

# **MANDENI MUNICIPALITY**

**KZN291**



## **BUDGET & TREASURY DEPARTMENT**

### **MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED SEPTEMBER 2024/25 FINANCIAL YEAR**

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2024/25 BUDGET FOR THE PERIOD ENDING 30 SEPTEMBER 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 30 September 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 30 September 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 - M03 September								
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							%	
<b>Financial Performance</b>								
Total Revenue (excluding capital transfers and contributions)	423 545	447 101	12 376	170 618	111 775	58 843	53%	447 101
Total Expenditure	420 707	443 031	25 618	89 121	113 968	(24 847)	-22%	443 031
Surplus/(Deficit)	2 838	4 070	(13 242)	81 497	(2 193)	83 690	-3816%	4 070
Transfers and subsidies - capital	55 093	39 760	3 151	5 083	9 940	(4 857)	-49%	39 760
Surplus/(Deficit) after capital transfers & contributions	57 931	43 830	(10 091)	86 580	7 747	78 833	1018%	43 830
Surplus/ (Deficit) for the year	57 931	43 830	(10 091)	86 580	7 747	78 833	1018%	43 830
<b>Capital expenditure &amp; funds sources</b>								
Capital expenditure	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
Capital transfers recognised	51 789	34 702	3 538	5 437	8 675	(3 239)	-37%	34 702
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	87 873	92 898	979	1 740	23 225	(21 484)	-93%	92 898
Total sources of capital funds	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600

As can be seen from the table above, Actual surplus for the period ended 30<sup>th</sup> September 2024 is Significantly more than the Budgeted Surplus by- 100%. Monthly budget statement summary (Table C1), for the period ending 30<sup>th</sup> September 2024 (year to date actual), shows a surplus of R86,6million against YTD budget of R7,7million which reflects variance of more than 100%.

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

## 1.2 Monthly Budget statement Summary M03-SEPTEMBER 2024

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M03 September								
Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							%	
<b>Financial Performance</b>								
Property rates	57 779	62 237	3 304	37 452	15 559	21 893	141%	62 237
Service charges	74 930	86 448	7 317	22 931	21 612	1 319	6%	86 448
Investment revenue	26 748	–	–	–	–	–	–	–
Transfers and subsidies - Operatio	26 748	28 000	350	2 921	7 000	(4 079)	-58%	28 000
Other own revenue	237 340	270 416	1 406	107 313	67 604	39 709	59%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>423 545</b>	<b>447 101</b>	<b>12 376</b>	<b>170 618</b>	<b>111 775</b>	<b>58 843</b>		<b>447 101</b>
							53%	
Employee costs	133 709	152 543	11 296	32 633	38 136	(5 503)	-14%	152 543
Remuneration of Councillors	14 564	16 388	1 228	3 620	4 097	(477)	-12%	16 388
Depreciation and amortisation	33 728	37 856	2 843	8 708	9 464	(756)	-8%	37 856
Interest	137	3 300	18	18	825	(807)	-98%	3 300
Inventory consumed and bulk purch	56 309	62 398	296	13 530	15 680	(2 149)	-14%	62 398
Transfers and subsidies	–	–	–	–	–	–	–	–
Other expenditure	182 260	170 546	9 937	30 613	45 767	(15 154)	-33%	170 546
<b>Total Expenditure</b>	<b>420 707</b>	<b>443 031</b>	<b>25 618</b>	<b>89 121</b>	<b>113 968</b>	<b>(24 847)</b>	<b>-22%</b>	<b>443 031</b>
<b>Surplus/(Deficit)</b>	<b>2 838</b>	<b>4 070</b>	<b>(13 242)</b>	<b>81 497</b>	<b>(2 193)</b>	<b>83 690</b>	<b>-3816%</b>	<b>4 070</b>
Transfers and subsidies - capital (monetary allocations)	55 093	39 760	3 151	5 083	9 940	(4 857)	-49%	39 760
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>57 931</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>	<b>78 833</b>	<b>1018%</b>	<b>43 830</b>
<b>Surplus/ (Deficit) for the year</b>	<b>57 931</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>	<b>78 833</b>	<b>1018%</b>	<b>43 830</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>139 662</b>	<b>127 600</b>	<b>4 517</b>	<b>7 177</b>	<b>31 900</b>	<b>(24 723)</b>	<b>-78%</b>	<b>127 600</b>
Capital transfers recognised	51 789	34 702	3 538	5 437	8 675	(3 239)	-37%	34 702
Borrowing	–	–	–	–	–	–	–	–
Internally generated funds	87 873	92 898	979	1 740	23 225	(21 484)	-93%	92 898
<b>Total sources of capital funds</b>	<b>139 662</b>	<b>127 600</b>	<b>4 517</b>	<b>7 177</b>	<b>31 900</b>	<b>(24 723)</b>	<b>-78%</b>	<b>127 600</b>
<b>Financial position</b>								
Total current assets	305 776	240 614		369 725				240 614
Total non current assets	713 576	692 232		718 618				692 232
Total current liabilities	79 767	55 157		62 178				55 157
Total non current liabilities	21 070	22 993		21 070				22 993
Community wealth/Equity	918 515	854 696		1 005 094				854 696
<b>Cash flows</b>								
Net cash from (used) operating	(73 304)	(269 456)	(2 851)	53 876	(54 370)	(108 246)	199%	(269 456)
Net cash from (used) investing	(616 240)	168 751	(1 049)	(8 254)	42 188	50 441	120%	168 751
Net cash from (used) financing	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the mor</b>	<b>(821 557)</b>	<b>(284 129)</b>	<b>–</b>	<b>254 430</b>	<b>(195 606)</b>	<b>(450 036)</b>	<b>230%</b>	<b>–</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	44 218	(104)	1 527	8 315	2 608	27 688	177 483	263 463
<b>Creditors Age Analysis</b>								
Total Creditors	11	–	–	–	–	–	–	11

**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) - M03 September									
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								
<b>Revenue - Functional</b>									
<b>Governance and administration</b>		<b>322 913</b>	<b>340 236</b>	<b>4 021</b>	<b>143 146</b>	<b>85 059</b>	58 087	68%	<b>340 236</b>
Executive and council		-	8 038	-	-	2 009	(2 009)	-100%	8 038
Finance and administration		322 913	332 198	4 021	143 146	83 049	60 097	72%	332 198
Internal audit		-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>4 710</b>	<b>5 464</b>	<b>376</b>	<b>1 039</b>	<b>1 366</b>	(327)	-24%	<b>5 464</b>
Community and social services		4 710	5 073	376	1 039	1 268	(230)	-18%	5 073
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		-	391	1	1	98	(97)	-99%	391
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>63 161</b>	<b>45 527</b>	<b>3 627</b>	<b>6 499</b>	<b>11 382</b>	(4 883)	-43%	<b>45 527</b>
Planning and development		42 536	41 542	3 333	5 748	10 386	(4 637)	-45%	41 542
Road transport		20 625	3 985	293	750	996	(246)	-25%	3 985
Environmental protection		-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>87 854</b>	<b>95 634</b>	<b>7 503</b>	<b>25 017</b>	<b>23 908</b>	1 108	5%	<b>95 634</b>
Energy sources		74 134	80 675	6 246	21 177	20 169	1 008	5%	80 675
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		13 720	14 958	1 257	3 840	3 740	101	3%	14 958
<b>Other</b>	4	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>478 638</b>	<b>486 861</b>	<b>15 527</b>	<b>175 701</b>	<b>121 715</b>	<b>53 986</b>	<b>44%</b>	<b>486 861</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>		<b>217 143</b>	<b>217 123</b>	<b>14 152</b>	<b>44 658</b>	<b>54 361</b>	(9 703)	-18%	<b>217 123</b>
Executive and council		61 619	66 001	4 472	15 296	16 580	(1 285)	-8%	66 001
Finance and administration		155 524	151 121	9 680	29 362	37 780	(8 419)	-22%	151 121
Internal audit		-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>46 599</b>	<b>42 761</b>	<b>4 103</b>	<b>11 235</b>	<b>10 690</b>	545	5%	<b>42 761</b>
Community and social services		33 291	30 811	3 461	9 547	7 703	1 845	24%	30 811
Sport and recreation		12 862	10 030	642	1 672	2 507	(835)	-33%	10 030
Public safety		418	1 890	-	-	472	(472)	-100%	1 890
Housing		29	30	-	15	8	8	101%	30
Health		-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>69 233</b>	<b>83 202</b>	<b>5 715</b>	<b>15 184</b>	<b>20 800</b>	(5 617)	-27%	<b>83 202</b>
Planning and development		18 934	25 716	1 449	3 986	6 429	(2 443)	-38%	25 716
Road transport		46 605	53 423	3 919	10 223	13 356	(3 133)	-23%	53 423
Environmental protection		3 694	4 063	347	975	1 016	(41)	-4%	4 063
<b>Trading services</b>		<b>88 370</b>	<b>99 070</b>	<b>1 648</b>	<b>18 045</b>	<b>27 898</b>	(9 853)	-35%	<b>99 070</b>
Energy sources		77 057	76 143	859	15 298	20 123	(4 825)	-24%	76 143
Water management		-	-	-	-	-	-	-	-
Waste water management		2 543	2 802	237	728	701	27	4%	2 802
Waste management		8 770	20 124	552	2 019	7 074	(5 055)	-71%	20 124
<b>Other</b>		-	<b>876</b>	-	-	<b>219</b>	<b>(219)</b>	<b>-100%</b>	<b>876</b>
<b>Total Expenditure - Functional</b>	3	<b>421 345</b>	<b>443 031</b>	<b>25 618</b>	<b>89 121</b>	<b>113 968</b>	<b>(24 847)</b>	<b>-22%</b>	<b>443 031</b>
<b>Surplus/ (Deficit) for the year</b>		<b>57 293</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>	<b>78 833</b>	<b>1018%</b>	<b>43 830</b>

**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) - M03									
September									
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									
<b>Revenue by Vote</b>	1								
Vote 1 - Executive and council		–	8 038	–	–	2 009	(2 009)	-100.0%	8 038
Vote 2 - Finance and administration		322 913	332 198	4 021	143 146	83 049	60 097	72.4%	332 198
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social services		4 710	5 464	376	1 039	1 366	(327)	-23.9%	5 464
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		42 536	41 542	3 333	5 748	10 386	(4 637)	-44.7%	41 542
Vote 9 - Road transport		20 625	3 985	293	750	996	(246)	-24.7%	3 985
Vote 10 - Energy sources		74 134	80 675	6 246	21 177	20 169	1 008	5.0%	80 675
Vote 11 - Waste Management		13 720	14 958	1 257	3 840	3 740	101	2.7%	14 958
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>478 638</b>	<b>486 861</b>	<b>15 527</b>	<b>175 701</b>	<b>121 715</b>	<b>53 986</b>	<b>44.4%</b>	<b>486 861</b>
<b>Expenditure by Vote</b>	1								
Vote 1 - Executive and council		61 619	66 001	4 472	15 296	16 580	(1 285)	-7.7%	66 001
Vote 2 - Finance and administration		155 524	151 121	9 680	29 362	37 780	(8 419)	-22.3%	151 121
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social services		33 291	30 811	3 461	9 547	7 703	1 845	23.9%	30 811
Vote 5 - Sport and Recreation		12 862	10 030	642	1 672	2 507	(835)	-33.3%	10 030
Vote 6 - Public safety		418	1 890	–	–	472	(472)	-100.0%	1 890
Vote 7 - Housing		29	30	–	15	8	8	100.7%	30
Vote 8 - Planning and Development		18 934	26 592	1 449	3 986	6 648	(2 662)	-40.0%	26 592
Vote 9 - Road transport		49 148	56 225	4 156	10 951	14 056	(3 106)	-22.1%	56 225
Vote 10 - Energy sources		77 057	76 143	859	15 298	20 123	(4 825)	-24.0%	76 143
Vote 11 - Waste Management		8 770	20 124	552	2 019	7 074	(5 055)	-71.5%	20 124
Vote 12 - Environmental Protection		3 694	4 063	347	975	1 016	(41)	-4.0%	4 063
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>421 345</b>	<b>443 031</b>	<b>25 618</b>	<b>89 121</b>	<b>113 968</b>	<b>(24 847)</b>	<b>-21.8%</b>	<b>443 031</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>57 293</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>	<b>78 833</b>	<b>1017.6%</b>	<b>43 830</b>

**Table 1.5** provides information on the planned revenue and operational expenditures against the actual results for the period ending 30th September 2024

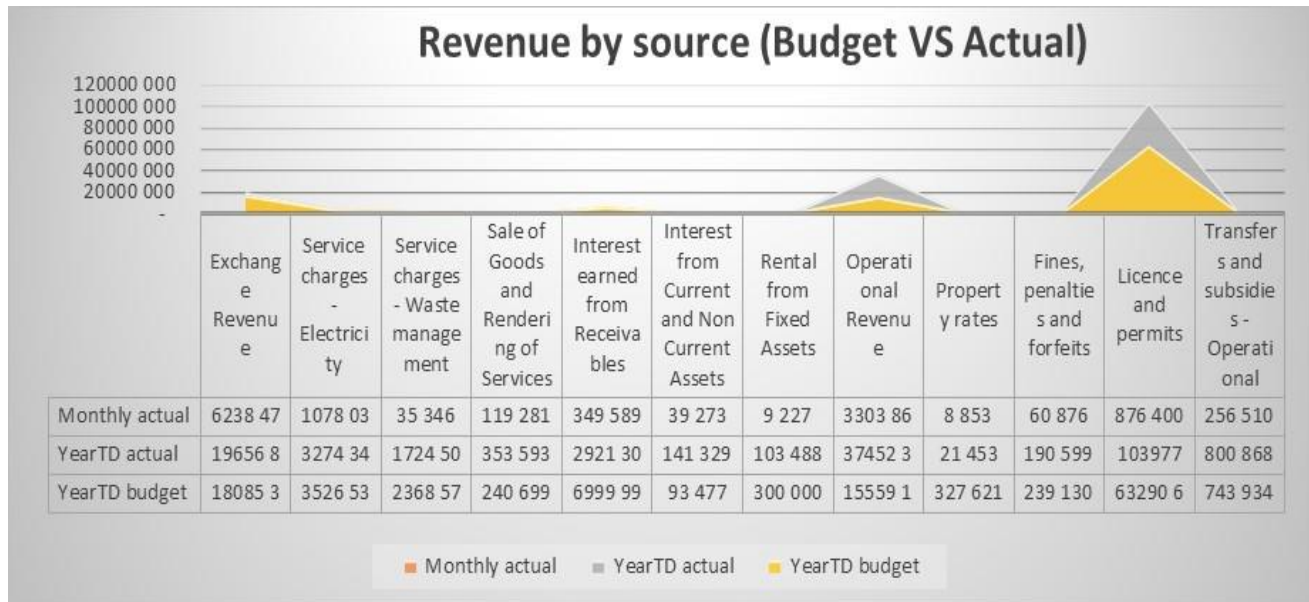
This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

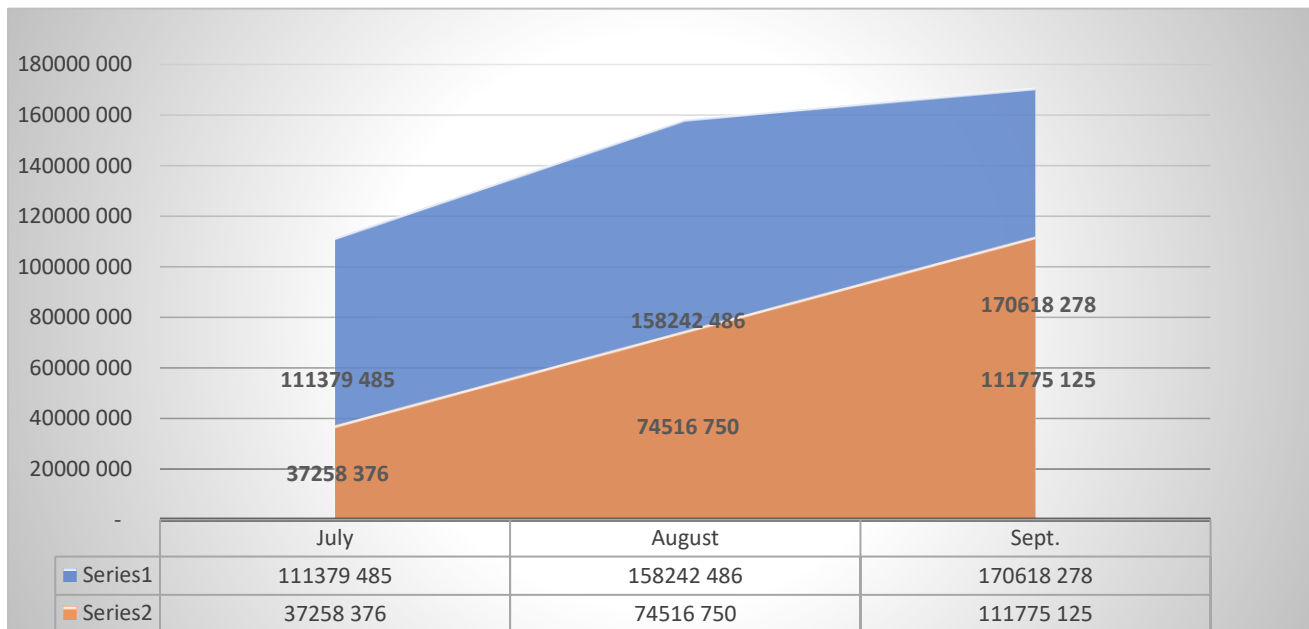
KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity		62 550	72 341	6 238	19 657	18 085	1 571	9%	72 341
Service charges - Water		-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-
Service charges - Waste management		12 380	14 106	1 078	3 274	3 527	(252)	-7%	14 106
Sale of Goods and Rendering of Services		11 818	9 474	35	1 725	2 369	(644)	-27%	9 474
Agency services		-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-
Interest earned from Receivables		919	963	119	354	241	113	47%	963
Interest from Current and Non Current Assets		26 748	28 000	350	2 921	7 000	(4 079)	-58%	28 000
Dividends		-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-
Rental from Fixed Assets		294	374	39	141	93	48	51%	374
Licence and permits		-	-	-	-	-	-	-	-
Operational Revenue		1 507	1 200	9	103	300	(197)	-66%	1 200
<b>Non-Exchange Revenue</b>									
Property rates		57 779	62 237	3 304	37 452	15 559	21 893	141%	62 237
Surcharges and Taxes		-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 584	1 310	9	21	328	(306)	-93%	1 310
Licence and permits		985	957	61	191	239	(49)	-20%	957
Transfers and subsidies - Operational		241 981	253 163	876	103 978	63 291	40 687	64%	253 163
Interest		3 460	2 976	257	801	744	57	8%	2 976
Fuel Levy		-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-
Other Gains		1 541	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>423 545</b>	<b>447 101</b>	<b>12 376</b>	<b>170 618</b>	<b>111 775</b>	<b>58 843</b>	<b>53%</b>	<b>447 101</b>
<b>Expenditure By Type</b>									
Employee related costs		133 709	152 543	11 296	32 633	38 136	(5 503)	-14%	152 543
Remuneration of councillors		14 564	16 388	1 228	3 620	4 097	(477)	-12%	16 388
Bulk purchases - electricity		52 475	57 866	(18)	13 013	14 466	(1 453)	-10%	57 866
Inventory consumed		3 835	4 533	314	517	1 213	(696)	-57%	4 533
Debt impairment		29 387	30 261	-	-	10 696	(10 696)	-100%	30 261
Depreciation and amortisation		33 728	37 856	2 843	8 708	9 464	(756)	-8%	37 856
Interest		137	3 300	18	18	825	(807)	-98%	3 300
Contracted services		85 801	79 270	5 083	14 626	19 817	(5 192)	-26%	79 270
Transfers and subsidies		-	-	-	-	-	-	-	-
Irrecoverable debts written off		3 750	6 261	-	-	1 565	(1 565)	-100%	6 261
Operational costs		62 365	54 755	4 854	15 988	13 689	2 299	17%	54 755
Losses on Disposal of Assets		501	-	-	-	-	-	-	-
Other Losses		456	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>420 707</b>	<b>443 031</b>	<b>25 618</b>	<b>89 121</b>	<b>113 968</b>	<b>(24 847)</b>	<b>-22%</b>	<b>443 031</b>
<b>Surplus/(Deficit)</b>		<b>2 838</b>	<b>4 070</b>	<b>(13 242)</b>	<b>81 497</b>	<b>(2 193)</b>	<b>83 690</b>	<b>(0)</b>	<b>4 070</b>
Transfers and subsidies - capital (monetary allocations)		55 093	39 760	3 151	5 083	9 940	(4 857)	(0)	39 760
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>57 931</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>			<b>43 830</b>
Income Tax		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>57 931</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>			<b>43 830</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>57 931</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>			<b>43 830</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>57 931</b>	<b>43 830</b>	<b>(10 091)</b>	<b>86 580</b>	<b>7 747</b>			<b>43 830</b>

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 R170,6 million for the period ending 30<sup>th</sup> September 2024 excluding capital conditional grant income. The YTD Budget is R111,8 million; therefore, this reflects an over performance against the revenue projected by 53%, 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 R19,7million over a budget YTD of R18,1 million the target for this item has been over achieved as the variance to this vote is 9%.

The actual cash collected is R 11,8 for the month ended September 2024.

### **Service Charges: Refuse**

- The actual revenue from Service Charges Refuse as @ 30<sup>th</sup> September 2024 is R3,3 million against the budgeted income of R3,5million which under performance by 7%.
- The actual cash collected is R329thousand for the month of September 2024.

### **Sale of Goods and rendering services**

- Sale of Goods and services amounts to R1,7 million in comparison with the year-to-date budget of R2,4 million, thus indicating an under performance by R644 thousand or -27%, variance is due to INEP expenditure which has not been recognised. This vote includes tender documents sales vote and Escort fees vote, which is the person responsible for the patrolling of children who are going to school and Library photocopies.

### **Interest earned from receivables.**

- Interest earned from receivables amounts to R354 thousand in comparison with the year-to-date budget of R241 thousand, thus indicating an over performance by R644 thousand or 47%, variance is based on interest charged on outstanding debt.

### **Interest from Current and Non-Current assets**

- Interest earned on external investments amounts to R2,9 million in comparison with the year-to-date budget of R7 million, thus indicating an under performance by R4,1million or 58 percent, variance is caused by the fact that there are no matured investment in this quarter.

### **Rental from fixed assets**

- Revenue from rental of facilities recognised amounts to R141 thousand in comparison with the year-to-date budget amount of R93 thousand thus indicating an over performance of R48thousand or 51%. 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 R103 thousand which is less than anticipated YTD budget of R300 thousand, thus indicating an under performance of R197 thousand or 66%, variance is due to the collection charges not received, as these are paid from customers who are behind with rates and services.

## **NON-EXCHANGE REVENUE**

### **Property Rates**

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements. The YTD Actual for rates shows over-collection Budget of R37,5million, which is an over collection by 141% or R21,9million. The variance in this vote is due to Annual Billing for the year of R30million and the implementation of SV3.
- The actual cash collected being R8,5million for the month ended 30th September 2024.

### **Fines, Penalties and forfeits**

- Fines for the month of September are underperformed by 93% or R306 thousand, over a pro-rata budget of R328 thousand. This is mainly due to the culture of non-payment and adverse economic conditions Revenue reported to date is on cash basis, as the municipality accounts for fines in terms of iGRAP 1 during year end.
- The traffic fines register is yet to be obtained from all law enforcement officers. The same will need to be receipted using the accrual basis of accounting in order to recognise the income accordingly.

### **Licences and permits.**

- Licences and permits have under-performed by 20% or R49 thousand with an actual amount of R239 thousand as compared to pro-rata budget of R191 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.

## Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R104 million YTD Actual in comparison with the YTD budget of R63,3 million, thus indicating an over performance by R40,7 million or 64 percent, variance is mainly attributable to the municipality receiving 1<sup>st</sup> 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 R5,1million in comparison with the YTD budget of R9,9 million, thus indicating an under performance by R4,9 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

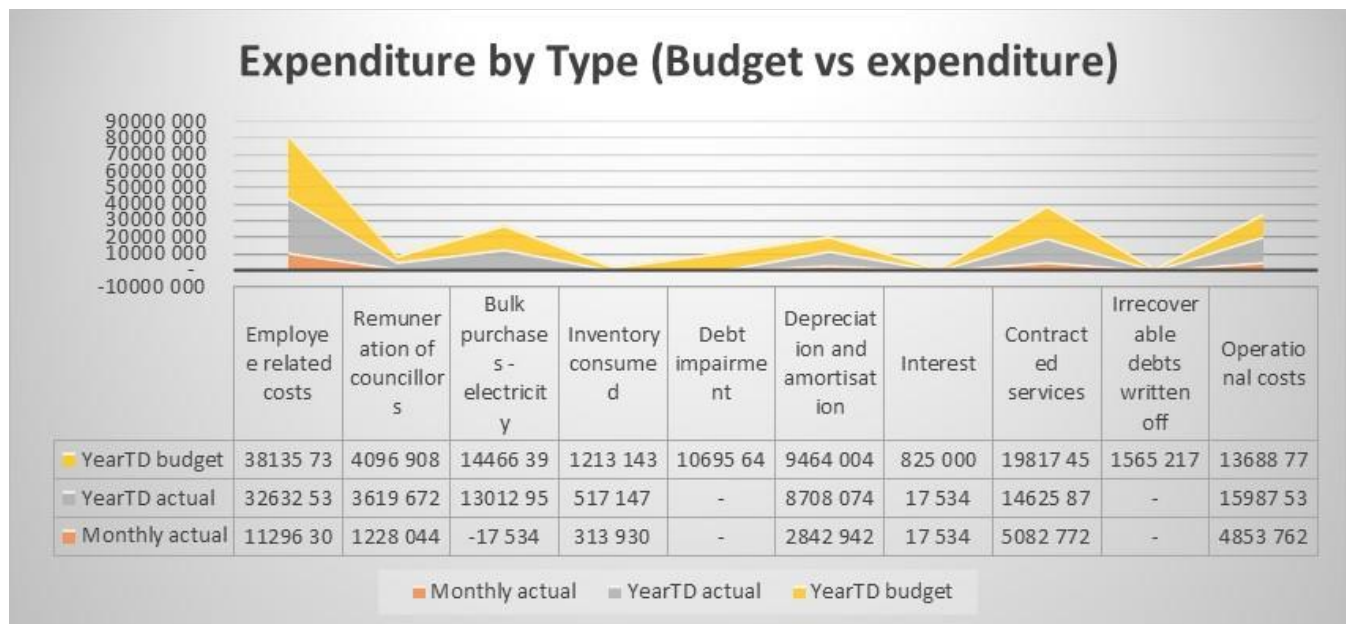
## Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R801thousand in comparison with the year-to-date budget of R744 thousand, thus indicating an over performance by R57 thousand or 8percent.

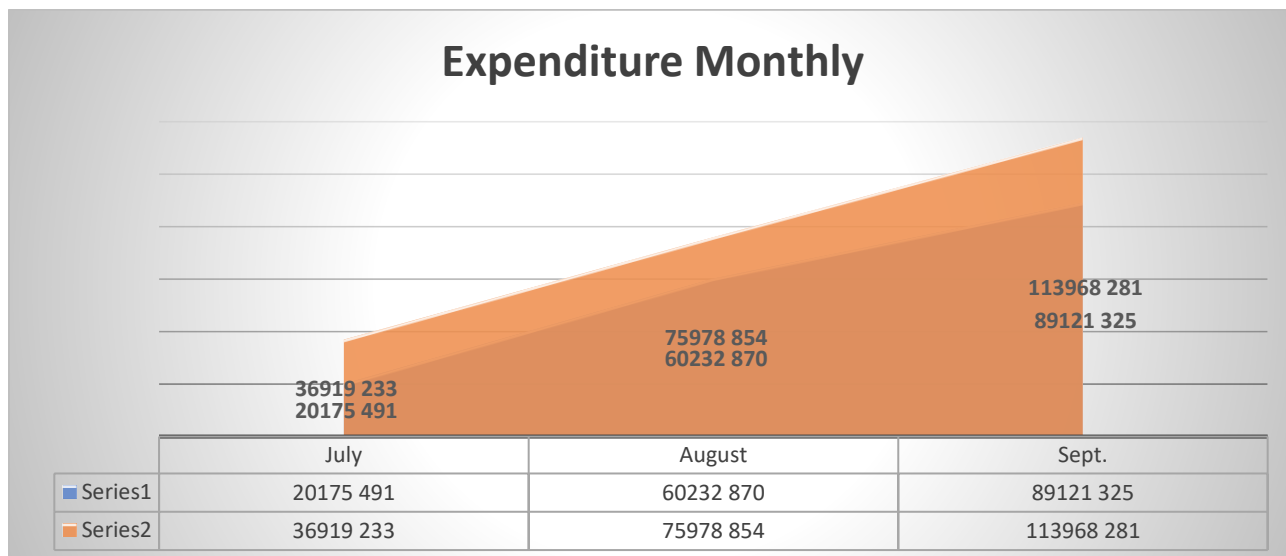
## Operating Expenditure from September 2024

The table below reflects trend of expenditure for the period ended 30th September 2024

**Figure 6**



**Figure 7**



**Operating Expenditure:**

- The total operational expenditure YTD Actual for the period ending 30th September 2024 amounted to R 89,1million against the planned target of R 114 million. As at the end of September the operational expenditure budget has been under spent by -22% or -R24,8million. *Detailed expenditure analysis is below:*

**Employee Related Costs**

- Employee related costs YTD expenditure for the period ending 30th September 2024 amounted to R32,6million while the YTD budget was R38,1million with an underspending of R5,5million or -14%. 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.

**Remuneration of Councilors**

- Councilors’ allowances pro-rata budget as at 30th September 2024 was under spent by R477thousand. The YTD Remuneration of Councilor’s budget was R4,1million whilst the actual expenditure incurred results in under-spending of -12% YTD expenditure performance.
- Variance is due to Cllrs upper limits which have been approved by COGTA in relation to prior financial year. Back pay will be processed once upper limits have been approved.

## **Bulk Purchases**

- The YTD on Bulk purchases amounts to R13,0million which is an under performance when compared to YTD pro-rata budget of R14,5million. The variance of R1,5million or -12% under projected budget is caused by the period variances in Eskom invoices.

## **Inventory Consumed**

- Inventory Consumed are reflecting an underperformance by 57 percent or R696thousand, when compared to YTD budget of R1,2million against the YTD Actual amount of R517thousand 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**

- The YTD for Depreciation and asset impairment is reflecting an under performance by -8percent or R756thousand, when compared to pro-rata budget of R9,5million. The variance of R756thousand is because some of the capex items are still under work-in-progress.

## **Interest**

- Finance charges reflect an underperformance by -98percent, the first invoice has been received and allocated.
- 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 reflects an underspending of 26percent or R5,2million, from YTD budget of R19,8million against the YTD actual of R14,6million, as IDP public consultations will begin in the month of November. This item included all the contracted and outsourced services by the municipality.

### **Irrecoverable debts written off**

- Irrecoverable debts written off has underperformed 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 is overspent in this month by 17%or R2,3million when compared to YTD budget of R13,7million. The variance is due to activities that took place in the first quarter of the financial year. Most of the other expenditure items will take place during the second quarter of the year.

## 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) - M03  
September

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
<b>R thousands</b>	1								
<b>Single Year expenditure appropriation</b>	2								
Vote 1 - Executive and council		1 932	5 870	2 146	3 015	1 467	1 547	105%	5 870
Vote 2 - Finance and administration		14 562	8 557	–	–	2 139	(2 139)	-100%	8 557
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social services		772	4 457	241	241	1 114	(873)	-78%	4 457
Vote 5 - Sport and Recreation		5 512	10 127	–	–	2 532	(2 532)	-100%	10 127
Vote 6 - Public safety		–	939	–	–	235	(235)	-100%	939
Vote 7 - Housing		–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		19 023	12 191	334	334	3 048	(2 714)	-89%	12 191
Vote 9 - Road transport		89 974	79 535	780	2 572	19 884	(17 312)	-87%	79 535
Vote 10 - Energy sources		2 154	3 752	470	470	938	(468)	-50%	3 752
Vote 11 - Waste Management		5 734	2 174	546	546	543	3	0%	2 174
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
<b>Total Capital single-year expenditure</b>	4	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
<b>Total Capital Expenditure</b>		<b>139 662</b>	<b>127 600</b>	<b>4 517</b>	<b>7 177</b>	<b>31 900</b>	<b>(24 723)</b>	<b>-78%</b>	<b>127 600</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>		<b>16 494</b>	<b>14 426</b>	<b>2 146</b>	<b>3 015</b>	<b>3 607</b>	(592)	-16%	<b>14 426</b>
Executive and council		1 932	5 870	2 146	3 015	1 467	1 547	105%	5 870
Finance and administration		14 562	8 557	–	–	2 139	(2 139)	-100%	8 557
Internal audit		–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>6 284</b>	<b>15 522</b>	<b>241</b>	<b>241</b>	<b>3 881</b>	(3 640)	-94%	<b>15 522</b>
Community and social services		772	4 457	241	241	1 114	(873)	-78%	4 457
Sport and recreation		5 512	10 127	–	–	2 532	(2 532)	-100%	10 127
Public safety		–	939	–	–	235	(235)	-100%	939
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>108 996</b>	<b>91 726</b>	<b>1 113</b>	<b>2 906</b>	<b>22 931</b>	(20 026)	-87%	<b>91 726</b>
Planning and development		19 023	12 191	334	334	3 048	(2 714)	-89%	12 191
Road transport		89 974	79 535	780	2 572	19 884	(17 312)	-87%	79 535
Environmental protection		–	–	–	–	–	–	–	–
<b>Trading services</b>		<b>7 888</b>	<b>5 926</b>	<b>1 016</b>	<b>1 016</b>	<b>1 481</b>	(466)	-31%	<b>5 926</b>
Energy sources		2 154	3 752	470	470	938	(468)	-50%	3 752
Water management		–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–
Waste management		5 734	2 174	546	546	543	3	0%	2 174
<b>Other</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>139 662</b>	<b>127 600</b>	<b>4 517</b>	<b>7 177</b>	<b>31 900</b>	<b>(24 723)</b>	<b>-78%</b>	<b>127 600</b>
<b>Funded by:</b>									
National Government		51 072	33 963	3 538	5 437	8 491	(3 054)	-36%	33 963
Provincial Government		717	739	–	–	185	(185)	-100%	739
District Municipality		–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>		<b>51 789</b>	<b>34 702</b>	<b>3 538</b>	<b>5 437</b>	<b>8 675</b>	<b>(3 239)</b>	<b>-37%</b>	<b>34 702</b>
<b>Borrowing</b>	6	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>		<b>87 873</b>	<b>92 898</b>	<b>979</b>	<b>1 740</b>	<b>23 225</b>	<b>(21 484)</b>	<b>-93%</b>	<b>92 898</b>
<b>Total Capital Funding</b>		<b>139 662</b>	<b>127 600</b>	<b>4 517</b>	<b>7 177</b>	<b>31 900</b>	<b>(24 723)</b>	<b>-78%</b>	<b>127 600</b>

### Capital Expenditure from September 2024:

The YTD capital expenditure budget is R7,2million against YTD actual Capital expenditure amounted to R31,9million resulting in an under performance of (78%) 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 September 2024**



- Capital grants funded by National Government actual is R5,4million versus YTD Budget of R8,5million, expenditure reported has been underspent by (36%). However, the municipality will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government has no expenditure therefore it has a variance 100%.
- Capital grants funded Internally actual is R1,7 million versus YTD Budget of R23,2 million variance of 93% reflects and under expenditure on this item. Delay in the commencement of works due to community dissatisfaction about labour and CLO recruitment. 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



## 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 - M03 September

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
<b>R thousands</b>	1								%
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>		<b>10 904</b>	<b>15 113</b>	<b>654</b>	<b>840</b>	<b>3 778</b>	2 938	<b>77.8%</b>	<b>15 113</b>
Roads Infrastructure		6 397	8 548	330	330	2 137	1 807	<b>84.6%</b>	8 548
<i>Roads</i>		6 397	7 939	330	330	1 985	1 655	<b>83.4%</b>	7 939
<i>Road Structures</i>		–	435	–	–	109	109	<b>100.0%</b>	435
<i>Road Furniture</i>		–	174	–	–	43	43	<b>100.0%</b>	174
<i>Capital Spares</i>		–	–	–	–	–	–		–
Storm water Infrastructure		1 017	2 870	4	4	717	714	<b>99.5%</b>	2 870
<i>Drainage Collection</i>		1 017	2 870	4	4	717	714	<b>99.5%</b>	2 870
<i>Storm water Conveyance</i>		–	–	–	–	–	–		–
<i>Attenuation</i>		–	–	–	–	–	–		–
Electrical Infrastructure		2 518	3 000	272	272	750	478	<b>63.7%</b>	3 000
<i>Power Plants</i>		–	43	–	–	11	11	<b>100.0%</b>	43
<i>HV Substations</i>		–	–	–	–	–	–		–
<i>HV Switching Station</i>		–	–	–	–	–	–		–
<i>HV Transmission Conductors</i>		521	739	–	–	185	185	<b>100.0%</b>	739
<i>MV Substations</i>		77	43	5	5	11	6	<b>55.3%</b>	43
<i>MV Switching Stations</i>		–	–	–	–	–	–		–
<i>MV Networks</i>		47	130	–	–	33	33	<b>100.0%</b>	130
<i>LV Networks</i>		784	739	268	268	185	(83)	<b>-44.8%</b>	739
<i>Capital Spares</i>		1 089	1 304	–	–	326	326	<b>100.0%</b>	1 304
Water Supply Infrastructure		–	–	–	–	–	–		–
<i>Capital Spares</i>		–	–	–	–	–	–		–
Information and Communication Infrast		972	696	48	234	174	(60)	<b>-34.6%</b>	696
<i>Data Centres</i>		–	–	–	–	–	–		–
<i>Core Layers</i>		972	696	48	234	174	(60)	<b>-34.6%</b>	696
<i>Distribution Layers</i>		–	–	–	–	–	–		–
<i>Capital Spares</i>		–	–	–	–	–	–		–
<b>Community Assets</b>		<b>1 843</b>	<b>2 148</b>	<b>33</b>	<b>188</b>	<b>537</b>	<b>349</b>	<b>65.0%</b>	<b>2 148</b>
Community Facilities		207	174	–	–	43	43	<b>100.0%</b>	174
<i>Halls</i>		107	–	–	–	–	–		–
<i>Police</i>		–	–	–	–	–	–		–
<i>PurIs</i>		101	174	–	–	43	43	<b>100.0%</b>	174
<i>Public Open Space</i>		–	–	–	–	–	–		–
<i>Taxi Ranks/Bus Terminals</i>		–	–	–	–	–	–		–
<i>Capital Spares</i>		–	–	–	–	–	–		–
Sport and Recreation Facilities		1 635	1 974	33	188	493	306	<b>61.9%</b>	1 974
<i>Indoor Facilities</i>		–	–	–	–	–	–		–
<i>Outdoor Facilities</i>		1 635	1 974	33	188	493	306	<b>61.9%</b>	1 974
<i>Capital Spares</i>		–	–	–	–	–	–		–
<b>Machinery and Equipment</b>		<b>5 289</b>	<b>6 348</b>	<b>839</b>	<b>2 045</b>	<b>1 587</b>	<b>(458)</b>	<b>-28.9%</b>	<b>6 348</b>
Machinery and Equipment		5 289	6 348	839	2 045	1 587	(458)	<b>-28.9%</b>	6 348
<i>Zoological plants and animals</i>		–	–	–	–	–	–		–
<b>Total Repairs and Maintena</b>	1	<b>18 065</b>	<b>23 609</b>	<b>1 526</b>	<b>3 073</b>	<b>5 902</b>	<b>2 829</b>	<b>47.9%</b>	<b>23 609</b>

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:**

2024/25 Financial Year MIG Allocation	<b>R43 498 000</b>
<b>Less:</b> Total Expenditure (incl. Retention)	R 3 732 536
Balance	R 39 765 464
Expenditure of as a %	<b>8.6%</b>

**Projects under Construction Stage**

- a) Construction of a Sportsfield in Hlomendlini
- b) 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).
- c) Nyoni Taxi Route Phase 4
- d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- e) The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- f) Upgrade of Machibini Link Road in Isithebe in Ward 10 and Ward 12

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

- g) Upgrade of Rural Gravel Roads in Mandeni, Phase 5 - Ward 8
- h) Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- i) Construction of a Sportsfield in Ward 2, Mandeni
- j) Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
- k) Construction of a Sportsfield in Ward 1, Mandeni
- l) Construction of Community Hall in Ward 8
- m) 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)

2024/25 Financial Year Allocation	<b>R 9 227 000</b>
<b>Less:</b> Total Expenditure	R 0
Balance	R 9 227 000
Expenditure as a %	<b>0%</b>

### Projects under Planning Stage

- a) Mandeni Sub-station - Bulk

## 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
<b>TOTALS (Incl. Vat)</b>	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 allow for the energization and commissioning of the high masts.

**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 cannot 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**

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 846 700.02	R 1 317 689.58
<b>Construction Cost (incl. Retention)</b>	R 8 041 369.71	R 3 493 216.27
<b>Sub-Total (MIG Funds)</b>	R 8 888 069.73	R 4 810 905.85
<b>Sub-total (Internal Funds Approved (26.07.2023))</b>	R 1 547 441.12	R0.00
<b>TOTALS (Incl Vat)</b>	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 27<sup>th</sup> March 2024. Consultant is due to submit a draft bid document along with the project cost estimate and outstanding scope of works.

**c) 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 15 731 114.64
<b>TOTALS (Incl Vat)</b>	<b>R 18 610 654.99</b>	<b>R 17 987 838.14</b>

**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 96.5%:** 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 95%, service crossing ducts 92%, Subsoil Drainage G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 100%, Road Signs & Marking 40%, Speed Humps 81%, Guardrails 100%, Kerbing and Channel 70%, Gabion Retaining Wall 0%.

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. The Contractor’s performance for the month of August 2024 was not satisfactory and it was noted to be slow as the practical completion of the 31 August 2024 was not achieved.

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

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 1 532 598.83	R 1 099 409.34
<b>Construction Cost (incl. Retention)</b>	R 12 148 430.66	R 6 810 078.90
<b>Internal Funds</b>	R 667 565.79	R 0.00
<b>TOTALS (Incl. Vat)</b>	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 52%:** Site establishment 100%, Site Clearance 80%, Mass earthworks 90%, Roadbed preparation 80%, C4 Stabilized layer 12%, Stormwater 75%, Manholes 50%, subsoil drainage 50%, 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 26<sup>th</sup> 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 6<sup>th</sup> of March 2024 that the labourers are going to work on full time basis.

Slow progress on site has still been noted for the month of August 2024 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 4 weeks behind their revised acceleration plan. A letter of slow progress and noncompliance was again issued on **Friday, 16<sup>th</sup> August 2024** where the Contractor failed to acknowledge or respond. Furthermore, the Municipality made the decision of issuing a Final Termination letter dated **Thursday, 22<sup>nd</sup> August 2024** requesting the Contractor to vacate the site.

### 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 4 326 420.32
Internal Funds	R 4 629 230.16	R 0.00
<b>TOTALS (Incl. Vat)</b>	<b>R 17 553 032.14</b>	<b>R 5 791 827.11</b>

#### 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 34%:** Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 24% Road Construction Works 24%, Stormwater 31%, 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 and water pipe bursts.

## 5.2. Municipal Internal Funding:

### Projects under Construction Stage

#### **Repair and Renovation of Civic Centre Roof in Mandeni**

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 1 829 510.70	R 1 829 510.71
<b>Construction Cost (Excluding Retention)</b>	R10 993 497.45	R 10 993 497.47
<b>TOTALS (Incl Vat)</b>	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:** September 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 100%:** project is completed.

**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. The smoke and fire system was commissioned on **Monday, 26<sup>th</sup> August 2024** and the contractor is currently attending to all snags with the proposed final inspection with all user departments on **Monday, 9<sup>th</sup> September 2024**.

#### A) 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
<b>TOTALS (Incl. Vat)</b>	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%

## B) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost	R 16 996 962.19	R 13 106 017.17
<b>TOTALS (Incl. Vat)</b>	<b>R 18 907 069.16</b>	<b>R 14 880 669.05</b>

### Project Details

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

### Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m<sup>2</sup> Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m<sup>2</sup> Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m<sup>2</sup>
- 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 100.70m<sup>2</sup> Office Block 15%, Earthworks 40%, Construction of the new 146m<sup>2</sup> Mechanical workshop 55%, Construction of the new canteen 95%,

Extension of the existing storage rooms by 114m<sup>2</sup> 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. The Contractor has had very little improvements with regards to the rate of construction works and resource allocations along with project planning. As a result, the Contractor was issued with a letter of slow progress and noncompliance dated Friday, 29<sup>th</sup> August 2024 which we are still yet to receive an acknowledgement or response.

### C) 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
<b>TOTALS (Incl. Vat)</b>	<b>R 3 116 065.28</b>	<b>R 2 603 994.49</b>

#### 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 77%:** The construction on the project currently sits at 77%, 50 out of 52 poles have been planted with light fittings. Awaiting delivery of electrical control boxes and delivery of a cable, 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. Also, the contractor has been communicating that they are experiencing difficulties in obtaining the specified cable type and size from the suppliers. Delivery of a cable is delayed due to this reason. Consultant to advise on next meeting scheduled for the 6<sup>th</sup> of September 2024 with regards to possible options regarding this matter.

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

#### Projects under Construction

#### a) 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
<b>TOTAL (excl. vat)</b>	<b>R 3 941 297.11</b>	<b>R 3 941 297.11</b>

#### 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 95% complete. There are 110 dry connections that have been achieved. Awaiting Eskom to grant outage date and energize. Eskom has granted outages for the 17<sup>th</sup> and 19<sup>th</sup> of September and last outage will be on the 1<sup>st</sup> of October 2024.



**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.

**b) Okhovothe Electrification Project**

<b>CATEGORY</b>	<b>TENDER AMOUNT</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R210 983.83	R128 424.94
<b>Construction Cost Incl. (Retention)</b>	R 899 998.72	R 582 773.82
<b>Performance Guarantee Incl. (Vat)</b>		R 103 499.87
<b>TOTAL (Excl. Vat)</b>	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.

c) **Mandeni Substation Project**

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

**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. Consultant has not provided the municipality with a feasibility study to determine if the proposed project is implementable in terms of Eskom requirements and availability of capacity.

**5.4. Projects under Massification Grant**

d) **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
<b>TOTAL Excl. (Vat)</b>	<b>R1 783 633.26</b>	<b>R 1 685 836.17</b>

**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

**e) Mantshangula Mhlubulweni Electrification Project**

<b>CATEGORY</b>	<b>TENDER AMOUNT</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 716 075,63	R 761 075.63
<b>Construction Cost</b>	R 3 906 727.96	R 3 551 570.88
<b>TOTAL Excl. (Vat)</b>	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. Project has been energised.

**6 IMPLICATIONS**

**6.1 FINANCIAL**

All projects being implemented will have to be funded in terms of the approved municipal budget. Funding is either through grant funding or municipal revenue funding.

**6.2 LEGAL**

All procurement will be done in terms of the Municipal Supply Chain Management Policy, or any other relevant policy of council and implementation will be in terms of all relevant legislation or regulations applicable.

### 5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

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
<b>R thousands</b>									
<b>RECEIPTS:</b>	1,2								
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>		261 703	258 621	-	107 440	22 321	85 119	381.3%	249 394
EPWP Incentive	-	4 807	1 815	-	454	151	303	200.2%	1 815
Finance Management	-	1 850	1 800	-	1 800	150	1 650	1100.0%	1 800
Integrated National Electrification Program	-	7 200	9 227	-	1 500	1 538	(38)	-2.5%	-
Local Government Equitable Share	-	230 823	243 588	-	101 495	20 299	81 196	400.0%	243 588
Municipal Infrastructure Grant	-	17 023	2 191	-	2 191	183	2 008	1100.2%	2 191
	3						-		
							-		
							-		
							-		
Other transfers and grants [insert description]							-		
<b>Provincial Government:</b>		55 896	2 226	-	-	-	-		-
KwaZulu-Natal_Infrastructure_Infrastructur	-	50 633	-	-	-	-	-		-
EDTEA		840					-		
LIBRARY	4	4 423	2 226				-		
							-		
Other transfers and grants [insert description]							-		
							-		
<b>Total Operating Transfers and Grants</b>	5	317 599	260 847	-	107 440	22 321	85 119	381.3%	249 394
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>		56 570	38 910	-	11 410	9 728	1 682	17.3%	38 910
Municipal Infrastructure Grant (MIG)	-	41 014	38 910	-	11 410	9 728	1 682	17.3%	38 910
Integrated National Electrification Program	-	15 556							
Other capital transfers [insert description]							-		
<b>Provincial Government:</b>		9 217	850	-	-	213	(213)	-100.0%	4 619
LIBRARY	-	9 217	850	-	-	213	(385)	-100.0%	4 619
<b>Total Capital Transfers and Grants</b>	5	65 787	39 760	-	11 410	9 940	1 470	14.8%	43 529
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GR</b>	5	383 387	300 607	-	118 850	32 261	86 589	268.4%	292 923

## 5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

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
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>		261 703	258 621	14 193	65 719	62 348	3 371	5.4%	987 358
EPWP Incentive	_	4 807	1 815	225	543	454	90	19.8%	1 815
Finance Management	_	1 850	1 800	135	468	450	18	4.0%	7 200
Integrated National Electrification Pro	_	7 200	9 227	-	-	-	-	-	1 800
Local Government Equitable Share	_	230 823	243 588	13 661	64 160	60 897	3 263	5.4%	974 352
Municipal Infrastructure Grant	_	17 023	2 191	172	548	548	0	0.1%	2 191
0									
Other transfers and grants [insert description]									
<b>Provincial Government:</b>		5 263	2 226	344	923	557	366	65.8%	8 904
0									
0	_	-	-	-	-	-	-	-	-
EDTEA		840							
LIBRARY		4 423	2 226	344	923	557	366	65.8%	8 904
Other transfers and grants [insert description]									
<b>District Municipality:</b>		-	-	-	-	-	-	-	-
[insert description]									
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-
<b>Other Transfers Public Corporatio</b>	_	-							
[insert description]									
<b>Total operating expenditure of Transfers and Grants</b>		266 966	260 847	14 537	66 642	62 905	3 737	5.9%	996 262
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>		56 570	38 910	3 151	7 021	9 728	(2 707)	-27.8%	155 642
Municipal Infrastructure Grant (MIG)	_	41 014	38 910	3 151	7 021	9 728	(2 707)	-27.8%	155 642
MASSIFICATION GRANT	_	15 556							
0									
0									
Other capital transfers [insert description]									
<b>Provincial Government:</b>		-	850	-	-	-	-	-	-
LIBRARY			850						
0									
<b>District Municipality:</b>		-	-	-	-	-	-	-	-
0									
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-
0									
<b>Total capital expenditure of Transfers and Grants</b>		56 570	39 760	3 151	7 021	9 728	(2 707)	-27.8%	155 642
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		323 536	300 607	17 688	73 663	72 633	1 031	1.4%	1 151 903

### 3. Debtors Age Analysis

**Table SC3 Monthly Budget Statement\_ Debtors Age Analysis**

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September														
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			
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange	1300	7 109	(2)	349	290	140	97	378	2 490	10 850	3 394	-	-	
Receivables from Non-exchange Transactions	1400	34 101	(70)	40	(26)	6 923	1 284	20 510	79 844	142 605	108 535	-	-	
Receivables from Exchange Transactions	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions	1600	2 194	(32)	944	891	881	863	4 827	56 887	67 455	64 349	-	-	
Receivables from Exchange Transactions	1700	35	-	6	2	2	2	6	121	173	132	-	-	
Interest on Arrear Debtor Accounts	1810	765	-	389	371	370	364	1 966	32 471	36 695	35 541	-	-	
Recoverable unauthorised, irregular, etc	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	15	-	-	-	-	-	-	5 670	5 686	5 670	-	-	
<b>Total By Income Source</b>	<b>2000</b>	<b>44 218</b>	<b>(104)</b>	<b>1 727</b>	<b>1 527</b>	<b>8 315</b>	<b>2 608</b>	<b>27 688</b>	<b>177 483</b>	<b>263 463</b>	<b>217 621</b>	<b>-</b>	<b>-</b>	
<b>2023/24 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	17 801	(36)	103	78	5 522	270	3 773	22 528	50 039	32 171	-	-	
Commercial	2300	18 996	(13)	112	113	438	413	8 319	20 322	48 700	29 604	-	-	
Households	2400	6 397	(55)	1 387	1 216	1 895	1 806	14 117	131 335	158 098	150 369	-	-	
Other	2500	1 024	(0)	125	120	461	120	1 478	3 298	6 626	5 477	-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>44 218</b>	<b>(104)</b>	<b>1 727</b>	<b>1 527</b>	<b>8 315</b>	<b>2 608</b>	<b>27 688</b>	<b>177 483</b>	<b>263 463</b>	<b>217 621</b>	<b>-</b>	<b>-</b>	

The total Consumer debtors outstanding as 30th September 2024 is **R 263,5 million**

- Debt book indicates 4% increase from to 1<sup>st</sup> July 2024 to September 2024, within a month the debt book has accumulated a 4% increase.
- Debtors collection rate at September 2024 is 55%
- 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.

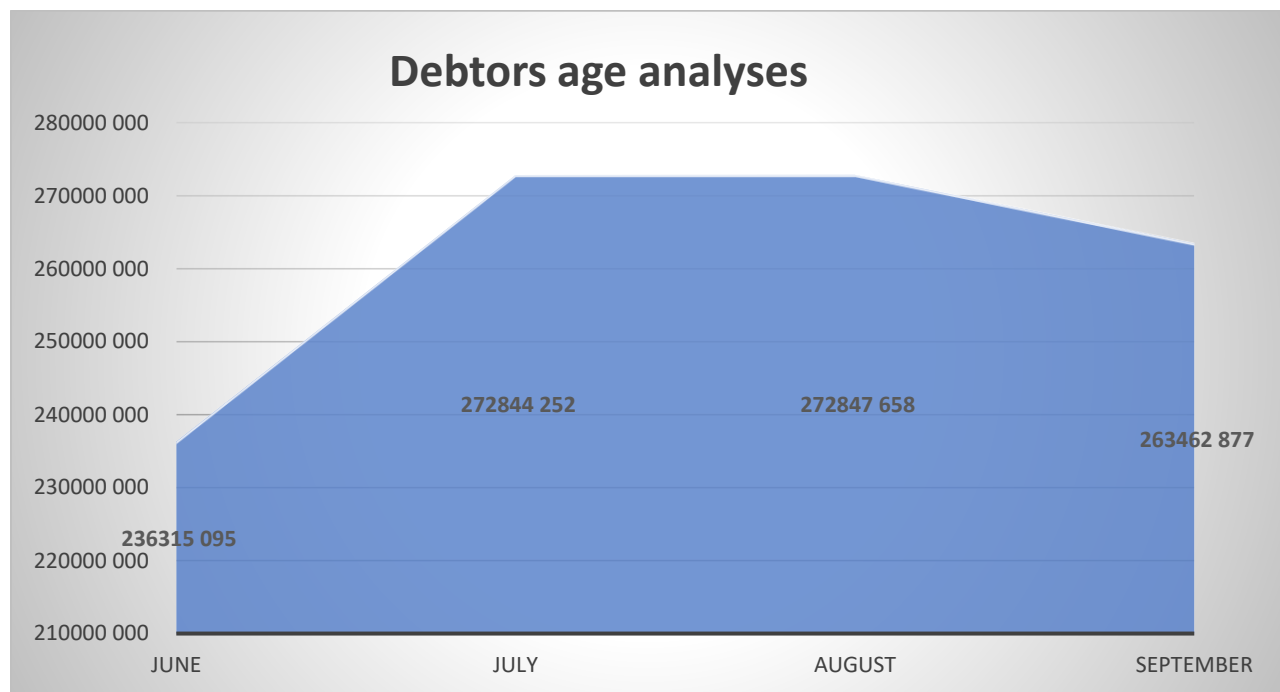
### 2022/23 Debt Collection

- 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)

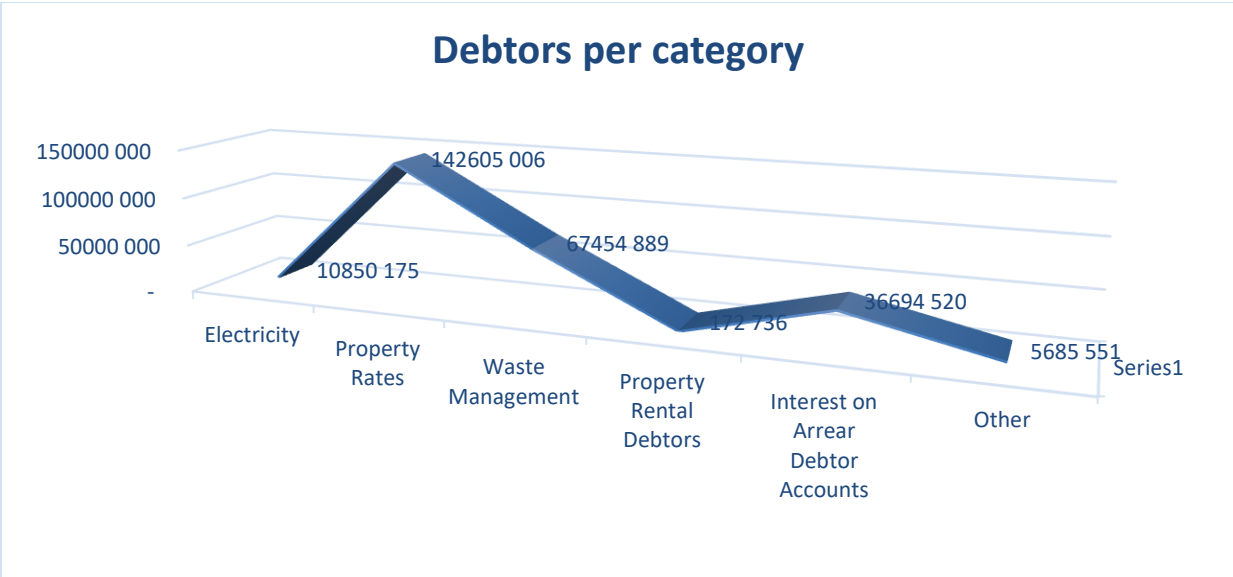
- On a weekly basis, a list of top 20 debtors (businesses, government and domestic) is extracted from the debtors list.
- Debtors selected are encouraged to come and make arrangements for payment;
- In the event that they still default on payments, these debtors are written final demand letters and if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

**Figure 9**



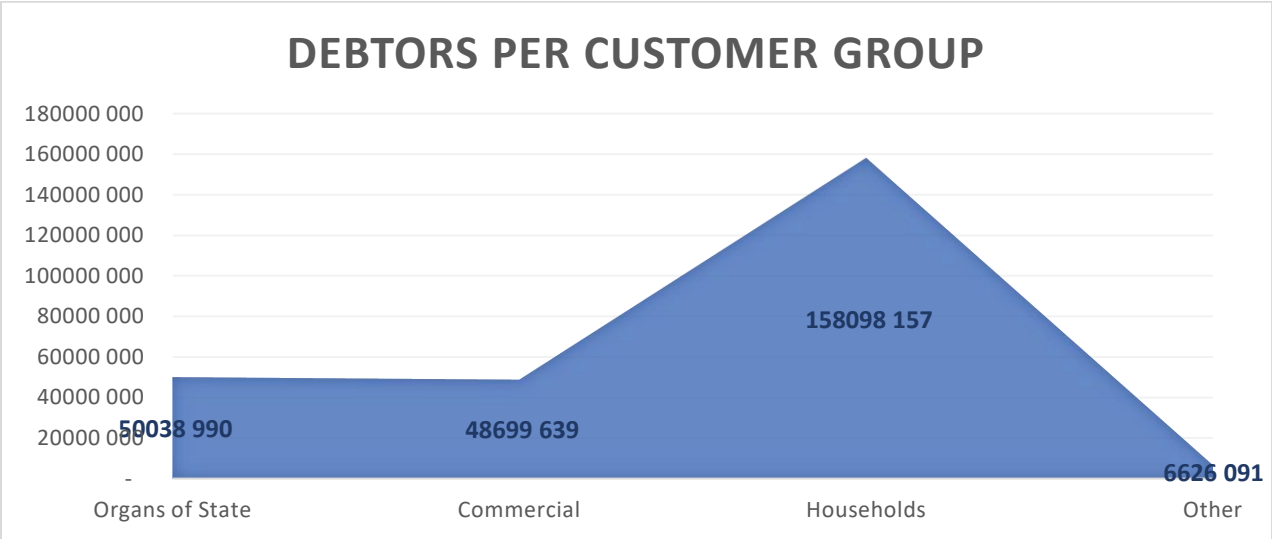
**Figure 10**





The municipal debtors have increased from R236.3 million to R263,5 million that is from July 2024 until 30th September 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 September 2024**



**Councilors and Employees in Arrear**

- Debt outstanding on Councilors as at September is R179,573.93
- Staff Accounts in arrears as at September 2024 is R 65,073.29

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 - M03 September

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		
<b>R thousands</b>												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	11	-	-	-	-	-	-	-	11	11	11
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>11</b>

- Creditors aging is R11thousand as of 30th September 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 (SEPTEMBER 2024)

Name	Amount
ESKOM HOLDING	R 212 671.52
EMALANGENI	R 651 091.19
RURAL METRO	R 401 018.60
BAMBHANANI ENTERPRISE	R 51 727.71
MALUTHULI TRADING	R 230 000.00
EZAMALUNQA	R 1 364 246.55
NJOMISA BOEDERY	R 42 765.62
CITY OF CHOICE	R 375 512.67
ILEMBE MUNICIPALITY	
CONLOG	R 323 444.31

## 5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

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

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M03 September					
Description	Ref	2023/24	Budget Year 2024/25		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1				
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		208 837	78 954	254 430	78 954
Trade and other receivables from exchange trans		57 612	33 169	60 419	33 169
Receivables from non-exchange transactions		(11 309)	36 042	9 252	36 042
Current portion of non-current receivables		–	–	–	–
Inventory		42 734	38 984	42 633	38 984
VAT		7 677	53 465	2 990	53 465
Other current assets		225	–	–	–
<b>Total current assets</b>		<b>305 776</b>	<b>240 614</b>	<b>369 725</b>	<b>240 614</b>
<b>Non current assets</b>					
Investments		–	–	–	–
Investment property		41 913	60 544	41 913	60 544
Property, plant and equipment		669 291	631 390	674 354	631 390
Biological assets		–	–	–	–
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		2 372	298	2 351	298
Trade and other receivables from exchange trans		–	–	–	–
Non-current receivables from non-exchange trans		–	–	–	–
Other non-current assets		–	–	–	–
<b>Total non current assets</b>		<b>713 576</b>	<b>692 232</b>	<b>718 618</b>	<b>692 232</b>
<b>TOTAL ASSETS</b>		<b>1 019 352</b>	<b>932 846</b>	<b>1 088 343</b>	<b>932 846</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft		–	–	–	–
Financial liabilities		6 043	–	5 815	–
Consumer deposits		170	216	204	216
Trade and other payables from exchange transac		54 641	23 220	27 407	23 220
Trade and other payables from non-exchange tra		9 028	8 284	17 216	8 284
Provision		4 572	8 677	4 572	8 677
VAT		5 312	14 759	6 963	14 759
Other current liabilities		–	–	–	–
<b>Total current liabilities</b>		<b>79 767</b>	<b>55 157</b>	<b>62 178</b>	<b>55 157</b>
<b>Non current liabilities</b>					
Financial liabilities		–	–	–	–
Provision		–	–	–	–
Long term portion of trade payables		–	–	–	–
Other non-current liabilities		21 070	22 993	21 070	22 993
<b>Total non current liabilities</b>		<b>21 070</b>	<b>22 993</b>	<b>21 070</b>	<b>22 993</b>
<b>TOTAL LIABILITIES</b>		<b>100 837</b>	<b>78 150</b>	<b>83 248</b>	<b>78 150</b>
<b>NET ASSETS</b>	2	<b>918 515</b>	<b>854 696</b>	<b>1 005 094</b>	<b>854 696</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)		715 842	852 610	802 422	852 610
Reserves and funds		202 672	2 086	202 672	2 086
Other		–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUIT</b>	2	<b>918 515</b>	<b>854 696</b>	<b>1 005 094</b>	<b>854 696</b>

## RATIOS FOR THE MONTH

**Current ratio:** The municipality's current assets are (6) times that of current liabilities. 5.95:0.17  
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 5.95 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, R5.95c

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

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

**Outstanding debtors:** billing far exceeds the collection on outstanding debt at the rate of 55%.

**Collection days:** 1514 days it takes the municipality to collect outstanding debt.

**Cost coverage:** on average the municipality has sustained its existence for the period of 6 month without any grant funding.

**Debtors collection rate: as** at first month is 55 %

	6 Month
Cash and cash equivalents	12 771 600
Unspent Conditional Grants	16 880 282
Overdraft	-
Short Term Investments	242 875 434
Total Annual Operational Expenditure	443 030 793

	5.95
Current Assets	369 724 672
Current Liabilities	62 177 863

	118%
Cash and cash Equivalents	12 771 600
Bank Overdraft	-
Short Term Investment	242 875 434
Long Term Investment	-
Unspent Grants	16 880 282
Net Assets	1 005 094 281
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	802 421 952

	0 days
Trade Creditors	11 000
Contracted Services	14 626 000
Repairs and Maintenance	3 073 248
General expenses	15 988 000
Bulk Purchases	13 030 486
Capital Credit Purchases ( <i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i> )	885 233

	48%
Employee/personnel related cost	32 632 536
Councillors Remuneration	3 619 672
Total Operating Expenditure	75 978 854
Taxation Expense	-

	16%
Contracted Services	14 625 874
Total Operating Expenditure	89 121 325
Taxation Expense	

	55%
Gross Debtors closing balance	263 462 871
Gross Debtors opening balance	236 985 481
Bad debts written Off	-
Billed Revenue	59 328 785

	15%
Consumer Debtors Bad debts written off	4 388 493
Consumer Debtors Current bad debt Provision	29 387 143

	1 514 days
Gross debtors	275 435 176
Bad debts Provision	29 387 143
Billed Revenue	59 328 785

## 6. MONTHLY BUDGET STATEMENT -CASH FLOW

**Table C7 below display the Cash Flow Statement for the period ending 30th September**  
**KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M03 September**

Description	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
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		(40 514)	31 118	-	7 963	15 684	7 780	7 905	102%	31 118
Service charges		(61 631)	75 777	-	12 380	20 595	18 944	1 651	9%	75 777
Other revenue		16 188	4 674	-	154	12 118	1 356	10 762	794%	4 674
Transfers and Subsidies - Operational		308 943	262 390	-	-	105 249	70 211	35 038	50%	262 390
Transfers and Subsidies - Capital		136 331	39 760	-	-	13 601	9 940	3 661	37%	39 760
Interest		31 127	28 000	-	725	4 076	7 000	(2 924)	-42%	28 000
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(463 749)	(707 876)	-	(24 073)	(117 429)	(168 775)	(51 346)	30%	(707 876)
Finance charges		-	(3 300)	-	-	(18)	(825)	(807)	98%	(3 300)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(73 304)</b>	<b>(269 456)</b>	<b>-</b>	<b>(2 851)</b>	<b>53 876</b>	<b>(54 370)</b>	<b>(108 246)</b>	<b>199%</b>	<b>(269 456)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(616 240)	168 751	-	(1 049)	(8 254)	42 188	50 441	120%	168 751
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(616 240)</b>	<b>168 751</b>	<b>-</b>	<b>(1 049)</b>	<b>(8 254)</b>	<b>42 188</b>	<b>50 441</b>	<b>120%</b>	<b>168 751</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(689 545)</b>	<b>(100 705)</b>	<b>-</b>	<b>(3 901)</b>	<b>45 623</b>	<b>(12 182)</b>			<b>-</b>
Cash/cash equivalents at beginning:		(132 013)	(183 424)	-	-	208 808	(183 424)			208 808
Cash/cash equivalents at month/year end:		(821 557)	(284 129)	-	-	254 430	(195 606)			-

Cash and cash equivalent at the beginning of 2023/24 financial year was R208.8 million as per pre-audited AFS and cash and cash equivalent as at 30th September 2024 is R254,4million. The net increase of R45,6million is observed, as the Municipality has a positive trend for the past months which means the municipality has available cash to cover all operating expenses, pay debts if any and reinvest in growth.

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 240,7% or R21,9million of the billed revenue as at September 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 106,1% or R1,3million of billed revenue as at September 2024.
- Other Revenue collected to date is R2,2million over a Budget of R3,6million which gives a collection of 61,1% 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 September totals to R3,4million.
- Government Operating grants received in the month of September 2024, totals to Rnil however a total of R118,9million has been received in the first quarter, refer to schedule SC6.
- Government Capital: Total received to date is R13.6 million for MIG in the month of July 2024, there were no Capital grants received other than operational as at September 2024.
- Interest earned on external investments amounts to R2,9 million in comparison with the year-to-date budget of R7 million which is an under performance of 58%.

### **Payments**

- Suppliers and employees for cash outflows of R117,4 million. The total payment for suppliers and employees is noted the same as there are payments from the INEP and Title deed.
- Finance charges reflect under performance by 98 percent or R807thousand against YTD actual of R18 thousand. Usually this votes interest is allocated in January and at year end.
- Capital Assets of R 7,2million for the month of September 2024 shows an under-performance of 78% as at 30th September 2024.

## 6.1. BANK RECONCILIATION STATEMENT AS AT SEPTEMBER 2024

		Mandeni Municipality	
<b>BANK RECONCILIATION STATEMENT FOR SEPTEMBER 2024</b>			
Main Account :52940480587			
<b>Opening FNB Bank Balance as on 1 SEPTEMBER 2024</b>		<b>2 213 866.67</b>	<b>2 213 866.67</b>
PLUS: Deposits Banked		21 349 688.77	
PLUS: Interest received		31 145.46	
PLUS: Transfers In		16 651 207.01	
PLUS:Interest received From Call 1		160 600.12	
PLUS:Unpaid		-	
PLUS: MATURED INVESTMENTS		-	
PLUS: SARS REFUND		3 338 954.89	
PLUS: GRANTS RECEIVED		-	
<b>Total Deposits</b>		<b>41 531 596.25</b>	<b>41 531 596.25</b>
<b>Less:Total payments</b>	<b>-</b>	<b>30 973 862.99</b>	<b>- 30 973 862.99</b>
LESS: EFT Payments	-	30 142 814.89	
LESS: Bank Charges	-	22 965.12	
LESS: Cheques Paid Out		-	
LESS: Transfers Out		-	
LESS: NEW INVESTMENTS		-	
LESS: Debit Orders	-	808 082.98	
<b>Closing FNB Bank Balance as on 30 SEPTEMBER 2024</b>			<b>12 771 599.93</b>
<b>Cashbook Reconciliation for 31 AUGUST 2024</b>			
OPENING BALANCE 1/07/2024		2 026 213 166.77	
OPENING BALANCE 1/07/2024		96 176 000.00	
OPENING BALANCE 1/07/2024	-	2 112 242 032.86	
OPENING BALANCE 1/07/2024-INTEREST		593 200.30	
OPENING BALANCE-1/7/2024 -BANK CHARGES	-	1 380 300.52	
Cashbook Balance as on 1 SEPTEMBER 2024-D0001/IA09567/F0001/X049/R0099/001/FIN		285 318 636.96	
Less:Cashbook Balance as on 1 SEPTEMBER 2024-D0001/IA09850/F0001/X049/R0099/001/FIN	-	292 504 990.75	
Corrections to be made (JNL DR )		-	
PLUS: Deposits Banked for SEPTEMBER 2024		21 349 688.77	
LESS: EFT Payments for SEPTEMBER 2024	-	31 372 288.15	
Plus :AUGUST 2024 outstanding (reconciled )		7 324.07	
Less: Bank Charges to date	-	69 996.62	
PLUS: Grant received		-	
Less : New investment		-	
Less: Payments not yet paid during SEPTEMBER 2024		-	
PLUS: Interest received to date		120 981.01	
PLUS:Interest received From Call 1-SEPTEMBER 2024		160 600.12	
PLUS MATURED INVESTMENT		-	
PLUS :SARS REFUND		3 338 954.89	
PLUS :TRANSFER IN		16 651 207.01	
LESS:TRANSFER OUT		-	
LESS: Debit Orders for SEPTEMBER 2024	-	808 082.98	
<b>Closing Cashbook Balance as on 30 SEPTEMBER 2024</b>		<b>11 552 068.03</b>	<b>11 552 068.03</b>
			<b>1 219 573.06</b>



## 6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 30th September 2024

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September									
Investments by maturity Name of institution & investment ID	Ref	Variable or Fixed interest rate	Interest Rate <sup>3</sup>	Commis sion Paid (Rands)	Opening balance	Interest to be realised	Partial / Prematu re Withdra wal (4)	Investm ent Top Up	Closing Balance
<b>R thousands</b>									
<b>Municipality</b>									
call 1-internal grant		7.2		0	30 066	1 190	13 661	-	16 566
Call account 2 -HOUSING		7.2		0	2 159	40		-	2 172
Call account 3-MIG		7.2			15 144	254	3 151		12 067
Call account 5-TMT		7.2		0	481	9		7	491
Call account 6-INEP		7.2			1 507	17			1 517
Call account 7-AR		7.2			5 336	96			5 368
Call account 8- Title Deed		7.2			4 657	86			4 684
Call account 9-Disaster Recovery		7.2		0	11	0		0	11
ABSA BANK		9.78			100 000	2 197			100 000
ABSA BANK		9.7			50 000	1 090			50 000
ABSA BANK		9.3			50 000	1 045			50 000
FNB-MAIN BANK						62			
<b>Municipality sub-total</b>					<b>259 362</b>	<b>6 084</b>	<b>16 812</b>	<b>7</b>	<b>242 875</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>259 362</b>	<b>6 084</b>	<b>16 812</b>	<b>7</b>	<b>242 875</b>

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September									
Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24							
		2022/23 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		12 378	13 768	1 054	3 101	3 442	(341)	-10%	13 768
Pension and UIF Contributions		—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—
Motor Vehicle Allowance		528	675	37	112	169	(56)	-33%	675
Cellphone Allowance		1 491	1 687	126	374	422	(47)	-11%	1 687
Housing Allowances		167	258	11	32	65	(33)	-51%	258
Other benefits and allowances		—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>		<b>14 564</b>	<b>16 388</b>	<b>1 228</b>	<b>3 620</b>	<b>4 097</b>	<b>(477)</b>	<b>-12%</b>	<b>16 388</b>
% increase	4		12.5%						12.5%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		3 865	5 876	388	1 163	1 469	(306)	-21%	5 876
Pension and UIF Contributions		1	11	—	—	3	(3)	-100%	11
Medical Aid Contributions		163	42	21	62	11	51	485%	42
Overtime		—	—	—	—	—	—	—	—
Performance Bonus		380	499	—	—	125	(125)	-100%	499
Motor Vehicle Allowance		716	871	60	179	218	(39)	-18%	871
Cellphone Allowance		272	195	29	86	49	37	75%	195
Housing Allowances		114	278	14	43	69	(27)	-39%	278
Other benefits and allowances		347	286	40	120	71	49	69%	286
Payments in lieu of leave		—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	5 131	3 736	—	—	934	(934)	-100%	3 736
Entertainment		—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>		<b>10 989</b>	<b>11 794</b>	<b>551</b>	<b>1 653</b>	<b>2 949</b>	<b>(1 296)</b>	<b>-44%</b>	<b>11 794</b>
% increase	4		7.3%						7.3%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		83 417	94 130	7 489	21 462	23 533	(2 071)	-9%	94 130
Pension and UIF Contributions		13 566	15 938	1 232	3 622	3 984	(363)	-9%	15 938
Medical Aid Contributions		6 332	6 180	598	1 789	1 545	244	16%	6 180
Overtime		3 361	2 469	264	695	617	78	13%	2 469
Performance Bonus		6 601	6 513	544	1 493	1 628	(135)	-8%	6 513
Motor Vehicle Allowance		4 751	5 495	414	1 214	1 374	(160)	-12%	5 495
Cellphone Allowance		617	604	67	171	151	20	13%	604
Housing Allowances		315	362	27	82	90	(9)	-10%	362
Other benefits and allowances		983	887	85	254	222	32	15%	887
Payments in lieu of leave		3 462	2 718	16	116	679	(563)	-83%	2 718
Long service awards		355	1 407	10	83	352	(269)	-76%	1 407
Post-retirement benefit obligations	2	(1 041)	4 047	—	—	1 012	(1 012)	-100%	4 047
Entertainment		—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		<b>122 720</b>	<b>140 748</b>	<b>10 745</b>	<b>30 980</b>	<b>35 187</b>	<b>(4 207)</b>	<b>-12%</b>	<b>140 748</b>
% increase	4		14.7%						14.7%
<b>Total Parent Municipality</b>		<b>148 273</b>	<b>168 930</b>	<b>12 524</b>	<b>36 252</b>	<b>42 233</b>	<b>(5 980)</b>	<b>-14%</b>	<b>168 930</b>
			13.9%						13.9%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>									
		<b>148 273</b>	<b>168 930</b>	<b>12 524</b>	<b>36 252</b>	<b>42 233</b>	<b>(5 980)</b>	<b>-14%</b>	<b>168 930</b>
% increase	4		13.9%						13.9%
<b>TOTAL MANAGERS AND STAFF</b>		<b>133 709</b>	<b>152 543</b>	<b>11 296</b>	<b>32 633</b>	<b>38 136</b>	<b>(5 503)</b>	<b>-14%</b>	<b>152 543</b>

### 8. External Loan

NONE

### 9. Performance Indicators

**KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 September**

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
<b><u>Borrowing Management</u></b>							
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%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.9%	6.4%	0.0%	7.1%	6.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	383.3%	436.2%	0.0%	594.6%	436.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		261.8%	143.1%	0.0%	409.2%	143.1%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		11.0%	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%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
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		31.6%	34.1%	0.0%	19.1%	34.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.3%	5.3%	0.0%	1.8%	5.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.0%	9.2%	0.0%	0.0%	4.4%
<b><u>IDP regulation financial viability indicators</u></b>							
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 **September 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 **14 October 2024**