

INTSIKA YETHU MUNICIPALITY



2024-2025 FINANCIAL YEAR COST CONTAINMENT REPORT

(01st July 2024 – 30TH June 2025)

**DEPARTMENT: BUDGET AND TREASURY
OFFICE (BTO)**

DIRECTOR: MS. N. COMBO

2024 / 2025

FINANCIAL YEAR

COST CONTAINMENT REPORT FOR THE PERIOD ENDING 30 September 2024

Cost Savings Disclosure

The cost containment regulations came into effect on 01 July 2019. The regulations require the municipality to monitor certain categories of expenditure with the objective of containing costs. The municipality is also required to report on the budget and actual expenditure relating to the regulated costs on a regular basis as outlined below:

Item Short Description	Actual Amount	Evo Budget Amount	Commitment Amount	Original Budget Amount	Adjusted Budget Amount	Budget Less Actual Less Comm
Structured	-	26 226.00	-	31 470.00	31 470.00	26 226.00
Structured	-	437 084.00	-	524 500.00	524 500.00	437 084.00
Structured	-	437 084.00	-	524 500.00	524 500.00	437 084.00
Accommodation	498 304.34	441 159.00	-	217 391.00	217 391.00	- 57 145.34
Consumables	-	4 166.00	-	5 000.00	5 000.00	- 4 166.00
Accommodation	-	217 392.00	18 360.00	260 870.00	260 870.00	199 032.00
Accommodation	8 717.01	61 595.00	-	73 913.00	73 913.00	52 877.99
Accommodation	28 615.01	108 695.00	39 572.52	130 435.00	130 435.00	40 507.47
Travel Agency and Visa's	-	18 115.00	-	21 739.00	21 739.00	18 115.00
Travel Agency and Visa's	-	7 246.00	3 052.96	8 696.00	8 696.00	4 193.04
Accommodation	-	144 927.00	70 310.02	173 913.00	173 913.00	74 616.98
Car Rental	-	14 493.00	14 291.20	17 391.00	17 391.00	201.80
Accommodation	6 000.00	57 971.00	1 500.00	69 565.00	69 565.00	50 471.00
Travel Agency and Visa's	480.00	7 246.00	54.90	8 696.00	8 696.00	6 711.10
Car Rental	-	7 246.00	-	8 696.00	8 696.00	7 246.00
Accommodation	2 800.00	57 971.00	13 503.43	69 565.00	69 565.00	41 667.57
Car Rental	-	5 073.00	-	6 087.00	6 087.00	5 073.00
Travel Agency and Visa's	224.00	7 246.00	2 101.20	8 696.00	8 696.00	4 920.80

Item Short Description	Actual Amount	Evo Budget Amount	Commitment Amount	Original Budget Amount	Adjusted Budget Amount	Budget Less Actual Less Comm
Incidental Cost	-	7 535.00	807.30	86 957.00	86 957.00	- 8 342.30
Travel Agency and Visa's	38 267.77	44 493.00	16 640.16	17 391.00	17 391.00	- 10 414.93
Accommodation	10 920.00	-	226 200.02	-	-	- 237 120.02
Car Rental	-	7 246.00	6 568.15	8 696.00	8 696.00	677.85
Catering Services	8 015.00	108 695.00	30 691.00	130 435.00	130 435.00	69 989.00
Food and Beverage (Served)	-	3 624.00	-	4 348.00	4 348.00	3 624.00
Travel Agency and Visa's	10 141.66	61 595.00	22 808.76	73 913.00	73 913.00	28 644.58
Accommodation	69 286.95	205 399.00	86 282.78	246 479.00	246 479.00	49 829.27
Car Rental	9 180.42	181 159.00	2 975.44	217 391.00	217 391.00	169 003.14
Catering Services	-	28 985.00	-	34 783.00	34 783.00	28 985.00
Travel Agency and Visa's	-	-	-	-	-	-
Accommodation	-	-	-	-	-	-
Car Rental	-	21 739.00	-	26 087.00	26 087.00	21 739.00
	690 952.16	2 731 405.00	555 719.84	2 997 603.00	2 997 603.00	1 461 331.00

The municipality has only spent **R690 952.16** from an adjusted budget of **R2 997 603.00** on the cost containment expenditure items and control measures have been put in place to ensure that spending on these items is kept to a minimum.

The municipality has made strategic appointments in some of the critical positions to reduce the dependency on consultants.

Item Short Description	Actual Amount	Evo Budget Amount	Commitment Amount	Original Budget Amount	Adjusted Budget Amount	Budget Less Actual Less Comm
External Audit Fees	498 858.30	3 985 507.00	127 993.30	4 782 609.00	4 782 609.00	3 358 655.40
Audit Committee	60 440.00	290 453.00	-	348 543.00	348 543.00	230 013.00
Business and Financial Management	217 897.97	1 521 739.00	496 867.29	1 826 087.00	1 826 087.00	806 973.74
Business and Financial Management	102 900.00	1 086 956.00	358 168.48	1 304 348.00	1 304 348.00	625 887.52
Organisational	-	137 681.00	33 240.00	165 217.00	165 217.00	104 441.00
Audit Committee	-	72 465.00	28 875.00	86 957.00	86 957.00	43 590.00
Organisational	-	3 624.00	-	4 348.00	4 348.00	3 624.00
Accounting and Auditing	-	-	354 664.53	-	-	- 354 664.53
Business and Financial Management	-	21 739.00	-	26 087.00	26 087.00	21 739.00
Accounting and Auditing	-	724 637.00	-	869 565.00	869 565.00	724 637.00
	880 096.27	7 844 801.00	1 399 808.60	9 413 761.00	9 413 761.00	5 564 896.13

Use of Consultants: An amount of **R880 096.27** has been spent on consultants against adjusted budget of **R9 413 761.00** and it includes specialized services such as electrical engineering, structural engineering services and project management which are crucial for the effective and efficient delivery of services.

Item Short Description	Actual Amount	Evo Budget Amount	Commitment Amount	Original Budget Amount	Adjusted Budget Amount	Budget Less Actual Less Comm
Accommodation	498 304.34	441 159.00	-	217 391.00	217 391.00	- 57 145.34
Accommodation	-	217 392.00	18 360.00	260 870.00	260 870.00	199 032.00
Accommodation	8 717.01	61 595.00	-	73 913.00	73 913.00	52 877.99
Accommodation	28 615.01	108 695.00	39 572.52	130 435.00	130 435.00	40 507.47
Hire Charges	-	28 985.00	-	34 783.00	34 783.00	28 985.00
Hire Charges	69 294.78	398 551.00	94 174.99	478 261.00	478 261.00	235 081.23
Hire Charges	-	18 115.00	-	21 739.00	21 739.00	18 115.00
Hire Charges	49 039.97	173 914.00	-	208 696.00	208 696.00	124 874.03
Hire Charges	12 313.74	14 493.00	13 200.00	17 391.00	17 391.00	- 11 020.74
Air Transport	-	47 102.00	-	56 522.00	56 522.00	47 102.00
Travel Agency and Visa's	-	18 115.00	-	21 739.00	21 739.00	18 115.00
Travel Agency and Visa's	-	7 246.00	3 052.96	8 696.00	8 696.00	4 193.04
Accommodation	-	144 927.00	70 310.02	173 913.00	173 913.00	74 616.98
Car Rental	-	14 493.00	14 291.20	17 391.00	17 391.00	201.80
Air Transport	-	14 493.00	-	17 391.00	17 391.00	14 493.00
Accommodation	6 000.00	57 971.00	1 500.00	69 565.00	69 565.00	50 471.00
Travel Agency and Visa's	480.00	7 246.00	54.90	8 696.00	8 696.00	6 711.10
Car Rental	-	7 246.00	-	8 696.00	8 696.00	7 246.00
Accommodation	2 800.00	57 971.00	13 503.43	69 565.00	69 565.00	41 667.57
Air Transport	-	7 246.00	4 673.00	8 696.00	8 696.00	2 573.00
Car Rental	-	5 073.00	-	6 087.00	6 087.00	5 073.00
Travel Agency and Visa's	224.00	7 246.00	2 101.20	8 696.00	8 696.00	4 920.80
Incidental Cost	-	7 535.00	807.30	86 957.00	86 957.00	- 8 342.30
Travel Agency and Visa's	38 267.77	44 493.00	16 640.16	17 391.00	17 391.00	- 10 414.93
Accommodation	10 920.00	-	226 200.02	-	-	- 237 120.02
Air Transport	-	7 246.00	13 749.00	8 696.00	8 696.00	- 6 503.00

Item Short Description	Actual Amount	Evo Budget Amount	Commitment Amount	Original Budget Amount	Adjusted Budget Amount	Budget Less Actual Less Comm
Car Rental	-	7 246.00	6 568.15	8 696.00	8 696.00	677.85
Travel Agency and Visa's	10 141.66	61 595.00	22 808.76	73 913.00	73 913.00	28 644.58
Accommodation	69 286.95	205 399.00	86 282.78	246 479.00	246 479.00	49 829.27
Air Transport	16 558.24	108 695.00	11 408.70	130 435.00	130 435.00	80 728.06
Car Rental	9 180.42	181 159.00	2 975.44	217 391.00	217 391.00	169 003.14
Travel Agency and Visa's	-	-	-	-	-	-
Accommodation	-	-	-	-	-	-
Car Rental	-	21 739.00	-	26 087.00	26 087.00	21 739.00
	830 143.89	2 504 381.00	662 234.53	2 735 177.00	2 735 177.00	996 932.58

Travel & Subsistence: The Municipality has spent **R830 143.89** from an **original budget of R2 735 177.00** with reduction in travelling and measures to reduce the cost to the municipality for travel and accommodation.

Item Short Description	Actual Amount	Evo Budget Amount	Commitment Amount	Original Budget Amount	Adjusted Budget Amount	Budget Less Actual Less Comm
Catering Services	8 015.00	108 695.00	30 691.00	130 435.00	130 435.00	69 989.00
Food and Beverage (Served)	-	3 624.00	-	4 348.00	4 348.00	3 624.00
Catering Services	-	28 985.00	-	34 783.00	34 783.00	28 985.00
	8 015.00	141 304.00	30 691.00	169 566.00	169 566.00	102 598.00

Catering Events Management: The municipality has managed to keep the spending on this expenditure item at minimal as required and only **R8 015.00** of **original budget of R169 566.00**.

Item Short Description	Actual Amount	Evo Budget Amount	Commitment Amount	Original Budget Amount	Adjusted Budget Amount	Budget Less Actual Less Comm
Cellular and Telephone	-	13 113.00	-	15 735.00	15 735.00	13 113.00
Cellular and Telephone	-	13 113.00	-	15 735.00	15 735.00	13 113.00
Cellular and Telephone	-	143 805.00	-	172 565.00	172 565.00	143 805.00
Cellular and Telephone	-	13 113.00	-	15 735.00	15 735.00	13 113.00
Cellular and Telephone	-	62 945.00	-	75 533.00	75 533.00	62 945.00
Cellular and Telephone	-	98 063.00	-	117 675.00	117 675.00	98 063.00
Telephone, Fax, Telegraph and Telex	91 355.10	905 797.00	-	1 086 957.00	1 086 957.00	814 441.90
Data Lines	186 060.07	-	-	-	-	- 186 060.07
Advertisements	-	50 000.00	-	- 60 000.00	- 60 000.00	- 50 000.00
Cellular and Telephone	-	13 113.00	-	15 735.00	15 735.00	13 113.00
Cellular and Telephone	-	13 113.00	-	15 735.00	15 735.00	13 113.00
Cellular and Telephone	-	13 113.00	-	15 735.00	15 735.00	13 113.00
Cellular and Telephone	-	238 559.00	-	286 271.00	286 271.00	238 559.00
Cellular and Telephone	-	43 708.00	-	52 450.00	52 450.00	43 708.00
	277 415.17	1 621 555.00	-	1 825 861.00	1 825 861.00	1 244 139.83

Communication & Marketing: An amount of **R277 415.17** has been spent out of budget of **R1 825 861.00** on this item so far. The municipality has been utilizing other alternative ways for communication which are cost-effective such as social media platforms and community radio stations to convey information.

APPROVAL OF THE REPORT

This is to certify that 4th quarter Cost Containment Report for the 2023/24 Financial Year has been prepared in accordance with the Cost Containment Guidelines, and is recommended for approval by:



Nyameko Zisiwe
Manager: Expenditure, Payroll and Annual Financial Statements
09 September 2024

Date

Approved by:

Ms. N. Combo
Chief Financial Officer

Date