

Ubuhebezwe Local Municipality						
Financial Year: 2023/2024						
Mun Code	Year	Roadmap/Project Implementation:	Completed Yes/No	Municipality's comments	Responsible Official	Treasury's Comments
		Reporting:				
		Alignment between the General Ledger and Data				
KZN434	2024	1. Creation of the correct guides in Project, Item and Fund	Work In Progress	<p>The municipality has not applied balance sheet budgeting appropriately. Both the debit and credit leg should be linked to the same project in terms of GRAP. The debit to expenditure and credit to liability deposits should be linked to PO: Maintenance. This should be done for all expenditure (capital and operational). This is applicable to both the Budget and IYMs - <a href="#">This issue has been corrected on the ORGB, still outstanding on IYM.</a></p> <p>- No VAT consideration have been applied in the ORGB data strings - <a href="#">ORGB 2023/24 has been resolved</a></p> <p>- For completed projects the municipality has not shown a Transfer from WIP to Completed asset - <a href="#">Work in Progress</a></p> <p>- Municipality has incorrectly linked typical workstream projects (Catering,travel etc) to Municipal Running costs. See comments above - <a href="#">Work in progress, will be resolved on adjustment budget</a></p> <p>- Municipality has incorrectly linked maintenance projects (maintenance costs) to Municipal Running costs - <a href="#">Work in progress, will be resolved on adjustment budget</a></p> <p>- There municipality has not accounted for free basic services waste management - <a href="#">Work in progress, will be resolved on adjustment budget</a></p> <p>- The municipality has not adequately account for property rates rebates - <a href="#">Work in progress, will be resolved on adjustment budget</a></p>	mSCOA Administrator and Budget and Reporting Manager	<p>Dawood Asmal</p> <p>The municipality has not applied balance sheet budgeting appropriately. Both the debit and credit leg should be linked to the same project in terms of GRAP. The debit to expenditure and credit to liability deposits should be linked to PO: Maintenance. This should be done for all expenditure (capital and operational). This is applicable to both the Budget and IYMs</p> <ul style="list-style-type: none"> <li>- No VAT consideration have been applied in the ORGB data strings</li> <li>- For completed projects the municipality has not shown a Transfer from WIP to Completed asset</li> <li>- Municipality has incorrectly linked typical workstream projects (Catering,travel etc) to Municipal Running costs. See comments above</li> <li>- Municipality has incorrectly linked maintenance projects (maintenance costs) to Municipal Running costs. See comments above</li> <li>- There municipality has not accounted for free basic services waste management</li> <li>- The municipality has not adequately account for property rates rebates</li> </ul> <p>NB: Corrections to Projects may only be done through the adjustment Budget Process. M7</p>
KZN434	2024	2. Review the opening balances and agree to system information	Work In Progress	Opening balances will be processed and submitted along with month 3 data strings.	Budget & Reporting Manager mSCOA Administrator	<p>Dawood Asmal</p> <p>ORGB &amp; IYM: Opening balances do not net off to nil</p>
KZN434	2024	3. Use of function segment	Work In Progress	Work in progress - amendments will done on adjustment budget	mSCOA Administrator and Budget and Reporting Manager	<p>Dawood Asmal</p> <p>The municipality is therefore required to review the following functions included in the budget to determine if the provisions of MFMA Circular No. 74 are complied with.</p> <p>a) Housing noted as a Core Function (Core for Department of Human Settlements)</p> <p>b) Fire Fighting noted as a Core Function (Core for a District Municipality)</p> <p>The municipality to review against its mandate the following Core Functions:</p> <p>a) Community Halls</p> <p>b) Community Parks</p> <p>The following functions were not identified</p> <p>a) Supply Chain Management</p> <p>b) Human Resources Management</p>
KZN434	2024	4. Review the monthly general ledger and compare the data string generated.	Yes		Budget & Reporting Manager mSCOA Administrator	Dawood Asmal
KZN434	2024	5. Generate accurate A, B and C Schedules	Yes		Budget and Reporting Manager and Accountant	Dawood Asmal
KZN434	2024	6. Confirm the validation rules per the mSCOA Guidelines, Circulars as issued by NT	Yes		Accountant	Dawood Asmal
		<b>Training &amp; capacitation</b>				
KZN434	2024	All mSCOA circulars and update as out treasury	Yes		Dawood Asmal (Provincial Treasury)	Dawood Asmal
		<b>Workstreams:</b>				

KZN434	2024	Conduct a system walkthrough assessment per the ICT Due Diligence	Work In progress				
KZN434	2024	Identify gaps that must be addressed (see	Work In progress				
KZN434	2024	Identify additional systems that may be required	Work In progress		Municipal Officials (Per work stream)	Dawood Asmal	
<b>Budgeting &amp; IDP</b>							
KZN434	2024	1. Conduct System Walkthrough	Yes			Dawood Asmal	
KZN434	2024	2. Identified the following GAPs	N/A		System Users	Dawood Asmal	
KZN434	2024	3. Budgeting for VAT as Per mSCOA Circular 12	Yes	Implemented on ORGB, still outstanding IYM.	Budget and Reporting officials		ORGB: There are no opening balances for each Tax account The municipality did not budget for VAT in Terms of MSCOA Circular 12
KZN434	2024	4. Complexity of system when importing data strings during the budget preparation process	Yes		Budget Manager and Budget	Dawood Asmal	
<b>Revenue &amp; Debtors</b>							
KZN434	2024	Conduct a system walkthrough assessment per the ICT Due Diligence	In progress				
KZN434	2024	Identify gaps that must be addressed					
KZN434	2024	- Use of fund source for Revenue	Yes	Will be updated on adjustment budget and IYM, still awaiting for guidance from service provider	Budget and Reporting Manager and Accountant		Accrual Accounting has not been adequately incorporated into the fund segment on both the ORGB and IYM.  The municipality should ensure that for each funding source the debits and credits for each transaction should be linked. Example: Transactions that should be linked to an Operational Fund Source: Equitable Share would include 1. Receipt of Equitable Share from National Treasury Dr Bank and Credit Revenue Equitable Share 2. Expenditure/Procurement on credit relating to funds received from the equitable share. Transactions would include a. Expenditure recorded: Dr Expenditure, Dr Input Vat (Accrued) and Credit Creditor Deposit b. Creditor Paid: Dr Creditor Withdrawal Cr Bank withdrawal c. Transfer Input VAT: Dr Input VAT General Recognised and Cr Input VAT Accrual Transfer
KZN434	2024	Regionalised Revenue by linking billing, collections, impairment, write off to the correct Regional guides	Work in progress	It will be updated as soon as Valuation is also updated with regions	ACFO Budget Manager Revenue Officials mSCOA Administrator	Sage Evolution	ORGB and IYM: Revenue has not been regionalised for Property Rates and Waste Management
KZN434	2024	Align Actual billing with Budget in our services : Rates, Rentals and waste	On going process	<b>Rates:</b> ORGB and IYM: The municipality to investigate and ensure that revenue and billing is aligned during the ADJB process <b>Waste:</b> ORGB: Municipality to investigate and provide feedback on the difference noted <b>Rentals:</b> Municipality to investigate and provide feedback on the difference noted	Budget and Revenue Officials	Sage Evolution	<b>Rates:</b> ORGB and IYM: Revenue raised does not match the billing guid where items have not been matched/highlighted. The municipality should investigate and ensure that revenue and billing is aligned during the ADJB process <b>Waste:</b> ORGB: There is no corresponding entry to billing ORGB & IYM: Municipality to investigate and provide feedback on the difference noted <b>Rentals:</b> ORGB: There is no corresponding entry to billing ORGB & IYM: Municipality to investigate and provide feedback on the difference noted
<b>HR &amp; Payroll</b>							
KZN434	2024	Conduct a system walkthrough assessment per the ICT Due Diligence	Work in progress	HR aspects were initially implimented and there were system glitches, currently being attended to by the system vendor and the system should be in use.			Identified that only payroll is being used. HR aspects are not fully used.
KZN434	2024	Identify gaps that must be addressed	Work in progress				
KZN434	2024	Complete list of payroll Guids not used	On going process	GUIDs for Remuneration of councillors and employee related costs have been used on Municipality's ORGB and IYM 2023/24 Financial Year	Budget Manager, Payroll officer and mSCOA Administrator	Sage 300 and Sage Evolution	Complete list of employee related cost and remuneration of councillor Guids not used. This has been communicated to the municipality in the review of the 2023/24 ORGB & IYM 01 and the ORGB & IYM01 reviews.

KZN434	2024	Complete list of salary control Guid's not used	On going process	GUIDs for Remuneration of councillors and employee related costs have been used on Municipality's ORGB and IYM 2023/24 Financial Year	Budget Manager, Payroll officer and mSCOA Administrator	Sage 300 and Sage Evolution	Complete list of salary control Guid's not used. This has been communicated to the municipality in the review of the 2023/24 ORGB & IYM 01 and the ORGB & IYM01 reviews.
KZN434	2024	<b>Fixed Asset Register</b>					
KZN434	2024	Conduct a system walkthrough assessment per the ICT Due Diligence	Work in progress				
KZN434	2024	Identify gaps that must be addressed	Work in progress				
KZN434	2024	1. Create the correct guid's and align to the asset register	Yes	There are guid codes that are created and aligned with all municipal assets	Deputy CFO Asset Manager Budget Manager mSCOA Administrator	Sage Evolution	Third party system AMS system is used <b>NB</b> : Due to a new asset register/vendor being used as compared to the core system, the Municipality is to ensure that * Asset categories per the asset register align to the Sage Evolution general ledger including values (Cost, Accumulated Depreciation, NBV etc)
KZN434	2024	2. Review the asset register for alignment issues	Yes	There are guid codes that are created and aligned with all municipal assets	Asset Manager	Sage Evolution	Third party system AMS system is used <b>NB</b> : Due to a new asset register/vendor being used as compared to the core system, the Municipality is to ensure that * Asset categories per the asset register align to the Sage Evolution general ledger including values (Cost, Accumulated Depreciation, NBV etc)
KZN434	2024	3. Determined that the module must be setup	Yes	The module setup is complete and fully functioning	Asset Manager Budget Manager mSCOA Administrator	Sage Evolution	Module has been set up and is functioning
		<b>SCM, Expenditure &amp; Creditors</b>					
KZN434	2024	Conduct a system walkthrough assessment per the ICT Due Diligence	Yes				
KZN434	2024	Identify gaps that must be addressed	Yes				
		<b>SCM:</b>					
KZN434	2024	Identify gaps that must be addressed	In progress				
KZN434	2024	Module is not used for the tender process for procurement above R200k.	Not started	The municipality is still awaiting service provider to provide solution on this	The CFO Deputy CFO SCM Manager Budget Manager	CCG SYSTEMS	Tender process is still manual Municipality to enquire from vendor as to availability of functionality
		<b>Inventory</b>					
KZN434	2024	Conduct a system walkthrough assessment per the ICT Due Diligence	In progress				Gaps identified below
KZN434	2024	Identify gaps that must be addressed	In progress				See below
KZN434	2024	Inventory module must be setup. Identified the inventory items for inclusion onto list.	In progress	The municipality is in a process of implementing Inventory module and it will be fully functioning before the end of Q2	The CFO Deputy CFO SCM Manager Budget Manager Asset Manager mSCOA Administrator	CCG SYSTEMS	ORGB: Budget prepared excluding Vat ORGB and IYM: The guid's for Inventory Material Standard/Zero Rated have not been used above IYM: Inventory consumed material and supplies does not match Inventory Material and supply Issues above
		<b>Costing</b>					
KZN434	2024	Implementation of costing for waste services.	Not started				
KZN434	2024	1. Municipality to review the business process	Not started				
KZN434	2024	2. Internal billing and recoveries identified and determine how to apply the secondary costing aspect.	Not started	It will be implemented on Adjustment Budget	ACFO Budget Manager Revenue officials mSCOA Administrator	CCG SYSTEMS and PT	