complying with section 65 of the MFMA.

1.1.7 Material differences from the SDBIP

None identified, however a detailed report is attached under performance information.

1.1.8 Remedial or corrective steps

None identified, however a detailed report is attached under performance information.

1.2 In-Year Budget Statement Tables

The In-Year Budget Statement Tables, that are submitted with this report, include the following:

TABLE	DESCRIPTION	ADDITIONAL DETAILS
C1	Monthly Budget Statement	S71 Summary
C2	Monthly Budget Statement	Financial Performance (standard classification)
C3	Monthly Budget Statement	Financial Performance (revenue and expenditure by municipal vote)
C4	Monthly Budget Statement	Financial Performance (revenue and expenditure)
C5	Monthly Budget Statement	Capital expenditure
C6	Monthly Budget Statement	Financial Position
C7	Monthly Budget Statement	Cash Flow

2 Part 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The following is from **Table SC3, Monthly Budget Statement – aged debtors**, and an analysis is further provided:

Code	Customer Category	202412 (Currer	202411 (30 D	202410 (60 Da	202409 (90 D	202408 (120 Da	202407 (150	202406-20240	202403 (270 Day	Total	>90 Days	Written O
'000000		4,418.25	6,391.89	3,344.04	3,301.68	3,863.65	2,834.89	2,746.44	(7,635.19)	19,265.65	5,111.47	-
'000001	RESIDENTIAL	234,465.37	103,103.66	92,982.72	87,584.90	210,411.28	43,345.37	43,364.94	3,262,116.38	4,077,374.62	3,646,822.87	-
'000002	COMMERCIAL	242,068.41	39,463.77	16,441.99	15,719.02	169,885.15	(1,082.18)	2,616.59	23,311.45	508,424.20	210,450.03	-
'000003	NATIONAL GOVERNMENT	4,430.76	4,139.84	4,421.30	4,245.47	5,358,710.16	839.61	796.39	251,200.36	5,628,783.89	5,615,791.99	-
'000005	OTHER	44,687.56	32,785.20	14,770.04	13,684.68	92,012.53	(1,360.30)	899.94	(302,707.97)	(105,228.32)	(197,471.12)	-
'000006	RELIGIOUS	1.93	1.93	1.93	1.93	1.93	1.93	(442.87)	(3,391.60)	(3,822.89)	(3,828.68)	-
'000007	AGRICULTURAL	221,137.96	3,601.32	61,948.41	7,988.93	193,629.50	(2,141.12)	(1,418.60)	(31,377.94)	453,368.46	166,680.77	-
'000008	PROVINCIAL GOVERNMENT	4,457.43	(95.26)	3,796.59	4,486.59	1,265,165.83	3,349.56	3,324.22	6,360,780.45	7,645,265.41	7,637,106.65	-
'000009	GOVERNMENT OTHE	10,775.10	22,859.43	24,721.66	26,643.06	977,878.02	389.12	479.15	4,069,136.38	5,132,881.92	5,074,525.73	-
'000010	PENSIONERS	12,022.56	(172,876.90)	6,251.18	8,075.81	29,118.25	782.80	940.39	47,773.55	(67,912.36)	86,690.80	-
'000011	HANDED OVER	880,010.56	829,386.14	771,738.84	747,929.96	1,809,036.32	243,471.99	264,893.70	29,236,969.18	34,783,436.69	32,302,301.15	-
'000012	INDIGENT DEBTOR	32,503.97	(22,050.49)	6,401.69	6,612.03	7,426.91	4,700.69	4,481.03	162,415.08	202,490.91	185,635.74	-
TOTAL		1,690,979.86	846,710.53	1,006,820.39	926,274.06	10,117,139.53	295,132.36	322,681.32	43,068,590.13	58,274,328.18	54,729,817.40	-

The Debtor's report has been prepared based on the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by debtor type. The summary report indicates that the debtors >90 days balance amounts to **R 54,7 million**

2.2 Creditors Analysis

The following is from **Table SC4, Monthly Budget Statement – aged creditors**, and an analysis is further provided:

KZN227 Richmond - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 - December

Description R thousands	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

The Creditors report has been prepared based on the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by creditor type.

The municipality had **R 0** outstanding creditors as of December 2024 which were all within 30 days.

2.3 Investment portfolio analysis

The following is from Richmond Local Municipality financial system and is aligned with Table **SC5, Monthly Budget Statement – Investment portfolio**, and an analysis is further provided:

INVESTMENT PORTFOLIO ANALYSIS

NOTICE NO. R.1536 - GOVT GAZETTE NO.18435

REGULATION 3(1)(g)

INVESTMENT PORTFOLIO :

Financial Institution	Account Number	Investment Type		Bal. as at 31 December 2024	Interest Rate	December 2024 Interest	Bal. as at 30 November 2024
First National Bank	61356002695	Call account		9,881,935.75		63,748.98	116,423.75
First National Bank	62117170407	Patheni Housing		0.21		-	0.21
First National Bank	62134473280	Housing Operating Account		802,198.28		4,661.43	797,536.85
First National Bank	62155682844	Zwelethu Housing		1.03		0.01	1.02
First National Bank	62176174383	Siyathuthuka Phase ii		3.06		3.06	-
First National Bank	62810019217	Housing Title deed Account		2,685,052.79		15,981.52	2,669,071.27
First National Bank	62299629116	Mig Grant Funding		2,211,915.97		6,628.35	-
First National Bank	62241817537	Financial Management Grant		300,000.00		1,763.02	300,000.00
First National Bank	62833569900	Library Services Grant		2,779,352.20		16,542.80	2,762,809.40
First National Bank	62833571385	Small Town Grant		1,926.19		11.46	1,914.73
FNB DME	63003663506	FNB DME		16,937.65		100.82	16,836.83
FNB RESERVES	63003024063	FNB RESERVES		5,647,211.25		26,167.84	317,694.73
NEDBANK	03/7165013946/000052	Nedbank Fixed					
ABSA BANK	20-8167-2454	ABSA Fixed		10,490,298.63		97,010.96	10,393,287.67
Standard Bank	268791155 003	Standard Fixed		-		-	-
First National Bank	63024683319	FNB HIGHOVER		222,217.14		1,322.64	220,894.50
First National Bank	63107196932	Nelson St. SMME Project		1,532,822.13		7,993.38	347,726.02
Standard Bank	268791155 005	Standard Fixed		10,063,061.64		63,061.64	-
				46,634,933.92		304,997.91	17,944,196.98

Summary of exposures to particular financial institutions

financial institution	amount invested	Percentage exposure
First National Bank	26,081,573.65	55.93
Nedbank	-	-
Investec	-	-
ABSA BANK	10,490,298.63	22.49
Standard Bank	10,063,061.64	21.58
TOTAL	46,634,933.92	100.00

Primary Bank Account	R 495,064.14
Cash & Cash Equivalent	47,129,998.06
CONDITIONAL GRANTS	
MIG Funding	-1,995,101.90
FMG Funding	-263,097.55
Library	-2,063,582.58
Housing	-3,423,811.58
COGTA-TOWN PLANNING	-
EPWP	-310,357.37
Rehabilitation of Nelson Street SMME's	-1,454,785.73
	-
AVAILABLE MUNICIPAL FUNDS	37,619,261.36

2.4 Allocation and grants receipts & expenditure

Further detailed on **Table SC6, Monthly Budget Statement – Transfers and grant receipts** and **Table SC7, Monthly Budget Statement – Transfers and grant expenditure**:

Tuesday, December 31, 2024							%
Name of grant	**Opening Balance as at 01 July 2024**	**Receipts**	**Expenditure: Operating (Revenue Recognised)**	**Expenditure: Capital (Revenue Recognised)**	**Adjustments**	**Closing Balance as at 31 December 2024**	
Expanded Public Works Programme Integrated grant f	R -	R 987,000	R 676,643	R -	R -	310,357.37	69%
Financial Management Grant (FMG)	R -	R 1,900,000	R 1,636,902	R -	R -	263,097.55	86%
Library Grant	R -	R 3,076,000	R 1,625,161	R -	R -	1,450,838.55	53%
Municipal Infrastructure Grant (MIG)	R -	R 14,682,000	R 281,384	R 12,405,514	R -	1,995,101.90	86%
Highover Game Reserve	R 211,922	R -	R -			211,922.00	0%
Library Cyber Grant	R -	R 784,000	R 171,256			612,744.03	22%
Rehabilitation of Nelson Street SMME's	R 352,689	R 2,300,000		R 1,409,825		1,242,863.73	53%

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2.5 Councillor and staff benefit

The following is from **Table SC8, Monthly Budget Statement – Councillor and staff benefits**, and an analysis is further provided:

KZN227 Richmond - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,161	5,536	5,536	620	2,699	2,768	(69)	-2%	5,536
Pension and UIF Contributions		28	157	157	2	14	79	(65)	-82%	157
Medical Aid Contributions		35	83	83	3	17	42	(24)	-58%	83
Motor Vehicle Allowance		550	696	696	36	219	348	(129)	-37%	696
Cellphone Allowance		678	688	688	51	306	344	(38)	-11%	688
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		98	59	59	14	94	29	65	222%	59
Sub Total - Councillors		**6,549**	**7,219**	**7,219**	**727**	**3,349**	**3,609**	**(260)**	**-7%**	**7,219**
% increase	4		**10.2%**	**10.2%**						**10.2%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,015	5,261	5,261	420	2,682	2,630	51	2%	5,261
Pension and UIF Contributions		11	11	11	1	5	6	(0)	-5%	11
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	119	119	–	119	#DIV/0!	–
Motor Vehicle Allowance		804	843	843	67	402	422	(20)	-5%	843
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		97	1	1	0	21	0	20	5650%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**5,927**	**6,116**	**6,116**	**607**	**3,229**	**3,058**	**171**	**6%**	**6,116**
% increase	4		**3.2%**	**3.2%**						**3.2%**
Other Municipal Staff										
Basic Salaries and Wages		45,254	47,588	47,588	3,973	24,161	23,794	367	2%	47,588
Pension and UIF Contributions		6,767	6,947	6,947	612	3,677	3,473	203	6%	6,947
Medical Aid Contributions		2,415	2,463	2,463	214	1,298	1,231	67	5%	2,463
Overtime		1,392	2,100	2,100	120	706	1,050	(344)	-33%	2,100
Performance Bonus		3,361	3,221	3,221	–	3,549	1,610	1,939	120%	3,221
Motor Vehicle Allowance		1,598	1,581	1,581	151	855	790	64	8%	1,581
Cellphone Allowance		426	435	435	41	233	217	16	7%	435
Housing Allowances		322	326	326	30	181	163	18	11%	326
Other benefits and allowances		680	791	791	284	676	396	280	71%	791
Payments in lieu of leave		1,859	1,563	1,563	428	1,046	781	265	34%	1,563
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	246	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**64,319**	**67,014**	**67,014**	**5,852**	**36,381**	**33,507**	**2,874**	**9%**	**67,014**
% increase	4		**4.2%**	**4.2%**						**4.2%**
Total Parent Municipality		**76,796**	**80,349**	**80,349**	**7,186**	**42,959**	**40,174**	**2,785**	**7%**	**80,349**

The schedule details expenditure incurred by the municipality on staff salaries, wages, allowances, and benefits. All expenditure is within year-to-date budget.

2.6 Material Variances to the SDBIP

None identified, however a detailed report is attached under performance information.

2.7 Capital programme performance

2.7.1 Capital expenditure per month

The following table shows the **Monthly Budget Statement – Capital expenditure trend:**

Row Labels	Sum of TotalBudget	Sum of 202407	Sum of 202408	Sum of 202409	Sum of 202410	Sum of 202411	Sum of 202412	Sum of TotalActual
Assets	24,090,184.00	3,325,848.64	17,500.00	2,238,187.34	2,802,387.10	3,528,125.93	724,928.86	12,636,977.87
Non-current Assets	24,090,184.00	3,325,848.64	17,500.00	2,238,187.34	2,802,387.10	3,528,125.93	724,928.86	12,636,977.87
Assets:Non-current Assets:Construction Work-in-progress:Acquisitions:O	21,125,304.00	3,228,848.64	-	2,134,187.24	2,738,259.10	3,312,287.35	600,000.00	12,013,582.33
Assets:Non-current Assets:Heritage Assets:Cost Model:Other Heritage As	180,000.00	-	-	-	-	-	-	-
Assets:Non-current Assets:Intangible Assets:Cost:Other:In-use:Compute	879,996.00	-	-	-	-	-	-	-
Assets:Non-current Assets:Property; Plant and Equipment:Cost Model:Cc	999,996.00	-	-	-	-	-	-	-
Assets:Non-current Assets:Property; Plant and Equipment:Cost Model:Cc	90,000.00	-	-	-	-	120,858.08	-	120,858.08
Assets:Non-current Assets:Property; Plant and Equipment:Cost Model:Fu	-	-	-	-	-	-	-	-
Assets:Non-current Assets:Property; Plant and Equipment:Cost Model:Fu	626,516.00	-	17,500.00	-	64,128.00	94,980.50	82,786.00	259,394.50
Assets:Non-current Assets:Property; Plant and Equipment:Cost Model:M	188,372.00	97,000.00	-	104,000.10	-	-	42,142.86	243,142.96
Grand Total	24,090,184.00	3,325,848.64	17,500.00	2,238,187.34	2,802,387.10	3,528,125.93	724,928.86	12,636,977.87

2.7.2 Summary of Capital expenditure by asset class

The following is from **Table SC13a, Monthly Budget Statement – Capital expenditure on new assets by asset class**, and an *analysis is further provided on c schedule.*

2.8 Other supporting documents

A complete set of C schedule is attached.

2.9 Municipal Mangers Quality Certification

I, B.E Mswane, the Municipal Manager, of Richmond Municipality, hereby certify that the

- ☐ monthly budget statement
- ☐ quarterly report on the implementation of the budget and financial of the municipality
- ☐ mid-year budget and performance assessment

for the month of **December 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Name: BE Mswane.

Municipal Manager of Richmond Municipality (KZN227)

Signature...

RICHMOND MUNICIPALITY

REPORT TO COUNCIL

RICHMOND
Local Municipality

FOR CONSIDERATION

SUBJECT: SECOND QUARTER SUPPLY CHAIN MANAGEMENT REPORT 2024-25

DATE: JANUARY 2025

1. EXECUTIVE SUMMARY

In terms of Section 6(1)(3) of the Municipal SCM Regulations, the municipality is required to prepare a quarterly report to the municipal council on the implementation of the supply chain management policy. The reports highlight the following aspect of the Supply Chain Management:

- SCM Policy & Procedures,
- Functioning of the SCM Unit,
- Functioning of Bid Committees,
- Compliance Reporting Items (e.g. Deviations, UIFW, Contract Management)
- Compliance with Preferential Procurement Policy Framework Act (PPPFA)
- And Risk Management.

The municipality has also updated the status of Procurement of Goods, Infrastructure Projects or Services in Excess of R300 000.

2. RECOMMENDATION:

THAT Council consider and approves the SECOND QUARTER SUPPLY CHAIN MANAGEMENT REPORT.

3. BACKGROUND:

Section 6 of the municipal supply chain management regulation places the responsibility on the Council of Richmond Local Municipality to ensure proper oversight on the implementation of the Council Supply Chain Management Policy

4. REPORT:

The Finance Department has prepared the SCM Report for the Quarter ended 31 December 2024, As per Section 6(1)(3) of the Municipal SCM Regulations. The report is attached together with supporting information for further discussion.

6. REPORTED BY:

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CHIEF FINANCIAL OFFICER

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

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