

MANDENI MUNICIPALITY (KZN 291)



4th QUARTER REPORT SECTION 52(D) (mSCOA) 2021/22 FINANCIAL YEAR

JULY– JUNE 2022

Table of Contents

ANNEXURE	A
PART 1 – 4TH QUARTER REPORT	
1.1 MAYOR’S REPORT	2
1.2 COUNCIL RESOLUTIONS.....	2
1.3 EXECUTIVE SUMMARY	2
1.4 IN-YEAR BUDGET STATEMENT TABLES	5
PART 2 – SUPPORTING DOCUMENTATION	21
2.1 DEBTOR’S ANALYSIS	22
2.2 CREDITOR’S ANALYSIS.....	27
2.3 INVESTMENT PORTFOLIO ANALYSIS	28
2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE	29
2.5 COUNCILORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFIT	40
3. EXPENDITURE MANAGEMENT.....	41
3.1 COST CONTAINMENT MEASURES	41
4. ASSET MANAGEMENT REPORT	42
5. REPORT ON SUPPLY CHAIN MANAGEMENT POLICIES.....	47
6. MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	62

List of Tables

Table 1 MBRR Table C1 -Budget Statement Summary	4
Table 2 MBRR Table C2 _Financial Performance (standard Classification	5
Table 3 MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote) .	6
Table 4 MBRR Table C4 -Financial Performance (revenue and expenditure).....	7
Table 5 MBRR Table C5 -Capital expenditure (municipal vote and funding).....	8
Table 6 MBRR Table C6 -Financial Position	16
Table 7 MBRR Table C7 - Cash Flow	18
Table 8 Debtor’s Analysis.....	20
Table 9 Creditor’s Analysis	22
Table 10 Investment Portfolio Analysis.....	27
Table 11 Allocation and grant receipts and expenditure.....	28
Table 12 Transfer and grant expenditure.....	31
Table 13 Councilors and board member allowance and employee benefit.....	39

1.1 MAYORS' FOREWORD

Attached

1.2 COUNCIL RESOLUTION

Resolution No: C

Refer to the recommendations contained in this report.

1.3 EXECUTIVE SUMMARY**LEGAL REQUIREMENTS**

In terms of section 52(d) of the MFMA, *the Mayor of a municipality 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 affairs of the municipality.*

Quarterly reports are submitted in a prescribed format on the state of the municipality's budget reflecting the following particulars for that quarter and for the financial year up to the end of that quarter.

- Actual revenue, per revenue source;
- Actual expenditure, per vote;
- Actual capital expenditure, per vote;
- The amount of any allocations received and actual expenditure on grant allocations excluding expenditure on the equitable share.
- the actual expenditure on those allocations
- when necessary, an explanation of—
- any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
- any material variances from the service delivery and budget implementation plan; and
- Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

1.3.2 FINANCIAL PERFORMANCE

BUDGET SUMMARY

The following table represents an executive summary for the 4th Quarter of the financial year ended 30th June 2022:

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Total Revenue (excluding capital transfers and	333 931	309 163	327 992	8 880	311 990	327 992	(16 002)	-5%	309 163
Total Expenditure	301 885	323 462	339 729	26 743	298 104	339 779	(41 675)	-12%	323 462
Surplus/(Deficit)	32 046	(14 299)	(11 737)	(17 863)	13 886	(11 787)	25 673	-218%	(14 299)
Transfers and subsidies - capital (monetary allocations) (National /	41 465	35 370	42 145	4 507	37 381	42 145	(4 765)	-11%	35 370
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations	—	—	—	—	431	—	431	#DIV/0!	1 170
Surplus/(Deficit) after capital transfers & contributions	73 511	21 071	30 409	(13 356)	51 698	30 359	21 339	70%	22 241
Share of surplus/ (deficit) of	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	73 511	21 071	30 409	(13 356)	51 698	30 359	21 339	70%	22 241
Capital expenditure & funds sources									
Capital expenditure	17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920

As can be seen from the table above, Actual surplus for the quarter ended 30th June 2022 is significantly more than the Budgeted Surplus. Quarterly budget statement summary (Table C1), for the 4th quarter of the year, July - June 2022 (year to date actual), shows a surplus of R51.7 million against YTD budget of R30.4 million which reflects 70%.

Currently there are no financial problems and major risks facing the municipality. A total amount of R210 million is invested by the municipality to the approved banking institutions.

1.4 IN- YEAR BUDGET STATEMENT TABLES

Table 1

Table C1 below provides a summary of the overall performance of the Municipality

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	50 870	46 642	46 642	(41)	43 652	46 642	(2 990)	-6%	46 642
Service charges	43 822	48 762	48 762	5 560	56 261	48 762	7 499	15%	48 762
Investment revenue	6 454	4 950	5 500	3 459	7 895	5 500	2 395	44%	4 950
Transfers and subsidies	210 180	200 340	220 298	138	198 541	220 298	(21 757)	-10%	200 340
Other own revenue	22 605	8 470	6 791	(235)	5 642	6 791	(1 149)	-17%	8 470
Total Revenue (excluding capital transfers and	333 931	309 163	327 992	8 880	311 990	327 992	(16 002)	-5%	309 163
Employee costs	109 315	107 819	109 069	9 742	109 801	109 069	732	1%	107 819
Remuneration of Councillors	13 528	14 643	14 193	1 417	13 798	14 193	(395)	-3%	14 643
Depreciation & asset impairment	31 848	32 726	32 726	—	28 174	32 726	(4 552)	-14%	32 726
Finance charges	332	400	3 003	—	57	3 003	(2 946)	-98%	400
Inventory consumed and bulk purchase	30 955	37 432	38 779	3 811	37 743	38 764	(1 022)	-3%	37 432
Transfers and subsidies	1 557	—	—	—	—	—	—	—	—
Other expenditure	114 350	130 442	141 959	11 773	108 532	142 023	(33 491)	-24%	130 442
Total Expenditure	301 885	323 462	339 729	26 743	298 104	339 779	(41 675)	-12%	323 462
Surplus/(Deficit)	32 046	(14 299)	(11 737)	(17 863)	13 886	(11 787)	25 673	-218%	(14 299)
Transfers and subsidies - capital (monetary allocations) (National /	41 465	35 370	42 145	4 507	37 381	42 145	(4 765)	-11%	35 370
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations	—	—	—	—	431	—	431	#DIV/0!	1 170
Surplus/(Deficit) after capital transfers & contributions	73 511	21 071	30 409	(13 356)	51 698	30 359	21 339	70%	22 241
Share of surplus/ (deficit) of	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	73 511	21 071	30 409	(13 356)	51 698	30 359	21 339	70%	22 241
Capital expenditure & funds sources									
Capital expenditure	17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920
Capital transfers recognised	10 726	33 540	43 415	4 854	31 613	43 415	(11 803)	-27%	33 540
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	7 264	40 380	40 865	3 348	27 179	40 896	(13 717)	-34%	40 380
Total sources of capital funds	17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920
Financial position									
Total current assets	214 426	118 289	194 121	—	243 899	—	—	—	118 289
Total non current assets	540 732	620 443	592 160	—	573 149	—	—	—	620 443
Total current liabilities	69 061	16 838	350 013	—	63 694	—	—	—	16 838
Total non current liabilities	18 697	20 924	(24 327)	—	18 697	—	—	—	19 473
Community wealth/Equity	429 589	699 801	(672 582)	—	734 657	—	—	—	702 422
Cash flows									
Net cash from (used) operating	336 709	98 749	166 694	(26 737)	86 796	166 694	79 898	48%	98 749
Net cash from (used) investing	272 457	(73 920)	(84 280)	(8 202)	(58 460)	(84 311)	(25 851)	31%	73 920
Net cash from (used) financing	—	—	—	6	158	—	(158)	#DIV/0!	—
Cash/cash equivalents at the mo	609 166	24 829	82 414	—	210 474	82 383	(128 091)	-155%	354 649
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 102	(586)	2 498	3 930	4 651	62	20 292	142 559	181 509
Creditors Age Analysis									
Total Creditors	4 152	—	—	(1)	—	—	—	2	4 154

Table 2

Table C2 provides the statement of financial performance by standard classification

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth Quarter										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		303 200	247 561	305 993	6 406	283 603	305 993	(22 390)	-7%	247 561
Executive and council		45 336	7 806	7 806	—	—	7 806	(7 806)	-100%	7 806
Finance and administration		257 864	239 755	298 187	6 406	283 603	298 187	(14 584)	-5%	239 755
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		6 741	4 364	4 482	24	3 846	4 482	(635)	-14%	4 364
Community and social services		6 740	4 364	4 424	24	3 846	4 424	(578)	-13%	4 364
Sport and recreation		—	—	58	—	—	58	(58)	-100%	—
Public safety		1	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental service		45 983	40 782	47 586	4 580	41 203	42 586	(1 383)	-3%	40 782
Planning and development		44 903	39 832	46 671	4 537	40 309	41 671	(1 363)	-3%	39 832
Road transport		1 080	950	915	42	895	915	(20)	-2%	950
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		19 471	52 997	13 347	2 377	21 149	13 347	7 802	58%	52 997
Energy sources		7 995	39 454	2 954	1 297	8 648	2 954	5 694	193%	39 454
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		11 476	13 543	10 393	1 080	12 501	10 393	2 108	20%	13 543
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	375 395	345 704	371 408	13 387	349 802	366 408	(16 606)	-5%	345 704
Expenditure - Functional										
Governance and administration		160 165	160 960	176 485	13 912	145 600	176 775	(31 176)	-18%	160 960
Executive and council		40 036	46 428	48 437	5 148	43 704	48 437	(4 733)	-10%	46 428
Finance and administration		120 129	114 532	128 048	8 764	101 896	128 338	(26 442)	-21%	114 532
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		30 188	36 610	35 210	3 253	34 443	34 010	433	1%	36 610
Community and social services		19 554	23 118	22 608	2 291	22 699	22 508	191	1%	23 118
Sport and recreation		10 596	12 592	11 842	962	11 328	10 742	586	5%	12 592
Public safety		38	880	740	—	399	740	(341)	-46%	880
Housing		—	20	20	—	16	20	(4)	-18%	20
Health		—	—	—	—	—	—	—	—	—
Economic and environmental service		64 018	68 538	68 720	4 092	62 676	69 770	(7 093)	-10%	68 538
Planning and development		16 252	21 226	21 232	1 817	15 620	21 032	(5 412)	-26%	21 226
Road transport		44 542	44 643	44 869	2 036	43 893	46 119	(2 227)	-5%	44 643
Environmental protection		3 225	2 669	2 619	239	3 164	2 619	545	21%	2 669
Trading services		47 513	57 354	59 314	5 486	55 385	59 224	(3 839)	-6%	57 354
Energy sources		36 875	46 420	48 220	4 811	45 458	48 130	(2 672)	-6%	46 420
Water management		—	—	—	—	—	—	—	—	—
Waste water management		853	2 809	2 809	—	—	2 809	(2 809)	-100%	2 809
Waste management		9 785	8 125	8 285	675	9 927	8 285	1 641	20%	8 125
Other		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	301 885	323 462	339 729	26 743	298 104	339 779	(41 675)	-12%	323 462
Surplus/ (Deficit) for the year		73 511	22 241	31 679	(13 356)	51 698	26 629	25 069	94%	22 241

Table 3

Table C3 Quarterly Budget Statement – Financial Performance and expenditure by municipal vote

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote		1								
Vote 1 - Executive and council		45 336	7 806	7 806	—	—	7 806	(7 806)	-100.0%	7 806
Vote 2 - Finance and administration		257 864	239 755	298 187	6 406	283 603	298 187	(14 584)	-4.9%	239 755
Vote 3 - Internal audit		—	—	—	—	—	—	—	—	—
Vote 4 - Community and social services		6 740	4 364	4 424	24	3 846	4 424	(578)	-13.1%	4 364
Vote 5 - Sport and Recreation		—	—	58	—	—	58	(58)	-100.0%	—
Vote 6 - Public safety		1	—	—	—	—	—	—	—	—
Vote 7 - Housing		—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development		44 903	39 832	46 671	4 537	40 309	41 671	(1 363)	-3.3%	39 832
Vote 9 - Road transport		1 080	950	915	42	895	915	(20)	-2.2%	950
Vote 10 - Energy sources		7 995	39 454	2 954	1 297	8 648	2 954	5 694	192.8%	39 454
Vote 11 - Waste Management		11 476	13 543	10 393	1 080	12 501	10 393	2 108	20.3%	13 543
Vote 12 - Environmental Protection		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	375 395	345 704	371 408	13 387	349 802	366 408	(16 606)	-4.5%	345 704
Expenditure by Vote		1								
Vote 1 - Executive and council		40 036	46 428	48 437	5 148	43 704	48 437	(4 733)	-9.8%	46 428
Vote 2 - Finance and administration		120 129	114 532	128 048	8 764	101 896	128 338	(26 442)	-20.6%	114 532
Vote 3 - Internal audit		—	—	—	—	—	—	—	—	—
Vote 4 - Community and social services		19 554	23 118	22 608	2 291	22 699	22 508	191	0.8%	23 118
Vote 5 - Sport and Recreation		10 596	12 592	11 842	962	11 328	10 742	586	5.5%	12 592
Vote 6 - Public safety		38	880	740	—	399	740	(341)	-46.1%	880
Vote 7 - Housing		—	20	20	—	16	20	(4)	-17.5%	20
Vote 8 - Planning and Development		16 252	21 226	21 232	1 817	15 620	21 032	(5 412)	-25.7%	21 226
Vote 9 - Road transport		45 395	47 451	47 678	2 036	43 893	48 928	(5 035)	-10.3%	47 451
Vote 10 - Energy sources		36 875	46 420	48 220	4 811	45 458	48 130	(2 672)	-5.6%	46 420
Vote 11 - Waste Management		9 785	8 125	8 285	675	9 927	8 285	1 641	19.8%	8 125
Vote 12 - Environmental Protection		3 225	2 669	2 619	239	3 164	2 619	545	20.8%	2 669
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	301 885	323 462	339 729	26 743	298 104	339 779	(41 675)	-12.3%	323 462
Surplus/ (Deficit) for the year	2	73 511	22 241	31 679	(13 356)	51 698	26 629	25 069	94.1%	22 241

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 30th June 2022

This report analyses each major component under following headings;

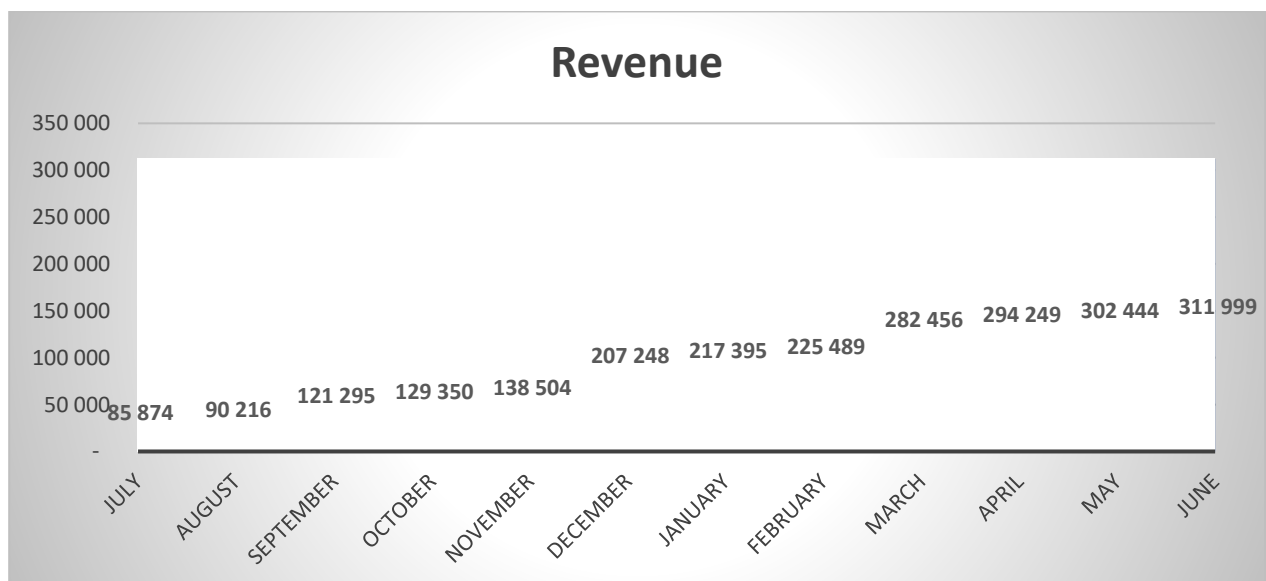
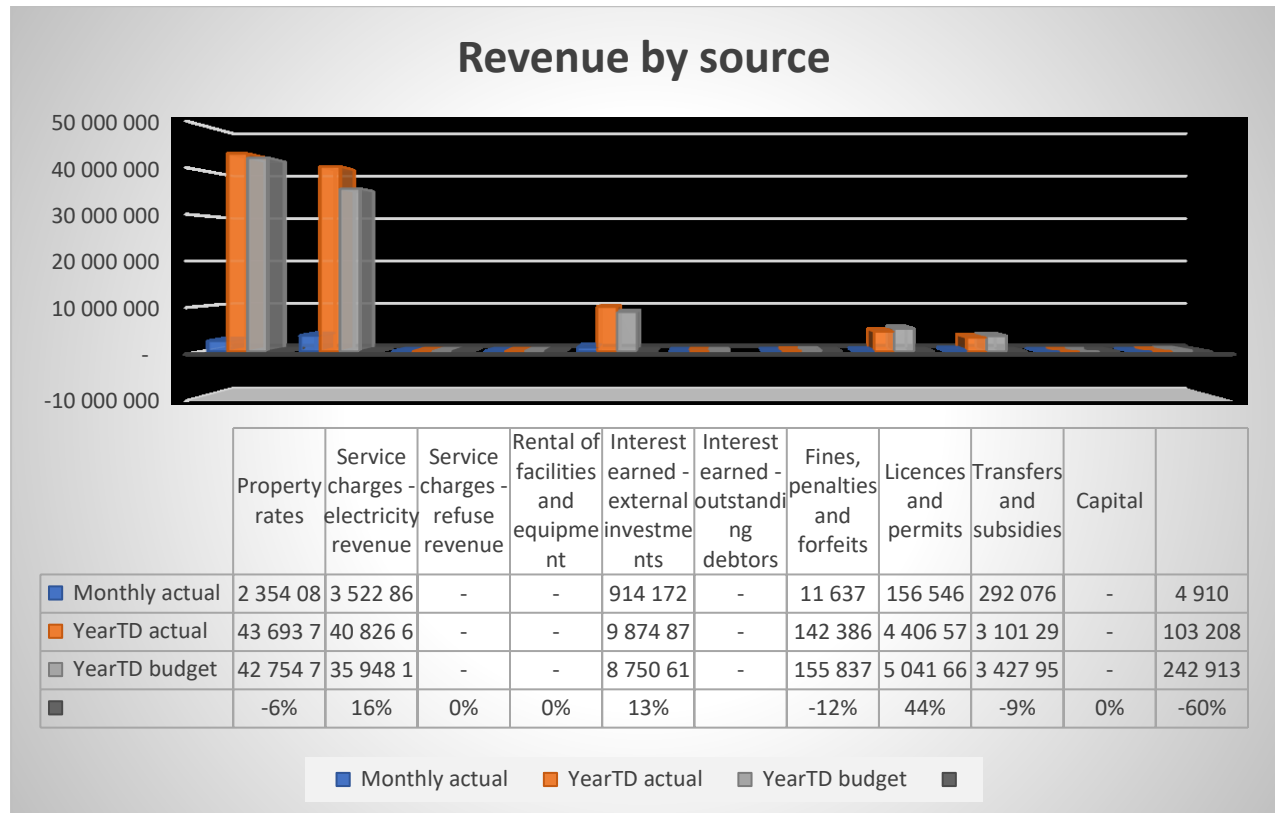
- Revenue by Source
- Operational Expenditure by Type, and

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		50 870	46 642	46 642	(41)	43 652	46 642	(2 990)	-6%	46 642
Service charges - electricity revenue		34 672	39 216	39 216	4 613	45 440	39 216	6 223	16%	39 216
Service charges - water revenue		—	—	—	—	—	—	—		—
Service charges - sanitation revenue		—	—	—	—	—	—	—		—
Service charges - refuse revenue		9 150	9 546	9 546	946	10 821	9 546	1 275	13%	9 546
Rental of facilities and equipment		101	130	170	6	149	170	(21)	-12%	130
Interest earned - external investments		6 454	4 950	5 500	3 459	7 895	5 500	2 395	44%	4 950
Interest earned - outstanding debtors		4 084	6 740	3 740	286	3 387	3 740	(352)	-9%	6 740
Dividends received		—	—	—	—	—	—	—		—
Fines, penalties and forfeits		281	265	265	3	106	265	(159)	-60%	265
Licences and permits		800	695	660	39	789	660	129	19%	695
Agency services		—	—	—	—	—	—	—		—
Transfers and subsidies		210 180	200 340	220 298	138	198 541	220 298	(21 757)	-10%	200 340
Other revenue		1 378	640	1 956	(569)	1 210	1 956	(746)	-38%	640
Gains		15 961	—	—	—	—	—	—		—
Total Revenue (excluding capital transfers and contributions)		333 931	309 163	327 992	8 880	311 990	327 992	(16 002)	-5%	309 163
Expenditure By Type										
Employee related costs		109 315	107 819	109 069	9 742	109 801	109 069	732	1%	107 819
Remuneration of councillors		13 528	14 643	14 193	1 417	13 798	14 193	(395)	-3%	14 643
Debt impairment		34 245	30 635	34 635	—	18 972	34 635	(15 663)	-45%	30 635
Depreciation & asset impairment		31 848	32 726	32 726	—	28 174	32 726	(4 552)	-14%	32 726
Finance charges		332	400	3 003	—	57	3 003	(2 946)	-98%	400
Bulk purchases - electricity		28 816	35 143	36 643	3 717	36 575	36 643	(69)	0%	35 143
Inventory consumed		2 139	2 288	2 135	95	1 168	2 121	(953)	-45%	2 288
Contracted services		47 869	56 718	56 960	6 618	48 216	56 896	(8 679)	-15%	56 718
Transfers and subsidies		1 557	—	—	—	—	—	—		—
Other expenditure		30 699	43 089	48 864	5 154	41 266	48 993	(7 727)	-16%	43 089
Losses		1 536	—	1 500	1	78	1 500	(1 422)	-95%	—
Total Expenditure		301 885	323 462	339 729	26 743	298 104	339 779	(41 675)	-12%	323 462
Surplus/(Deficit)		32 046	(14 299)	(11 737)	(17 863)	13 886	(11 787)	25 673	(0)	(14 299)
Transfers and subsidies - capital (monetary allocations) (National /		41 465	35 370	42 145	4 507	37 381	42 145	(4 765)	(0)	35 370
Transfers and subsidies - capital (monetary allocations) (National /										
Provincial Departmental Agencies,										
Households, Non-profit Institutions,		—	—	—	—	—	—	—		—
Transfers and subsidies - capital (in-kind - a		—	—	—	—	431	—	431	#DIV/0!	1 170
Surplus/(Deficit) after capital transfers & contributions		73 511	21 071	30 409	(13 356)	51 698	30 359			22 241
Taxation		—	—	—	—	—	—	—		—
Surplus/(Deficit) after taxation		73 511	21 071	30 409	(13 356)	51 698	30 359			22 241
Attributable to minorities		—	—	—	—	—	—			—
Surplus/(Deficit) attributable to		73 511	21 071	30 409	(13 356)	51 698	30 359			22 241
Share of surplus/ (deficit) of associate		—	—	—	—	—	—			—
Surplus/ (Deficit) for the year		73 511	21 071	30 409	(13 356)	51 698	30 359			22 241

Table 4.1

▪ **Total Operating Revenue from (July-June 2022)**

The table below reflects trend of the revenue from July to June 2022



Revenue:

- The Year to Date (YTD) total revenue earned is R 312 million for the period ending 30th June 2022 excluding capital conditional grant income. The YTD Budget is R 328 million; therefore, this reflects an under performance against the revenue projected by -5%, this is a reflection that the municipality has achieved its revenue performance budget.

Property Rates

- The municipality accounts for revenue on an invoice basis in line with GRAP requirements. This means that the revenue is recognized when the bills are performed and the total amount billed to date being R43.7million. our Municipality took a decision to Bill rates for 10 months and the process does not have any negative effect on revenue but it has just been compressed to cater for window period June and July, no income foregone in the process. This is to encourage people to pay, and pause during window period provided they are up to date and catch up if they are in arrears.

The actual cash collected being R 509 thousand for the month ended June 2022.

Service Charges: Electricity

- As indicated above, also revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R45.4 million (current month – R4.6 million) which equates to an over billing of 16% when compared to the total R39.2 million pro-rata electricity revenue budgeted. A number of customers that moved to prepaid system which resulted in lesser billing on electricity and also is due to seasonal fluctuations that electricity consumption increases in winter months as compared to summer months.

The actual cash collected is R5.6 million for the month ended June 2022.

Service Charges: Refuse

- As indicated above, also revenue for service charges- refuse is recognized on an invoice basis and the total amount billed is R10.8 million (current month – R946 thousand) which equates to an over billing of 13% when compared to the total R9.5 million pro-rata refuse revenue budgeted. this variance is due to additional properties that were billed as identified in the Supplementary Valuation Roll expected to have a significant impact at the end of the financial year. The variance is acceptable, the business refuse always increases during the more economic active months.

The actual cash collected is R284 thousand for the month ended June 2022.

Planned Interventions to Increase Collections (Property rates and Service Charges)

- On a weekly basis, a list of top 20 debtors (businesses, government and domestic) is extracted from the debtors list.
- Debtors selected are encouraged to come and make arrangements for payment;
- In the event that they still default on payments, these debtors are written final demand letters and if no positive response is received, a process of effecting service disconnections ensues in line with our credit control policy.

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT					
ACC. NO.	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
001001792	SUNDUMBILI A	179	MR MNGOMEZULU	REFUSE	40 234.85
001001862	SUNDUMBILI A	186	MR DLAMINI	REFUSE	41 869.10
001002100	SUNDUMBILI A	21	MS ZULU	REFUSE/RATES	86 771.98
001002242	SUNDUMBILI A	224	MR XULU	REFUSE	40 097.91
001002400	SUNDUMBILI A	24	MR ZULU	RATES/REFUSE	53 512.63
001001742	SUNDUMBILI A	174	MR MTHETHWA	REFUSE	37 857.32
001019000	SUNDUMBILI A	190	MS MKHWANAZI	RATES/REFUSE	39 830.54
001001400	SUNDUMBILI A	14	MR MASONDO	RATES/REFUSE	13 348.55
001001372	SUNDUMBILI A	137	MR NGEMA	REFUSE	31 027.16
001063100	SUNDUMBILI A	631	MR MADELA	RATES/REFUSE	69 431.14
001064500	SUNDUMBILI A	645	MS ZUNGU	RATES/REFUSE	8 097.31
001065000	SUNDUMBILI A	650	MS NTSHANGASE	RATES/REFUSE	55 058.89
0010656	SUNDUMBILI A	656	MR MANQELE	RATES/REFUSE	30 977.26
001069300	SUNDUMBILI A	693	MR WILLIAMSON	RATES/REFUSE	15 186.13
001069900	SUNDUMBILI A	699	MS NGOBESE	RATES/REFUSE	6 233.54
001071300	SUNDUMBILI A	713	MR SANGWENI	RATES/REFUSE	10 174.25
001070800	SUNDUMBILI A	708	MR BELE	RATES/REFUSE	20 427.58
001071200	SUNDUMBILI A	712	KKLK PROPERTY INV. TR	RATES/REFUSE	42 738.78
001073500	SUNDUMBILI A	735	MS MBINGLA	RATES/REFUSE	7 093.98
001073600	SUNDUMBILI A	736	MR SIBIYA	RATES/REFUSE	16 888.56
TOTAL					666 857.46

ARRANGEMENTS					
ACC. NO.	TOWN	ERF. NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
001070700	SUNDUMBILI A	707	MRS GCALEKA	RATES/REFUSE	7 762.64
009801201	MANDINI EXT. 001	278	MR NGCOBO	RATES/REFUSE	21 843.78
004001932	MANDINI EXT. 006	916	MR KANNI	ELEC/REFUSE	20 566.18
001095000	SUNDUMBILI A	950	MR MASONDO	RATES	6 861.05
002700821	MANDINI EXT. 007	994	MR SIBIYA S S	ELECTRICITY	
009500781	MANDINI EXT. 007	994	MR SIBIYA S S	RATES/ELEC	137 064.79
009701331	MANDINI EXT. 005	776	MR THABETHE	RATES/REFUSE	9 519.49
002145600	SUDUMBILI B	1456	MR MTHEMBU	RATES/REFUSE	15 059.00
009900602	MANDINI EXT.090	60	MS BAKER	RATES/REFUSE	16 823.82
002136900	SUNDUMBILI B	1369	MR VILAKAZI	RATES/REFUSE	48 680.23
001022500	SUNDUMBILI A	225	MR MBATHA	RATES/REFUSE	9 453.11
001072500	SUNDUMBILI A	725	MR SHANGE	RATES/REFUSE	21 140.37
002242500	SUNDUMBILI B	2425	MR MDLULI	RATES	51 844.67
001077100	SUNDUMBILI A	771	MR MTHEMBU	RATES/REFUSE	414.05
001107800	SUNDUMBILI A	1078	MR SKOSANA	RATES/REFUSE	12 929.20
002160000	SUNDUMBILI B	1600	MR SHANGE	RATES/ REFUSE	19 094.64
002067800	SUNDUMBILI B	678	MS MPUNGOSE	RATES/REFUSE	26 868.43
001073600	SUNDUMBILI A	736	MR SIBIYA	RATES/REFUSE	16 888.56
009903601	MANDINI EXT. 002	360	MR MWANDLA	RATES/REFUSE	17 440.66
TOTAL					460 254.67

DISCONNECTIONS					
ACCOUNT NO.	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
002600432	MANDINI	1426 EXT. 006	ASSOCIATED SPINNERS	RATES/ELEC	22 646.17
004001952	MANDINI	744 EXT. 005	BASIC BEST PROP	ELECTRICITY	14 814.86
008400851	MANDINI	835	ELASTICO	RATES/ELEC	2 755.66
009600501	MANDINI	699	MR EUSHEN	RATES/ELEC	59 530.12
008800681	MANDINI	98	MR GETKATE	RATES/ELEC	-
002400241	MANDINI	444 EXT. 002	M3 HOLDINGS	RATES/ELEC	128 178.18
003000102	MANDINI	307	MR MBUYISA	RATES/ELEC	46 837.20
002800131	MANDINI	448 EXT. 002	MR MVULA	RATES/ELEC	28 442.45
002800031	MANDINI	746 EXT. 005	MR MCHUNU X S	ELECTRICITY	970.79
009907461	MANDINI	746 EXT. 005	MR MCHUNU X S	RATES/ELEC	-
002601032	MANDINI	805 EXT. 005	MR NGUBANE	RATES/ELEC	39 877.87
008801301	MANDINI	77	MR PIETERS	RATES/ELEC	1 997.00
002701212	MANDINI	28	MS NTULI	RATES/ELEC	21 222.90
004004952	MANDINI	469 EXT. 002	MR RADEBE L P	RATES/ELEC	67 498.85
002900232	MANDINI	911 EXT. 006	MR RADEBE	RATES/ELEC	77 173.78
002700941	MANDINI	46 EXT. 090	MR KUBHEKA	RATES/ELEC	24 744.67
004001932	MANDINI	916 EXT. 006	MR KANNI	RATES/ELEC	20 566.18
002701091	MANDINI	405 EXT. 002	MS HORSLEY-DALIL	RATES/ELEC	22 703.04
009300771	MANDINI	786/02 FLAT	MR FOURIE	RATES/ELEC	1 481.01
002800902	MANDENI	786/10 FLAT	MR GOPAL	RATES/ELEC	5 715.18
TOTAL					587 155.91

Rental of facilities & Equipment

- Revenue from rental of facilities recognised amounts to R149 thousand in comparison with the year to date budget amount of R170 thousand thus indicating an under performance of R21 thousand or 12 percent. A majority of the Municipal Houses are vacant as Tenants could not afford rent and Electricity bill as it is a bit high with the yearly increases.

Interest earned _external investments

- Investment revenue is the amount of interest earned on the amount invested with various financial institutions registered with South African Banking Council. The amount collected to date as interest earned amounts to R7.9 million resulting in a 44 per cent over collection of the pro-rata budget to date. Variance is due to the cash available from previous year cash backed reserves and additional grants received. In line with the investment policy, funds are invested on call accounts with institutions offering the highest possible interest rates. The municipality will remain with the same budget as there are additional funds that have been re invested, budget allocated will be met at year end. A total of R5.9 million had been accumulated through the External investment.

Interest earned outstanding debtors

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned on outstanding debtors amounts to R3.4 million in comparison with the year to date budget of R3.7million, thus indicating an under performance by R352 thousand or -9 percent, variance is based on the outstanding debtors for that period. Interest on outstanding debtors has been charged at a rate of 2% as approved by Council.

Fines, Penalties and forfeits

- Fines are underperformed by 60 percent or R265 thousand, with an actual amount of R 106thousand variance against year to date budget projections of R159 thousand. This is mainly due to the culture of non-payment and adverse economic conditions Revenue reported to date is on cash basis, as the municipality accounts for fines in terms of iGRAP 1 during year end.

Licences and permits

- Licences and permits have overperformed by 19 percent or R129 thousand with an actual amount of R789 thousand as compared to budget of R660 thousand, variance is due to fully operations of DLTC Centre.

Transfers & subsidies

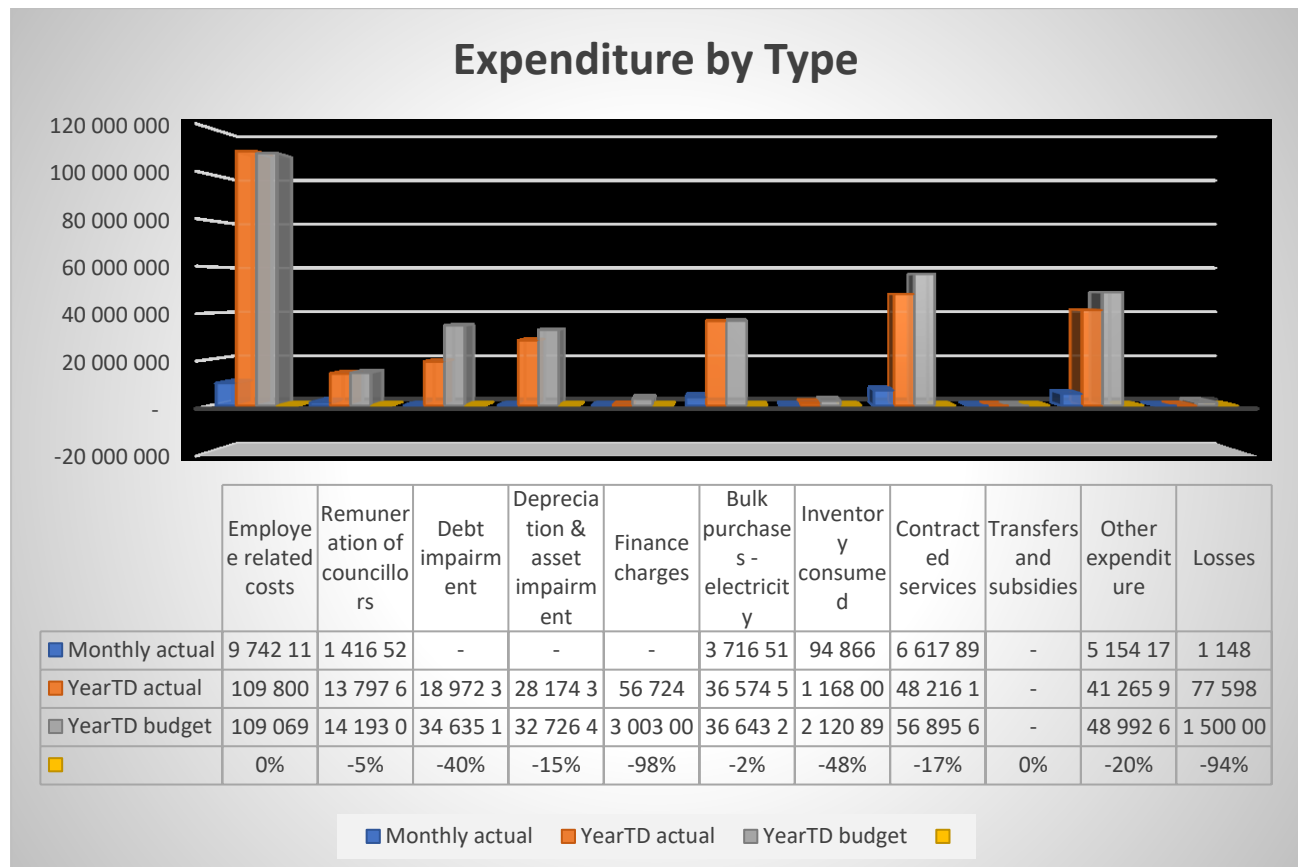
- Transfers and subsidies recognised operational amounts to R198.5 million in comparison with the year to date budget of R220.3 million, thus indicating an under performance by R21.8 million or 10 percent, variance is mainly attributable to the municipality receiving the 3rd trench of the Equitable Share and realisation of operational grants spent as conditions have been met for EPWP, FMG, Library Grant. Further to that it should be noted that all grants that were publicized have been received by the municipality.
- Transfers and subsidies capital amounts to R37.4 million in comparison with the year to date budget of R42 million, MIG grant has been fully spent at year end. *(Detailed report on MIG expenditure has been provided below)*

Other Revenue

- The majority of the Council own funded sources are budgeted under this category. The year to date performance in Other Revenue amounts to R1.2 million more than anticipated YTD budget of R2 thousand, thus indicating an under performance of R746 thousand or 38 percent, variance is mainly due to seasonal fluctuations and level of demand for these items e.g, tender fees, connection and disconnection fees.

Table 4.3

▪ **Total Operating Expenditure from (July - June 2022)**



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 30th June 2022 amounted to R 298.1 million against the planned target of YTD budget is R 339.8 million. As at the end of June the operational expenditure budget has been under spent by 12% or R41.7 thousand. Detailed expenditure analysis is below:

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 30th June 2022 amounted to R109.8 million while the YTD budget was R109.1 million, there is no variance in this line item.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month not in November as it was previously done in the prior years.

Remuneration of Councilors

- The expenditure on councilor allowances as at 30th June 2022 was under spent by R 395 thousand. The YTD Remuneration of Councilor's budget was R14.1 million whilst the actual expenditure incurred results in under-expenditure of 3% YTD expenditure performance. Variance is due to Cllrs upper limits which was approved by COGTA at 3% below to budgeted projections of 5%. Councilors increase and backpay was paid in the month of June 2022.

Debt Impairment

- The provision for bad debt is reflecting an under performance by 45percent or R15.7 million from YTD budget of R34.6 million against the YTD actual of R19 million. Debt impairment calculation has assumed the method below.
- The assumption is that you exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all categories except Electricity. With Electricity the assumption is that 90% of the debt older than 90 days is still collectable.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an under performance by 14 percent or R4.6 thousand against YTD actual of R28.2 million against the YTD budget of R33 million, variance is due to delays in acquiring capital assets that were planned to be procured and completion of projects that are still under work in progress as assets are depreciated when completed. However, budget will remain the same as the turnaround strategy will ensure that planned targets are met.

Finance Charges

- Finance charges are reflecting an under performance by 98 percent or R2.9 million against YTD actual of R57 variance is due to interest paid towards Wesbank for Finance Lease. A journal for this line item will be processed during the for Year-end proceeds.
- Another contributing factor to finance charges is the reclassification of retirement benefit obligation interest costs in accordance with GRAP 25, this calculation will be done during year end after assessment by Actuarial Report has been completed for the year.

Bulk Purchases

- Bulk purchases relate to electricity purchases that the municipality purchases from Eskom for revenue generation stream, as the municipality has the license authority within ward 3. To date the expenditure on bulk purchases totals to R36.6million (current month – R3.7 million) when compared to the projected budget of R36.6million, variance is 0(Zero) there is no variance to this line item as expenditure is in line with budget.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 45 percent or R953 thousand from YTD budget of R2.1 million against the YTD Actual of R1.2 thousand, variance is due to the implementation of procurement plan. The municipality has reviewed its repairs and maintenance plan so as to ensure that the infrastructure of the municipality is regularly monitored for its aging.

Contracted Services

- Contracted services expenditure is reflecting an under expenditure by 15 percent or R8.7 million from YTD budget of R56.9 million against the YTD actual of R48.2 million, variance is due to the implementation of procurement plan, however it was anticipated that a lot of expenditure will be incurred because of the withdrawal of Covid-19 directions. Further to that COVID regulation had an impact on this line item as bulk of expenditure budgeted for this item involves community participation, most of planned programs have been postponed until situation becomes normal.

Transfers & Subsidies

- Transfers & Subsidies has been reclassified under Other expenditure so as to consider findings raised by mSCOA Co-Ordinator. Therefore, this expenditure is part of Other Expenditure.

Other expenditure

- Other expenditure has underspent by 20 percent or R7.5 million from YTD budget of R36.6 million against the YTD actual of R29.1 million, variance is due to activities that took place in the 1st half of the financial year and the decision the municipality took on implementation of cost cutting measures so as to improve the municipal cash flows.
- Other expenditure - The majority of items are not a straight-line expenditure some are paid where it is needed e.g. printing and stationery, mayoral projects, external services etc. Certain expenditure items are based on a seasonal commitment.

Table 4.4**▪ Operating Expenditure from July-June 2022**

The table below reflects trend of expenditure for the 4th quarter of the financial year

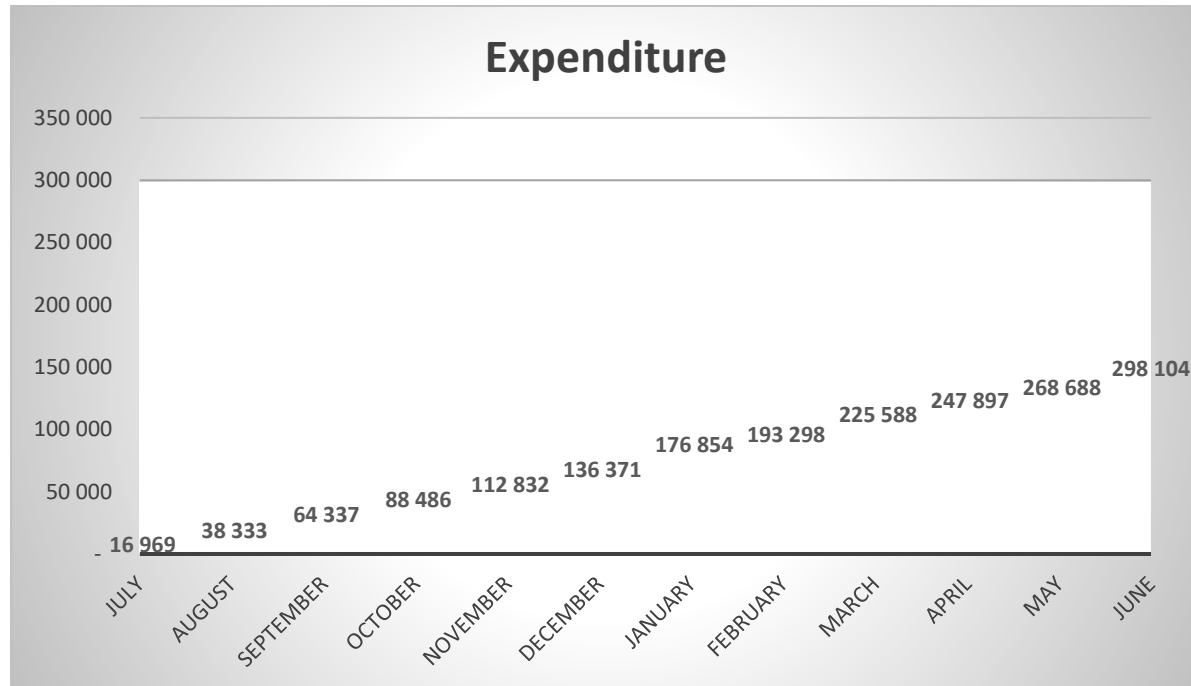


Table 5

Table C5 Quarterly Budget Statement – Capital Expenditure

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth Quarter										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		(698)	20	50	—	42	50	(8)	-16%	20
Vote 2 - Finance and administration		10 259	5 150	6 619	839	2 564	6 619	(4 055)	-61%	5 150
Vote 3 - Internal audit		—	—	—	—	—	—	—	—	—
Vote 4 - Community and social services		(467)	11 958	7 097	1 904	3 985	7 096	(3 111)	-44%	11 958
Vote 5 - Sport and Recreation		4 238	5 754	7 907	1 714	5 361	7 938	(2 577)	-32%	5 754
Vote 6 - Public safety		—	—	—	—	—	—	—	—	—
Vote 7 - Housing		—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development		3 899	8 135	8 308	76	3 767	8 308	(4 540)	-55%	8 135
Vote 9 - Road transport		676	30 703	39 463	3 200	35 679	39 463	(3 784)	-10%	30 703
Vote 10 - Energy sources		83	8 200	10 437	470	7 393	10 437	(3 043)	-29%	8 200
Vote 11 - Waste Management		—	4 000	4 400	—	—	4 400	(4 400)	-100%	4 000
Vote 12 - Environmental Protection		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Capital single-year expenditure	4	17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920
Total Capital Expenditure		17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920
Capital Expenditure - Functional Classification										
Governance and administration		9 560	5 170	6 669	839	2 606	6 669	(4 063)	-61%	5 170
Executive and council		(698)	20	50	—	42	50	(8)	-16%	20
Finance and administration		10 259	5 150	6 619	839	2 564	6 619	(4 055)	-61%	5 150
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		3 772	17 713	15 003	3 618	9 346	15 034	(5 688)	-38%	17 713
Community and social services		(467)	11 958	7 097	1 904	3 985	7 096	(3 111)	-44%	11 958
Sport and recreation		4 238	5 754	7 907	1 714	5 361	7 938	(2 577)	-32%	5 754
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		4 575	38 838	47 770	3 275	39 446	47 770	(8 324)	-17%	38 838
Planning and development		3 899	8 135	8 308	76	3 767	8 308	(4 540)	-55%	8 135
Road transport		676	30 703	39 463	3 200	35 679	39 463	(3 784)	-10%	30 703
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		83	12 200	14 837	470	7 393	14 837	(7 443)	-50%	12 200
Energy sources		83	8 200	10 437	470	7 393	10 437	(3 043)	-29%	8 200
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	4 000	4 400	—	—	4 400	(4 400)	-100%	4 000
Other		—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920
Funded by:										
National Government		10 957	32 370	42 088	4 833	31 089	42 088	(10 998)	-26%	32 370
Provincial Government		(231)	1 170	1 328	21	523	1 328	(805)	-61%	1 170
District Municipality		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,		—	—	—	—	—	—	—	—	—
Transfers recognised - capital		10 726	33 540	43 415	4 854	31 613	43 415	(11 803)	-27%	33 540
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		7 264	40 380	40 865	3 348	27 179	40 896	(13 717)	-34%	40 380
Total Capital Funding		17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920
References										

Capital Expenditure Analysis:

The YTD capital expenditure budget is R 84.3 million against YTD actual Capital expenditure amounted to R 58.8 million resulting in over under performance of (30%) on capital expenditure. Variance in capital expenditure were due to technical challenges that were experienced with the implementation of capital projects. *(Detail Report on Implementation of Capital Projects below)*

PROJECTS STATUS QUO / PROGRESS REPORT AS AT 30 JUNE 2022 – MIG FUNDED PROJECTS

2019/2020 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS

N o	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
01	Upgrade and Improvement of Enembe Road	7, 13, 14, 15	Upgrade and improvement of approximately 2.5km of Enembe Road in Sundumbili, install streetlights, ancillary road works, reconstruct sidewalks, bus bays and associated drainage	Consultant: MNA Contractor: Jamjo Civils	R 18 824 267.43	Project Complete	December 2020	Defect liability period has lapsed, the Client with the Consultant and contractor had been to site to discuss defects. The Contractor was advised to fix visible defects, up to date they have not finished those items.
02	Upgrade of Link Road between Shayamoya Road (Ward 07) and Amajuba Road (Ward 15)	7, 15	This project entails the construction of a new access link road between Shayamoya Road and Amajuba Road. The scope of works includes 0.32 km of upgrading existing gravel road to a cape seal surfaced road, 1.0 wide surfaced sidewalks, associated Stormwater drainage system as	Consultant Lelethu Engineers Contractor Onombutho Trading CC	3,019,695.84	Project Complete	January 2021	The project reached Completion on June 2021 and is currently under the defect liability period.

			well as street furniture such as road signs and line painting.					
03	Upgrade of Link Road between Amajuba Road (Ward 15) and Road 116 (Ward 14)	15, 14, 5, 7	This project entails the construction of a new access link road between Amajuba and Road 116. The scope of works includes 0.35 km of upgrading existing gravel road to a cape seal surfaced road, 1.0 wide surfaced sidewalks, associated Stormwater drainage system as well as street furniture such as road signs and line painting.	Consultant Lelethu Engineers Contractor Zithunzuzo Trading CC	3,440,757.69	Project Complete	January 2021	The project reached Completion on June 2021 and is currently under the defect liability period.

2020/2021 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS

04	Construction of the swimming pool	15	Construction of a public swimming pool	Consultant Young and Satharia Contractor Flaxen Lake	R5 178 546.50	Project Complete	June 2021	The project reached Completion in September 2021 and is currently under the defect liability period.
05	Upgrade of Link Road between Masomonce Bus Route (Ward 10)	10/12	This project entails the construction of a new access link road between Masomonce Bus Route and Ward 12. The scope of works includes the following activities: 0.8km of upgrading	Consultant Iqhina Consulting Engineers Contractor Thatha 5 cc	R6 762 817.44	Contractor fixing damaged areas on the road and will be surfacing the sidewalks with asphalt.	09 August 2021	The new Consultant Iqhina consulting Engineers has been appointed to deal with the finishing of the project since the

	and Enembe/Isithebe Link Road (Ward 12)		existing gravel road to a cape seal surfaced road, 1.0 wide surfaced sidewalks and associated Stormwater drainage system as well as street furniture such as road signs and line painting.					previous Consultant Leletu Consulting Engineers pulled out of the project.
07	Construction of a Sports field in Enembe, Ward 5	5	Project Scope: The scope of works is as follows: Construction of a soccer field, Installation of clear view Fencing, Construction of Change rooms and ablution facility as well as the septic tank and Construction of grand stands	Consultant Sivest Consulting Engineers Contractor Sholo Trading	R7 962 614.60	Contractor has neglected the site, most of the work that has been listed on the snag list has not been attended to.	15 July 2021	The Contractor was terminated due to neglecting the project, the remaining works will be done through quotations by local subcontractors.
08	Rural Roads Phase 3 (a) - Upgrade of Rural Road in Ward 2	2	The scope of works includes the following activities: Remove topsoil & Excavation to a nominal depth of 300mm over the roadway widths, shoulders and side drains, Dump Rock infilling at soft spots, Rip and compact to 98% mod. AASHTO maximum density to depth of 150mm – Roadbed, Construct 150mm Gravel Subbase: G7 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construct 150mm Gravel Base: G6 to 95% Mod AASHTO	Consultant SKYV Consulting Contractor Zisayini Trading	5,483,859.59	Project Complete	19 June 2021	Defect liability period has lapsed, the Client together with the Consultant and Contractor had been to site to discuss defects. The Contractor was advised to fix visible defects of which they started fixing them and the last 5% retention will be released to the Contractor once they have completed fixing

			with material from borrow-pits & commercial sources, Construction of Grass Lined V-Drains, Construction of Stormwater Causeways utilising 600mm Pipes.					defects to the satisfaction of the Client.
09	Rural Roads Phase 3 (b) – Upgrade of Rural Road in ward 12	12	The scope of works includes the following activities: Remove topsoil & Excavation to a nominal depth of 300mm over the roadway widths, shoulders and side drains, Dump Rock infilling at soft spots, Rip and compact to 98% mod. AASHTO maximum density to depth of 150mm – Roadbed, Construct 150mm Gravel Subbase: G7 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construct 150mm Gravel Base: G6 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construction of Grass Lined V-Drains, Construction of Stormwater Causeways utilising 600mm Pipes, Construct 150mm Thick Reinforced Concrete Roadway for Grades of 14%.	Consultant SKYV Consulting Contractor Sukoluhle Trading Enterprise	5,483,859.59	Project Complete	19 June 2021	The Contractor was advised to fix visible defects of which they started fixing them and the last 5% retention will be released to the Contractor once they have completed fixing defects to the satisfaction of the Client.

10	Rural Roads Phase 3 (c) - Upgrade of Rural Road in Ward 3	3	The scope of works includes the following activities: Remove topsoil & Excavation to a nominal depth of 300mm over the roadway widths, shoulders and side drains, Dump Rock infilling at soft spots, Rip and compact to 98% mod. AASHTO maximum density to depth of 150mm – Roadbed, Construct 150mm Gravel Subbase: G7 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construct 150mm Gravel Base: G6 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construction of Grass Lined V-Drains, Construction of Stormwater Causeways utilising 600mm Pipes.	Consultant SKYV Consulting Contractor Msebe Trading	4,392,341.82	Project Complete	19 June 2021	The Contractor was advised to fix visible defects of which they started fixing them and the last 5% retention will be released to the Contractor once they have completed fixing defects to the satisfaction of the Client.
<u>2021/2022 FINANCIAL YEAR CAPITAL PROJECTS</u>								
01	Swimming Pool Area	15	The project scope entails the following activities:	Consultant: Hi Tech Consulting	R3,685,154.52	Site Establishment 100%, Construction of Change Room	July 2022	The project is experiencing slow progress due to

	Additions in Ward 15	- Construction of a 76m2 change room, with 4 female and 2 male toilets and 2 urinals (male) - Construction of extra 33m2 ablutions block for usage during peak seasons with 6 toilets - Construction of a 20m2 guard house with cashier space - Construction of life guard house and provision of life guard stand - Construction of external works - Construction of block paved parking area (25 bays) - Construction of approximately 1500m2 block paved walkways and waiting area - Children play area with specialized equipment - Beach volley ball sand area 400m2 - Landscaping (trees, outdoors seating, etc.) - Provision of gates - Construction power electrification wiring and piping - Provision of outside lighting	Contractor: Umhlathuze Builders Emporium		90%, Ablution Block 90%, Guard House 90%, Construction of Life Guard House 90% and Construction of grandstands 95%. Parked Paving 10%, Landscaping 0% and Children's Play Area 0%.	Contractor experiencing cashflow problems.
--	----------------------	---	--	--	---	--

			- Construction of a 50mm HDPE pipeline water supply, and - Construction of sewer pipeline, 110mm uPVC approximately 150m long					
02	Rural Roads Phase 4(a) - Upgrade of Gravel Roads in Ward 11	11	The scope of works includes the following activities: mass earthworks, construction of pavement layers (G4 material compacted to 97% of MDD, G7 material compacted to 93 & of MDD, 160mm unreinforced 35MPA concrete), construction of stormwater drainage and installation of road signs	Consultant: BVI Consulting Contractor: Onombuthu (PTY) LTD	R 4,867,775.44	Site establishment 100%, Setting out of works by surveyor 100%, Site Clearance 100%, Pipe laying 100%, G7 Layer 100%, G4 Layer 100%, Stormwater Manholes 100%, Driveways 100%. Outstanding works are ancillary works such as stone pitch channel, concrete pavement section and housekeeping.	June 2022	The Contractor was instructed to do additional works and is still busy on site finalizing the works.
03	Rural Roads Phase 4(b) - Upgrade of a Gravel Road in Ward 6	6	The scope of works includes the following activities: mass earthworks, construction of pavement layers (G4 material compacted to 97% of MDD, G7	Consultant: BVI Consulting Contractor:	R3,517,436.07	Site establishment 100%, Setting out of works by surveyor 100%, Site Clearance	June 2022	The Contractor is behind the programme due to slow progress.

			material compacted to 93 & of MDD, 160mm unreinforced 35MPA concrete), construction of stormwater drainage and installation of road signs	Zisayini Trading Enterprise		100%, Pipe laying 100%, Bulk earthworks 100%. Layerworks G4 100%, G7 95% and unreinforced 35mpa concrete 90% and Earth-drains 60%. Installation of subsoil drains 100% and Construction of headwalls 65% and manholes 65%. Road signs 0%.		
04	Khenana and Hlomendlini High Mast Lights	4, 10	7 x new high mast lighting including the following: - 40A single phase supply kiosk per mast. - Electrical cable reticulation including all trenches, sleeves, joints, and terminations as detailed in the electrical bill of quantities. - 25m high-mast pole including concrete base as detailed in the electrical bill of quantities. - 8 x 400w LED luminaires per mast using an 8-way spigot.	Consultant: BVI Consulting Contractor: Yakhalungisa Engineering Services	R5,924,861.03	The project is practical Complete.	December 2022	The applications for energising the high mast lights were sent to Eskom.

05	Construction of a Community Hall in Ward 13	13	The scope of works includes the following activities: mass earthworks, platforms, reinforced foundations, brick work superstructure, plumbing, roof construction and covering, plaster and painting, electrical wiring, fencing and parking area.	Consultant: SMA Consulting Contractor: Sanoqwabe Consultants	R10,417,173.70	Site establishment 100%, Site Clearance 100%, Bulk Earthworks 100%, Foundation 100%, Superstructure (Building) 100%, Surface bed 100%, Brickwork Wall plate 100%, Plaster 100%, Ring Beam 100% and roof trusses 100%, Parking Area 40%, Fencing 80%, Plumbing 0%, Electrical Works 70% and Ancillary Works 50%.	February 2022	The progress has improved, the contractor is anticipating to achieve practical completion end of July 2022.
06	Ward 3 Access Roads Rehabilitation	3	The scope of works will entail the following: - Rehabilitation of 2.867 kms of road (Plover Road, Inyala Road, Impunzi Road, Impala Road, Trogon Road and Sandpiper Road) - Construction of curbs	Consultant: Morula Consulting Contractor: Bheka Phezulu Investments	R13,057,500.00	Surfacing, stormwater drainage and road marking is complete The contractor outstanding works	March 2022	Project has reached practical completion; the Contractor is attending to the snag items.

			- Surfacing using 30mm asphalt - Construction of storm water drainage - Road marking - Installation of road signs			are road signs and remedial works.		
07	Rehabilitation of Internal Roads and Stormwater Drainage in Ward 3	3	The scope of works entails the following activities: - Site Establishment - Setting out of works - Rehabilitation of 1.430 km Access Roads (Stratton Circle, Richard Circle and Whimbrel and Mathews Road) - Storm water management. - Sealing using 30mm Asphalt. - Construction of kerbs. - Road marking. - To install the road signs. - To finish the road after completion of the works.	Consultant: Morula Consulting Contractor: MVI-SSSS Trading	R7,996,258.68	The contractor has completed the works and achieved practical completion.	May 2022	The Contractor has completed the work.
08	Upgrade of Manono Road in Ward 15	15	The scope of works is as follows: - Box Cut 900m Long x 480mm Depth x 5m wide (to upgrade this road to a 2 Lane) - 900m x 150mm G7 (Sub Grade)	Consultant: SKYV Contractor:	R 6,804,889.83	The Contractor has started on site with Site Establishment sitting at 90% and they have started to	June 2022	The are existing services that are being discovered on site, service providers have been made aware and had been out to site to

		- 900m x 150mm C4 (G5 Cement Stabilized Sub Base) - 900m x 150mm G2 (Base) - 900m x 5m Prime - 900m x 5m Tack and 30mm Asphalt - 900m Concrete V Drains on one side (Left or Right Pending Crossfall) - 900m Kerbing on one side (Left or Right Pending Crossfall) - Stormwater Pipe Concrete 100m x 600mm Diameter with Manholes and Outlets - Road Marking & Signs			box the road to desired depths.		check but they have not started to fix any of them which might delay the Contractor's progress.
--	--	--	--	--	---------------------------------	--	---

PROJECTS STATUS QUO / PROGRESS REPORT AS AT 30 SEPTEMBER 2021 – INEP FUNDED PROJECTS

2019/2020 FINANCIAL YEAR ROLL OVER PROJECTS

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Funding INEP	Status/Progress	Anticipated Completion Date	Challenges / Comments
01	Khenana Phase 3A	10	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to 311 households at Khenana.	Consultant BVI Contractor Yakhalungisa Projects	R5 598 000.00	Complete	30 September 2020	Project Complete
02	Nkwalini Nkunzempunga	11,16	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to 190 households at Nkwalini	Consultant BVI Contractor Alexadrah Third 3330I Trading	R3 902 000.00	Practical Complete	October 2021	Misallocation/duplication of connection.

2020/2021 FINANCIAL YEAR CAPITAL ROLL OVER PROJECTS

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
01	Okhovothe Electrification Project	12	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	Consultant: BVI Engineers Contractor: Quite Storm cc	R1 680 000.00	Intention to terminate letter issued to the Contractor.	October 2021	Contractor appointed May 2021. The project is still under construction, currently at 65% complete. There has been delays in appointing the subcontractors to finalise the work.
02	Hlanzeni Electrification Project	7	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	Consultant: BVI Engineers Contractor: Shanti's Electrical	R1 640 000.00	Contractor is back on site after a long break. They have done 65 house connections and 40 still are outstanding.	October 2021	Contractor appointed 01 May 2021. The project is still under construction, currently at 65% complete. There has been delays in appointing the subcontractors to finalise the work.
03	Khenana Phase 4 Electrification Project	10	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to	Consultant: Veritas Engineers	R1 680 000.00	227 Dry connection complete and energised.	July 2021	Project complete in June 2021.

			electricity to 227 households' connections	Contractor: R. Busisiwe Electrical				
2021/2022 FINANCIAL YEAR CAPITAL PROJECTS								
01	Dendethu / Wetane Electrification Project	5	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 170 households' connections	Consultant: Veritas Engineers Contractor:	R3 072 000.00	The project has gone out to retender, closing on 5 July 2022.	June 2022	
02	Khenana Electrification Phase 5	10	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 100 households' connections	Consultant: Veritas Engineers Contractor:	R1 800 000.00	On hold	June 2022	Awaiting NPR from Eskom to enter into the MOU, then only can the final designs be completed and project will go to tender.

2021/2022 FINANCIAL YEAR INTERNALLY FUNDED CAPITAL PROJECTS								
No.	Project Name	Ward	Brief Description	Consultant & Consultant	Approved Internal Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
01	Construction of DLTC and DMC Administration Offices - Phase 1	3	Construction of a Drivers Licence Testing centre administration offices and Testing Ground	Consultant: Nzamakhuze Holdings Contractor: Mahlali Construction JV TPL Mkhize	R15,840,693.71	Final termination letter instructing the Contractor to vacate the site within 24 hours was issue on the 22 nd of March 2022. New document to go out to retender.	October 2021	The project did not finish due to Contractor neglecting the work which ended up being terminated.
02	High View Park Stormwater Modification	3	Construction of Stormwater embankments and Protection of road pavement layers	Consultant: SKYV Consulting Contractor: Njomisa Boerdery	R800 000.00	Project Complete	September 2021	The project reached Completion in June 2021 and is currently under the defect liability period.
03	Hlomendlini Sidewalks and Ancillary works	3	Construction of sidewalks, Road marking, speedhumps and Guard rails	Consultant: Internal Contractor: Humble Frank Multi Service	R1 300 000.00	Project Complete	September 2021	The project reached Completion in September 2021 and is currently under the defect liability period.

04	Construction of Civic Centre Retaining wall	3	Construction of retaining wall	Consultant: Internal Contractor: Luzomelamandla Trading	R400 000.00	Project Complete	September 2021	The project reached Completion in February 2022 and is currently under the defect liability period.
05	Council Chamber Partitioning	3	Closing off the small boardroom, Provision of aluminium door, supply and install projector and projector screen, and painting	Consultant: Nzamakhuze Trading Contractor:	R600 000.00	Rest of partitioning still outstanding after the overflow door was installed.	TBD	Partitioning delayed due to delays with SCM process during the previous FY.
06	Construction of security house and access control at the main civic centre	3	The project entails the construction of guard house with ablutions and access control systems	Consultant: Nzamakhuze Trading Contractor: Mlombomvu Projects	R1 800 000.00	Project Complete	November 2021	The project reached Completion in December 2021 and is currently under the defect liability period.
07	Rehabilitation of Msomuhle Road	15	250m Road Rehabilitation Length Box Cut to 480mm. Dump Rock infilling at soft spots.	Consultant: SKYV Consulting Contractor:		Award Letter has been issued. Start of construction works on site is pending contractor fulfilling contractual obligations.	June 2022	None at this stage

			Rip and compact Roadbed Construct 150mm Gravel Subgrade: G7 with material from commercial sources. Construct 150mm Subbase: C4 with material from commercial sources. Construct 150mm Base G2 with material from commercial sources. Construct 30mm Asphalt G2 with material from commercial sources. Construction of Concrete V-Drains & Kerbing Construction of Stormwater pipelines utilising 600mm Pipes.					
--	--	--	--	--	--	--	--	--

08	Construction of Mechanical Workshop	3	Demolition of existing pavement and structures, earthworks, construction of a Mechanical workshop, construction of a new office block, paving front of the workshop, construction of a drainage channel, installation of water and sewer, installation of electrical, mechanical and associated works. The site comprises an abundant building that will be demolished and an area to be used for the construction of the new office block.	Consultant: Ukwakha Consulting Engineers Contractor:	R1 850 000.00	The consultant submitted the draft tender document to BSC, they have to return with corrected draft tender document.	June 2022	None at this stage
08	Construction of CBD Informal trader stalls	7	The project entails: Clearing. Earthworks.	Consultant:	R1 850 000.00	On hold		The project has an issue of land dispute, IDP is dealing with the issue.

			Construction of parking area using segmented block pavers. Provision of the internal water supply network. Provision of internal wastewater network. Provision of electricity supply and lighting. Fencing. Construction of buildings that include a guardhouse, administration block, traders' stalls and ablution blocks Landscaping and provision of sitting benches and bins.	Buchule Engineers (Pty) Ltd Contractor:				
--	--	--	--	--	--	--	--	--

Table 6

FINANCIAL POSITIONTable C6 displays the financial position of the municipality as at 30th June 2022

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter						
Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		120 192	6 448	167 599	3 909	6 448
Call investment deposits		61 828	59 477	—	206 566	59 477
Consumer debtors		47 358	44 093	22 143	28 242	44 093
Other debtors		(15 815)	7 247	3 348	4 286	7 247
Current portion of long-term receivables		—	—	—	—	—
Inventory		864	1 025	1 031	896	1 025
Total current assets		214 426	118 289	194 121	243 899	118 289
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		84 587	70 116	84 587	84 587	70 116
Investments in Associate		—	—	—	—	—
Property, plant and equipment		455 471	549 237	507 024	487 985	549 237
Biological		—	—	—	—	—
Intangible		674	1 091	549	577	1 091
Other non-current assets		—	—	—	—	—
Total non current assets		540 732	620 443	592 160	573 149	620 443
TOTAL ASSETS		755 158	738 733	786 281	817 048	738 733
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		4 717	780	(766)	910	780
Consumer deposits		299	283	(183)	297	283
Trade and other payables		61 385	15 826	350 962	62 487	15 826
Provisions		2 660	(51)	—	—	(51)
Total current liabilities		69 061	16 838	350 013	63 694	16 838
Non current liabilities						
Borrowing		—	725	—	—	(725)
Provisions		18 697	20 198	(24 327)	18 697	20 198
Total non current liabilities		18 697	20 924	(24 327)	18 697	19 473
TOTAL LIABILITIES		87 758	37 762	325 686	82 390	36 311
NET ASSETS	2	667 400	700 971	460 595	734 657	702 422
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		226 916	697 880	(670 660)	732 830	700 500
Reserves		202 672	1 921	(1 921)	1 827	1 921
TOTAL COMMUNITY WEALTH/EQUIT	2	429 589	699 801	(672 582)	734 657	702 422

FINANCIAL RATIOS AND NORMS

Current ratio: The municipality's current assets are 4 (FOUR) times that of current liabilities.
4:0.26

The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 3,83:0.26 is favorable as it is above the norm of 1:1 normally set for municipalities. This indicates that there is sufficient cash to meet creditor obligations.

Liquidity ratio: The cash and cash equivalents are 4 time of the current liabilities.

Creditors' system efficiency: 99 percent of the creditors outstanding are less than 30 days.

Creditor's payment: it takes the municipality 0 days to pay its creditors

Outstanding debtors: billing far exceeds the collection on outstanding debt at the rate of 80 percent.

Collection days: 578 days it takes the municipality to collect outstanding debt.

Cost coverage: on average the municipality has sustained its existence for the period month without any grant funding.

Debtors collection rate: as at June 2022 is 80%

	19 days
Trade Creditors	4 153 908
Contracted Services	
Repairs and Maintenance	
General expenses	41 265 991
Bulk Purchases	36 574 524

	3.83
Current Assets	243 898 956
Current Liabilities	63 693 711

	8 Month
Cash and cash equivalents	3 908 508
Unspent Conditional Grants	8 704 638
Overdraft	
Short Term Investments	204 142 534
Total Annual Operational Expenditure	298 104 003

	80%
Gross Debtors closing balance	181 540 406
Gross Debtors opening balance	165 690 607
Bad debts written Off	3 312 952
Billed Revenue	97 388 968

	12%
Consumer Debtors Bad debts written off	3 312 952
Consumer Debtors Current bad debt Provision	27 417 045

	578 days
Gross debtors	181 540 406
Bad debts Provision	27 417 045
Billed Revenue	97 388 968

1.4.4 PERFORMANCE INDICATOR

Table 7Table C7 below display the Cash Flow Statement for the quarter ending 30th June 2022

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		1 828	56 586	50 989	–	21 445	50 989	(29 544)	-58%	56 586
Service charges		1 666	42 028	41 074	–	13 702	41 074	(27 372)	-67%	42 028
Other revenue		4 221	51 478	67 147	–	105	67 147	(67 043)	-100%	51 478
Transfers and Subsidies - Operational		280 097	204 520	244 181	–	255 497	244 181	11 316	5%	204 520
Transfers and Subsidies - Capital		50 556	37 232	43 415	–	45 341	43 415	1 926	4%	37 232
Interest		798	5 085	5 650	7	1 721	5 650	(3 929)	-70%	5 085
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(2 457)	(295 897)	(282 759)	(26 743)	(250 957)	(282 759)	(31 801)	11%	(295 897)
Finance charges		–	(400)	(3 003)	–	(57)	(3 003)	(2 946)	98%	(400)
Transfers and Grants		(0)	(1 883)	–	–	–	–	–		(1 883)
NET CASH FROM/(USED) OPERATING AC		336 709	98 749	166 694	(26 737)	86 796	166 694	79 898	48%	98 749
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	332	–	332	#DIV/0!	–
Payments										
Capital assets		272 457	(73 920)	(84 280)	(8 202)	(58 792)	(84 311)	(25 519)	30%	73 920
NET CASH FROM/(USED) INVESTING AC		272 457	(73 920)	(84 280)	(8 202)	(58 460)	(84 311)	(25 851)	31%	73 920
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	6	158	–	158	#DIV/0!	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING AC		–	–	–	6	158	–	(158)	#DIV/0!	–
NET INCREASE/ (DECREASE) IN CASH H		609 166	24 829	82 414	(34 933)	28 495	82 383			172 669
Cash/cash equivalents at beginning:		–	–	–	–	181 980	–			181 980
Cash/cash equivalents at month/year end:		609 166	24 829	82 414	–	210 474	82 383			354 649

Cash and cash equivalent at the beginning of 2020/21 financial year was R181.9 million as per audited AFS and cash and cash equivalent at the end of 30th June 2022 is R210.5 million.

Table C7 shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

REVENUE

- Property rates collection rate to date is 94% or R43.7million of the billed revenue, this is due to the municipality implementing strategies as per credit control and debt collection policy which has ensured that there is improved collection.
- Service Charges: electricity and refuse are 115% or R48.762million of billed revenue, further reconciliation will have to be undertaken for prepaid electricity as the municipality has vendors collecting on their behalf.
- Other Revenue collected to date is 74% or R3.1million, which is due to collection of rentals of properties, licenses and permits and other sources of revenue.
- Government Operating received to date as at 30th June 2022 is R218 million which has been split between grants received as publicized in DORA which amount to R202,1 million; R2.9 relates to Libraries, the amount of R12.9 million relate to Department of Human Settlement and R4.9 million for INEP Grant funding. It must be noted that the municipality serves as an agent in relation to Human settlement and INEP grants in accordance with GRAP 109 for the Accounting treatment.
- Government Capital: received to date is R43 million from MIG of R42.2 million and Library Grant (capex) R4.2 million, this is in accordance with the approved business plan.
- Interest on investment has collected to date 143% or R7.9million which is due to cash backed reserves of previous years and grants received.
- Decrease (Increase) in non-current receivables received to date is R18.3 million from SARS refund as at 30th June 2022.

PAYMENTS

- Suppliers and employees for cash outflows of R251 million as at 30 June 2022.
- Capital Assets of R47million corresponds with table A5.
- Increase (decrease) in consumer debtors has paid R6thousand with (YTD R158thousand) through repayment of deposits of customers converting from meter reading to prepaid system as the municipality implemented the system previous year.
- Repayment of borrowing to date is R910 thousand which is due to finance lease from Wesbank and lease of printers.

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTOR'S ANALYSIS

Table 8

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter											
Description	NT Cod e	Budget Year 2021/22									Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total	
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transac	1200	—	—	—	—	—	—	—	—	—	—
Trade and Other Receivables from Exchange Transac	1300	4 484	1	208	1 719	472	5	591	2 306	9 785	5 092
Receivables from Non-exchange Transactions - Prop	1400	1 071	(568)	1 181	1 117	2 033	61	12 889	65 132	82 917	81 233
Receivables from Exchange Transactions - Waste Wa	1500	—	—	—	—	—	—	—	—	—	—
Receivables from Exchange Transactions - Waste Ma	1600	1 841	(19)	809	799	1 564	(4)	4 885	42 820	52 696	50 064
Receivables from Exchange Transactions - Property R	1700	23	—	11	8	15	—	68	160	284	250
Interest on Arrear Debtor Accounts	1810	577	—	289	287	567	—	1 860	24 967	28 547	27 681
Recoverable unauthorised, irregular, fruitless and wast	1820	—	—	—	—	—	—	—	—	—	—
Other	1900	106	—	—	—	—	—	—	7 174	7 280	7 174
Total By Income Source	2000	8 102	(586)	2 498	3 930	4 651	62	20 292	142 559	181 509	171 495
2020/21 - totals only										—	—
Debtors Age Analysis By Customer Group											
Organs of State	2200	22	(568)	173	267	548	—	5 377	15 149	20 967	21 341
Commercial	2300	4 406	(2)	624	1 964	527	59	4 589	15 765	27 933	22 905
Households	2400	3 328	(17)	1 549	1 564	3 164	3	9 750	111 644	130 986	126 125
Other	2500	346	—	153	135	413	—	576	—	1 622	1 124
Total By Customer Group	2600	8 102	(586)	2 498	3 930	4 651	62	20 292	142 559	181 509	171 495

The total Consumer debtors outstanding as 30th June 2022 is **R 181 509**

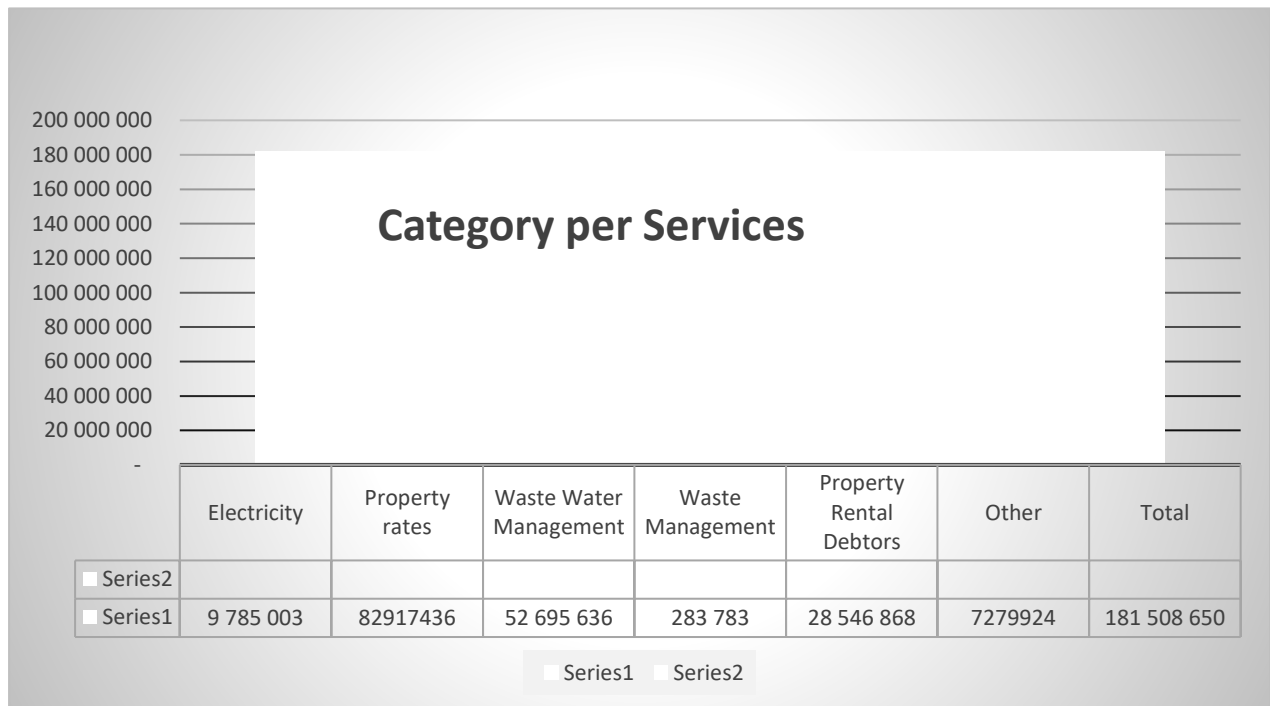
- Debt book indicates 3.7% decrease from to 30 June 2021 to 30 June 2022, the debt book is very high.
- Debtors collection rate at June 2022 is 80%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since advertised to employ Debt collectors to use Debt Pack enterprise system, to follow up on outstanding debtors on daily basis. We will soon be conducting interviews, employ and train debtors' collectors.
- There is a challenge of high level of debt that calls for reassessments of the debtors, impairments.
- It is quite a challenge to collect satisfactory revenue from Sundumbili since we do not have any leverage to restrict in order to encourage regular payments from consumers thereon. I.e. Eskom is licensed to supply electricity.
- The high debt is mainly due to non-payment by Household in Sundumbili.
- Interventions have been made which are expected that they will change the current status, as the municipality is placing every effort in ensuring that we collect and recover the outstanding debt.
- We are currently undergoing the process of categorizing our book per various customers so that we know which ones to chase once our debt management system is up and running.
- We have also initiated a meter audit exercise, through Conlog, in order to ensure that we receive all the funds due for electricity supplied without any household tampering with our meter and steal electricity.

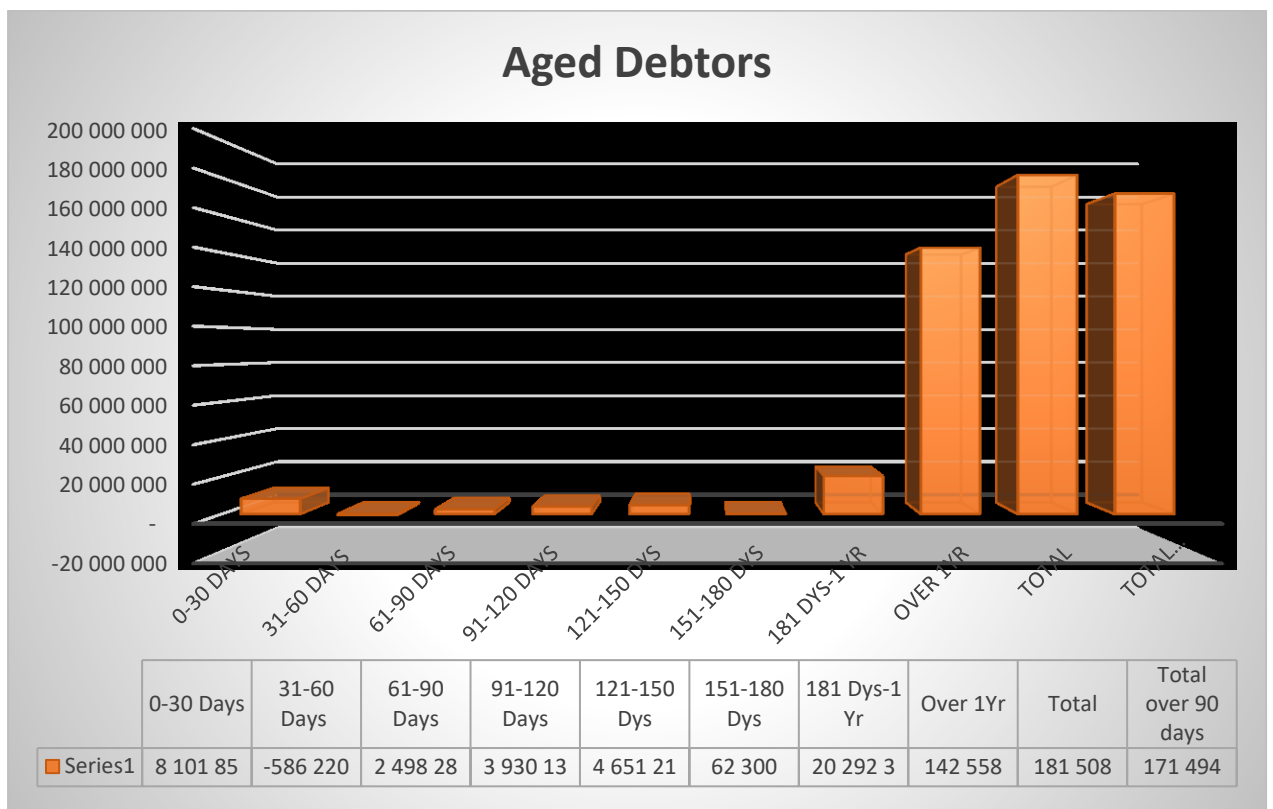
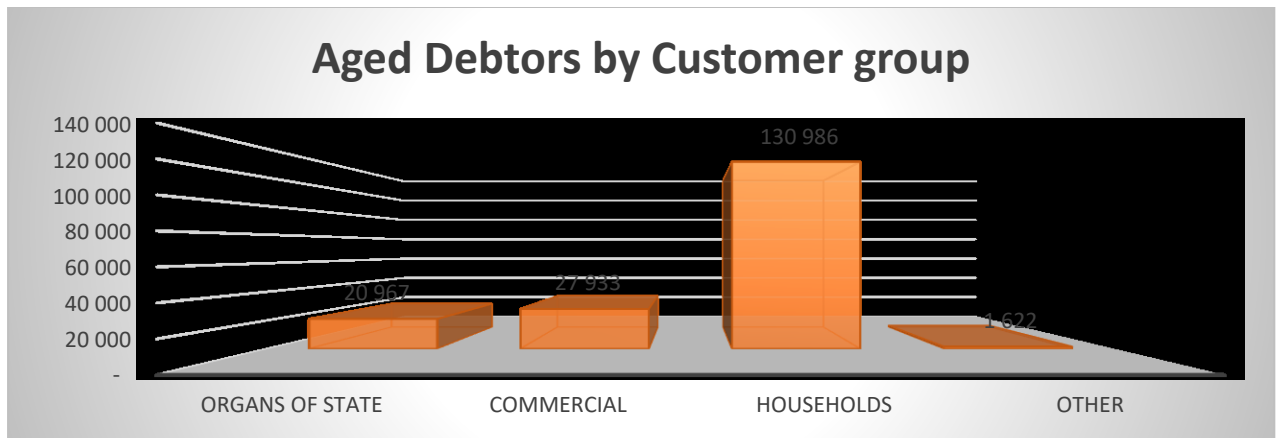
- Debt collection measures have been improved after the policy review by issuing summons with the intention to attach movable property. This initiative is however a slow process because of sheriff's involvement. They cannot cope with the number of summons to be served, upon attachment of movable properties for sale in execution, the sheriff returns with "nulla bona" which defeats the entire process. Property owners are not regular domiciles of properties indebted to council and have since left with no possible trace, legal proceedings cannot be extended further since courts are reluctant in granting intended judgement (section 66 declaring properties especially executable) as the said properties are primary residents to the latte's relatives or dependents.

The following activities are undertaken in ensuring that that debt management is monitored:

Table 8.1

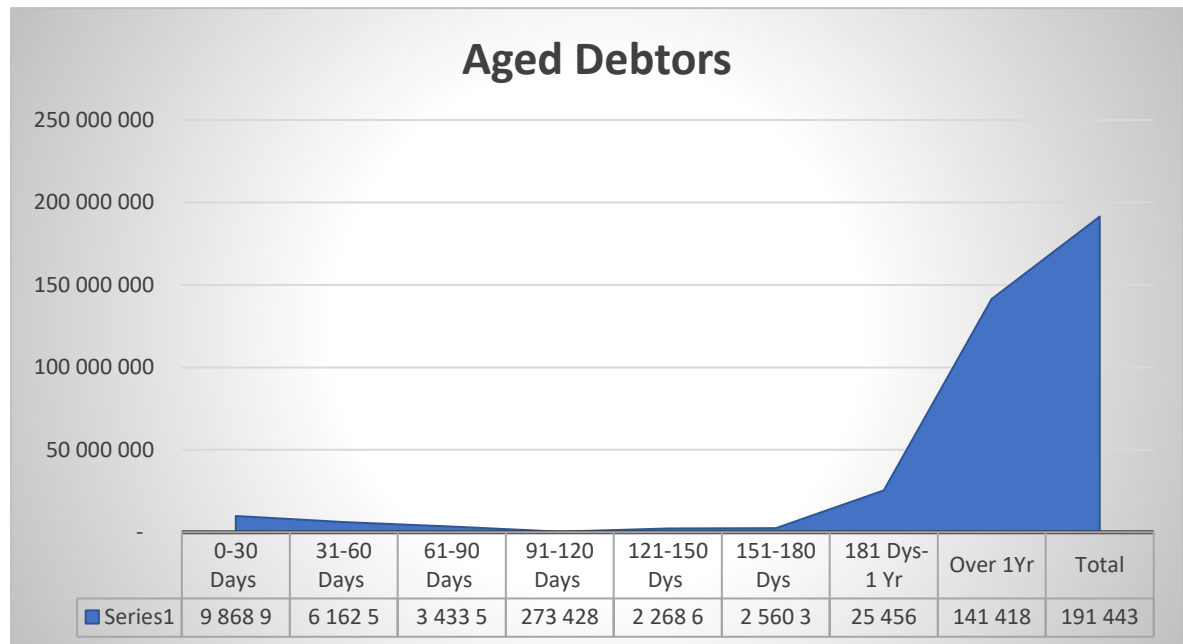
▪ **Debtors outstanding per Service**





The municipal debtors have increased from R188.2 million to R 191.4 million that is from July until 30th June 2022. This increase is dominated by Households of 69% and it is followed by business of 15% compared to another debtors' type.

▪ **Total Outstanding Debtors in days**



The information presented in the chart above show an increase in the outstanding debtor's balances from 1st July 2021 of R 165.6 million when compared to the current period as at 30th June 2022, bringing the total outstanding debtors balance to R 191.4 million.

Councilors and Employees in Arrear

- There were no Councilors in arrears as at 30th June 2022 with the municipality.
- Staff Accounts in arrears as at 30th June 2022 is R 228 thousand however it should be noted that they have decided to have payment arrangements with the municipality to settle this outstanding debt.

2.2 CREDITORS ANALYSIS

Table 9

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter											
Description	NT Cod e	Budget Year 2021/22									Prior year totals for
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement dedu	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	1 034	–	–	–	–	–	–	–	1 034	1 034
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	3 118	–	–	(1)	–	–	–	2	3 120	3 120
Total By Customer Type	1000	4 152	–	–	(1)	–	–	–	2	4 154	4 154

- Creditors as at 30th June 2022 amounts to **R4.1million**
- 99% of the creditors are on current as per our age analysis, we ensure that creditors are paid within 30 days as stipulated by the MFMA.

2.3 INVESTMENT PORTFOLIO ANALYSIS _ JUNE 2022**Table 10**

The following information presents the short-term investments balances broken down per investment type as at 30th June 2022

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio											
Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Mon	Type of Investment	Capital Guarantee (Yes/	Variable or Fixed interest rate	Interest Rate %	Opening balance	Interest to be realised	Partial / Premature Withdraw	Investment Top Up	Closing Balance
R thousands											
Municipality											
Call account 1-GRANTS		12m	all Account		Fixed	0.0245	28 711		(18 076)	3 374	14 009
Call account 2 -HOUSING		12m	all Account		Fixed	0.0245	1 872		-	-	1 872
Call account 3-MIG		12m	all Account		Fixed	0.0245	9 487	76	(9 487)	-	76
Call account 5-TMT		12m	all Account		Fixed	0.0245	276	6	(4)	8	286
Call account 6-INEP		12m	all Account		Fixed	0.0245	3 161	24	(547)	251	2 889
Call account 7-AR		12m	all Account		Fixed	0.0245	3 816	1	(112)	-	3 705
Call account 8- Title Deed		12m	all Account		Fixed	0.0245	6 266	9	-	-	6 276
NEDBANK		12m	investment		Fixed	0.05313	30 000	12	-	-	30 012
NEDBANK		12m	investment		Fixed	0.0482	30 000	19	-	-	30 019
NEDBANK		12m	investment		Fixed	0.05975	50 000	-	-	-	50 000
STANDARD BANK		12m	investment		Fixed	0.0534		-		65 000	65 000
							65 000	-	(65 000)		-
											-
											-
											-
											-
											-
Municipality sub-total							228 588	147	(93 226)	68 633	204 143
Entities											
											-
											-
											-
											-
											-
											-
Entities sub-total							-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2						228 588	147	(93 226)	68 633	204 143

The cash flow situation is still a critical aspect for the Municipality and is being constantly monitored. However, the liquidity ratios have almost reached the acceptable standard norms but still need to be monitored on a continuous basis.

Closing balance for call investment deposits as at 30th June 2022 is R204.1 million with an interest generated of R147 thousand.

The municipality has re-invested additional money market investment accounts with Nedbank and invested an amount of R65 million from its cash backed reserves of previous years. The municipality took a decision to increase its revenue source by re-investing its cash back reserves from institutions which offered better interest rates. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base.

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Table 13

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		231 203	202 168	202 168	–	202 168	185 320	(18 086)	-9.8%	–
Equitable Share	–	218 402	191 149	191 149	–	191 149	175 220	(17 373)	-9.9%	–
FMG	–	2 346	1 850	1 850	–	1 850	1 696			–
Expanded Public Works Program	–	2 387	2 435	2 435	–	2 435	2 232			–
INEP	–	6 506	4 872	4 872		4 872	4 466			–
Municipal Disaster Relief Grant	–	393	–				–			–
	–						–			–
MIG -PMU	–	1 169	1 862	1 862	–	1 862	1 706	(713)	-41.8%	–
	–				–					–
	–	–	–		–	–				–
Municipal Drought Relief	–	393	3 044	2 944	–	15 847	2 699	13 012	482.2%	–
KwaZulu-Natal_Capacity Building	–	2 615	1 315	1 315	–	1 315	1 205	110	9.1%	–
KwaZulu-Natal_Capacity Building and Other_Spec	–		1 729	1 629		1 629	1 493			–
	–									–
	–									–
Other transfers and grants [insert description]						12 903		12 903	#DN/0!	–
										–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	231 596	205 212	205 112	–	218 014	188 019	(5 074)	-2.7%	–
Capital Transfers and Grants										
National Government:		40 296	35 370	42 145	–	42 232	34 050	8 182	24.0%	–
Municipal Infrastructure Grant (MIG)		40 296	35 370	42 145	–	42 232	34 050	8 182	24.0%	–
Municipal Drought Relief		–	–	–	–	–	–	–		–
District Municipality:		3 604	1 170	1 270	–	1 270	1 164	106	9.1%	–
[insert description]		3 604	1 170	1 270	–	1 270	1 164	106	9.1%	–
										–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	43 899	36 540	43 415	–	43 502	35 214	8 288	23.5%	–
TOTAL RECEIPTS OF TRANSFERS AND GRANTS	5	275 496	241 752	248 527	–	261 516	223 233	3 214	1.4%	–

Grant Receipts Analysis:

The total operational YTD grant receipts as at 30th June 2022 is R 218.0 million, which has been allocated as follows:

- Equitable Share received in full over 3tranches to the value of R191.1 million.
- FMG of R1.9 million has been fully received as publicized on DORA.
- EPWP received to date is R2.4 million.
- Library Grant of R4.2 million has been fully received as publicized on DORA and it has been split between operating of R3.0 million and capital of R1.2 million as per the approved support plan.
- INEP received to date is R4.8 million which includes final trench of R2 million, which was received in March 2022.
- Department of Humana Settlement the municipality has received an amount of R12.9 million, however the municipality serves as an agent in relation to this grant.

The total capital YTD grant receipts as at 30th June 2022 is R 42.8 million which has been allocated as follows:

- MIG receipt of R 42.2 million which includes grant receipt of R13.8 receive in the quarter of March 2022. An amount of R1.7 million that was not fully spent in the 2020/21 financial year, a rollover was submitted to National Treasury has been approved.
- Library receipts of R1.2 million has been received as gazette.

Table 12: Transfers and Grant Expenditure

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		231 203	202 168	202 168	–	202 168	185 320	16 084	8.7%	–
Equitable Share	–	218 402	191 149	191 149	–	191 149	175 220	15 929	9.1%	
FMG	–	2 346	1 850	1 850	–	1 850	1 696			
Expanded Public Works Programme Integrated	–	2 387	2 435	2 435	–	2 435	2 232			
INEP	–	6 506	4 872	4 872		4 872	4 466			
Municipal Disaster Relief Grant	–	393	–				–			
	–						–			
MIG -PMU	–	1 169	1 862	1 862	–	1 862	1 706	155	9.1%	
	–				–			–		
	–	–	–		–	–		–		
Municipal Drought Relief	–	393	3 044	2 944	–	15 847	2 699	13 012	482.2%	–
KwaZulu-Natal_Capacity Building and Other_S	–	2 615	1 315	1 315	–	1 315	1 205	110	9.1%	
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant d	–		1 729	1 629		1 629	1 493			
	–							–		
	–							–		
	–					12 903		12 903	#DIV/0!	
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	231 596	205 212	205 112	–	218 014	188 019	29 096	15.5%	–
Capital Transfers and Grants										
National Government:		40 296	35 370	42 145	–	42 232	34 050	8 182	24.0%	–
Municipal Infrastructure Grant (MIG)	–	40 296	35 370	42 145	–	42 232	34 050	8 182	24.0%	
	–									
Municipal Drought Relief	–	–	–	–	–	–	–	–		–
District Municipality:		3 604	1 170	1 270	–	1 270	1 164	106	9.1%	–
[insert description]		3 604	1 170	1 270	–	1 270	1 164	106	9.1%	
								–		
Total Capital Transfers and Grants	5	43 899	36 540	43 415	–	43 502	35 214	8 288	23.5%	–
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	275 496	241 752	248 527	–	261 516	223 233	37 384	16.7%	–

Grant Expenditure Analysis:

The total operational YTD grant expenditure as at 30th June 2022 is R 187 million which has been split between conditional and unconditional grants. Conditional Grants YTD expenditure as 30th June 2022 is R11.0 million and Equitable share as unconditional Grant expenditure as at 30th June 2022, YTD R176million.

- FMG expenditure year to date is R1.9 million which is 100% spent.
- EPWP expenditure year to date is R2.4 million at (100%). Expenditure towards this grant is has exceed limit as per quarter 2 performance, this is due to payments paid towards epwp beneficiaries and the increase that was approved by Public Works. With performance reported it is evident that the municipality will have to co-fund this project as there won't be enough funds towards year end.
- Library expenditure to date is R3.1 million which is 100% spent.
- INEP expenditure to date is R1.9 million with a remaining balance of R835 million. A set-off of R2 was done by National Treasury. *Detailed explanation of the grants has been provided below under service delivery performance and progress on spending of grants.*
- MIG operational expenditure (PMU) to date is R1.7 million (91%) with a remaining balance of R176thousand.

The total capital YTD grant expenditure as at 30th June 2022 is R 43.4million which has been split as follows:

- MIG capital expenditure to date is R42.3 million (100%).

3.COUNCILORS AND BOARD MEMBER ALLOWNCES AND EMPLOYEE BENEFITS

Table 14

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter										
Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		10 186	11 225	10 775	1 242	11 311	10 775	537	5%	11 225
Pension and UIF Contributions		—	—	—	—	—	—	—		—
Medical Aid Contributions		—	—	—	—	—	—	—		—
Motor Vehicle Allowance		1 255	1 279	1 279	40	714	1 279	(565)	-44%	1 279
Cellphone Allowance		1 427	1 455	1 455	119	1 432	1 455	(23)	-2%	1 455
Housing Allowances		660	684	684	15	340	684	(344)	-50%	684
Other benefits and allowances		—	—	—	—	—	—	—		—
Sub Total - Councillors		13 528	14 643	14 193	1 417	13 798	14 193	(395)	-3%	14 643
% increase	4		8.2%	4.9%						8.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 197	5 823	5 823	433	5 197	5 823	(626)	-11%	5 823
Pension and UIF Contributions		0	11	11	—	0	11	(10)	-98%	11
Medical Aid Contributions		—	—	—	—	—	—	—		—
Overtime		—	—	—	—	—	—	—		—
Performance Bonus		561	408	408	561	1 048	408	640	157%	408
Motor Vehicle Allowance		737	737	737	61	737	737	0	0%	737
Cellphone Allowance		186	186	186	16	186	186	—		186
Housing Allowances		264	264	264	22	264	264	0	0%	264
Other benefits and allowances		1	1	1	0	1	1	0	1%	1
Payments in lieu of leave		—	—	—	—	—	—	—		—
Long service awards		—	—	—	—	—	—	—		—
Post-retirement benefit obligations	2	3 628	—	—	—	—	—	—		—
Sub Total - Senior Managers of Municipality		10 575	7 430	7 430	1 093	7 434	7 430	4	0%	7 430
% increase	4		-29.7%	-29.7%						-29.7%
Other Municipal Staff										
Basic Salaries and Wages		66 668	70 949	72 199	5 871	71 479	72 199	(720)	-1%	70 949
Pension and UIF Contributions		10 682	10 755	10 755	910	11 191	10 755	435	4%	10 755
Medical Aid Contributions		5 722	3 949	3 949	449	5 273	3 949	1 324	34%	3 949
Overtime		1 437	920	920	214	1 826	920	906	98%	920
Performance Bonus		5 320	5 174	5 174	391	5 051	5 174	(122)	-2%	5 174
Motor Vehicle Allowance		3 978	4 364	4 364	343	4 063	4 364	(301)	-7%	4 364
Cellphone Allowance		469	465	465	38	452	465	(14)	-3%	465
Housing Allowances		288	258	258	25	289	258	32	12%	258
Other benefits and allowances		1 035	56	56	60	1 041	56	985	1764%	56
Payments in lieu of leave		2 927	3 500	3 500	152	871	3 500	(2 629)	-75%	3 500
Long service awards		378	—	—	196	832	—	832	#DIV/0!	—
Post-retirement benefit obligations	2	(163)	—	—	—	—	—	—		—
Sub Total - Other Municipal Staff		98 740	100 389	101 639	8 649	102 367	101 639	728	1%	100 389
% increase	4		1.7%	2.9%						1.7%
Total Parent Municipality		122 843	122 462	123 262	11 159	123 598	123 262	336	0%	122 462
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES &		122 843	122 462	123 262	11 159	123 598	123 262	336	0%	122 462
% increase	4		-0.3%	0.3%						-0.3%
TOTAL MANAGERS AND STAFF		109 315	107 819	109 069	9 742	109 801	109 069	732	1%	107 819

3. EXPENDITURE MANAGEMENT

3.1 LEGAL FRAMEWORK

As part of the Quarter 4 Report the analysis of expenditure pattern and the cash flow is highlighted.

The reflection is critical on issues that impact on unauthorized expenditure, irregular expenditure and fruitless and wasteful expenditure. Circular 97 give guidance and caution to practices that might lead to these expenditure categories.

As we give details to these categories it is important to briefly give proper meaning of the terms to avoid misinterpretation. And in order to provide appropriate corrective measures.

3.2 COST CONTAINMENT MEASURES

In terms of Cost Containment Regulation and Circular 97 on Cost containment measured must be implemented to eliminate wasteful expenditure, reprioritize spending and ensure savings on various focus areas including events, advertising and sponsorship.

We have identified quite a number of areas that require urgent attention if we are to remain financially stable;

- S & T and Accommodation
- Catering services
- Study programmes
- Excessive staff and Interns
- SALGA Games
- Excessive use of consultants
- Unbudgeted requests from community & government agencies
- Unfunded mandates

3.3 BANK WITHDRAWAL REPORT

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET				
		Municipal Finance Management Act, section 11(4) Consolidated Quarterly Report for period 01/03/2022 to 30/06/2022		
NAME OF MUNICIPALITY:				
Date	Payee	Amount in R'000	Description and Purpose	Authorised by (name)
1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;				
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);				
3. Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);				
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including				
(i) money collected by the municipality on behalf of that person or organ of state by agreement; or				
(ii) any insurance or other payments received by the municipality for that person or organ of state;				
5. Section 11(f) - Refund money incorrectly paid into a bank account;				
		R0.00		
6. Section 11(g) - Refund guarantees, sureties and security deposits;				
11-May-22	HALL HIRE REFUND	R7 388.00	Customer does not have utility account with the Municipality	Senzo Makhoba-MNG-Revenue
11-May-22	HALL HIRE REFUND-NCEBO MATHONSI	R1 521.00	Customer does not have utility account with the Municipality	Senzo Makhoba-MNG-Revenue
11-May-22	HALL HIRE REFUND-NTANDO MDLETSHE	R6 327.00	Customer does not have utility account with the Municipality	Senzo Makhoba-MNG-Revenue
11-May-22	HALL HIRE REFUND-DUBE DD	R1 521.00	Customer does not have utility account with the Municipality	Senzo Makhoba-MNG-Revenue
11-May-22	HALL HIRE REFUND-XOLANI NTOMBELA	R1 521.00	Customer does not have utility account with the Municipality	Senzo Makhoba-MNG-Revenue
09-Jun-22	HALL HIRE REFUND-BONGINKOSI KHUMALO	R1 521.00	Customer does not have utility account with the Municipality	Senzo Makhoba-MNG-Revenue
09-Jun-22	HALL HIRE REFUND-MXOLISI MHLONGO	R6 327.00	Customer does not have utility account with the Municipality	Senzo Makhoba-MNG-Revenue
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;				
27/06/2022	Nedbank	R65 000 000.00	Section 11- h	Nozipho Mngomezulu-CFO
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;				
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.				
	FNB - Debit orders (UNKNOWN)	R662 634.90	Withdrawals made from Fraudulent Cases	Nozipho Mngomezulu-CFO
DISTRIBUTION				
1. Did the Accounting Officer table in Council a consolidated report of all withdrawals within 30 days after the end of the quarter;				YES
2. Date the consolidated report was tabled; and				DATE : 28 July 2022
3. Was the copy of the consolidated report of all withdrawals submitted to the Auditor General				YES

4. ASSET MANAGEMENT REPORT - OVERVIEW SUMMARY

As at 30 June 2022 the total value of all assets as per the Fixed Asset Register is sitting at **R 821 545 901.52** and the nett book value is sitting at **R 572 459 319.35**

New Acquisitions

The following assets per asset type were purchased or added onto the fixed asset register during the month of June 2022;

ASSET TYPE	ASSET DESCRIPTION	DEPARTMENT	PURCHASE DATE	ASSET COST
COMPUTER EQUIPMENT	LAPTOPS & DESKTOPS	CORPORATE SERVICES	2022/06/28	648 267.03
FURNITURE & OFFICE EQUIPMENT	BAR FRIDGE FOR SCM OFFICE	BUDGET & TREASURY	2022/06/30	5 800.00
FURNITURE & OFFICE EQUIPMENT	BINDER & SHREDDER FOR SCM OFFICE	BUDGET & TREASURY	2022/06/30	29 183.00
MACHINERY & EQUIPMENT	IRB TRAILER	COMMUNITY SERVICES	2022/06/30	99 750.00
MACHINERY & EQUIPMENT	IRB BOAT	COMMUNITY SERVICES	2022/06/30	190 000.00
TRANSPORT ASSET	BAKKIE WITH CHERRY PICKER	COMMUNITY SERVICES	2022/06/30	1 071 000.00
FURNITURE & OFFICE EQUIPMENT	PLOTTER MACHINE	EDP	2022/06/30	113 000.00
FURNITURE & OFFICE EQUIPMENT	GUILLOTINE & LAMINATOR	COMMUNITY SERVICES	2022/06/30	21 800.00
MACHINERY & EQUIPMENT	BACKUP GENERATORS FOR 3 LIBRARIES	COMMUNITY SERVICES	2022/06/02	995 000.00
FURNITURE & OFFICE EQUIPMENT	PAYDAY-HARDWARE INSTALLATION	CORPORATE SERVICES	2022/05/10	156 948.48
				3 330 748.51
NOT YET CAPTURED ON AMS360				
FURNITURE & OFFICE EQUIPMENT	PROJECTOR	CORPORATE SERVICES	2022/06/28	15 352.90
FURNITURE & OFFICE EQUIPMENT	RQT-SCANNER FOR SCM OFFICE	BUDGET & TREASURY	2022/06/28	116 424.00
BUILDINGS	NDONYELA PROJECTS-PARKHOME SUP	COMMUNITY SERVICES	2022/06/30	299 000.00
				430 776.90
GRAND TOTAL				3 761 525.41

Construction Work-in-Progress

During the month of June 2022, we have made progress payments towards 10 projects. Total payments per project for June 2022 are as follows;

PROJECT NAME	AMOUNT EXCL. VAT
ACCESS CONTROL FACILITY	75 700.00
WARD 13 COMMUNITY HALL	1 455 792.30
REHABILITATION OF MANDENI WARD3 ROADS	1 202 303.93
WARD 11 GRAVEL ROADS UPGRADE	519 923.57
HIGHMAST STREETLIGHTING	470 037.77
WARD 6 GRAVEL ROADS UPGRADE	354 012.36
REHABILITATION OF MANONO ROAD	175 911.90
SWIMMING POOL AREA ADDITIONS	353 587.50
REHABILITATION OF PARKING LOT 504	947 464.92
FENCING OF NGCEDOMHLOPHE	427 214.75
GRAND TOTAL	5 981 949.00

The total additions of all assets in the month of June 2022 amounted to **R 9 743 474.4**. A detailed listing of all acquisitions and additions to the fixed assets register is contained in the attached **Annexure A**.

DEPRECIATION

Depreciation was not run for the month of June 2022 due to year-end.

As at 30 June 2022, the number of municipal fleets i.e. vehicles, trucks, tractors, trailers, plant and machinery were 64 with a total value of **R 43 080 784.67** at cost.

NEW ACQUISITIONS

There following new municipal fleet was acquired during the month of June 2022.

REG NO	DESCRIPTION	VEHICLE TYPE	ACQUISITION	COST PRICE
TBC	FORD RANGER WITH CHERRYPICKER SINGLE CAB	LDV	2022/06/29	1 071 000.00
GRAND TOTAL				1 071 000.00

ACCIDENTS REPORT

REPORTED ACCIDENTS

The following new accident was reported during the month of June 2022;

CLAIM DESCRIPTION	VEHICLE REG.	MAKE OR MODEL	DRIVER OR RESPONSIBLE OFFICIAL	INCIDENT DATE
TIPPER TRUCK OVERTURNED	NZ22058	NISSAN UD TRUCK	ZL MTHETHWA	07/06/2022

FINALIZED CLAIMS

The following claims were concluded and finalised during the month of June 2022;

CLAIM DESCRIPTION	REGISTRATION/ MODEL	INCIDENT DATE	DATE SETTLED	STATUS
WINDSCREEN DAMAGED BY 3RD PARTY	NZ12402	13/05/2022	03/06/2022	SETTLED

OUTSTANDING CLAIMS

There are no motor vehicles related outstanding claims.

LICENSE DISC RENEWAL

The vehicles licence discs renewal for the month of June 2022 amounted to **R 1 056.00**, breakdown of the cost is as follows;

REG NO	DESCRIPTION	LICENSE COST
NZ 16579	WOOD CHIPPER TERMLIGHT 225	336.00
NZ 19798	TLB JCB 3DX 4X4 BACKHOE RANGE	360.00
NZ 21556	TLB JCB 3DX 4X4 BACKHOE RANGE	360.00
GRAND TOTAL		1 056.00

REPAIRS AND MAINTENANCE

Repairs and maintenance costs incurred for municipal fleet during the month of June 2022 amounted to **R 670 085.06** the breakdown for general repairs and maintenance is as follows;

REG NO	DESCRIPTION	MAINTENANCE COST
NZ3023	POW-COF PREPARATION NZ 3023	137 082.49
NZ15707	VSB-ATTEND TO ENGINE NOCK ON NZ 15707	67 563.65
NZ11901	TAU-COF PREPARATION FOR NZ11901	242 367.34
NZ18910	DES-ATTEND TO BREAKDOWN NZ18910	43 185.75
NZ15702	TAU-ATTEND TO BREAKDOWN FVZ 1400 TRUCK	153 942.27
NZ16551	POW-ATTEND TO BREAKDOWN JOINT NZ 16551	25 943.56
GRAND TOTAL		670 085.06

FUEL COST

The fuel cost for all the municipal fleet as per the FNB statement report for the month ending 30 June 2022 is **R 488 016.71**. A detailed fuel cost analysis is attached in Annexure **A and B**

KILOMETERS TRAVELLED

The following kilometres were travelled by the municipal fleet as per the C-track report for the month ending 30 June 2022;

REG.	VEHICLE DESCRIPTION	KM TRAVELLED	COMMENTS
NZ10083	Motor Grader Mitsubishi Model Mg330		Not operational
NZ10679	Truck Nissan Ud330	4 804	
NZ10892	Tlb Bell - 4x4		Not operational
NZ11077	Truck Nissan Ud330	4 318	
NZ11901	ISUZU TRUCK TIPPER 7 TON	192	
NZ12402	Car Opel Astra 1.6 - Nz12402	2 726	
NZ13133	TOYOTA COROLLA QUEST 1.6 AT - NZ13133	47	
NZ13851	TOYOTA COROLLA QUEST 1.6 AT - NZ13851	2 427	
Nz13936	Toyota Hilux SC 2.4 GD-6 4x4	5 555	
Nz13937	Van Isuzu Kb D-tec Le 4x2	1 437	
NZ14058	TOYOTA HILUX C33 2.4 GD6 4X4 - NZ14058	2 456	
NZ14336	Quantum 2.5 D-4D 14-s Bus	2 425	
Nz14441	Toyota Hilux DC 2.8 GD-6 4x4	4 184	
NZ14652	Tractor Kubota B2530		Not operational
NZ14787	Tractor Bell - Tlb	185	

Nz15457	Toyota Hilux DC 2.8 GD-6 4x4	1 612	
NZ15696	Isuzu Truck Npr400 Amt Crew Cab	2 143	
NZ15699	Isuzu Kb 250d	701	
NZ15702	Isuzu Truck Fvz 1400 Tipper	2 937	
NZ15706	Isuzu Kb 250d	386	
NZ15707	Isuzu Kb 250d	99	
NZ15709	Isuzu Kb 250d	2 072	
NZ16551	GRADER BELL 670G	482	
Nz16806	Toyota Hilux SC 2.4 GD-6 4x4	2 969	
NZ16856	ISUZU 250 HO D/CAB HI -RIDE-NZ16856	1 721	
NZ17019	Van Isuzu Kb D - Nz17019	97	
NZ17601	ISUZU 250 HO D/CAB HI -RIDE - NZ17601	645	
Nz18015	Toyota Hilux SC 2.4 GD-6 4x4	1 954	
NZ18549	Toyota Corolla Quest 1.6 AT	1 719	
Nz18910	KB 300 4x4 Crew CAB LX	730	
Nz19081	Toyota Hilux SC 2.4 GD-6 4x4	2 159	
Nz19089	Isuzu KB250 HO Hi-Rider	1 963	
NZ19487	Toyota Avanza	5 367	
NZ19798	TLB JCB 3DX 4X4 BACKHOE RANGE	688	
NZ20004	FORD RANGER 3.2L CHERRY PICKER	1 272	
NZ20885	Toyota Prado 3.0D VX 25X	6 092	
NZ20886	Toyota Fortuner 2.8 GD6 RB AT	5 451	
NZ20887	Toyota Fortuner 2.8 GD6 RB AT		Unit stopped updating
NZ21556	TLB JCB 3DX 4X4 BACKHOE RANGE	1	
NZ22058	NISSAN UD TIPPER TRUCK	133	
NZ2430	Truck Isuzu NPR 400T Crew Cab	116	
NZ3022	Truck Isuzu FTR500 Tipper	1	
NZ3023	Truck Isuzu FTR500 Tipper	560	
NZ4585	Nissan Truck With Crane	405	
NZ4656	MND TOYOTA COROLLA QUEST 1.6 AT	2 717	
NZ5573	Van Isuzu Kb D-tec Le 4x2	2 624	
NZ5967	Trucks Isuzu Nqr 500 Amt	1 455	
NZ6606	Isuzu KB250 Double Cab – Hi-Rider	1 097	
NZ6690	GRADER BELL JOHN DEERE 770G	1 073	
NZ6818	NISSAN GWE440	0	Stationary Vehicle
NZ7471	Truck 400t Isuzu	0	Stationary Vehicle
NZ7661	Tractor Landini Globalfarm Dt100 4wd	0	Not operational
NZ7847	TRUCK ISUZU FTR 850 AMT	130	

5. SUPPLY CHAIN MANAGEMENT

Deviations Register as at June 2022

 MANDENI MUNICIPALITY DEVIATION REGISTER PERIOD ENDING MAY 2022								
No	Date identified	Date reported to Mayor	Reasons for Deviation	Payment Status	Payment no./EFT no/ Cheque No.	Supplier	Responsible Department	Amount
1	31/01/2022		Sole provider -Taxis to transport people to Mayor's interecative sessions . Mandeni and Sundumbili Taxi Association agreed to used Maphingwana Trading to procure transportation services . SCM Reg 36(1)(a)(i)			Maphingwana Trading CC	MM	R 42 000.00
2	31/01/2022		Sole provider -Taxis to transport poeople to Operation MBO at Manqakaza Hall. Gingindlovu Association has agreed to used one company to procure transport services which is Maphikela Holdings. SCM Reg 36(1)(a)(i)			Maphikela Holdings	MM	R 6 000.00
3	31/05/2022		Sole provider -Taxis to transport people to Mayor's interecative sessions . Mandeni and Sundumbili Taxi Association agreed to used Maphingwana Trading to procure transportation services . SCM Reg 36(1)(a)(i)			Maphingwana Trading CC	MM	R 87 500.00
	30/06/2022		Sole provider -Taxis to transport youth to perform boxing in Durban . Mandeni and Sundumbili Taxi Association agreed to used Maphingwana Trading to procure transportation services . SCM Reg 36(1)(a)(i)			Maphingwana Trading CC	MM	R 6 500.00
	30/06/2022		Sole provider -Taxis to transport councillors to MFMP training at Ballito. Mandeni and Sundumbili Taxi Association agreed to used Maphingwana Trading to procure transportation services . SCM Reg 36(1)(a)(i)			Maphingwana Trading CC	HR	R 6 500.00
	TOTAL						Total	R 148 500.00

6. Municipal manager's quality certificate

I **S.G KHUZWAYO**, municipal manager of Mandeni Municipality, hereby certify that the:

▪ **QUARTER 4 REPORT Section 52 (D)**

has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act,

Print Name **Mr S.G. Khuzwayo**

Municipal manager of Mandeni Municipality (KZN 291)

Signature: _____

Date: **30 JUNE 2022**