

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED JULY 2024/25 FINANCIAL YEAR

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2024/25 BUDGET FOR THE PERIOD ENDING 31 JULY 2024.

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2024/25 Budget of the Mandeni Municipality for the period ending 31 July 2024 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71.

4. BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 31 July 2024 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Capital Expenditure
- 5.3 DORA Receipts
- 5.4 DORA Grants Expenditure
- 5.5 Debtors Age Analysis
- 5.6 Employee Costs and Councilors' Remuneration
- 5.7 Investment Portfolio
- 5.8 Long-term Borrowing
- 5.9 Performance Indicators
- 6. Creditor's Age Analysis
- 6.1 Bank Reconciliation Statement
- 7. Supporting Tables
- 8. Municipal Managers quality certificate

1.1 FINANCIAL PERFORMANCE

BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M01 July								
Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Financial Performance								
Total Revenue (excluding capital transfers and contributions)	424 743	447 101	113 461	113 462	37 258	76 203	205%	447 101
Total Expenditure	399 954	443 031	20 175	20 175	37 989	(17 814)	-47%	443 031
Surplus/(Deficit)	24 789	4 070	93 286	93 286	(731)	94 017	-12861%	4 070
Transfers and subsidies - capital	55 093	39 760	816	816	3 313	(2 497)	-75%	39 760
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	79 882	43 830	94 102	94 102	2 582	91 520	3544%	43 830
Surplus/ (Deficit) for the year	79 882	43 830	94 102	94 102	2 582	91 520	3544%	43 830
Capital expenditure & funds sources								
Capital expenditure	134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600
Capital transfers recognised	52 587	34 702	1 344	1 344	2 892	(1 548)	-54%	34 702
Borrowing	-	-	-	-	-	-		-
Internally generated funds	82 012	92 898	2 459	2 459	7 742	(5 282)	-68%	92 898
Total sources of capital funds	134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600

As can be seen from the table above, Actual surplus for the period ended 31st JULY 2024 is Significantly more than the Budgeted Surplus by- 3463%. Monthly budget statement summary (Table C1), for the period ending 31st July 2024 (year to date actual), shows a surplus of R94.1million against YTD budget of R2.6 million which reflects variance of more than 100%.

Currently there are no financial challenges and major risks facing the municipality.

All the investment has matured and paid out on the 30th June 2024, A new investment s have been made form July 2024, for R200million with ABSA Bank. An interest of R2.0million as at 31st July 2024.

1.2 Monthly Budget statement Summary M01-JULY 2024

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M01 July								
Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	62 610	62 237	1	1	5 186	(5 186)	-100%	62 237
Service charges	74 930	86 448	6 989	6 989	7 204	(215)	-3%	86 448
Investment revenue	26 748	–	–	–	–	–	–	–
Transfers and subsidies - Operational	26 748	28 000	2 082	2 082	2 333	(251)	-11%	28 000
Other own revenue	233 706	270 416	104 390	104 390	22 535	81 855	363%	–
Total Revenue (excluding capital transfers and contributions)	424 743	447 101	113 461	113 462	37 258	76 203		447 101
							205%	
Employee costs	133 709	152 543	10 438	10 438	12 712	(2 274)	-18%	152 543
Remuneration of Councillors	14 564	16 388	1 178	1 178	1 366	(188)	-14%	16 388
Depreciation and amortisation	35 927	37 856	–	–	3 155	(3 155)	-100%	37 856
Interest	137	3 300	–	–	275	(275)	-100%	3 300
Inventory consumed and bulk purchases	59 168	62 398	176	176	5 227	(5 051)	-97%	62 398
Transfers and subsidies	–	–	–	–	–	–	–	–
Other expenditure	156 450	170 546	8 383	8 383	15 256	(6 872)	-45%	170 546
Total Expenditure	399 954	443 031	20 175	20 175	37 989	(17 814)	-47%	443 031
Surplus/(Deficit)	24 789	4 070	93 286	93 286	(731)	94 017	-12861%	4 070
Transfers and subsidies - capital	55 093	39 760	816	816	3 313	(2 497)	-75%	39 760
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	79 882	43 830	94 102	94 102	2 582	91 520	3544%	43 830
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	79 882	43 830	94 102	94 102	2 582	91 520	3544%	43 830
Capital expenditure & funds sources								
Capital expenditure	134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600
Capital transfers recognised	52 587	34 702	1 344	1 344	2 892	(1 548)	-54%	34 702
Borrowing	–	–	–	–	–	–	–	–
Internally generated funds	82 012	92 898	2 459	2 459	7 742	(5 282)	-68%	92 898
Total sources of capital funds	134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600
Financial position								
Total current assets	273 069	240 614		304 173				240 614
Total non current assets	705 589	692 232		709 391				692 232
Total current liabilities	78 450	55 157		66 683				55 157
Total non current liabilities	21 070	22 993		21 070				22 993
Community wealth/Equity	879 138	854 696		925 811				854 696
Cash flows								
Net cash from (used) operating	(327 381)	(269 456)	(14 502)	106 159	(18 123)	(124 282)	686%	(269 456)
Net cash from (used) investing	(606 239)	168 751	(4 373)	(4 373)	14 063	18 436	131%	168 751
Net cash from (used) financing	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/ye	(1 065 633)	(284 129)	–	371 565	(187 484)	(559 049)	298%	–
Debtors & creditors analysis								
	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	7 599	1 683	2 764	3 977	3 695	30 938	172 295	236 315
Creditors Age Analysis								
Total Creditors	873	976	–	–	–	–	–	1 849

Table 1.3

Table C2 provides the statement of financial performance by standard classification.

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Revenue - Functional									
Governance and administration		324 111	340 236	103 979	103 979	28 353	75 626	267%	340 236
Executive and council		–	8 038	–	–	670	(670)	-100%	8 038
Finance and administration		324 111	332 198	103 979	103 979	27 683	76 296	276%	332 198
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		4 710	5 464	305	305	455	(150)	-33%	5 464
Community and social services		4 710	5 073	305	305	423	(117)	-28%	5 073
Sport and recreation		–	–	–	–	–	–	–	–
Public safety		–	391	–	–	33	(33)	-100%	391
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
Economic and environmental services		63 161	45 527	1 303	1 303	3 794	(2 491)	-66%	45 527
Planning and development		42 536	41 542	1 105	1 105	3 462	(2 357)	-68%	41 542
Road transport		20 625	3 985	198	198	332	(134)	-40%	3 985
Environmental protection		–	–	–	–	–	–	–	–
Trading services		87 854	95 634	8 690	8 690	7 969	721	9%	95 634
Energy sources		74 134	80 675	7 390	7 390	6 723	667	10%	80 675
Water management		–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–
Waste management		13 720	14 958	1 300	1 300	1 247	53	4%	14 958
Other	4	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	479 836	486 861	114 278	114 278	40 572	73 706	182%	486 861
Expenditure - Functional									
Governance and administration		190 573	217 123	13 078	13 078	18 120	(5 042)	-28%	217 123
Executive and council		61 611	66 001	3 924	3 924	5 527	(1 602)	-29%	66 001
Finance and administration		128 961	151 121	9 154	9 154	12 593	(3 440)	-27%	151 121
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		46 697	42 761	2 867	2 867	3 563	(696)	-20%	42 761
Community and social services		33 389	30 811	2 518	2 518	2 568	(49)	-2%	30 811
Sport and recreation		12 862	10 030	334	334	836	(502)	-60%	10 030
Public safety		418	1 890	–	–	157	(157)	-100%	1 890
Housing		29	30	15	15	3	13	502%	30
Health		–	–	–	–	–	–	–	–
Economic and environmental services		70 537	83 202	3 288	3 288	6 933	(3 646)	-53%	83 202
Planning and development		18 934	25 716	1 255	1 255	2 143	(888)	-41%	25 716
Road transport		47 908	53 423	1 718	1 718	4 452	(2 734)	-61%	53 423
Environmental protection		3 694	4 063	314	314	339	(24)	-7%	4 063
Trading services		88 398	99 070	942	942	9 299	(8 357)	-90%	99 070
Energy sources		77 056	76 143	515	515	6 708	(6 192)	-92%	76 143
Water management		–	–	–	–	–	–	–	–
Waste water management		2 573	2 802	–	–	234	(234)	-100%	2 802
Waste management		8 770	20 124	427	427	2 358	(1 931)	-82%	20 124
Other		–	876	–	–	73	(73)	-100%	876
Total Expenditure - Functional	3	396 204	443 031	20 175	20 175	37 989	(17 814)	-47%	443 031
Surplus/ (Deficit) for the year		83 632	43 830	94 102	94 102	2 582	91 520	3544%	43 830

Table 1.4

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July									
Vote Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original 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		–	8 038	–	–	670	(670)	-100.0%	8 038
Vote 2 - Finance and administration		324 111	332 198	103 979	103 979	27 683	76 296	275.6%	332 198
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		4 710	5 464	305	305	455	(150)	-32.9%	5 464
Vote 5 - Sport and Recreation		–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		42 536	41 542	1 105	1 105	3 462	(2 357)	-68.1%	41 542
Vote 9 - Road transport		20 625	3 985	198	198	332	(134)	-40.4%	3 985
Vote 10 - Energy sources		74 134	80 675	7 390	7 390	6 723	667	9.9%	80 675
Vote 11 - Waste Management		13 720	14 958	1 300	1 300	1 247	53	4.3%	14 958
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	479 836	486 861	114 278	114 278	40 572	73 706	181.7%	486 861
Expenditure by Vote	1								
Vote 1 - Executive and council		61 611	66 001	3 924	3 924	5 527	(1 602)	-29.0%	66 001
Vote 2 - Finance and administration		128 961	151 121	9 154	9 154	12 593	(3 440)	-27.3%	151 121
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		33 389	30 811	2 518	2 518	2 568	(49)	-1.9%	30 811
Vote 5 - Sport and Recreation		12 862	10 030	334	334	836	(502)	-60.0%	10 030
Vote 6 - Public safety		418	1 890	–	–	157	(157)	-100.0%	1 890
Vote 7 - Housing		29	30	15	15	3	13	502.0%	30
Vote 8 - Planning and Development		18 934	26 592	1 255	1 255	2 216	(961)	-43.4%	26 592
Vote 9 - Road transport		50 481	56 225	1 718	1 718	4 685	(2 967)	-63.3%	56 225
Vote 10 - Energy sources		77 056	76 143	515	515	6 708	(6 192)	-92.3%	76 143
Vote 11 - Waste Management		8 770	20 124	427	427	2 358	(1 931)	-81.9%	20 124
Vote 12 - Environmental Protection		3 694	4 063	314	314	339	(24)	-7.2%	4 063
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
Total Expenditure by Vote	2	396 204	443 031	20 175	20 175	37 989	(17 814)	-46.9%	443 031
Surplus/ (Deficit) for the year	2	83 632	43 830	94 102	94 102	2 582	91 520	3544.1%	43 830

Table 1.5 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31st JULY 2024

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

KZ291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									%
Revenue									
Exchange Revenue									
Service charges - Electricity		62 550	72 341	5 885	5 885	6 028	(144)	-2%	72 341
Service charges - Water		—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—
Service charges - Waste management		12 380	14 106	1 104	1 104	1 176	(71)	-6%	14 106
Sale of Goods and Rendering of Services		11 818	9 474	1 591	1 591	790	802	102%	9 474
Agency services		—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—
Interest earned from Receivables		919	963	117	117	80	36	45%	963
Interest from Current and Non Current Assets		26 748	28 000	2 082	2 082	2 333	251	11%	28 000
Dividends		—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—
Rental from Fixed Assets		294	374	52	52	31	21	67%	374
Licence and permits		—	—	—	—	—	—	—	—
Operational Revenue		1 507	1 200	86	86	100	(14)	-14%	1 200
Non-Exchange Revenue									
Property rates		62 610	62 237	1	1	5 186	(5 186)	-100%	62 237
Surcharges and Taxes		—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 584	1 310	6	6	109	(103)	-95%	1 310
Licence and permits		985	957	58	58	80	(21)	-27%	957
Transfers and subsidies - Operational		241 981	253 163	102 205	102 205	21 097	81 108	384%	253 163
Interest		3 460	2 976	274	274	248	26	10%	2 976
Fuel Levy		—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—
Other Gains		(2 093)	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		424 743	447 101	113 461	113 461	37 258	76 203	205%	447 101
Expenditure By Type									
Employee related costs		133 709	152 543	10 438	10 438	12 712	(2 274)	-18%	152 543
Remuneration of councillors		14 564	16 388	1 178	1 178	1 366	(188)	-14%	16 388
Bulk purchases - electricity		52 475	57 866	—	—	4 822	(4 822)	-100%	57 866
Inventory consumed		6 693	4 533	176	176	404	(228)	-56%	4 533
Debt impairment		4 388	30 261	—	—	3 565	(3 565)	-100%	30 261
Depreciation and amortisation		35 927	37 856	—	—	3 155	(3 155)	-100%	37 856
Interest		137	3 300	—	—	275	(275)	-100%	3 300
Contracted services		82 835	79 270	3 882	3 882	6 606	(2 724)	-41%	79 270
Transfers and subsidies		—	—	—	—	—	—	—	—
Irrecoverable debts written off		3 750	6 261	—	—	522	(522)	-100%	6 261
Operational costs		64 489	54 755	4 501	4 501	4 563	(62)	-1%	54 755
Losses on Disposal of Assets		531	—	—	—	—	—	—	—
Other Losses		456	—	—	—	—	—	—	—
Total Expenditure		399 954	443 031	20 175	20 175	37 989	(17 814)	-47%	443 031
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations)		55 093	39 760	816	816	3 313	(2 497)	(0)	39 760
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		79 882	43 830	94 102	94 102	2 582			43 830
Income Tax		—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		79 882	43 830	94 102	94 102	2 582			43 830
Share of Surplus/Deficit attributable to Joint Ven		—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—
Surplus/(deficit) attributable to municipality		79 882	43 830	94 102	94 102	2 582			43 830
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		79 882	43 830	94 102	94 102	2 582			43 830

The above revenue and expenditure sources can be graphically presenting in figure 1 and 2 below:

Figure 1

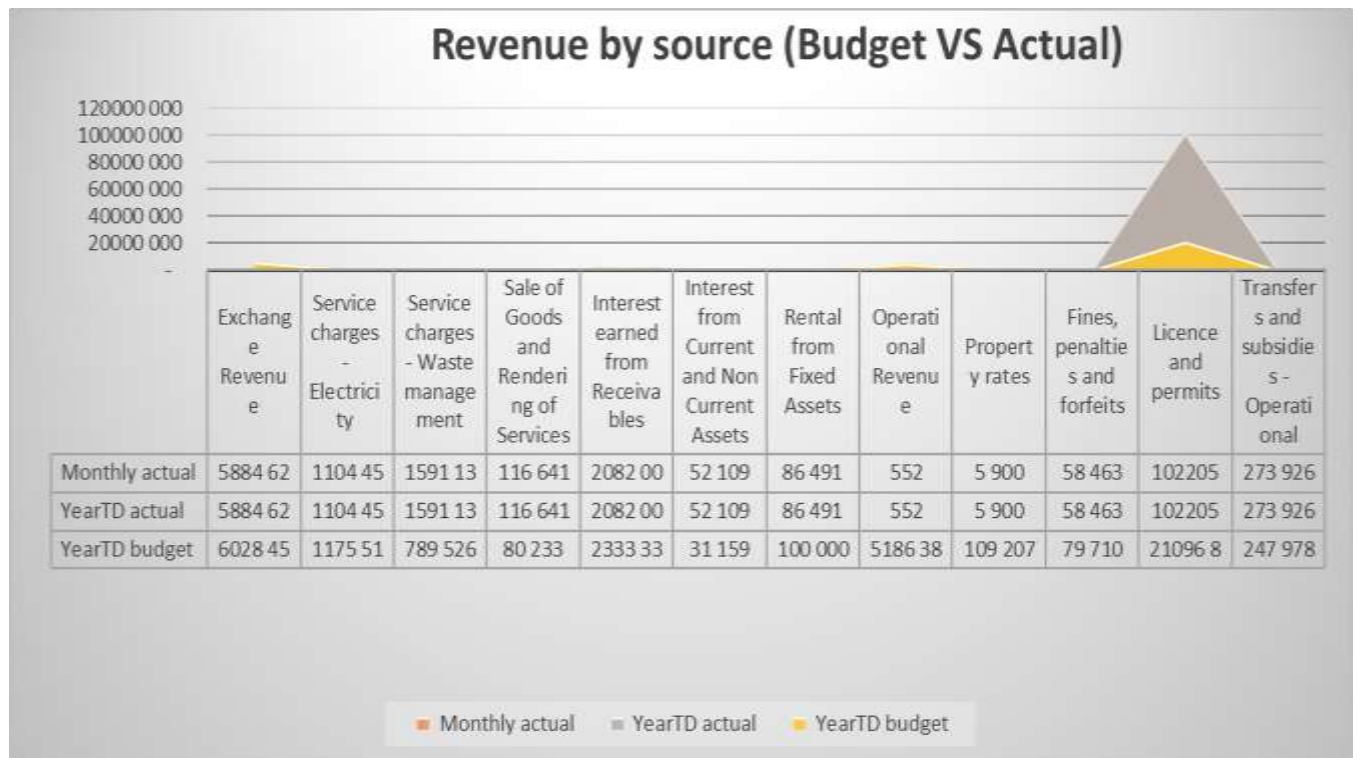
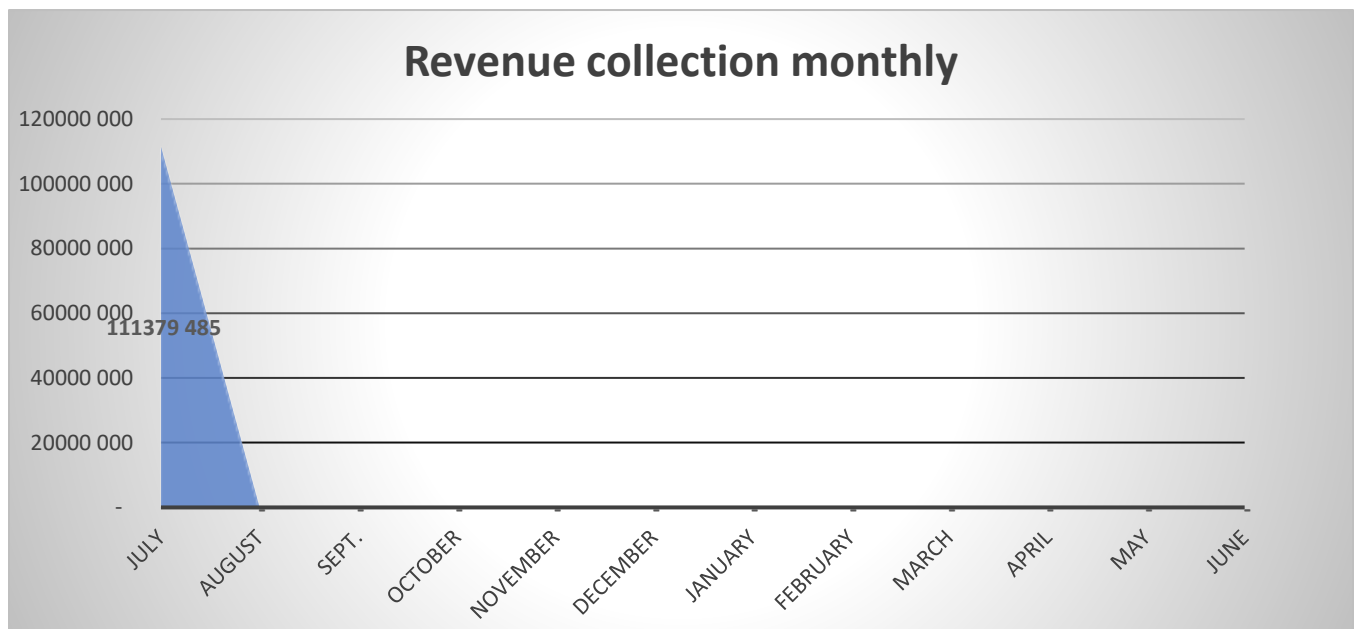


Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R113.5million for the period ending 31st JULY 2024 excluding capital conditional grant income. The YTD Budget is R37.3million; therefore, this reflects an over performance against the revenue projected by 205%, this is a reflection that the municipality has achieved more of its revenue performance budget.

EXCHANGE REVENUE**Service Charges: Electricity**

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R5.9million (current month – R6million) over a budget YTD 6.1 million the target for this item has not been reached, as the variance to this vote is -2%

The actual cash collected is R 6million for the month ended July 2024.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as @ 31 July 2024 is R1.1 million against the budgeted income of R1.2million, which under by 6%. Variance is due to business refuse which has led to a decrease of collections during this period, it may be caused by the schools being closed.
- The actual cash collected is R403thousand for the month of July 2024.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R1.6million in comparison with the year-to-date budget of R790thousand, thus indicating an over performance by R802thousand or 2%, variance is due to INEP revenue which has been recognised under Transfers and subsidies operational. This item will be updated to adhere to GRAP 11.

Interest earned from receivables.

- Interest earned from receivables amounts to R117thousand in comparison with the year-to-date budget of R80 thousand, thus indicating an over performance by R36thousand or 45%, variance is based on the outstanding debt billed on refuse and electricity. Most of the customer's database is updated with recent information.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R2.1million in comparison with the year-to-date budget of R2.3 million, thus indicating an over performance by R251thousand or 11 percent, variance is based on the interest rate that is cash available from previous year cash backed reserves and additional grants received.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R52 thousand in comparison with the year-to-date budget amount of R31 thousand thus indicating an over performance of R21thousand or 67%. Variance is due to level of demand in rental of staff rental houses are fully occupied.

Operational Revenue

- The majority of the Council own funded sources are budgeted under this category.

The year-to-date performance in Operational Revenue amounts to R86thousand which is less than anticipated YTD budget of R100thousand, thus indicating an over performance of R14thousand or 14%, variance is due to the LG SETA grant received.

NON-EXCHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements. The municipality does not bill rates for July and August as the Council approved by-law policy. This is just a strategy to assist our customer's, with a Break. Which is why the variance is under performance by 100%.
- The actual cash collected being R2.5million for the month ended 31st July 2024.

Fines, Penalties and forfeits

- Fines for the month of July are underperformed by 95% or R103 thousand, over a pro-rata budget of R109thousand. The variance is since PS fines and Library fines are impossible to collect as no proper trace of customers is kept within the Municipality.

Licences and permits.

- Licences and permits have under-performed by 27% or R21 thousand with an actual amount of R58 thousand as compared to pro-rata budget of R80 thousand, variance is due to the level of demand for issuing of licences and permits. Revenue reported has been received from issuing licences and permits by traffic department and trading licences for business within the municipality. This collection is only monitored by walk in customers only.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R102.2million YTD Actual in comparison with the YTD budget of R21.1 million, thus indicating an over performance by R81.1 million or 384 percent, variance is mainly attributable to the municipality receiving 1st trench of Equitable share of R101.4million against the Gazette allocation of R 243.6million, which will be received over 3 Trenches.
- Transfers and subsidies capital amounts to R816thousand in comparison with the YTD budget of R3.3 million, thus indicating an under performance by R2.5 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R274thousand in comparison with the year-to-date budget of R248thousand, thus indicating an over performance by R26 thousand or 10percent.

Operating Expenditure from July 2024

The table below reflects trend of expenditure for the period ended 31st JULY 2024

Figure 6

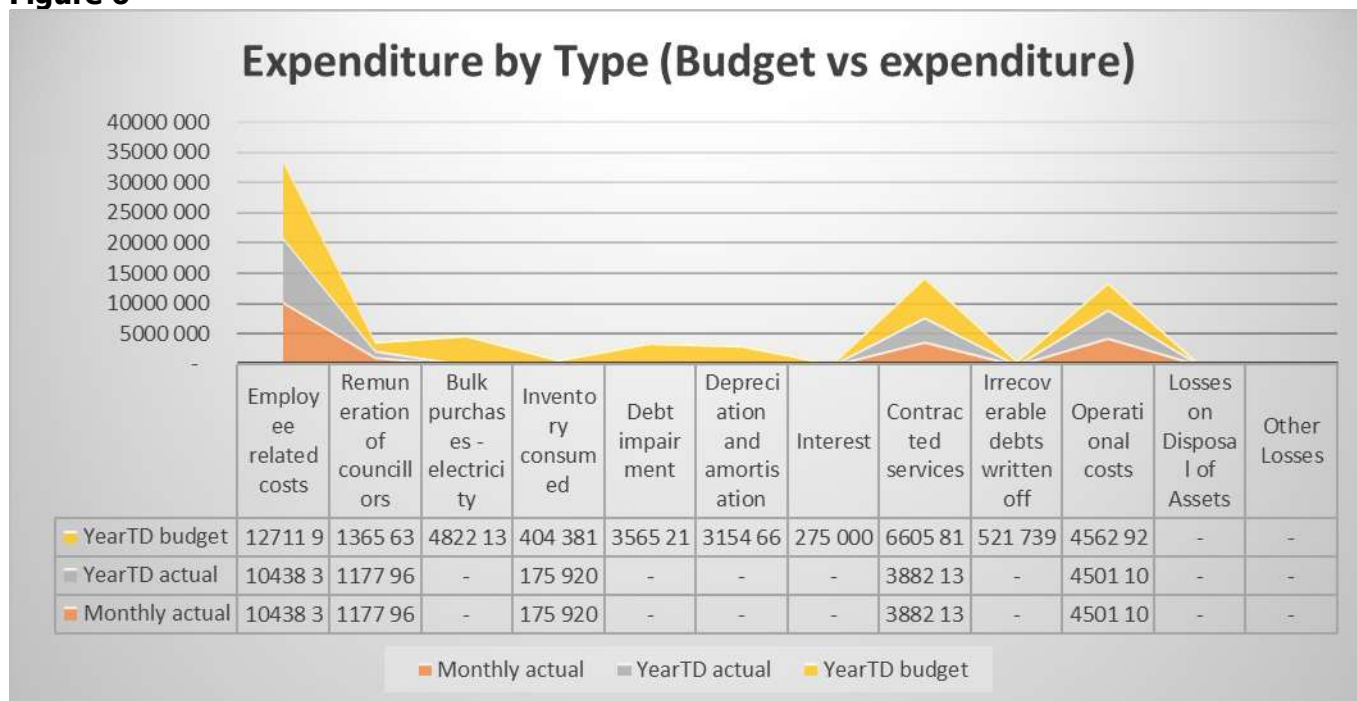
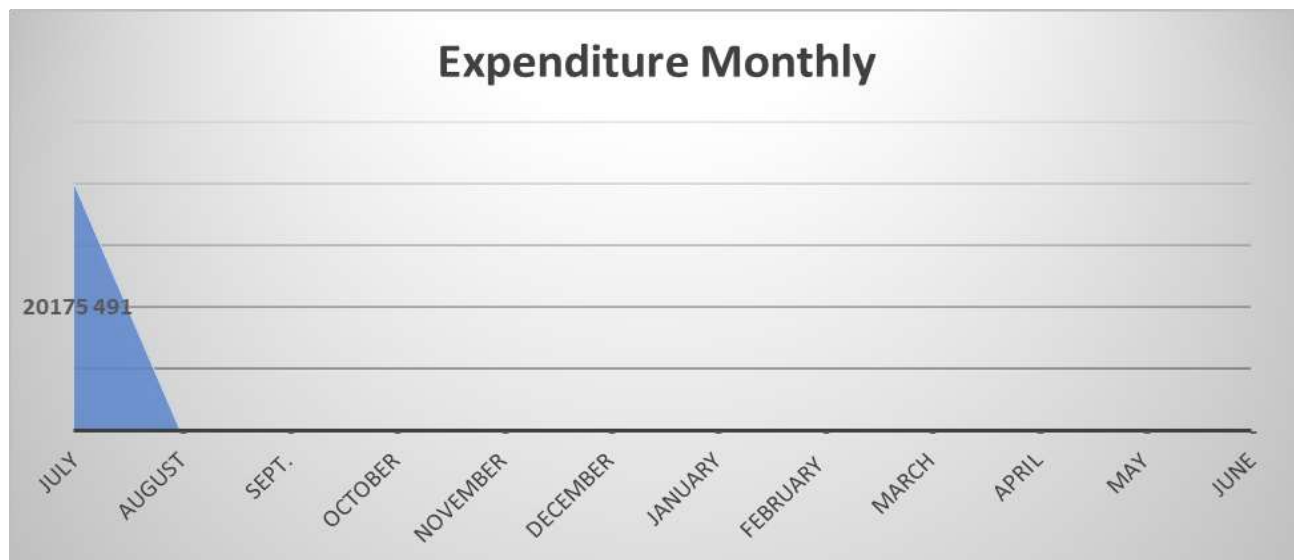


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st JULY 2024 amounted to R 20.2million against the planned target of YTD budget is R 38million. As at the end of July the operational expenditure budget has been under spent by -47% or -R17.8million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st JULY 2024 amounted to R10.5million while the YTD budget was R12.7million with an underspending of R2.3million at - 18%. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are underway to filling of these positions.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.
- Another contributing factor to this variance is due to calculation of provision for leave and long service awards which are processed at year end upon receiving the actuarial calculation for Actuaries.

Remuneration of Councilors

- The expenditure on councilor allowances as at 31st JULY 2024 was under spent by R1.2million. The YTD Remuneration of Councilor’s budget was R1.3million whilst the actual expenditure incurred results in slightly under-spending of -14% YTD expenditure performance. The saving resulted from one councilor member who retired from the municipal council.

Bulk Purchases

- The bulk purchases for Umngeni Water Board and Eskom Purchases reflects 100% variance as both invoices were processed in August 2024.
- Performance reported in this line item has considered the expansion of Umngeni Water Plant. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came because of the KZN April 2022 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekewini and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 56 percent or R228thousand, from YTD budget of R404thousand against the YTD Actual of R176thousand, variance is due to the implementation of procurement plan,
- Budget allocated for this item relates to materials procured by the municipality towards repairs and maintenance which are kept at stores for rendering of services, such as pothole patching materials, workshop stock etc.
- The municipality regularly reviews its repairs and maintenance plan to ensure that the infrastructure of the municipality is regularly monitored for its aging.

Debt Impairment

- The provision for bad debt is reflecting an under performance by 100percent, the debt impairment transaction will be available on January and June as it is prepared bi-annually.
- When provision for debt impairment is calculated, the following assumptions must take into consideration.
 - Each debtor's account per age analysis must be analyzed.
 - The frequency of payment must be analysed on each debtor.
 - Indigent debtors, debtors with take on balances which cannot be explained, insolvent and debtors under administration of estate should be impaired 100%.
 - The Municipality is guided by a write off policy when the assumptions are determined.
 - Different services must be impaired separately.
 - Different customer must be impaired separately.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an under performance by -100percent, due to the assets department is busy completing the transaction for the previous year as we are busy compiling AFS for the year 2024.

Interest

- Finance charges reflect an under performance by -100percent, as the transactions are allocated in January and June.
- 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.

Contracted Services

- Contracted services expenditure is reflecting an underspending of 41 percent or R2.8million, from YTD budget of R6.7million against the YTD actual of R3.9million, as public consultations will begin in September month.

Irrecoverable debts written off

- Irrecoverable debts written off has under performed by 100% because they will be considered from March, this is due to result of Indigents and untraceable debtors which have been written off within the third quarter of this financial year. The municipality has been in the process of data cleansing, and we have discovered deceased accounts, liquidated companies etc.

Operational Cost

- Other expenditure has reached the budgeted YTD, from YTD budget of R4.6million against the YTD actual of R4.5million, variance is due to activities that that took place in the third quarter of the financial year and the decision the municipality took on implementation of cost cutting measures so as to improve the municipal cash flows. Most of other expenditure items will take place during the third quarter of the year.

Losses on Disposal of assets

- There is no budget for this line of vote for the financial year 2025.

Other Losses

- There is no budget for this line of vote for the financial year 2025.

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

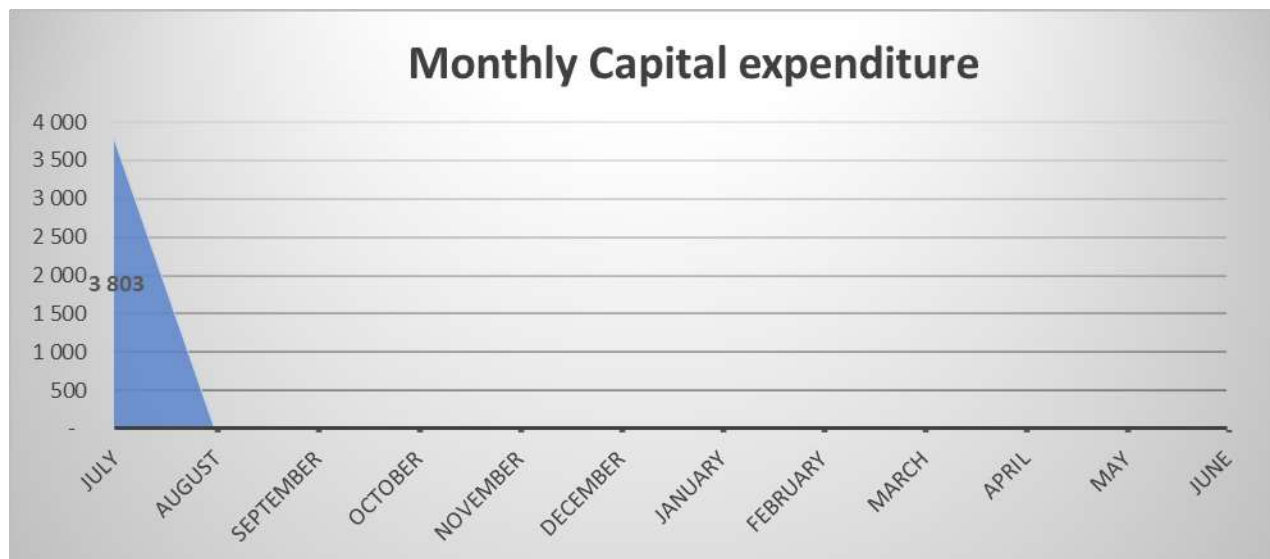
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July									
Vote Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Single Year expenditure appropriation	2								
Vote 1 - Executive and council		1 932	5 870	–	–	489	(489)	-100%	5 870
Vote 2 - Finance and administration		12 197	8 557	285	285	713	(428)	-60%	8 557
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social services		1 013	4 457	–	–	371	(371)	-100%	4 457
Vote 5 - Sport and Recreation		5 512	10 127	–	–	844	(844)	-100%	10 127
Vote 6 - Public safety		–	939	–	–	78	(78)	-100%	939
Vote 7 - Housing		–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		18 361	12 191	–	–	1 016	(1 016)	-100%	12 191
Vote 9 - Road transport		87 696	79 535	3 517	3 517	6 628	(3 111)	-47%	79 535
Vote 10 - Energy sources		2 154	3 752	–	–	313	(313)	-100%	3 752
Vote 11 - Waste Management		5 734	2 174	–	–	181	(181)	-100%	2 174
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	134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600
Total Capital Expenditure		134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600
Capital Expenditure - Functional Classification									
Governance and administration		14 129	14 426	285	285	1 202	(917)	-76%	14 426
Executive and council		1 932	5 870	–	–	489	(489)	-100%	5 870
Finance and administration		12 197	8 557	285	285	713	(428)	-60%	8 557
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		6 525	15 522	–	–	1 294	(1 294)	-100%	15 522
Community and social services		1 013	4 457	–	–	371	(371)	-100%	4 457
Sport and recreation		5 512	10 127	–	–	844	(844)	-100%	10 127
Public safety		–	939	–	–	78	(78)	-100%	939
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
Economic and environmental services		106 058	91 726	3 517	3 517	7 644	(4 127)	-54%	91 726
Planning and development		18 361	12 191	–	–	1 016	(1 016)	-100%	12 191
Road transport		87 696	79 535	3 517	3 517	6 628	(3 111)	-47%	79 535
Environmental protection		–	–	–	–	–	–	–	–
Trading services		7 888	5 926	–	–	494	(494)	-100%	5 926
Energy sources		2 154	3 752	–	–	313	(313)	-100%	3 752
Water management		–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–
Waste management		5 734	2 174	–	–	181	(181)	-100%	2 174
Other		–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional C	3	134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600
Funded by:									
National Government		51 870	33 963	1 344	1 344	2 830	(1 487)	-53%	33 963
Provincial Government		717	739	–	–	62	(62)	-100%	739
District Municipality		–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–
Transfers recognised - capital		52 587	34 702	1 344	1 344	2 892	(1 548)	-54%	34 702
Borrowing	6	–	–	–	–	–	–	–	–
Internally generated funds		82 012	92 898	2 459	2 459	7 742	(5 282)	-68%	92 898
Total Capital Funding		134 599	127 600	3 803	3 803	10 633	(6 831)	-64%	127 600

Capital Expenditure from July 2024:

The YTD capital expenditure budget is R10.7million against YTD actual Capital expenditure amounted to R3.8million resulting in an under performance of (64%) on capital expenditure. Variance in capital expenditure were due to different reason (detail report on the progress on all capital projects has been provided below).

The capital expenditure year to date can be graphically presented as follows:

Capital Expenditure reported as at July 2024



- Capital grants funded by National Government actual is R1.3million versus YTD Budget of R2.8million, expenditure reported has been underspent by (53%).
- Capital grants funded by Provincial Government has no expenditure therefore it has a variance 100%.
- Capital grants funded Internally actual is R2.5 million versus YTD Budget of R7.7 million variance of 68% reflects and under expenditure on this item. This is due to some of the projects having delay's in the commencement of works due to community dissatisfaction about labour and CLO recruitment. And also, Heaving section (Road Failure) has been identified on subgrade layer between chainage 20-120, Bumbanani Road. Theft of Survey Pegs being a continuous issue on site, these are only few delays, please find Capex reporting for further explanation of Projects.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure		10 904	15 113	45	45	1 259	1 214	96.4%	15 113
Roads Infrastructure		6 397	8 548	–	–	712	712	100.0%	8 548
<i>Roads</i>		6 397	7 939	–	–	662	662	100.0%	7 939
<i>Road Structures</i>		–	435	–	–	36	36	100.0%	435
<i>Road Furniture</i>		–	174	–	–	14	14	100.0%	174
<i>Capital Spares</i>		–	–	–	–	–	–	–	–
Storm water Infrastructure		1 017	2 870	–	–	239	239	100.0%	2 870
<i>Drainage Collection</i>		1 017	2 870	–	–	239	239	100.0%	2 870
<i>Storm water Conveyance</i>		–	–	–	–	–	–	–	–
<i>Attenuation</i>		–	–	–	–	–	–	–	–
Electrical Infrastructure		2 518	3 000	–	–	250	250	100.0%	3 000
<i>Power Plants</i>		–	43	–	–	4	4	100.0%	43
<i>HV Substations</i>		–	–	–	–	–	–	–	–
<i>HV Switching Station</i>		–	–	–	–	–	–	–	–
<i>HV Transmission Conductors</i>		521	739	–	–	62	62	100.0%	739
<i>MV Substations</i>		77	43	–	–	4	4	100.0%	43
<i>MV Switching Stations</i>		–	–	–	–	–	–	–	–
<i>MV Networks</i>		47	130	–	–	11	11	100.0%	130
<i>LV Networks</i>		784	739	–	–	62	62	100.0%	739
<i>Capital Spares</i>		1 089	1 304	–	–	109	109	100.0%	1 304
Water Supply Infrastructure		–	–	–	–	–	–	–	–
Information and Communication Infrastruct		972	696	45	45	58	13	22.4%	696
<i>Data Centres</i>		–	–	–	–	–	–	–	–
<i>Core Layers</i>		972	696	45	45	58	13	22.4%	696
<i>Distribution Layers</i>		–	–	–	–	–	–	–	–
<i>Capital Spares</i>		–	–	–	–	–	–	–	–
Community Assets		1 843	2 148	–	–	179	179	100.0%	2 148
Community Facilities		207	174	–	–	14	14	100.0%	174
<i>Halls</i>		107	–	–	–	–	–	–	–
<i>Centres</i>		–	–	–	–	–	–	–	–
<i>Cemeteries/Crematoria</i>		–	–	–	–	–	–	–	–
<i>Police</i>		–	–	–	–	–	–	–	–
<i>PurIs</i>		101	174	–	–	14	14	100.0%	174
<i>Public Open Space</i>		–	–	–	–	–	–	–	–
<i>Capital Spares</i>		–	–	–	–	–	–	–	–
Sport and Recreation Facilities		1 635	1 974	–	–	164	164	100.0%	1 974
<i>Indoor Facilities</i>		–	–	–	–	–	–	–	–
<i>Outdoor Facilities</i>		1 635	1 974	–	–	164	164	100.0%	1 974
<i>Capital Spares</i>		–	–	–	–	–	–	–	–
Other assets		30	–	–	–	–	–	–	–
Operational Buildings		30	–	–	–	–	–	–	–
<i>Municipal Offices</i>		30	–	–	–	–	–	–	–
<i>Pay/Enquiry Points</i>		–	–	–	–	–	–	–	–
Machinery and Equipment		5 289	6 348	907	907	529	(378)	-71.5%	6 348
Machinery and Equipment		5 289	6 348	907	907	529	(378)	-71.5%	6 348
Total Repairs and Maintenance	1	18 065	23 609	952	952	1 967	1 015	51.6%	23 609

The ratio for Repairs and Maintenance measures the level of repairs to ensure adequate maintenance and to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of service.

The Technical Services Department is currently implementing the following projects as per the Municipality’s Integrated Development Plan (IDP):

4.1 Projects under The Municipal Infrastructure Grant (MIG) Funding:

2023/24 Financial Year MIG Allocation	R46 392 000.00
Less: Total Expenditure (incl. Retention)	R 31 546 560.00
Balance	R 14 845 440.00
Expenditure of as a %	68%

Projects under Construction Stage

- a) Installation of High Mast Phase 2
- b) Construction of a Sportsfield in Hlomendlini : Previous Consultant and Contractor have been terminated.
- c) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili ward 15 (Amajuba Road)
- d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).
- e) Nyoni Taxi Route Phase 4
- f) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- g) Specialised Vehicles, Waste Management (TLB, 2 Cage Trucks) - **Delivered and reported in November 2023.**
- h) Construction of Sportfield in Mandeni Ward 10 Endlondlweni

Projects that are Planning Stage and registered with MIG.

- i) Upgrade of Machibini Link Road in Isithebe in Ward 10 and Ward 12 – **Project awarded to Sandulo 123 (Pty) LTD trading as Ntungani Construction. Kick off meeting took place on the 29th of July 2024.**
- j) The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- k) Construction of Sportsfield in Hlomendlini - New Consultant was appointed to continue with the project - 27 March 2024

Projects that are in planning stage and are to be registered with MIG

- l) Upgrade of Rural Gravel Roads in Mandeni, Phase 5 - Ward 8
- m) Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- n) Construction of a Sportsfield in Ward 2, Mandeni
- o) Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
- p) Construction of a Sportsfield in Ward 1, Mandeni
- q) Construction of Community Hall in Ward 8
- r) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section

4.2. Projects under Municipal Internal Funding

Projects under Construction

- a) Repair and Renovation of Civic Centre Roof in Mandeni
- b) New Protection Services Centre DLTC
- c) Extension of Mechanical Workshop and Construction of New Offices
- d) P415-459 Ward 3 Streetlights

Projects under planning

- e) Establishment of new office building
- f) Upgrade of Links Road Mosomonce Bus Route and Enembe/Isithebe Link Road Ward 13
- g) Extension of Mechanical/ Technical Services Building Phase 2 and Fencing of Technical Services Depot
 - h) Construction of a Community Hall in Ward 6
 - i) Construction of a Community Hall in Ward 12
 - j) Construction of community hall in ward 16
 - k) Construction of community hall in ward 11
 - l) Establishment of new cemeteries, phase 1
 - m) Establishment of new emergency centre

4.3. Projects under the Integrated National Electrification Programme (INEP)

2023/24 Financial Year Allocation	R 7 384 000.00
Less: Total Expenditure	R 7 384 000.00
Balance	R 0
Expenditure as a %	100%

Projects under Construction

- a) Dendethu Phase2/Wetane - 108HH (38)
- b) Khovothi Electrification 105 HH
- c) Emhlangeni Electrification 100 HH

Projects under Planning Stage

- d) Mandeni Sub-station - Bulk

4.4. Projects under the Massification Grant

Allocation By Cogta	R 5 000 000.00
Municipality Top-up	R 1 406 436.85
Total	R 6 406 436.85
Less: Total Expenditure Incl. (Retention)	R 5 947 836.16
Balance	R 458 600.69
Expenditure as a %	92.84%

Projects under Construction

- e) Mantshangula Mhlubulweni Electrification Project
- f) Khenana Phase 5 Electrification Project

4.5. Projects under the Disaster Management Grant

Total Allocation	R17 023 000.00
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Less: Total Expenditure	R 17 023 000.00
Balance	R 0.00
Expenditure as a %	100%

Projects under Construction -

- a) Novas Farm 2 (Ward 04)
- b) D2022 Road (Ward 14)
- c) Efalethu Road (Ward 3)
- d) D1293 Road (Ward 12)

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

Projects under Construction Stage

- a) Installation of High Mast Lights in Mandeni, Phase 2 (Ward 3, 5, 9, 11 and 12x2)**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 067 105.27	R 1 022 364.28
Construction Cost (incl. Retention) (V.O : R 367 004.50)	R 5 413 316.30	R 5 283 165.92
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 3055 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

- Supply and install of 6 x 30m high mast lighting.
- Installation and Commissioning of street and high mast lighting.
- Certifying all the installations for compliance.
- Submitting project report, designs/drawings and quality stacks on project handover.

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and light fittings have been installed. The project awaits the approval of the supply and metering points by Eskom, which will subsequently

Challenges: Previously approved metering points expired due to delays that were experienced on the light fitting specification which was not correct and had to be redesigned. Upon request for renewal, Eskom indicated that the project was never registered with them since they can not locate the reference number, which the consultant also never received. The new application process for a self-build has started with the required documentation having been submitted to Eskom. The turnaround time for such application has not been communicated with the municipality. Engagements with Eskom are on-going.

b) Construction of Hlomendlini Sportfield, Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 846 700.02	R 1 317 689.58
Construction Cost (incl. Retention)	R 8 041 369.71	R 3 493 216.27
Sub-Total (MIG Funds)	R 8 888 069.73	R 4 810 905.85
Sub-total (Internal Funds Approved (26.07.2023)	R 1 547 441.12	R0.00
TOTALS (Incl Vat)	R 10 435 510.85	R 4 810 905.80

Project Details

Name of Consultant:	Siyazenzela consulting
Name of Contractor:	TBC
Project Commencement Date:	TBC
Contractual Completion Date:	TBC
Revised Completion date:	N/A

Project Scope

- Site Establishment. Setting out of works.
- Bulk earthworks to the various elements of infrastructure on site.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).
- Construction of an ablution facility (10 toilet units), with change rooms (4 toilet units), public toilets (6 toilet units) and office/first aid room including water, sewage, and electrical supply.
- Construction of a grandstand with a minimum of 5 rows of seats (length of 25m).
- Installation of fencing including gate house (pedestrian and vehicle gates).
- Construction of an unpaved parking area.

Current Status Overall Construction Progress 49%: Site establishment and setting out of works is 100% completed, topsoil removal 100%, fencing 90%, commencement of guardhouse and ablution block along with bulk earthworks currently is approximately 85%.

Challenges:

Municipality has terminated contract with appointed service providers. Appointment for new consultant has been concluded for the completion of redesign of outstanding works. New Consultant's appointment date is the 27th March 2024.

c) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili ward 15 (Amajuba Road)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 360 223.17	R 1 323 892.56
Construction Cost (incl. Retention)	R 9 514 359.75	R 9 550 690.36
Internal Funds	R 1 166 508.82	R 942 617.82
TOTALS (Incl Vat)	R 12 041 091.74	R 11 817 200.74

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Nangu-U-Mzamo Retailers
Project Commencement Date: August 2023
Contractual Completion Date: February 2024
Revised Completion date: April 2024

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material.
- Installation of Subsoil drainage.
- Concrete pipe installation: Installation of prefabricated culverts with associated catch pits and headwalls.
- Concrete kerb-channel: Installation of precast kerb and cast in situ channel.
- Roadbed preparation.
- Hauling and Processing of G7, G6, G5 and G2 quality gravel materials.
- In-situ Recycling (First Phase) and (Second Phase);

- Stabilization.
- Milling and stockpiling of existing surface on strategic sections with minimal degree of surface failure;
- Patching and repairing edge breaks.
- Priming;
- Asphalt Wearing coarse: Lay and process Asphalt from commercial source.
- Construction of speed humps;
- Gabions: Installation of gabions.
- Plantable Interlocking TB300;
- Installation of Concrete Bollards.
- Road Signs: Installation of road signs;
- Road Marking.
- Landscaping and Planting; and
- Finishing the road and road reserve.

Current Status Overall Construction progress 100%: Contractor has achieved their Completion of works dated ***Tuesday, 30th April 2024.***

Challenges: Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 1 041 525.73 incl. vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). Recent inclement weather conditions have caused delays and sub-contracting issues.

d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 352 795.17	R 2 256 723.50

Construction Cost (incl. Retention)	R 16 257 859.82	R 14 763 038.49
TOTALS (Incl Vat)	R 18 610 654.99	R 17 019 761.99

Project Details

Name of Consultant: Singh Govender & Associates cc
Name of Contractor: MVI-SSSS Trading Enterprise cc
Project Commencement Date: August 2023
Contractual Completion Date: April 2024
Revised Completion date: TBA

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.
- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.
- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.

- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.
- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

Current Status Overall Construction progress 93.5%: Site establishment 90%, Setting Out of works is 100%, Traffic Accommodation 80%, Site Clearance 100% and Roadbed Preparation 100%, Stormwater Installation 100%, Manhole Construction subsoil installation 85%, service crossing ducts 92%, G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 85%, Kerbing and Channel 46.5%.

Contractor in the current month of reporting has unfortunately again been non-compliant with regards to their core staff not being on site full-time along with partially de-establishing the site camp. This has resulted in works being delayed as the expected completion of the project was not achieved as the Contractor is still behind with the Construction Works by 6.5% based on their Construction Programme. Slow construction progress has also been noted as a result of Contractor's poor planning and insufficient resources. The project is not expected to be completed within the month of August 2024.

Challenges: Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 5 479 308.70 incl. vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). Project delays which have been encountered include recent inclement weather conditions, theft of survey pegs, hard rock excavation and existing services such as water and sewer pipe leaks. Furthermore, we have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in subsurface ground water levels.

e) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 099 409.34

Construction Cost (incl. Retention)	R 12 148 430.66	R 6 810 078.90
Internal Funds	R 667 565.79	R 0.00
TOTALS (Incl. Vat)	R 14 348 595.28	R 7 909 488.24

Project Details

Name of Consultant:	DLV Project Managers and Engineers
Name of Contractor:	Bheka Phezulu Investments and Sales
Project Commencement Date:	October 2023
Contractual Completion Date:	April 2024
Revised Completion date:	August 2024

Project Scope

- Site establishment
- Site clearance
- Mass Earthworks
- Road Bed Preparation
- Clearing Existing Stormwater Infrastructure
- New Stormwater Infrastructure
- New Pavement Layerworks (Construction of 150mm G7 subgrade layer, Construction of stabilized 125mm C4 lower - subbase layer and Construction of stabilized 125mm C4 base)
- Asphalt Road Surfacing
- Kerbs and Channels
- Road Restraint Systems
- Road Signs
- Road Marking
- Finishing

Current Status Overall Construction progress 51%: Site establishment 100%, Site Clearance 80%, Mass earthworks 90%, Roadbed preparation 80%, C4 Stabilized layer 12%, Stormwater 60%, Manholes 45%, subsoil drainage 40%, Asphalt surfacing 16%, Kerbs 20%.

Challenges: Delay in the commencement of works due to community dissatisfaction about labour and CLO recruitment. The issue was later resolved, more people were recruited and they agreed that they will work on rotational basis. New CLO was also recruited. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 667 565.79 incl. vat more than the amount approved by COGTA. i.e. Notification of Registration Amount (NOR).

The request for additional funding was redirected to the municipality due COGTA not approving the application for award adjustment. Mandeni Municipality has since approved to fund the project internally with an amount of R 667 565.79 incl. vat.

On the 26th of February 2024, 16 No. of labourers put the tools down demanding that they want to start working on full time basis and not work on rotational basis. That has caused the work to not continue. The issue is still pending and is being discussed to find the solution.

The issue of labourers demanding to work on full time basis continued for further one week in the month of March 2024. The resolution was reached on the 6th of March 2024 that the labourers are going to work on full time basis.

Slow progress on site is still being noted as the Contractor has insufficient resources including plant along with poor planning to continue with the construction works adequately. As it stands the Contractor approximately a week and half behind their revised acceleration plan. The revised Extension of Claim No.2. for the project is pending approval.

f) Construction of Sportfield in Mandeni Ward 10 (Endlondlweni)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 801 860.14	R 1 357 464.73
Construction Cost	R 13 321 772.49	R 731 780.46
TOTALS (Incl. Vat)	R 15 123 632.63	R 2 089 245.19

Project Details

Name of Consultant: Ukwakha Consulting Engineers
Name of Contractor: Maboka Contractors (Pty) Ltd
Project Commencement Date: March 2024
Contractual Completion Date: October 2024

Revised Completion date: N/A

- Clearing and removal of vegetation, i.e. trees and grass and topsoil removal - Site Clearance
- Earthworks to create the required platform for the development of sports facilities.
- Construction of 110m x 70m soccer field (Soccer field to average DSAC and SAFA standards complete with goal posts)
- Construction of Practice Field
- Athletic Track
- Construction of Combi Court
- Construction of change rooms, ablution facility, and Guardhouse
- Construction of parking bays
- Construction of a grandstand within the soccer field vicinity.
- Provision of water, sewer, and irrigation services

Current Status Overall Construction progress 5%: Site Establishment 70%, Site Clearing 10%.

Challenges: Upon the project launch, it came to the Mandeni Municipality attention that the land that was earmarked for the construction of the sport field has the graveyard. The family that has graves went out to site to identify the graves. Site layout has been revised to avoid interference with graveyard.

Project is on hold due to unresolved issue of land. Municipality looking at possibility of reprioritising the grant fund.

g) Rehabilitation of Bumbanani Road In Sundumbili - Ward 13, 14 & 15 Phase 1

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 1 465 406.79
Construction Cost (incl. Retention)	R 10 679 964.34	R 3 701 400.39
Internal Funds	R 4 629 230.16	R 0.00
TOTALS (Incl. Vat)	R 17 553 032.14	R 7 909 488.24

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd
Name of Contractor: Iqhawe Elihle Trading
Project Commencement Date: May 2024
Contractual Completion Date: February 2025
Revised Completion date: N/A

Project Scope

- Site establishment
- Site clearance
- Finishing Construction of 1km long, 7m width asphalt surface road.
- Construction of Kerb and channel where required.
- Construction of Kerb inlet, headwall and manholes where required.
- Construction of 967m stormwater pipes ranging from 450mm-900mm diameter.
- Construction of 874m long, 2m width asphalt finished sidewalk.
- Construction and preparation of bell mouth to tie in the existing internal access road in the vicinity of the proposed road.
- Milling of existing asphalt (to be stockpiled and re-used by the client) Construction of subsoil drain where required.

Current Status Overall Construction progress 24%: Contractual Submissions 100%, Site Establishment 82%, Accommodation of Traffic 12% Road Construction Works 12%, Stormwater 0%, Kerb & Channel Works 0%, Sidewalk Construction 0% and Asphalt Laying 0%.

Challenges: Heaving section (Road Failure) has been identified on subgrade layer between chainage 20-120, Bumbanani Road. Theft of Survey Pegs being a continuous issue on site.

5.2. Municipal Internal Funding:

Projects under Construction Stage

A) **Repair and Renovation of Civic Centre Roof in Mandeni**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 829 510.70	R 1 829 510.71
Construction Cost (Excluding Retention)	R10 993 497.45	R 10 993 497.47
TOTALS (Incl Vat)	R 12 823 008.15	R 12 823 008.18

Project Details

Name of Consultant: LZM Africa Holdings
Name of Contractor: Uhlanga Trading Enterprise
Project Commencement Date: October 2022
Contractual Completion Date: July 2023

Revised Completion date: July 2024

Project Scope

The scope of works includes the following activities.

- Replacement of Existing roof
- Replacing existing ceiling
- Treatment of Rising damp by Specialists
- Installation of Energy saving Components and the replacement of all existing Electrical Components and Wiring
- Upon Replacement of Existing Roofs, the networking and Security cabling will be exposed to damages therefore re-routing and the installation of cable trays is recommendable.
- Damaged Walls with visible rising damp has to restored and re-painted.

Current Status Overall Construction progress 98%: Site Establishment 100%, Relocation of staff 100%, Stripping of Existing Roof 100% and Installation of New Trusses 100%, installation of roof tiles 100%, Electrical Work 100%, Ceiling 99%, External Paint 100%, Commissioning of the Smoke & Fire System for the first Phase of works 100%. Electrical works 100%, Ceiling 100% and Carpentry works 90% for Phase 1 due to some of the works being linked to the second phase.

Phase 2 works progress is as follows: Relocation of staff 100%, Stripping of Existing Roof 100% and Installation of New Trusses 100%, installation of roof tiles 100%, Electrical work 100%, Ceiling 95%, External Paint 100%, floor tiling 100%, IT Works 95%, doors installation 99%. Contractor is yet to complete the following works: - smoke and fire detection system and carpentry works for Phase 2.

Project is essentially completed with snagging of works estimated to be completed by the 15th August 2024.

Challenges: Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered because of a re-design of the Electrical Works along with the IT Services portion. The contractor has experienced further delays around items that are outsourced to be done by specialized services such as the smoke and fire system, inclement weather during the roof installation,

delays regarding the carpentry works. Relocation of staff back to main building has commenced.

B) New Protection Services Centre DLTC

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 114 723.00	R 1 615 369.85
Construction Cost (including variation order)	R 15 525 192.27	R 14 600 179.49
TOTALS (Incl. Vat)	R 17 639 915.27	R 16 215 549.34

Project Details

Name of Consultant: Nzamakhuze Holdings
Name of Contractor: Mlombomvu Projects
Project Commencement Date: January 2023
Contractual Completion Date: July 2023
Revised Completion date: 5 August 2024

Project Scope

- Site establishment
- Site clearance
- Fencing (450m Approximately) and installation of Vehicular Gates
- Excavation for foundation
- Construction of brickworks for super structure
- Installation of roof sheeting including finishing off remaining works
- Plaster and Paint works for internal walls
- Electrical connections and Plumbing works
- Building Electrical and Mechanical Works (Fire and HVAC)
- Portable water pipeline supply will be connected on the district Municipality main water pipeline.
- Parking and related pavement earthworks and layer works

- Stormwater Drainage Works and Installation of Jojo Tanks (specification changed to steel tank)
- Yard marking
- Installation of Sewer Reticulation
- Finishes
- Landscaping
- Cleaning, removal of building rubble and reinstatement of lawns

Additional Scope:

- Installation of a steel tank
- Installation of burglar guards
- Construction of a steep hill

Current Status Overall Construction progress 99%: Site Establishment 100%, Excavation for foundation 100%, Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%, Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%, Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%, Building Electrical and Mechanical Works (Fire and HVAC) 98%, Stormwater Drainage Works 100%, Portable water pipeline supply will be connected on the district Municipality main water pipeline 100%, Yard Marking 100%, Fencing 100% and installation of Vehicular Gates 100%, Finishes 98%. Landscaping 0%, Cleaning, removal of building rubble and reinstatement of lawns 88%.

Additional Scope:

- Installation of a steel tank – 50%
- Installation of burglar guards – 100%
- Construction of a steep hill – 100%

Challenges:

C) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
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Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost	R 16 996 962.19	R 12 430 748.56
TOTALS (Incl. Vat)	R 18 907 069.16	R 14 205 400.44

Project Details

Name of Consultant:	Ukwakha Consulting Engineers
Name of Contractor:	Bheka Phezulu Investment and Sales
Project Commencement Date:	July 2023
Contractual Completion Date:	March 2023
Revised Completion date:	August 2024

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m² Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m² Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m²
- Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway
- Construction of new pavement around the site
- Stormwater drainage installation
- Installation of electrical, mechanical, and associated works
- Renovation of the Male and Female Ablution and change rooms
- Construction of New Slabs

Current Status Overall Construction progress 78%: Site Establishment 100%, Site clearance 40%, Demolition of existing pavement 85%, Demolition of an existing building 100% and Construction of the new 100.70m² Office Block 15%, Earthworks 40%, Construction of the new 146m² Mechanical workshop 55%, Construction of the new canteen 95%, Extension of the existing storage rooms by 114m² 50%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 0%, Construction of new pavement around the site 10%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated

works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%

Challenges: The Contractor is still behind the revised construction programme and acceleration plan as a result of poor planning and inadequate resource allocation. The Contractor has submitted a revised Extension of Time No.2 application which has been approved for practical completing being noted for 30 September 2024.

D) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82
Construction Cost Incl. (Retention)	R 2 416 562.65	R 1 986 936.21
TOTALS (Incl. Vat)	R 3 116 065.28	R 2 603 994.49

Project Details

Name of Consultant: AM Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2024
Contractual Completion Date: September 2024
Revised Completion date: N/A

Project Scope:

- Provision and installation of 52 stepped poles measuring 11 meters each.
- Provision and installation of 3 equipped electrical streetlighting kiosks.
- Installation and activation of streetlighting and kiosks.
- Submission of shop drawings for poles and kiosks before procurement.
- Certification of all installations for compliance.
- Submission of project reports, as-built drawings, and quality stacks upon project handover.

Current Status Overall Construction progress 68%: The construction on the project currently sits at 68%, 50 out of 52 poles have been planted. Awaiting delivery of electrical control boxes and finalisation of trenching and cable laying. Trenching is at 80%.

Challenges: Delays in the delivery of electrical control boxes due to a huge backlog being experienced by the supplier.

5.3. Department of Energy: Integrated National Electrification Programme (INEP) Projects

Projects under Construction

a) Dendethu Phase2/Wetane - 108+38 Connections

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R541 761.49	R 290 962.51
Construction Cost Incl. (Retention)	R 2 292 581.53	R 2 014 748.60
TOTAL (excl vat)	R2 834 343.02	R 2 305 711.11

Project Details

Name of Consultant: Veritas
Name of Contractor: Afriletrical
Project Commencement Date: 07 October 2022
Completion Date: 07 December 2022
Revised Completion Date: April 2023

Current Status: Overall Construction progress is 100%. All 146 households have been energized. PCS file submitted to Eskom. Normalisation and removal of illegal connections is currently underway by the new appointed service provider.

Challenges: Project could not closed off and handed over to Eskom because of a snag list/defects which were not completed by appointed service provider. Delays from Eskom in uploading PCS file for customer to be registered. This resulted to customers bypassing meters and connecting illegally.

b) Emhlangeni Electrification Project - 100 HH

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 657 761.40	R 657 761.40
Construction Cost Incl. (Retention)	R 3 283 535.71	R 3 283 535.71
TOTAL (excl. vat)	R 3 941 297.11	R 3 941 297.11

Project Details

Name of Consultant: PSMT Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: July 2023
Revised Completion Date: 30 April 2024

Current Status: Overall Construction progress is 98% complete. There are 110 dry connections that have been achieved. Awaiting Eskom to grant outage date and energize.

Challenges: The project has a dependency as per Eskom’s Network Planning Report, which is a line upgrade from MV Oak line to MV Chickadee line. This upgrade calls for break-and-build in the same servitude because of space constraints. The break-and-build requires the line to be dead, this then necessitates the booking of outages from the commencement of the project to do the upgrade as there are no connections to be added in the network before the line has been upgraded. Municipality to meet with DMRE head office on the 7th of March to discuss the project and the way forward. Municipality have met with DMRE and change control application have been done.

c) Okhovothei Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R210 983.83	R128 424.94
Construction Cost Incl. (Retention)	R 899 998.72	R 582 773.82
Performance Guarantee Incl. (Vat)		R 103 499.87
TOTAL (Excl. Vat)	R1 363 717.39	R 814 698.63

Project Details

Name of Consultant: BVI Engineers
Name of Contractor: Onombuthu (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: August 2023
Revised Completion Date: June 2024

Current Status: Overall Construction progress is at 100%. Currently negotiating with Eskom for outage to energize the 105 dry connections.

Challenges: Poor performance from the appointed consultant. Project energization is currently on hold due unavailability of a design approval letter. Consultant not responsive on emails when requested for information as required by Eskom for issuing of the approval letter. Project is not approved by Eskom; due processes were not followed by consultant in obtaining approval for the project implementation. Project approval still to be obtained from Eskom once all required information has been gathered and submitted.

d) Mandeni Substation Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 11,826,735.62	R 7 380 000.00
Construction Cost	R0	R0
TOTAL	R 7 384 000.00	R 7 384 000.00

Project Details

Name of Consultant: ZLM Engineers

Name of Contractor: N/A

Project Commencement Date: 12 May 2023

Completion Date: TBC

Revised Completion Date: Nil

Current Status: The project is currently at a detailed design stage.

Challenges: Application for self-build to Eskom has not been made. Funds for feasibility studies which must be carried out by Eskom have not been located.

5.4. Projects under Massification Grant

e) Khenana Phase 5 Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 0.00	R 0.00
Construction Cost Incl. (Retention)	R 1 783 633.26	R 1 685 836.17
TOTAL Excl. (Vat)	R1 783 633.26	R 1 685 836.17

Project Details

Name of Consultant: Veritas Engineers

Name of Contractor: Godide Engineering Services (Pty) Ltd

Project Commencement Date: July 2023

Completion Date: September 2023

Revised Completion Date: 30 March 2024

Current Status: Project completed and energized. Handover signed.

Challenges: None

f) Mantshangula Mhlubulweni Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
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Professional Fees	R 716 075,63	R 761 075.63
Construction Cost	R 3 906 727.96	R 3 551 570.88
TOTAL Excl. (Vat)	R 4 622 803,59	R 4 312 646.51

Project Details

Name of Consultant: PSMT Engineers
Name of Contractor: R. Busisiwe (Pty) Ltd
Project Commencement Date: 06 November 2023
Completion Date: 3 June 2024
Revised Completion Date: N/A

Current Status: Project is 100% complete.

Challenges: The project was stopped as of 17 November 2023 by Macambini Traditional Council, project resumed on the 8th of December 2023.

5.5 Projects under Disaster Recovery Grant

a) Graveling of Novas Farm 2 (Ward 04)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 631 643.21	R 539 184.27
Construction Cost	R 3 665 502.91	R 3 653 992.03
TOTAL	R 4 297 146.12	R 4 193 176.30

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Msebe Contracting and Trading cc
Project Commencement Date: December 2023

Contractual Completion Date: February 2024

Revised Completion date: 28 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Gravel wearing coarse: Preparation and process G5 material
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Cutting of trees and bushes, where required 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 90%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project is behind the planned contract period. The contractor has submitted the application for extension of time ending 28 March 2024.

b) The Rehabilitation of D2022 Road (Ward 14)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 443 870.98	R 315 297.83
Construction Cost	R 2 657 657.41	R 2 653 390.85

TOTAL	R 3 101 528.39	R 2 968 688.68
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Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Musa and Sons Trading Enterprise Pty Ltd
Project Commencement Date: December 2023
Contractual Completion Date: February 2024
Revised Completion date: 15 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Chemical stabilization: Preparation and process
- Installation of kerbing and channelling
- Crushed Stone Base: Preparation and process G2 material
- Prime Coat: preparation and application.
- 40mm Asphalt Wearing coarse
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Road Marking
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Establishment on site 100%, Clearing & grubbing 100%, Hauling of gravel selected layer material from commercial source 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed 100% and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%,

Chemical stabilization: Preparation and process 100%, Installation of kerbing and channelling 100%, Crushed Stone Base: Preparation and process G2 material 100%, Prime Coat: preparation and application 100%, 40mm Asphalt Wearing coarse 100%, Prefabricated Culverts: Laying of prefabricated culverts 100%, with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Road Marking 100%, Installation of signages 100% and Cleaning of road reserve 100%.

The contractor has completed the works, the defect liability period has started.

Challenges: None

c) Gravelling of Efaletu Road (Ward 3)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 699 015.99	R 630 862.48
Construction Cost	R 3 905 945.04	R 3 879 690.23
TOTAL	R 4 604 961.03	R 4 510 552.71

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Humble Frank Multi Service
Project Commencement Date: December 2023
Contractual Completion Date: February 2024
Revised Completion date: 28 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Purchase of G5 Material: from the Commercial Source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.

- Gravel Wearing coarse: Preparation and process G5 material
- Installation of Gabions
- Excavation and preparation of side drains
- Installation of subsoil
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 100%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Side Drainage: Excavation and preparation of side drains 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project has reached the practical completion, and the contractor is attending to the snag.

d) Gravelling of D1293 Road (Ward 12)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 788 939.30	R 741 097.28
Construction Cost	R 4 653 370.55	R 4 645 979.54
TOTAL	R 5 442 309.85	R 5 387 076.82

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Sukoluhle Trading Enterprise
Project Commencement Date: December 2023
Contractual Completion Date: February 2024
Revised Completion date: 15 March

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel Wearing Coarse: Preparation and process G5 material.
- Gravel Subbase Coarse: Preparation and process G7 material
- Side Drainage: Excavation and preparation of side drains.
- Construction of stone pitching.
- Installation of gabion wall and mattresses on stormwater inlet/outlet infrastructure
- Cross drains: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 100%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Side Drainage: Excavation and preparation of side drains 100%, Construction of stone pitching 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project is behind the planned contract period because of experiencing some challenges and delays due to illegal water connections, underground surface water which required additional laying for subsoil drainage and re-routing stormwater due to obstructions. The contractor has achieved practical completion on the Friday, 15th March 2024. Project has reached completion. Defects Liability period has commenced.

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original 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:		30 880	249 394	1 500	2 754	20 783	(151)	-0.7%	249 394
EPWP Incentive	-	4 807	1 815	-	-	151	(151)	-100.0%	1 815
Finance Management	-	1 850	1 800	-	-	150			1 800
Integrated National Electrification Pro	-	7 200	-	1 500	2 754	-			-
Local Government Equitable Share	-	-	243 588	-	-	20 299			243 588
Municipal Infrastructure Grant	-	17 023	2 191	-	-	183			2 191
	3						-		
Provincial Government:		50 633	-	-	-	-	-		-
KwaZulu-Natal_Infrastructure_Infrast	-	50 633	-	-	-	-	-		-
Total Operating Transfers and Grants	5	81 513	249 394	1 500	2 754	20 783	(151)	-0.7%	249 394
Capital Transfers and Grants									
National Government:		82 276	38 910	13 601	13 601	3 243	10 358	319.5%	38 910
Municipal Infrastructure Grant (MIG)	-	82 276	38 910	13 601	13 601	3 243	10 358	319.5%	38 910
Integrated National Electrification Pro	-								
Provincial Government:		13 680	4 619	-	-	385	(385)	-100.0%	4 619
KwaZulu-Natal_Capacity Building an	-	13 680	4 619	-	-	385	(385)	-100.0%	4 619
Total Capital Transfers and Grants	5	95 956	43 529	13 601	13 601	3 627	9 974	274.9%	43 529
TOTAL RECEIPTS OF TRANSFERS &	5	177 469	292 923	15 101	16 355	24 410	9 822	40.2%	292 923

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									%
<u>EXPENDITURE</u>									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:		44 494	5 806	446	446	484	(38)	-7.8%	5 806
Expanded Public Works Program	-	4 807	1 815	136	136	151	(16)	-10.4%	1 815
Integrated National Electrification	-	6 576	-	-	-	-	-		-
Local Government Financial Mana	-	1 850	1 800	116	116	150	(34)	-22.5%	1 800
Municipal Disaster Relief Grant	-	21 482	-	-	-	-	-		-
Municipal Infrastructure Grant	-	9 780	2 191	194	194	183	12	6.3%	2 191
0							-		
Other transfers and grants [insert description]							-		
Provincial Government:		44 861	-	-	-	-	-		-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS							-		
KwaZulu-Natal	-	44 861	-	-	-	-	-		-
0							-		
0							-		
[insert description]							-		
Total operating expenditure of Transfer		89 355	5 806	446	446	484	(38)	-7.8%	5 806
<u>Capital expenditure of Transfers and Grants</u>									
National Government:		78 743	38 910	816	816	3 243	(2 426)	-74.8%	38 910
Municipal Infrastructure Grant	-	78 743	38 910	816	816	3 243	(2 426)	-74.8%	38 910
	-						-		
	-						-		
0							-		
Total capital expenditure of Transfers a		78 743	38 910	816	816	3 243	(2 426)	-74.8%	38 910
TOTAL EXPENDITURE OF TRANSFERS		168 098	44 716	1 262	1 262	3 726	(2 464)	-66.1%	44 716

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July														
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Tr	1200	–	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Tr	1300	6 408	400	163	124	83	81	408	2 462	10 128	3 157	–	–	
Receivables from Non-exchange Transactions -	1400	(371)	(61)	11 890	1 378	2 635	2 497	22 960	77 115	118 042	106 585	–	–	
Receivables from Exchange Transactions - Was	1500	–	–	–	–	–	–	–	–	–	–	–	–	
Receivables from Exchange Transactions - Was	1600	1 136	964	934	891	892	877	4 943	55 578	66 215	63 181	–	–	
Receivables from Exchange Transactions - Prop	1700	19	4	4	4	4	4	12	121	173	146	–	–	
Interest on Arrear Debtor Accounts	1810	391	375	374	368	362	236	2 615	31 343	36 065	34 925	–	–	
Recoverable unauthorised, irregular, fruitless an	1820	–	–	–	–	–	–	–	–	–	–	–	–	
Other	1900	15	–	–	–	–	–	–	5 676	5 691	5 676	–	–	
Total By Income Source	2000	7 599	1 683	13 365	2 764	3 977	3 695	30 938	172 295	236 315	213 669	–	–	
2023/24 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	(58)	119	10 433	343	415	380	5 146	22 445	39 222	28 728	–	–	
Commercial	2300	5 709	144	503	444	765	701	10 672	19 257	38 195	31 839	–	–	
Households	2400	1 807	1 300	1 967	1 857	2 673	2 493	13 640	127 520	153 256	148 182	–	–	
Other	2500	140	121	462	121	124	120	1 480	3 074	5 642	4 919	–	–	
Total By Customer Group	2600	7 599	1 683	13 365	2 764	3 977	3 695	30 938	172 295	236 315	213 669	–	–	

The total Consumer debtors outstanding as 31st July 2024 is **R 236,3 million**

- Debt book indicates 4% increase from to 1st June 2024 to July 2024, within a month the debt book has accumulated a 4% increase.
- Debtors collection rate at July 2024 is 109%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since appointed three Debt Collectors to follow up on outstanding debtors, Debt collectors are operating Debt pack while telephoning Debtors, printing section 29 and Final demands, we will soon be moving to legal in order to further our collection measured on consumers that are resistant to pay nor respond to our Debt collectors.
- Our Debt collectors have embarked on an exercise where different households are being visited in order to assess the state affordability of each household, this exercise is aimed at assisting the Municipality to classify its debt book in terms of collectability or non-collectability of the debt, the program is ongoing.
- 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, the program is currently o
- 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.

Auditor General's matter of emphasis

- It should be noted that the issue of Material impairments to debtors is one of the factors that affected our audit opinion
- It was also noted that we are having a challenge in identifying and eliminating indigent cheaters
- The audit Further identified the billing discrepancies relating to interest charged for outstanding debt and property rates
- It should be noted if things were to carry on this way this institution is going to lose it credibility and this will subsequently affect it going concern and we will soon be regarded as a grant dependent Municipality
- We should also put an emphasis that this issue is not entirely dependent on the Revenue team but requires a collective effort of each and every member of the Mandeni family to play a meaningful role so as to ensure that we redeem ourselves from these challenges.
- We have formulated a plan of collection going forward and our plan has been highlighted in the AG's management latter
- The plan provided is more operational but we have highlighted that strategic interventions need to be put in place so as to uplift the standard of living of our communities, attract and retain investment.
- Open opportunities for more job creation so as to ensure that we are serving the community that can afford to pay for our services.
- We need to ensure that we deal with the low hanging fruits in as far as basic service delivery is concerned. Fix potholes, streetlights, maintain roads clean our town and collect our waste on time.
- It is the above few things that encourage our people to come forward and assist their Municipality when they can see that their Municipality is working for them.

2022/23 Debt Collection

- For this financial year, despite the challenges we anticipate to reach our target and collect nothing less than **R40 ml**
- We are determined and resolute that such shall happen judging from the recent collection trends and our projections.

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
008004671	MANDINI	13	MR MAKHOBHA	RATES/REFUSE	16 453.81
008802721	MANDINI	30	MR MBUTHU	RATES/REFUSE	32 133.18
009909691	MANDINI	17	MS RIVERA	REFUSE/RATES	25 999.03
001041200	SUNDUMBI	412	MRS NGEMA	RATES/REFUSE	4 720.79
001046800	SUNDUMBI	468	MR DLAMINI	RATES/REFUSE	39 324.89
009901291	MANDINI	26	MR ZULU	RATES/REFUSE	5 129.82
009901351	MANDINI	31	MS NTULI	RATES/REFUSE	5 269.18
009910241	MANDINI	3	MS QHOSHA	RATES/REFUSE	18 471.90
001027400	SUNDUMBI	274	MR NTETHA	RATES/REFUSE	47 531.64
001078100	SUNDUMBI	781	MR MBUYISA	RATES/REFUSE	61 381.83
001080400	SUNDUMBI	804	MR GCALEKA	RATES/REFUSE	34 092.83
001092200	SUNDUMBI	922	MR NXUMALO	RATES/REFUSE	17 147.17
001136500	SUNDUMBI	1365	NKOSINI INV CC	RATES/REFUSE	15 213.74
002002600	SUNDUMBI	26	MR GCABASHE	RATES/REFUSE	69 480.72
002094700	SUNDUMBI	947	MR TEMBE	RATES/REFUSE	16 832.14
002257600	SUNDUMBI	2576	MR ZIBANE	RATES/REFUSE	103 916.46
002901742	MANDINI	14	MR MSWELI	RATES/REFUSE	47 236.65
00991176	MANDINI	8	MZIMELA	RATES/REFUSE	447047.90
008600081	MANDINI	83	GINGINDLOVU LODGE	RATES/REFUSE	94 568.86
002900701	MANDINI	9	NGCOBO	RATES/REFUSE	154092.83
TOTAL					1 256 045.37

DISCONNECTIONS

ACCOUNT	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
004001952	MANDINI	744 EXT. 00	BASIC BEST PROP	ELECTRICITY	17386.97
009901241	MANDINI	16	MBUYISA	RATES/ELEC	R15885.31
008800681	MANDINI	98	MR GETKATE	RATES/ELEC	10698.75
008803721	MANDINI	11	MKHIZE	RATES/ELEC	R19420.19
003000102	MANDINI	307	MR MBUYISA	RATES/ELEC	15564.76
009906321	MANDINI	39	SHEMBE	RATES/ELEC	R13188.71
009909272	MANDINI	53	NKWANYANA	RATES/ELEC	R16444.95
002900701	MANDINI	9	NGCOBO	RATES/ELEC	R153876.96
008907042	MANDINI	5	RADEBE	RATES/ELEC	R135211.28
008061315	MANDINI	15	MSOMI	RATES/ELEC	R62871.56
009801201	MANDINI	44	NGCOBO	RATES/ELEC	R30023.90
002401202	MANDINI	30	GOVENDOR	RATES/ELEC	R42948.07
009903711	MANDINI	21	MTHEMBU	RATES/ELEC	R60606.18
008005871	MANDINI	16	BOTES	RATES/ELEC	R90926.22
009600111	MANDINI	10	KANNING	RATES/ELEC	R123946.03
004001701	MANDINI	11	DUBE	RATES/ELEC	R28308.06
009904701	MANDINI	11	CELE	RATES/ELEC	R32004.54
009903601	MANDINI	17	MWANDLA	RATES/ELEC	R29053.40
009401971	MANDINI	13	MVULA	RATES/ELEC	R70139.31
002101621	MANDINI	25	NDLOVU	RATES/ELEC	R26295.53
009701301	MANDINI	37	KUBHEKA	RATES/ELEC	R67858.36
009910291	MANDINI	46	JANSE VAN RENSBURG	RATES/ELEC	R87457.80
008600081	MANDINI	83	GINGINDLOVU LODGE	RATES/ELEC	R94352.99
009700421	MANDINI	29	MTHEMBU	RATES/ELEC	15391.57
008701011	MANDINI	64	MHLONGO	RATES/ELEC	18314.45
009904491	MANDINI	11	MTHEMBU	RATES/ELEC	R25950.02
009910281	MANDINI	2	MADUNA	RATES/ELEC	16686.88
009911751	MANDINI	6	MANZINI	RATES/ELEC	R39772.59
002700821	MANDINI	20	SIBIYA	RATES/ELEC	147841.48
009907282	MANDINI	20	MICHAEL LIN HOUSING	RATES/ELEC	R39707.76
009501791	MANDINI	40	BUTHELEZI	RATES/ELEC	R12503.37
009910141	MANDINI	8	SPYROPOULOS	RATES/ELEC	R15059.10
008801671	MANDINI	11	PITOUT	RATES/ELEC	R21561.33
009903751	MANDINI	13	DLAMINI	RATES/ELEC	R12931.05
008006139	MANDINI	9	NENE	RATES/ELEC	R10830.61
004001281	MANDINI	7	TSHABALALA	RATES/ELEC	R9222.99
009900611	MANDINI	9	NAIDOO	RATES/ELEC	R12292.40
TOTAL					R1642535.43

ARRANGEMENT - July 2024 REPORT

NO.	DATE	ACCOUNT HOLDER	REF NUMBE	ADDRESS	ACCOUNT NUMBER	AMOUNT OWING	AMOUNT AGREED	COMMENTS
1	04/07/2024	BIYELA	15	15 MIMOSA PLACE	009981161	R18733.85	R2000	PER MONTH
2	09/07/2024	MANZINI	06	06 CYCAD PLACE	009911751	R39772.59	R5000	PER MONTH
3	1/07/2024	BUTHELEZI	40	40 KUDU ROAD	009501791	R12522.81	R3500	PER MONTH
4	12/07/2024	DUNN	10	10 PLOVER CRESCENT	009600111	R124157.51	R1000	PER MONTH
5	12/07/2024	MKHIZE	11	11 WHIRLMBREL	008803721	R13615.55	R2000	PER MONTH
6	15/07/2024	KHUMALO	44	44 GREIG RD	009801201	R30073.85	1800	PER MONTH
8	16/07/2024	MBOKAZI	04	04 FARROW RD	009901181	R11363.63	R3500	PER MONTH
9	18/07/2024	BIYELA	47	47 INYATHI RD	008907682	R46580.16	R2050	PER MONTH
10	24/07/2024	MBATHA	23	23 KUDU RD	009906241	R11697.42	R700	PER MONTH
11	23/07/2024	SWART	12	12 IMPUNZI RD	008100711	R1188.44	R500	PER MONTH
12	22/07/2024	NKHWANYANA	53	53 PARTYS RD	009909272	R16444.95	R1500	PER MONTH
13	15/07/2024	NENE	B2107	SUNDUMBILI B	002210700	R4981.99	R1000	PER MONTH
14	16/07/2024	MKWANAZI	B2492	SUNDUMBILI B	002249200	R15998.51	R1000	PER MONTH
17	23/07/2024	SHANDU	A721	SUNDUMBILI A	001072100	R29761.16	R3500	PER MONTH
18	19/07/2024	MBUYISA	16	16 FARROW RD	009901241	R15885.31	R1000	PER MONTH
19	23/07/2024	DUBE	03	03 UMSINSI RD	009909831	R11082.79	R3325	PER MONTH
20	24/07/2024	SIBIYA	1087	SUNDUMBILI A	002108700	R31927.97	R1000	PER MONTH
21	26/07/2024	NDLELA	4	04 TROGON RD	008803801	R18963.75	R1000	PER MONTH
22	25/07/2024	MCHUNU	42	42 ANDERSON RD	009900911	R13948.16	R1000	PER MONTH
23	26/07/2024	SIBIYA	1087	SUNDUMBILI A	001107800	R31927.97	R1000	PER MONTH
24	30/07/2024	KUBHEKA	37	37 O'HARA	009701301	R67972.04	R3535.68	PER MONTH
25	31/07/2024	VEKER	07	07 PATRYS RD	009600601	R4701.27	R1500	PER MONTH
26	31/07/2024	THUSI	543	SUNDUMBILI A	001054300	R2486.97	R300	PER MONTH
TOTAL						R621435.12	R42710.68	

Figure 9

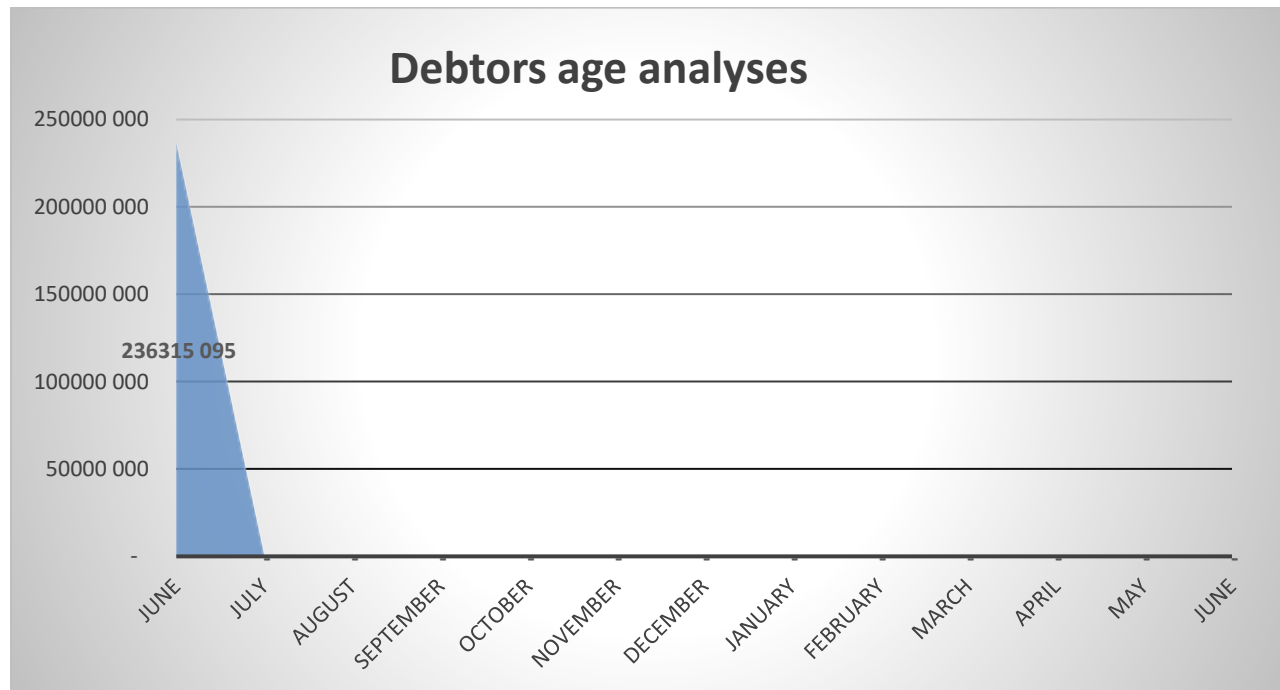
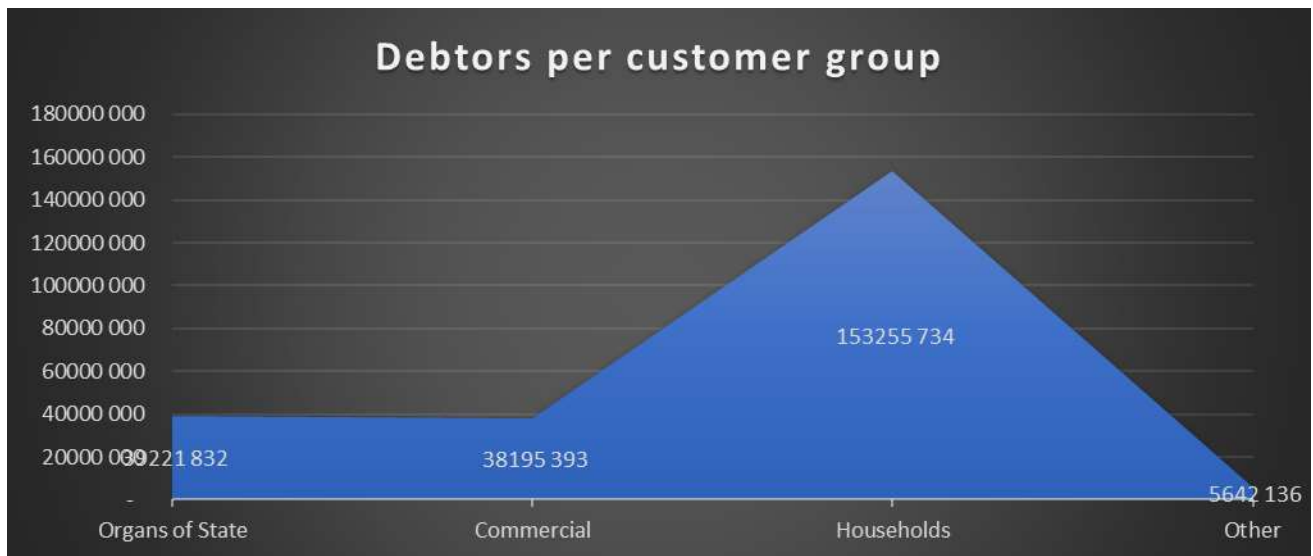


Figure 10



The municipal debtors have increased from R227.3 million to R236.3 million that is from June 2023 until 31st JULY 2024. This increase is between Household debtors of 65% and it is followed by Organs of State by 17 % and Business Commercial is 16% and lastly the other debtors with a percentage of 2%.

▪ **Total Outstanding Debtors from July 2024**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at July 2024 is R 240,304.01
- Staff Accounts in arrears as at July 2024 is R 59,233.86

However, it should be noted that both Councilors and Staff have made arrangement with the municipality to settle this outstanding debt.

4. CREDITOR'S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July											
Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	655	-	-	-	-	-	-	655	655
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	873	321	-	-	-	-	-	-	1 194	1 194
Total By Customer Type	1000	873	976	-	-	-	-	-	-	1 849	1 849

- Creditors aging is R1.8million as of 30th July 2024. (Age analysis listing attached)
- 95% 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.

Top 10 Creditors:

Top 10 Creditors (JULY 2024)

Name	Amount
ESKOM HOLDING	R 1 043 672.48
EMALANGENI	R 648 261.34
RURAL METRO	R 401 018.60
BAMBHANANI ENTERPRISE	R 51 727.71
MALUTHULI TRADING	R 166 221.18
EZAMALUNQA	R 1 491 126.73
NJOMISA BOEDERY	R 45 765.62
CITY OF CHOICE	R 830 921.10
MAXIMUM PROFIT REC	R 419 638.70
CONLOG	R 600 432.66

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 30th JULY 2024

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2023/24	Budget Year 2024/25		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands	1				
ASSETS					
Current assets					
Cash and cash equivalents		208 847	78 954	187 274	78 954
Trade and other receivables from exchange transactions		67 258	33 169	68 009	33 169
Receivables from non-exchange transactions		(53 672)	36 042	280	36 042
Current portion of non-current receivables		–	–	–	–
Inventory		42 734	38 984	42 723	38 984
VAT		7 677	53 465	5 663	53 465
Other current assets		225	–	225	–
Total current assets		273 069	240 614	304 173	240 614
Non current assets					
Investments		–	–	–	–
Investment property		41 913	60 544	41 913	60 544
Property, plant and equipment		663 397	631 390	667 200	631 390
Biological assets		–	–	–	–
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		278	298	278	298
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–
Other non-current assets		–	–	–	–
Total non current assets		705 589	692 232	709 391	692 232
TOTAL ASSETS		978 658	932 846	1 013 565	932 846
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		6 043	–	6 043	–
Consumer deposits		172	216	194	216
Trade and other payables from exchange transactions		53 322	23 220	29 065	23 220
Trade and other payables from non-exchange transactions		9 028	8 284	21 103	8 284
Provision		4 572	8 677	4 572	8 677
VAT		5 313	14 759	5 706	14 759
Other current liabilities		–	–	–	–
Total current liabilities		78 450	55 157	66 683	55 157
Non current liabilities					
Financial liabilities		–	–	–	–
Provision		–	–	–	–
Long term portion of trade payables		–	–	–	–
Other non-current liabilities		21 070	22 993	21 070	22 993
Total non current liabilities		21 070	22 993	21 070	22 993
TOTAL LIABILITIES		99 520	78 150	87 753	78 150
NET ASSETS	2	879 138	854 696	925 811	854 696
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		676 465	852 610	723 139	852 610
Reserves and funds		202 672	2 086	202 672	2 086
Other		–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	879 138	854 696	925 811	854 696

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are 5 (five) times that of current liabilities.
4.56:0.22

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 4.56 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 the current liabilities, R4.56c

Creditors' system efficiency: 100 percent of the creditors outstanding are less than 30 days.

Creditor's payment: it takes the municipality 10 days to pay its creditors.

Outstanding debtors: billing far exceeds the collection on outstanding debt at the rate of 109.30 percent.

Collection days: 9 177.55 days it takes the municipality to collect outstanding debt.

Cost coverage: on average the municipality has sustained its existence for the period of 7 month without any grant funding.

Debtors collection rate: as at first month is 109.30 %

	109.30
Gross Debtors closing balance	236 315 094.00
Gross Debtors opening balance	236 985 481.35
Bad debts written Off	-
Billed Revenue	7 211 027.44

	-
Consumer Debtors Bad debts written off	
Consumer Debtors Current bad debt Provision	55 001 168.10

	9 177.55
Gross debtors	236 315 094.00
Bad debts Provision	55 001 168.10
Billed Revenue	7 211 027.44

	31%
Employee/personnel related cost	10 438 364
Councillors Remuneration	1 177 967
Total Operating Expenditure	37 989 427
Taxation Expense	-

	19%
Contracted Services	3 882 133
Total Operating Expenditure	20 175 491
Taxation Expense	

	10 days
Trade Creditors	1 848 955
Contracted Services	3 882 133
Repairs and Maintenance	952 149
General expenses	4 501 107
Bulk Purchases	57 865 599
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	3 289 840

	7 Month
Cash and cash equivalents	2 576 429
Unspent Conditional Grants	20 664 866
Overdraft	-
Short Term Investments	286 959 325
Total Annual Operational Expenditure	443 030 793

	4.56
Current Assets	304 173 264
Current Liabilities	66 682 773

	133%
Cash and cash Equivalents	2 576 429
Bank Overdraft	-
Short Term Investment	286 959 325
Long Term Investment	-
Unspent Grants	20 664 866
Net Assets	925 811 473
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	723 139 143

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31st JULY 2024

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		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		(40 490)	31 118	-	2 533	2 533	2 593	(60)	-2%	31 118
Service charges		(61 655)	75 777	-	6 520	6 520	6 315	205	3%	75 777
Other revenue		16 188	4 674	-	1 794	1 794	452	1 342	297%	4 674
Transfers and Subsidies - Operational		238 239	262 390	-	-	101 495	23 404	78 091	334%	262 390
Transfers and Subsidies - Capital		(46 942)	39 760	-	13 601	13 601	3 313	10 288	310%	39 760
Interest		31 127	28 000	-	391	391	2 333	(1 943)	-83%	28 000
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(463 848)	(707 876)	-	(39 341)	(20 175)	(56 258)	(36 083)	64%	(707 876)
Finance charges		-	(3 300)	-	-	-	(275)	(275)	100%	(3 300)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(327 381)	(269 456)	-	(14 502)	106 159	(18 123)	(124 282)	686%	(269 456)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(606 239)	168 751	-	(4 373)	(4 373)	14 063	18 436	131%	168 751
NET CASH FROM/(USED) INVESTING ACTIVITIES		(606 239)	168 751	-	(4 373)	(4 373)	14 063	18 436	131%	168 751
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(933 620)	(100 705)	-	(18 875)	101 785	(4 061)			-
Cash/cash equivalents at beginning:		(132 013)	(183 424)	-	-	269 779	(183 424)			269 779
Cash/cash equivalents at month/year end:		(1 065 633)	(284 129)	-	-	371 565	(187 484)			-

Cash and cash equivalent at the beginning of 2023/24 financial year was R269.8 million as per pre-audited AFS and cash and cash equivalent as at 31st July 2024 is R371.6million.

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 -Receipts

- The property rates collection rate to date is -100% or R1thousand of the billed revenue as at July 2024. The municipality does not charge rates in the month of July and August as it is part of the collection strategy, as Customers are given a chance to catch up for those who owns rates and a break to those who are up-to date.
- Service Charges: Electricity and Refuse is 8% or R215thousand of billed revenue as at July 2024.
- Other Revenue collected to date is R1,8million over a Budget of R1,1million which gives a collection of 34% in these votes. A combination of votes from rentals of properties, licenses and permits and other sources of revenue are included. Further to that the additional revenue from VAT refunds received as at July totals to R2.9million.
- Government Operating grants received in the month of July 2024, totals to R1.5million from DORA gazette.
- Government Capital: Total received to date is R13.6 million for MIG in the month of July 2024.
- Interest earned on external investments amounts to R2.0 million in comparison with the year-to-date budget of R2.3 million.

Payments

- Suppliers and employees for cash outflows of -R20.2 million. The total payment for suppliers and employees is noted the same as there are payments from the INEP and Title deed, and also an outstanding total in the Pre-audited total is not finalized.
- Finance charges reflect under performance by 100 percent or R3.0million against YTD actual of R0 thousand. Usually, this votes interest is allocated in January and at year end.
- Capital Assets of R 3.8million for the month of July 2024 shows an under-performance of 64% as at 31st July 2024.

6.1. BANK RECONCILIATION STATEMENT AS AT JULY 2024



Mandeni Municipality

BANK RECONCILIATION STATEMENT FOR JULY 2024		
Main Account :52940480587		
Opening FNB Bank Balance as on 1 JULY 2024	6 556 506.01	6 556 506.01
PLUS: Deposits Banked	10 125 706.12	
PLUS: Interest received	74 594.66	
PLUS: Transfers In	232 110 570.97	
PLUS:Interest received From Call 1	733 228.61	
PLUS:Unpaid	20 550.83	
PLUS: MATURED INVESTMENTS	-	
PLUS: SARS REFUND	2 919 225.73	
PLUS: GRANTS RECEIVED	116 596 000.00	
Total Deposits	362 579 876.92	362 579 876.92
Less:Total payments	- 365 826 725.68	- 365 826 725.68
LESS: EFT Payments	- 48 425 205.41	
LESS: Bank Charges	- 23 948.81	
LESS: Cheques Paid Out	-	
LESS: Transfers Out	- 116 596 000.00	
LESS: NEW INVESTMENTS	- 200 000 000.00	
LESS: Debit Orders	- 781 571.46	
Closing FNB Bank Balance as on 30 JULY 2024		3 309 657.25
Cashbook Reconciliation for 30 JUNE 2024		
Cashbook Balance as on 1 JULY 2024-D0001/IA09567/F0001/X049/R0099/001/FIN	2 026 213 166.77	
Cashbook Balance as on 1 JULY 2024-D0001/IA02105/F0041/X049/R0099/001/CONTRA	96 176 000.00	
Less:Cashbook Balance as on 1 JULY 2024-D0001/IA09850/F0001/X049/R0099/001/FIN	- 2 112 242 032.86	
Corrections to be made (JNL DR)	1 055.18	
PLUS: Deposits Banked for JuLY 2024	10 146 256.95	
LESS: EFT Payments for JULY 2024	- 49 102 530.99	
Plus :JUNE 2024 outstanding (reconciled)	- 2 794 641.82	
Less: Bank Charges to date	- 1 404 249.33	
PLUS: Grant received	116 596 000.00	
Less : New investment	- 200 000 000.00	
Less: Payments not yet paid during JULY 2024	-	
PLUS: Interest received to date	667 794.96	
PLUS:Interest received From Call 1-JULY 2024	733 228.61	
PLUS MATURED INVESTMENT	-	
PLUS :SARS REFUND	2 919 225.73	
PLUS :TRANSFER IN	232 110 570.97	
LESS:TRANSFER OUT	- 116 596 000.00	
LESS: Debit Orders for JULY 2024	- 781 571.46	
Closing Cashbook Balance as on 30 JULY 2024	2 642 272.71	2 642 272.71
		667 426.41
Reconciling Items	Amount	
ADD: Journal Debits - on Cashbook not on Bank Statement	667 426.41	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 JULY 2024		3 309 699.12
MONTH END BALANCE PER BANK STATEMENT- 31 JULY 2024		3 309 657.25
DIFFERENCE		41.87

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 31st JULY 2024

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July								
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investm ent Top Up	Closing Balance
R thousands		Yrs/Months						
Municipality								
call 1-internal grant		12 MONTHS	CALL ACCOUNT	181 571	733	(227 233)	101 495	56 566
Call account 2 -HOUSING		12 MONTHS	CALL ACCOUNT	2 133	13		-	2 146
Call account 3-MIG		12 MONTHS	CALL ACCOUNT	7 676	87	(5 036)	13 601	16 327
Call account 5-TMT		12 MONTHS	CALL ACCOUNT	473	3	-	1	477
Call account 6-INEP		16 MONTHS	CALL ACCOUNT	(0)	0		1 500	1 500
Call account 7-AR		12 MONTHS	CALL ACCOUNT	5 272	32			5 304
Call account 8- Title Deed		12 MONTHS	CALL ACCOUNT	5 172	30	(574)		4 628
Call account 9-Disaster Recovery		12 MONTHS	CALL ACCOUNT	11	0		-	11
ABSA BANK		12 MONTHS	INVESTMENT	100 000	563			100 000
ABSA BANK		12 MONTHS	INVESTMENT	50 000	279			50 000
ABSA BANK		12 MONTHS	INVESTMENT	50 000	268			50 000
FNB-MAIN BANK		12 MONTHS	INVESTMENT		75			-
								-
								-
								-
								-
								-
								-
Municipality sub-total				402 308	2 082	(232 844)	116 597	286 959
TOTAL INVESTMENTS AND INTEREST	2			402 308	2 082	(232 844)	116 597	286 959

7. MONTHLY BUDGET STATEMENT - Employee costs and councilors benefits (Section 66 MFMA)

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councilor remuneration	Ref	Budget Year 2024/25								
		2023/24 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)										
Basic Salaries and Wages		12 378	13 768	-	1 008	1 008	1 147	(140)	-12%	13 768
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		528	675	-	37	37	56	(19)	-33%	675
Cellphone Allowance		1 491	1 687	-	122	122	141	(18)	-13%	1 687
Housing Allowances		167	258	-	11	11	22	(11)	-51%	258
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		14 564	16 388	-	1 178	1 178	1 366	(188)	-14%	16 388
% increase	4		12.5%							12.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 865	5 876	-	388	388	490	(102)	-21%	5 876
Pension and UIF Contributions		1	11	-	-	-	1	(1)	-100%	11
Medical Aid Contributions		163	42	-	21	21	4	17	485%	42
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		380	499	-	-	-	42	(42)	-100%	499
Motor Vehicle Allowance		716	871	-	60	60	73	(13)	-18%	871
Cellphone Allowance		272	195	-	29	29	16	12	75%	195
Housing Allowances		114	278	-	14	14	23	(9)	-39%	278
Other benefits and allowances		347	286	-	40	40	24	16	69%	286
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5 131	3 736	-	-	-	311	(311)	-100%	3 736
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 989	11 794	-	551	551	983	(432)	-44%	11 794
% increase	4		7.3%							7.3%
Other Municipal Staff										
Basic Salaries and Wages		83 417	94 130	-	6 919	6 919	7 844	(925)	-12%	94 130
Pension and UIF Contributions		13 566	15 938	-	1 189	1 189	1 328	(139)	-10%	15 938
Medical Aid Contributions		6 332	6 180	-	596	596	515	81	16%	6 180
Overtime		3 361	2 469	-	109	109	206	(97)	-47%	2 469
Performance Bonus		6 601	6 513	-	484	484	543	(59)	-11%	6 513
Motor Vehicle Allowance		4 751	5 495	-	400	400	458	(58)	-13%	5 495
Cellphone Allowance		617	604	-	52	52	50	2	4%	604
Housing Allowances		315	362	-	27	27	30	(3)	-10%	362
Other benefits and allowances		983	887	-	77	77	74	3	4%	887
Payments in lieu of leave		3 462	2 718	-	-	-	226	(226)	-100%	2 718
Long service awards		355	1 407	-	34	34	117	(83)	-71%	1 407
Post-retirement benefit obligations	2	(1 041)	4 047	-	-	-	337	(337)	-100%	4 047
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122 720	140 748	-	9 888	9 888	11 729	(1 842)	-16%	140 748
% increase	4		14.7%							14.7%
Total Parent Municipality		148 273	168 930	-	11 616	11 616	14 078	(2 461)	-17%	168 930

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M01 July

Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	9.3%	0.0%	0.0%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		10.2%	6.4%	0.0%	8.3%	6.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	348.1%	436.2%	0.0%	456.1%	436.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		266.2%	143.1%	0.0%	280.8%	143.1%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		3.3%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		31.5%	34.1%	0.0%	9.4%	34.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.3%	5.3%	0.0%	0.9%	5.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.5%	9.2%	0.0%	0.0%	4.4%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

QUALITY CERTIFICATE

Regulation 27 prescribes that the Municipal Manager must sign a quality certificate in the format prescribed below;

I, Sizwe G. Khuzwayo the Municipal Manager of Mandeni Municipality KZN291, hereby certify that:

▪ **Monthly Budget Statements**

for the month of **July 2024** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

Print Name **Mr. Sizwe.G. Khuzwayo**

Municipal manager of Mandeni Municipality (KZN 291)

Signature _____

Date **15 August 2024**