

MANDENI MUNICIPALITY (KZN 291)



MID- YEAR BUDGET AND PERFORMANCE ASSESSMENT (mSCOA) 2024/25 FINANCIAL YEAR

JULY– DECEMBER 2024

Table of Contents

ANNEXURE	A
PART 1 – MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT
1.1 MAYOR’S REPORT	2
1.2 COUNCIL RESOLUTIONS.....	2
1.3 EXECUTIVE SUMMARY	2
1.4 IN-YEAR BUDGET STATEMENT TABLES	5
PART 2 – SUPPORTING DOCUMENTATION	37
2.1 DEBTOR’S ANALYSIS	38
2.2 CREDITOR’S ANALYSIS.....	44
2.3 INVESTMENT PORTFOLIO ANALYSIS	45
2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE	46
2.5 COUNCILORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFIT	51
3. EXPENDITURE MANAGEMENT.....	56
3.1 COST CONTAINMENT MEASURES	56
4. ASSET MANAGEMENT REPORT	57
5. REVENUE MANAGEMENT	52
6. REPORTING (FINANCIAL STATEMENTS).....	59
7. MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	93

List of Tables

Table 1 MBRR Table C1 -Monthly Budget Statement Summary.....	5
Table 2 MBRR Table C2 _ Monthly Financial Performance (standard Classification).....	6
Table 3 MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote) .	7
Table 4 MBRR Table C4 -Financial Performance (revenue and expenditure).....	8
Table 5 MBRR Table C5 -Capital expenditure (municipal vote and funding).....	19
Table 6 MBRR Table C6 -Financial Position	68
Table 7 MBRR Table C7 - Cash Flow	70
Table 8 Debtor’s Analysis.....	73
Table 9 Creditor’s Analysis	79
Table 10 Investment Portfolio Analysis.....	80
Table 11 Allocation and grant receipts and expenditure.....	81
Table 12 Transfer and grant expenditure.....	83
Table 13 Councilors and board member allowance and employee benefit.....	86

1.1 MAYORS' FOREWORD

Attached

1.2 COUNCIL RESOLUTION

Resolution No: C

Refer to the recommendations contained in this report.

1.3 EXECUTIVE SUMMARY

LEGAL REQUIREMENTS

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA), the accounting officer of a municipality must by 25 January of each year-

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) submit a report on such assessment to:
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant provincial treasury.

Thereafter, the mayor must, in terms of Section 54. (1)

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following

the approval of an adjustments budget;

- (d) Issue any appropriate instructions to the accounting officer to ensure-
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 25 January of each year.

The application of sound financial management principles for the compilation of Mandeni Municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The municipality has adhered to the cost containment regulations and Circular 97, a critical review was also undertaken of expenditures on noncore and „nice to have“ items.

The Municipality has also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

1.3.1 DISCUSSION

After the accounting officer has assessed the performance of the first half of the financial year it became apparent that the budget and performance is adjusted accordingly.

The discussion includes the 2024/25 Mid-Year Performance Report, it is imperatives to focus on mid-year performance reports simply because it will show the performance of the municipality in the first six months of the financial year, in terms of the delivery of services to communities, institutional governance. This report is also crucial for compliance legislation and for political oversight through the Office of the Political Head (Mayor) and other Government Sector Departments such as National and Provincial Treasuries, Provincial and National COGTA.

This report will further assist the Municipality to provide intervention strategies where challenges were encountered through the implementation of IDP and Budget for 2024/25 first half of Financial Year and it shall be further used for accountability to the communities of Mandeni in terms of progress on implementation of IDP.

1.3.2 FINANCIAL PERFORMANCE

BUDGET SUMMARY

The following table represents an executive summary for the 1st half of the financial year ended 31st December 2024:

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Total Revenue (excluding capital transfers and contributions)	422,701	447,101	-	94,119	338,923	223,550	115,372	52%	447,101
Total Expenditure	397,367	443,031	-	61,196	222,694	221,676	1,019	0%	443,031
Surplus/(Deficit)	25,334	4,070	-	32,923	116,228	1,875	114,354	6100%	4,070
Transfers and subsidies - capital	55,093	39,760	-	7,712	17,344	19,880	(2,536)	-13%	39,760
Transfers and subsidies - capital (in-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	80,427	43,830	-	40,635	133,573	21,755	111,818	514%	43,830
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	80,427	43,830	-	40,635	133,573	21,755	111,818	514%	43,830
Capital expenditure & funds sources									
Capital expenditure	139,662	127,600	-	26,500	56,232	63,800	(7,568)	-12%	127,600
Capital transfers recognised	51,789	34,702	-	5,819	15,469	17,351	(1,882)	-11%	34,702
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	87,873	92,898	-	20,680	40,763	46,449	(5,686)	-12%	92,898
Total sources of capital funds	139,662	127,600	-	26,500	56,232	63,800	(7,568)	-12%	127,600

As can be seen from the table above, Actual surplus for the month ended 31st December 2024 is significantly more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the 1st half of the year, July- December 2024 (year to date actual), shows a surplus of R133.6 million against YTD budget of R21.7 million which reflects performance of more than 100%.

The municipal state of finance remains healthy as the municipality continues to realize more returns on investments hence the municipality will be able to redirect these returns towards service delivery.

The items below will be considered during preparation of adjustment budget for 2024/25

- During the verification of the 2024/25 Approved Budget mSCOA data string to the Council Approved Budget (A Schedule), based on assessment by Treasury it was noted that the municipality in some areas did not align the mSCOA data string to the Council Approved Budget. Hence, we were to revise these errors in the mSCOA data string and correct them as necessary during 2024/25 Adjustment Budget.
- The adjustment budget process must therefore be used to correct all the findings noted and ensure that adjustment budget presented to Council does not contain any errors, by further ensuring that B Schedule and the Adjustment Budget mSCOA data string are both produced from the financial system to eliminate any possibility of differences and misalignment.

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

1.4 IN- YEAR BUDGET STATEMENT TABLES

Table 1

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	58,321	62,237	–	3,285	47,300	31,118	16,182	52%	62,237
Service charges	73,544	86,448	–	6,605	41,416	43,224	(1,807)	-4%	86,448
Investment revenue	26,748	–	–	–	–	–	–	–	–
Transfers and subsidies - Operating	26,748	28,000	–	1,421	5,081	14,000	(8,919)	-64%	28,000
Other own revenue	237,340	270,416	–	82,808	245,126	135,208	109,917	81%	–
Total Revenue (excluding capital transfers and contributions)	422,701	447,101	–	94,119	338,923	223,550	115,372	52%	447,101
Employee costs	133,709	152,543	–	12,005	69,658	76,271	(6,614)	-9%	152,543
Remuneration of Councillors	14,564	16,388	–	1,246	7,848	8,194	(346)	-4%	16,388
Depreciation and amortisation	33,728	37,856	–	2,978	17,546	18,928	(1,382)	-7%	37,856
Interest	137	3,300	–	–	0	1,650	(1,650)	-100%	3,300
Inventory consumed and bulk purchase	56,309	62,398	–	4,875	34,219	31,359	2,860	9%	62,398
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	158,921	170,546	–	40,091	93,423	85,273	8,150	10%	170,546
Total Expenditure	397,367	443,031	–	61,196	222,694	221,676	1,019	0%	443,031
Surplus/(Deficit)	25,334	4,070	–	32,923	116,228	1,875	114,354	6100%	4,070
Transfers and subsidies - capital	55,093	39,760	–	7,712	17,344	19,880	(2,536)	-13%	39,760
Transfers and subsidies - capital	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	80,427	43,830	–	40,635	133,573	21,755	111,818	514%	43,830
Share of surplus/ (deficit) of	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	80,427	43,830	–	40,635	133,573	21,755	111,818	514%	43,830
Capital expenditure & funds sources									
Capital expenditure	139,662	127,600	–	26,500	56,232	63,800	(7,568)	-12%	127,600
Capital transfers recognised	51,789	34,702	–	5,819	15,469	17,351	(1,882)	-11%	34,702
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	87,873	92,898	–	20,680	40,763	46,449	(5,686)	-12%	92,898
Total sources of capital funds	139,662	127,600	–	26,500	56,232	63,800	(7,568)	-12%	127,600
Financial position									
Total current assets	329,657	240,614	–	–	412,811	–	–	–	240,614
Total non current assets	713,576	692,232	–	–	752,262	–	–	–	692,232
Total current liabilities	81,153	55,157	–	–	69,420	–	–	–	55,157
Total non current liabilities	21,070	22,993	–	–	21,070	–	–	–	22,993
Community wealth/Equity	941,010	854,696	–	–	1,074,583	–	–	–	854,696
Cash flows									
Net cash from (used) operating	(189,884)	46,034	–	(163,274)	308,803	49,006	(259,797)	-530%	46,034
Net cash from (used) investing	535,861	(146,740)	–	(26,500)	56,232	(73,370)	(129,602)	177%	(146,740)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month end	213,964	(284,129)	–	–	645,252	(207,788)	(853,041)	411%	–
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9,164	3,454	3,137	3,484	31,588	1,487	23,908	187,668	263,889
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

Table 2

Table C2 provides the statement of financial performance by standard classification

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		323,455	340,236	-	86,546	290,175	170,118	120,057	71%	340,236
Executive and council		-	8,038	-	-	-	4,019	(4,019)	-100%	8,038
Finance and administration		323,455	332,198	-	86,546	290,175	166,099	124,076	75%	332,198
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		4,710	5,464	-	379	2,414	2,732	(318)	-12%	5,464
Community and social services		4,710	5,073	-	377	2,410	2,536	(127)	-5%	5,073
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	391	-	2	4	196	(192)	-98%	391
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		63,161	45,527	-	8,178	20,122	22,763	(2,642)	-12%	45,527
Planning and development		42,536	41,542	-	7,865	18,420	20,771	(2,351)	-11%	41,542
Road transport		20,625	3,985	-	312	1,701	1,992	(291)	-15%	3,985
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		86,468	101,895	-	6,729	43,557	50,947	(7,391)	-15%	101,895
Energy sources		72,748	82,849	-	5,507	36,395	41,425	(5,030)	-12%	82,849
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13,720	19,045	-	1,221	7,162	9,523	(2,361)	-25%	19,045
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	477,794	493,122	-	101,831	356,267	246,561	109,706	44%	493,122
Expenditure - Functional										
Governance and administration		193,804	217,123	-	25,832	100,114	108,722	(8,608)	-8%	217,123
Executive and council		61,619	66,001	-	9,585	35,732	33,161	2,572	8%	66,001
Finance and administration		132,185	151,121	-	16,247	64,381	75,561	(11,179)	-15%	151,121
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		46,599	42,761	-	4,504	24,994	21,380	3,614	17%	42,761
Community and social services		33,291	30,811	-	2,925	19,198	15,406	3,792	25%	30,811
Sport and recreation		12,862	10,030	-	1,316	5,259	5,015	244	5%	10,030
Public safety		418	1,890	-	250	508	945	(436)	-46%	1,890
Housing		29	30	-	14	29	15	14	93%	30
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,233	83,202	-	9,184	39,184	41,601	(2,417)	-6%	83,202
Planning and development		18,934	25,716	-	2,830	11,339	12,858	(1,518)	-12%	25,716
Road transport		46,605	53,423	-	5,976	25,782	26,712	(930)	-3%	53,423
Environmental protection		3,694	4,063	-	377	2,063	2,032	31	2%	4,063
Trading services		88,370	105,330	-	21,654	58,360	52,665	5,695	11%	105,330
Energy sources		77,057	78,317	-	5,741	37,453	39,159	(1,706)	-4%	78,317
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2,543	2,802	-	245	1,455	1,401	54	4%	2,802
Waste management		8,770	24,211	-	15,668	19,452	12,105	7,346	61%	24,211
Other		-	876	-	22	43	438	(395)	-90%	876
Total Expenditure - Functional	3	398,006	449,292	-	61,196	222,694	224,806	(2,112)	-1%	449,292
Surplus/ (Deficit) for the year		79,788	43,830	-	40,635	133,573	21,755	111,818	514%	43,830

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

Table 3 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) -										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and council		–	8,038	–	–	–	4,019	(4,019)	-100.0%	8,038
Vote 2 - Finance and administration		323,455	332,198	–	86,546	290,175	166,099	124,076	74.7%	332,198
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		4,710	5,464	–	379	2,414	2,732	(318)	-11.7%	5,464
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		42,536	41,542	–	7,865	18,420	20,771	(2,351)	-11.3%	41,542
Vote 9 - Road transport		20,625	3,985	–	312	1,701	1,992	(291)	-14.6%	3,985
Vote 10 - Energy sources		72,748	82,849	–	5,507	36,395	41,425	(5,030)	-12.1%	82,849
Vote 11 - Waste Management		13,720	19,045	–	1,221	7,162	9,523	(2,361)	-24.8%	19,045
Vote 12 - Environmental Protection		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	477,794	493,122	–	101,831	356,267	246,561	109,706	44.5%	493,122
Expenditure by Vote	1									
Vote 1 - Executive and council		61,619	66,001	–	9,585	35,732	33,161	2,572	7.8%	66,001
Vote 2 - Finance and administration		132,185	151,121	–	16,247	64,381	75,561	(11,179)	-14.8%	151,121
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		33,291	30,811	–	2,925	19,198	15,406	3,792	24.6%	30,811
Vote 5 - Sport and Recreation		12,862	10,030	–	1,316	5,259	5,015	244	4.9%	10,030
Vote 6 - Public safety		418	1,890	–	250	508	945	(436)	-46.2%	1,890
Vote 7 - Housing		29	30	–	14	29	15	14	93.3%	30
Vote 8 - Planning and Development		18,934	26,592	–	2,852	11,382	13,296	(1,914)	-14.4%	26,592
Vote 9 - Road transport		49,148	56,225	–	6,222	27,237	28,113	(876)	-3.1%	56,225
Vote 10 - Energy sources		77,057	78,317	–	5,741	37,453	39,159	(1,706)	-4.4%	78,317
Vote 11 - Waste Management		8,770	24,211	–	15,668	19,452	12,105	7,346	60.7%	24,211
Vote 12 - Environmental Protection		3,694	4,063	–	377	2,063	2,032	31	1.5%	4,063
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	398,006	449,292	–	61,196	222,694	224,806	(2,112)	-0.9%	449,292
Surplus/ (Deficit) for the year	2	79,788	43,830	–	40,635	133,573	21,755	111,818	514.0%	43,830

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31st December 2024.

This report analyses each major component under following headings;

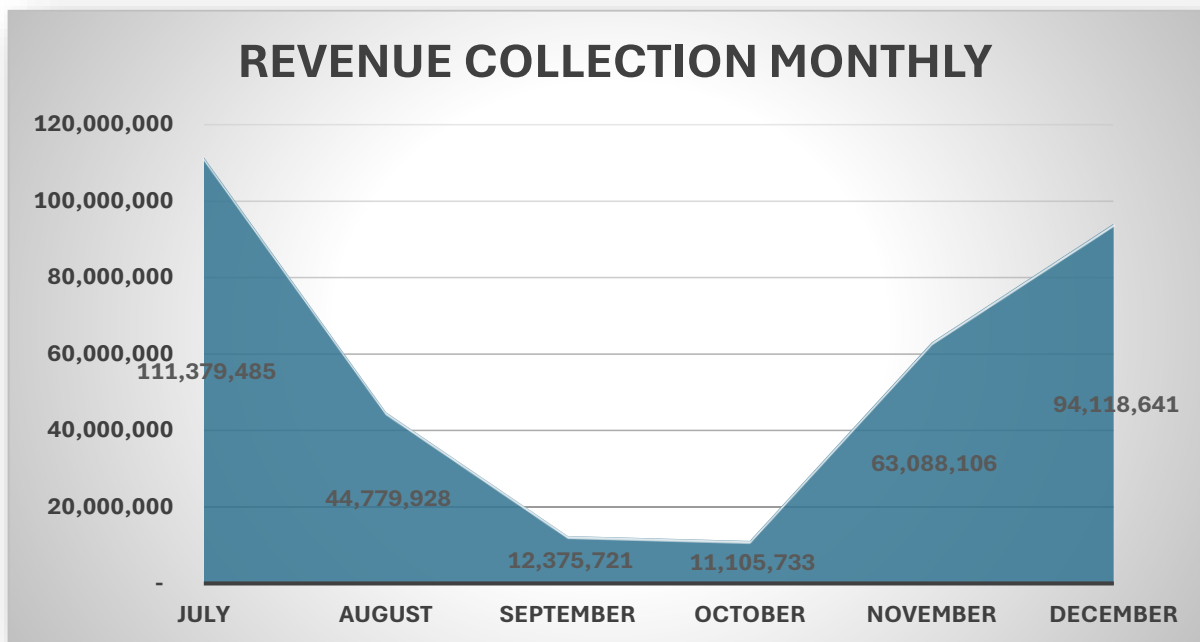
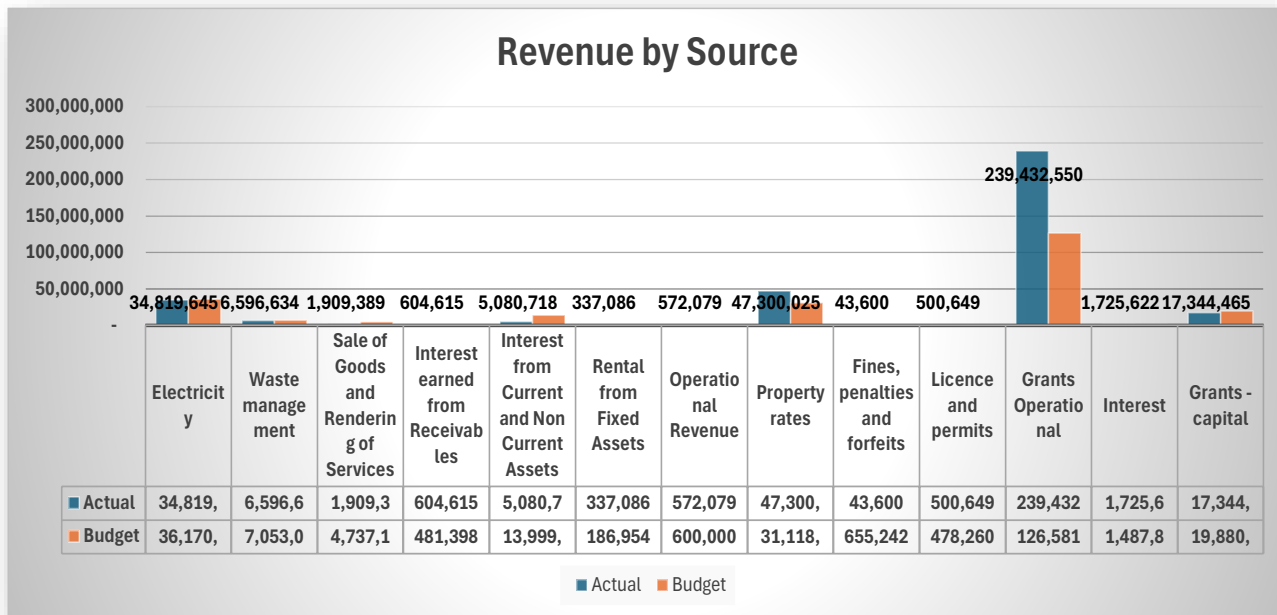
- Revenue by Source
- Operational Expenditure by Type, and

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment										
Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		61,164	72,341	-	5,501	34,820	36,171	(1,351)	-4%	72,341
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		12,380	14,106	-	1,104	6,597	7,053	(456)	-6%	14,106
Sale of Goods and Rendering of Services		11,818	9,474	-	107	1,909	4,737	(2,828)	-60%	9,474
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		919	963	-	124	605	481	123	26%	963
Interest from Current and Non Current Assets		26,748	28,000	-	1,421	5,081	14,000	(8,919)	-64%	28,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		294	374	-	42	337	187	150	80%	374
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		1,507	1,200	-	6	572	600	(28)	-5%	1,200
Non-Exchange Revenue										
Property rates		58,321	62,237	-	3,285	47,300	31,118	16,182	52%	62,237
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,584	1,310	-	4	44	655	(612)	-93%	1,310
Licence and permits		985	957	-	114	501	478	22	5%	957
Transfers and subsidies - Operational		241,981	253,163	-	82,100	239,433	126,581	112,851	89%	253,163
Interest		3,460	2,976	-	309	1,726	1,488	238	-	2,976
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		1,541	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		422,701	447,101	-	94,119	338,923	223,550	115,372	52%	447,101
Expenditure By Type										
Employee related costs		133,709	152,543	-	12,005	69,658	76,271	(6,614)	-9%	152,543
Remuneration of councillors		14,564	16,388	-	1,246	7,848	8,194	(346)	-4%	16,388
Bulk purchases - electricity		52,475	57,866	-	4,337	31,620	28,933	2,688	9%	57,866
Inventory consumed		3,835	4,533	-	538	2,599	2,426	173	7%	4,533
Debt impairment		6,048	30,261	-	15,130	15,130	15,130	0	0%	30,261
Depreciation and amortisation		33,728	37,856	-	2,978	17,546	18,928	(1,382)	-7%	37,856
Interest		137	3,300	-	-	0	1,650	(1,650)	-100%	3,300
Contracted services		85,801	79,270	-	9,092	37,315	39,635	(2,320)	-6%	79,270
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		3,750	6,261	-	3,130	3,130	3,130	0	0%	6,261
Operational costs		62,365	54,755	-	12,738	37,847	27,378	10,470	38%	54,755
Losses on Disposal of Assets		501	-	-	-	-	-	-	-	-
Other Losses		456	-	-	-	-	-	-	-	-
Total Expenditure		397,367	443,031	-	61,196	222,694	221,676	1,019	0%	443,031
Surplus/(Deficit)		25,334	4,070	-	32,923	116,228	1,875	114,354	0	4,070
Transfers and subsidies - capital (monetary allocations)		55,093	39,760	-	7,712	17,344	19,880	(2,536)	(0)	39,760
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		80,427	43,830	-	40,635	133,573	21,755	-	-	43,830
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		80,427	43,830	-	40,635	133,573	21,755	-	-	43,830
Share of Surplus/Deficit attributable to Joint		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minor		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to		80,427	43,830	-	40,635	133,573	21,755	-	-	43,830
Share of Surplus/Deficit attributable to Associated		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		80,427	43,830	-	40,635	133,573	21,755	-	-	43,830

Table 4.1

▪ **Total Operating Revenue from (July-December 2024)**

The table below reflects budget vs actual by revenue source for the 1st half of the year.



Revenue:

- The Year to Date (YTD) total revenue earned is R 338.9 million for the period ending 31st December 2024 excluding capital conditional grant income. The YTD Budget is R 223,6 million; therefore, this reflects an over performance against the revenue projected by 52%, this is a reflection that the municipality has achieved its revenue performance budget.
- As can be seen from the table above that transfers recognized-operational are high is due to the municipality receiving second trenches of equitable share at R182.7 million has been received by the municipality. Therefore, the municipality is awaiting the last trench of R60.9 million as publicized on DORA. Also, the increase is due to operational grants which conditions have been met as they have been realized as revenue for FMG, EPWP and INEP.

Exchange Revenue

Service Charges: Electricity

- The actual revenue from Service Charges Electricity as @ 31st December 2024 is R34.8 million or 4 percent less than the budgeted income of R36.2 million.
- Variance of 4% is due to level of electricity demand by Umngeni Water Plant. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came as a result of the KZN floods which resulted in serious destruction of the Bulk Water Infrastructure particularly in Ethekeeni and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption. Consequently, the Municipal Electricity Revenue then followed the same upsurge resulting in the over performance of the initially recognized budget.
- Budget allocated for this item will remain the same during adjustment budget.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as @ 31st December 2024 is R6.6 million or 6 percent less than the budgeted income of R7.1 million. The variance is acceptable, the business refuse always increases during the more economically active months. As part of Revenue Enhancement Strategy, the Municipality provides an incentive for consumers who wish to settle their annual refuse collection debt within the 1st two months of the financial year. As result we receive a lot of requests for annual refuse billings in this regard. As the months progress the revenue billed will subsequently match the budgeted figures.
- Budget allocated for this item will remain the same during adjustment budget.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R1.9 million in comparison with the year-to-date budget of R4.7 million, thus indicating an under performance by R2.8 million or 60 percent, variance is due to the level of demand in the sale of goods and rendering services, further to that another contributing factor on this performance is due to low expenditure incurred for INEP Grant as only R36 thousand has been spent on this grant, this is due to challenge with project energization which 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.
- Based on performance for mid-year this item will be adjusted during if there are any adjustments as per revised gazetted as the municipality received an intention to withhold transfer during December and only one transfer has been received for R1.5 million.

Interest earned from receivables.

- Interest earned from receivables amounts to R605 thousand in comparison with the year-to-date budget of R481 thousand, thus indicating an over performance by R123 thousand or 26 percent, variance is based on the outstanding debt billed on refuse and electricity. Interest rate on outstanding debtors is 2% per annum.
- Based on performance for mid-year Interest on outstanding debtors appears that this line item was understated, and it will be adjusted an adjustment budget.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R5.1 million in comparison with the year-to-date budget of R14.0 million, thus indicating an under performance by R8.9 million or 64percent, variance is due to interest expected to be received once investment reached its maturity.
- Further to that external investments interest are only received when investment has reached its maturity. Currently there are investments amounting to R180 million which have been invested with ABSA which will be reaching its maturity during the 2nd half of the financial year.
- Based on performance reported at mid-year, the municipality will remain with the same budget as there are investments which will be maturing during second half of the year. Attached Investment register.
- Further to that the municipality has taken decision to redirect the interest generated from these investments towards service delivery which will also be considered during adjustment budget process.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R337 thousand in comparison with the year-to-date budget of R187 thousand thus indicating an over performance of R150 thousand or 80 percent.
- Variance is due to level of demand in the usage of municipal facilities such as (Community Halls, Sports Fields and rental of municipal houses) when comparing to the projections.
- Based on mid-year performance this item appears that budget is understated and will be adjusted during an adjustment budget.

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 R572 thousand less than anticipated YTD budget of R600 thousand, thus indicating an under performance of R28 thousand or 5 percent, variance is acceptable.

Further to that there is an additional revenue received for Insurance Refund of R376 thousand from processed claims. This amount was not included in the annual budgeted for, and it will be considered during adjustment budget.

Non exchange revenue

Property Rates

- The actual revenue from property rates as at 31st December 2024 is R47.3 million or 52 percent more than the budgeted income of R31.1 million. The variance of 52%
- Variance is due to Annual Billings raised for Government Departments National and Provincial and Ithala as per the agreement entered to between these stakeholders.
- The property rates budget will remain the same as we anticipate that the projected budget will be met at year end.

Fines, Penalties and forfeits

- Fines underperformed by 93 percent or R612 thousand, with an actual amount of R44 thousand variance against year-to-date budget projections of R665 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.
- Furthermore, to that based on the audited AFS the budget allocated appears to be understated and it will be adjusted during an adjustment budget to ensure realistic budget estimates.

Licences and permits

- Licences and permits have over performed by 5 percent or R22 thousand with an actual amount of R501 thousand as compared to budget of R478 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.
- Budget allocated will remain the same during adjustment budget.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R239.4 million YTD Actual in comparison with the YTD budget of R126.6 million, thus indicating an over performance by R112.9 million or 89 percent, variance is mainly attributable to the municipality receiving the two trenches of the Equitable Share which totals to R182.7 million and realisation of operational grants spent as conditions have been met for EPWP, FMG and Library Grant.
- Transfers and subsidies capital amounts to R17.3 million in comparison with the YTD budget of R19.9 million, thus indicating an under performance by R2.5 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Interest earned from receivables.

- Interest earned from receivables amounts to R1.7 million in comparison with the year-to-date budget of R1.5 million, thus indicating over performance by R238 thousand or 2 percent, variance is based on the outstanding debtors billed on property rates. Interest rate on outstanding debtors is 2% per annum.
- Based on performance reported for mid-year Interest on outstanding debtors appears to be understated and it will be adjusted during an adjustment budget.

Table 4.3

▪ **Total Operating Expenditure from (July- December 2024)**

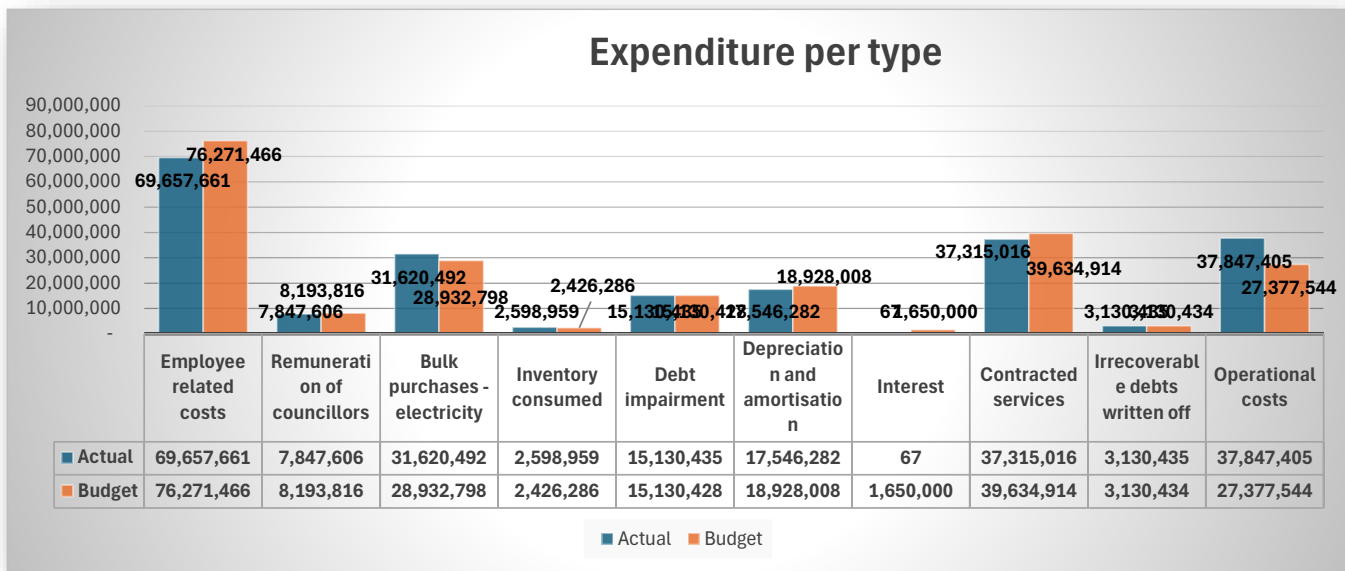
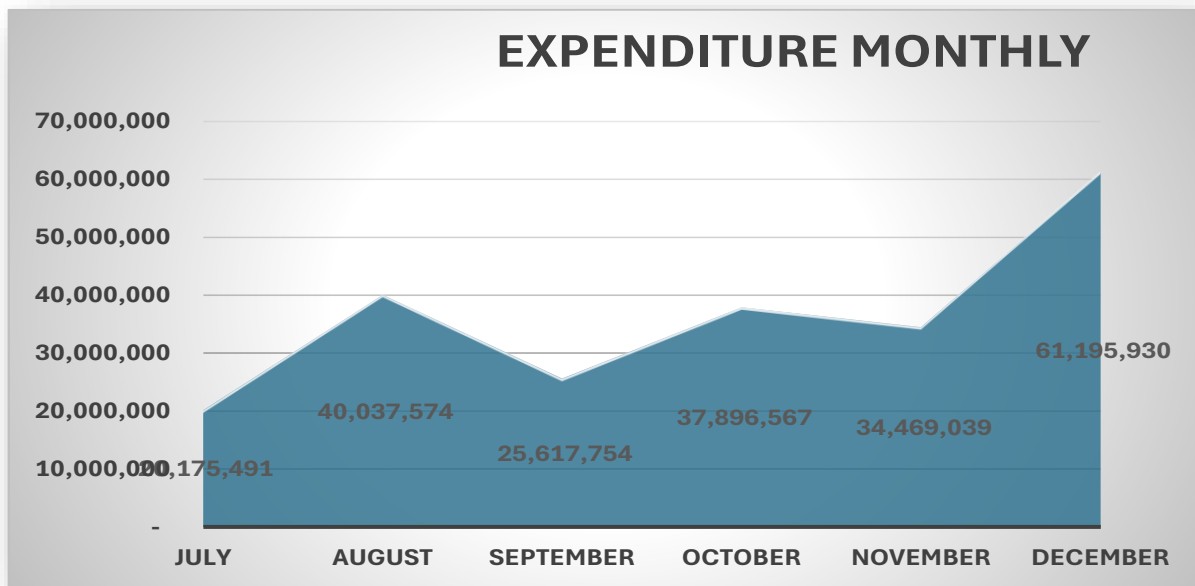


Table 4.4

▪ **Operating Expenditure from July-December 2024**

The table below reflects the trend of monthly expenditure for the 1st half of the financial year.



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st December 2024 amounted to R 222.7 million against the planned target of YTD budget is R 221.7 million. Target for 1st half of the financial year has been achieved as projected.

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st December 2024 amounted to R69.7 million while the YTD budget is R76.3 million, which has resulted in an underspending by 9%. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are still underway in ensuring that these positions are filled before year end.
- Further to variance is due to employee bonuses which are being paid to employees on their birth month not in November as it was previously done in the prior years.
- Another contributing factor to this variance is due to calculation of provision for leave and long service awards which are processed at year end upon receiving the actuarial calculation for Actuaries.
- Budget for this item will remain the same during adjustment budget to consider the items listed above.

Remuneration of Councilors

- The expenditure on councilor allowances as at 31st December 2024 was under spent by R 346 thousand. The YTD Remuneration of Councilor's budget is R8.2 million whilst the actual expenditure incurred results in slightly underspent by 4% YTD expenditure performance.
- The performance reported under Remuneration of Cllrs has considered the approval from COGTA in relation to Cllrs Upper limits as per Gazette Notice No. 51419 dated 21 October 2024. The upper limits relate to 2023/24 financial year were considered and implemented as per gazette. Further to that it should be noted that Cllrs upper limits Gazette for 2024/25 Gazette was placed on hold by COGTA.
- This item will remain the same during the budget adjustment as the budget allocated will be sufficient up until year end.

Bulk Purchases - Electricity

- The bulk purchases for Umngeni Water Board and Eskom Purchases reflect an overspending of 9 percent or R2.7 million from the year-to-date budget projections amounting to R28.9 million, variance is due to bulk consumption by umngeni water and increased rate that was approved by NERSA.
- Performance reported is due to level of demand by Umngeni Water plant due to expansion of their plant.

- Based on performance reported during mid-year it appears that budget allocated for this item is understated, so as to ensure that the municipality does not incur an unauthorized expenditure this item will have to be adjusted during an adjustment budget.

Inventory Consumed

- Inventory Consumed are reflecting an over performance by 7 percent or R173 thousand from YTD budget of R2.6 million against the YTD Actual of R2.6 million, variance is acceptable during mid-year.
- 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.
- Based on the performance reported on it this item budget will be adjusted during adjustment budget as it was noted during the annual budget that repairs & maintenance budget was below the norm at 4.3 per cent. There is a need to continuously contribute towards repairs of municipal assets.

Debt Impairment

- The provision for debt impairment actual of R15.1 million versus YTD budget of R15.1 million is within the budgeted projections. Debt impairment calculation has assumed the method below.
- Budget allocated within this item will remain the same during an adjustment budget.
- The assumption is that you exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all categories except electricity. With Electricity the assumption is that 90% of the debt older than 90 days is still collectable. This line item will remain the same during an adjustment budget.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an under performance by -7 percent or R1.4 million against YTD actual of R18.9 million against the YTD budget of R17.6 million, variance is low, this is due to delays in acquiring capital assets that were planned to be procured and completion of projects that are still under work in progress as assets are depreciated when completed. However, the budget will remain the same as the municipality anticipates meeting the projected budget.

Interest

- Finance charges reflect an underperformance by 100 percent or R1.7 million against YTD actual of R0 thousand.
- Budget allocated considered interest paid towards Eskom for late payments which have not been incurred during 1st half of the year as the municipality has placed internal controls that will ensure that we avoid incurring such expenditure.
- 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.
- Based on performance for 2023/24 audited AFS for finance charges of R2.9 million budget allocated will be sufficient at year end.

Contracted Services

- Contracted services expenditure reflects an underspending of -6 percent or R2.3 million from YTD budget of R39.6 million against the YTD actual of R37.83million, variance is within the projected budget as planned projects have been implemented as per the approved procurement plan.
- Based on performance reported during mid-year and anticipated activities to be implemented during second half of the year, line item will be adjusted during an adjustment budget so as to ensure realistic estimates.

Irrecoverable debts written off

- Irrecoverable debts written off is within the projected budget of R3,1 million, this is due to result of Indigents and untraceable debtors which have been written off within the 1st half of this financial year. The municipality has been in the process of data cleansing, and we have discovered deceased accounts, liquidated companies etc.
- Budget allocated within this item will remain the same during an adjustment budget.

Operational Cost

- Other expenditure has overspent by 38 percent or R10.4 million from YTD budget of R27.4 million against the YTD actual of R37.8 million, variance is due to activities that took place in the 1st half of the financial year and the decision the municipality took on implementation of cost cutting measures so as to improve the municipal cash flows. Most of the other expenditure items will take place during the second half of the year.

Other expenditure - The majority of items are not a straight-line expenditure some are paid where it is needed e.g. printing and stationery, mayoral projects, external services etc. Certain expenditure items are based on a seasonal commitment.

Further to that this line item will be adjusted during an adjustment budget in accordance to projects prioritized under this line item also to avoid unauthorized expenditure.

Losses on Disposal of Assets

Budget was not allocated for this item however, during adjustment budget we will prioritize this item as the municipality has planned to dispose of assets during the 2nd half of the financial year. Further to that this will assist in ensuring that we avoid unauthorized expenditure.

Other Losses

Budget was not allocated for this item as it relates to write off of Inventory items. This item was not budgeted for in an annual budget this will then be adjusted during an adjustment budget and consider actual reported in prior year audited AFS 2023/24.

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

Table 5

Table C5 Monthly Budget Statement – Capital Expenditure

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

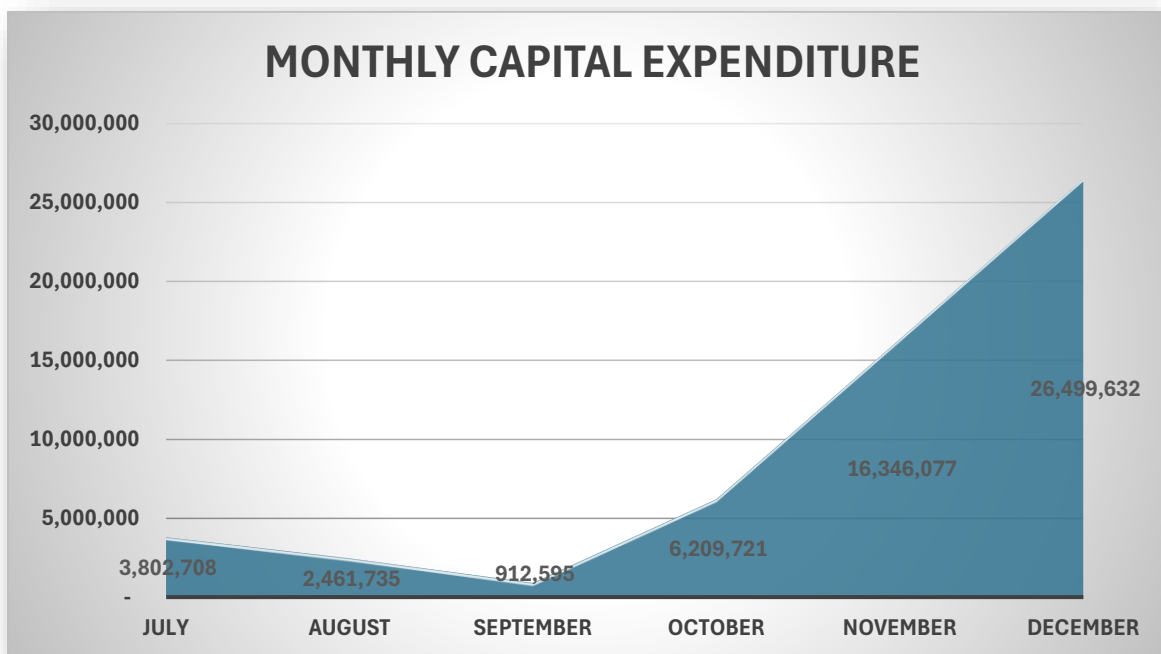
Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		1,932	5,870	–	–	4,968	2,935	2,033	69%	5,870
Vote 2 - Finance and administration		14,562	8,557	–	5,201	5,094	4,278	816	19%	8,557
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		772	4,457	–	175	516	2,228	(1,712)	-77%	4,457
Vote 5 - Sport and Recreation		5,512	10,127	–	574	2,376	5,063	(2,687)	-53%	10,127
Vote 6 - Public safety		–	939	–	–	–	470	(470)	-100%	939
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		19,023	12,191	–	813	2,212	6,096	(3,884)	-64%	12,191
Vote 9 - Road transport		89,974	79,535	–	19,537	38,778	39,767	(989)	-2%	79,535
Vote 10 - Energy sources		2,154	3,752	–	199	728	1,876	(1,148)	-61%	3,752
Vote 11 - Waste Management		5,734	2,174	–	–	1,560	1,087	473	44%	2,174
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	139,662	127,600	–	26,500	56,232	63,800	(7,568)	-12%	127,600
Total Capital Expenditure		139,662	127,600	–	26,500	56,232	63,800	(7,568)	-12%	127,600
Capital Expenditure - Functional Classification										
Governance and administration		16,494	14,426	–	5,201	10,062	7,213	2,849	39%	14,426
Executive and council		1,932	5,870	–	–	4,968	2,935	2,033	69%	5,870
Finance and administration		14,562	8,557	–	5,201	5,094	4,278	816	19%	8,557
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		6,284	15,522	–	749	2,892	7,761	(4,869)	-63%	15,522
Community and social services		772	4,457	–	175	516	2,228	(1,712)	-77%	4,457
Sport and recreation		5,512	10,127	–	574	2,376	5,063	(2,687)	-53%	10,127
Public safety		–	939	–	–	–	470	(470)	-100%	939
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		108,996	91,726	–	20,350	40,990	45,863	(4,873)	-11%	91,726
Planning and development		19,023	12,191	–	813	2,212	6,096	(3,884)	-64%	12,191
Road transport		89,974	79,535	–	19,537	38,778	39,767	(989)	-2%	79,535
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		7,888	5,926	–	199	2,288	2,963	(675)	-23%	5,926
Energy sources		2,154	3,752	–	199	728	1,876	(1,148)	-61%	3,752
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		5,734	2,174	–	–	1,560	1,087	473	44%	2,174
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	139,662	127,600	–	26,500	56,232	63,800	(7,568)	-12%	127,600
Funded by:										
National Government		51,072	33,963	–	5,790	15,440	16,981	(1,542)	-9%	33,963
Provincial Government		717	739	–	29	29	370	(340)	-92%	739
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		51,789	34,702	–	5,819	15,469	17,351	(1,882)	-11%	34,702
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		87,873	92,898	–	20,680	40,763	46,449	(5,686)	-12%	92,898
Total Capital Funding		139,662	127,600	–	26,500	56,232	63,800	(7,568)	-12%	127,600

Capital Expenditure from July – December 2024:

The YTD capital expenditure budget is R56.2 million against YTD actual Capital expenditure amounted to R 63.8 million resulting in an under performance of (12%) on capital expenditure. The variance in capital expenditure was due to different reason (detail report on the progress on all capital projects has been provided below).

The table below reflects trend of expenditure for the period ended 31st December of the financial year.

Table 7



- Capital grants funded by National Government actual is R15.4 million versus YTD Budget of R16.9 million, expenditure reported has been underspent by (9%). Variance is due to two MIG Related projects for Khenana and Hlomendlini Sport fields where appointment of these contractors was made in December 2024. Establishment and construction is planned to start during the month of January 2025 which will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government actual is R29 thousand versus YT Budget of R370 thousand variance of (92%) reflects and under expenditure on this grant. However, it should be noted that the variance reported has been committed toward procuring library capital items which will ensure that the grant is fully spent by year end.
- Capital funded Internally actual is R40.7 million versus YTD Budget of R46.4 million variance of 12% reflects and under expenditure on this item.

- However, it should be noted that there are ongoing projects which are still in progress in relation to this funding such as regravelling of rural roads, further to that there is fleet order issued which have not been delivered for Mobile Youth Office, Crane Truck and 2 Vehicles which are planned to be delivered during 2nd half of the financial year.
- Further to that the municipality has planned to construct municipal offices since we are occupying temporary offices through park homes. Project will be undergoing SCM process to ensure that contractor is appointed as consultant has completed with designs. This project will overlap over a period of 3 years.
- Budget allocated will be adjusted during adjustment to consider this project and others noted as per IDP.

SINGLE YEAR EPENDITURE APPROPRIATION

Vote 1 Executive Council have underspent by (69%) as at December 2024, variance is due to planned procurement of fleet for the department. Process of procuring this fleet was done through transversal contract. However, dealership did not stock available for delivery, commitment and order has been issued and dealership has confirmed delivery of this fleet for the month of February 2025. Budget will remain the same as it is anticipated that payment will be proceed during 3rd quarter of the financial year.

Vote 2 Finance & Administration have underspent by (19%) as at December 2024, variance is due to planned procurement of stores items. How due to delays in completion of projects for extension of workshop which included stores office, however due to delays we were unable to procure these items. Propose completion date will be year end.

Further to that another contributing factor in this under expenditure is due project for Server upgrade which is still in progress as it will be completed during 3rd quarter.

Budget will be adjusted for procurement of stores item and these funds will be reallocated to another project.

Vote 4 Community and Social Services have underspent by (77%) as at December 2024, variance is due to municipality awaiting Notice of registration for two community halls that were registered under MIG for ward 2 and 8. Further to that the municipality also prioritised budget for planning stage of the following community halls ward 6,9,11,12 and 16. Once pdesign stage has been completed next phase will be source contractors who will undertaking construction, however these projects will rollover in the next financial year.

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

Vote 5 Sports & Recreation have underspent by (53%) as at December 2024, to late appointment on two sportfields projects Khenana and Hlomendlini as they were still undergoing SCM processes, further to that the municipality was still awaiting Notice of registration from Cogta in relation to Khenana Sport field. However, establishment and construction will start in January 2025.

Budget for this item will be adjusted to consider the MIG approved rollover for Khenana Sportfield.

Vote 6 Public Safety have underspent by (100%) as at December 2024, Guardhouses for security which were prioritized in this budget were delivered in December and payments were only processed during January 2025.

Vote 8 Planning and Development have underspent by (64%) as at December 2024, budget allocated prioritised construction for extension of workshop, where there delays noted with the completion of this project. However revised completion date will be around 3rd quarter.

Further to that this item also considered planning stage for construction of municipal offices which will be project that will be over MTREF. Budget allocated will be adjusted as the municipality is busy with procurement processes of sourcing service provider for construction.

Vote 9 Road Transport have underspent by (2%) as at December 2024, budget allocated prioritised rehabilitation of roads within Mandeni. These roads have been funded from different sources, MIG and Internally generated funds. Completion of these projects will be during 2nd half of the financial year.

Vote 10 Energy Sources have underspent by (61%) as at December 2024, budget allocated prioritised Installation of Khenana Highmast Phase 2, project is currently in progress however the pace is moving slowly for installation due shortage of equipment. The municipality is engaging service provide on performance assessment to try and improve progress on this project.

Vote 11 Waste Management have overspent by (44%) as at December 2024, budget allocated prioritised procurement refuse skips. These skips are delivered in phases as and when stock is available, as there was backlog in refuse skips for previous financial year.

Budget will be adjusted during to consider refuse skips for this financial year.

Detailed explanation of the grants has been provided below under service delivery performance and progress on spending grants.

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

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	R43 498 000
Less: Total Expenditure (incl. Retention)	R 3 732 536
Balance	R 39 765 464
Expenditure of as a %	8.6%

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	R 9 227 000
Less: Total Expenditure	R 0
Balance	R 9 227 000
Expenditure as a %	0%

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
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 3055 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: January 2023
Contractual Completion Date: July 2023
Revised Completion date: 20 May 2024

Project Scope

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

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

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

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

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

Project Details

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

Project Scope

- Site Establishment. Setting out of works.
- Bulk earthworks to the various elements of infrastructure on site.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

- Construction of an ablution facility (10 toilet units), with change rooms (4 toilet units), public toilets (6 toilet units) and office/first aid room including water, sewage, and electrical supply.
- Construction of a grandstand with a minimum of 5 rows of seats (length of 25m).
- Installation of fencing including gate house (pedestrian and vehicle gates).
- Construction of an unpaved parking area.

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

Challenges:

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

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
TOTALS (Incl Vat)	R 18 610 654.99	R 17 987 838.14

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%,

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

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)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 099 409.34
Construction Cost (incl. Retention)	R 12 148 430.66	R 6 810 078.90
Internal Funds	R 667 565.79	R 0.00
TOTALS (Incl. Vat)	R 14 348 595.28	R 7 909 488.24

Project Details

Name of Consultant:	DLV Project Managers and Engineers
Name of Contractor:	Bheka Phezulu Investments and Sales
Project Commencement Date:	November2023
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).

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

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

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

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

Slow progress on site 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, 16th August 2024** where the Contractor failed to acknowledge or respond. Furthermore, the Municipality made the decision of issuing a Final Termination letter dated **Thursday, 22nd 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
TOTALS (Incl. Vat)	R 17 553 032.14	R 5 791 827.11

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

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

Project Details

Name of Consultant: LZM Africa Holdings
Name of Contractor: Uhlanga Trading Enterprise
Project Commencement Date: November2022
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, 26th August 2024** and the contractor is currently attending to all snags with the proposed final inspection with all user departments on **Monday, 9th 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
TOTALS (Incl. Vat)	R 17 639 915.27	R 16 215 549.34

Project Details

Name of Consultant:	Nzamaxhuze 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

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

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
TOTALS (Incl. Vat)	R 18 907 069.16	R 14 880 669.05

Project Details

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

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks

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

Current Status Overall Construction progress 78%: Site Establishment 100%, Site clearance 40%, Demolition of existing pavement 85%, Demolition of an existing building 100% and Construction of the new 100.70m² Office Block 15%, Earthworks 40%, Construction of the new 146m² Mechanical workshop 55%, Construction of the new canteen 95%, Extension of the existing storage rooms by 114m² 50%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 0%, Construction of new pavement around the site 10%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%

Challenges: The Contractor is still behind the revised construction programme and acceleration plan as a result of poor planning and inadequate resource allocation. The Contractor has submitted a revised Extension of Time No.2 application which has been approved for practical completing being noted for 30 September 2024. 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, 29th 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
TOTALS (Incl. Vat)	R 3 116 065.28	R 2 603 994.49

Project Details

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

Project Scope:

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

Current Status Overall Construction progress 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 6th 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
TOTAL (excl. vat)	R 3 941 297.11	R 3 941 297.11

Project Details

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

Current Status: Overall Construction progress is 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 17th and 19th of September and last outage will be on the 1st of November 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

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

Project Details

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

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

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

c) Mandeni Substation Project

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

Project Details

Name of Consultant: ZLM Engineers

Name of Contractor: N/A

Project Commencement Date: 12 May 2023

Completion Date: TBC

Revised Completion Date: Nil

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

Challenges: Application for self-build to Eskom has not been made. 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
TOTAL Excl. (Vat)	R1 783 633.26	R 1 685 836.17

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

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

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

Project Details

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

Current Status: Project is 100% complete. Project has been energised.

Table 6

FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 31st December 2024

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Mid-Year						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		208,837	78,954	–	285,712	78,954
Trade and other receivables from exchange		57,057	33,169	–	44,402	33,169
Receivables from non-exchange transaction		13,127	36,042	–	31,312	36,042
Current portion of non-current receivables		–	–	–	–	–
Inventory		42,734	38,984	–	42,868	38,984
VAT		7,677	53,465	–	8,291	53,465
Other current assets		225	–	–	225	–
Total current assets		329,657	240,614	–	412,811	240,614
Non current assets						
Investments		–	–	–	–	–
Investment property		41,913	60,544	–	41,913	60,544
Property, plant and equipment		669,291	631,390	–	708,019	631,390
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		2,372	298	–	2,330	298
Trade and other receivables from exchange		–	–	–	–	–
Non-current receivables from non-exchange		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		713,576	692,232	–	752,262	692,232
TOTAL ASSETS		1,043,233	932,846	–	1,165,073	932,846
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		6,043	–	–	5,673	–
Consumer deposits		170	216	–	191	216
Trade and other payables from exchange tra		54,641	23,220	–	26,197	23,220
Trade and other payables from non-exchang		9,028	8,284	–	24,010	8,284
Provision		4,572	8,677	–	4,572	8,677
VAT		6,698	14,759	–	8,777	14,759
Other current liabilities		–	–	–	–	–
Total current liabilities		81,153	55,157	–	69,420	55,157
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		21,070	22,993	–	21,070	22,993
Total non current liabilities		21,070	22,993	–	21,070	22,993
TOTAL LIABILITIES		102,223	78,150	–	90,491	78,150
NET ASSETS	2	941,010	854,696	–	1,074,583	854,696
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		738,338	852,610	–	871,910	852,610
Reserves and funds		202,672	2,086	–	202,672	2,086
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	941,010	854,696	–	1,074,583	854,696

FINANCIAL RATIOS AND NORMS

Current ratio: The municipality's current assets are 4 (four) times that of current liabilities. **5:95**

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 the situation is. 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 three times of the current liabilities.

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 76 percent.

Collection days: 1 517 days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at mid-year is **76%**


1.4.4 PERFORMANCE INDICATOR

Table 7

Table C7 below display the Cash Flow Statement for the month ending 31st December 2024

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(40,529)	31,118	-	2,304	28,049	15,559	12,489	80%	31,118
Service charges		(61,616)	75,777	-	4,972	37,740	37,889	(149)	0%	75,777
Other revenue		16,188	4,674	-	274	17,336	2,711	14,625	539%	4,674
Transfers and Subsidies - Operational		398,111	262,390	-	81,196	193,222	140,422	52,800	38%	262,390
Transfers and Subsidies - Capital		(69,416)	39,760	-	8,454	28,737	19,880	8,857	45%	39,760
Interest		31,127	28,000	-	1,854	7,411	14,000	(6,589)	-47%	28,000
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(463,749)	(392,386)	-	(28,433)	(170,924)	(179,805)	(8,882)	5%	(392,386)
Finance charges		-	(3,300)	-	-	-	(1,650)	(1,650)	100%	(3,300)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACT		(189,884)	46,034	-	70,621	141,571	49,006	(92,566)	-189%	46,034
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivab		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investme		-	-	-	-	-	-	-		-
Payments										
Capital assets		535,861	(146,740)	-	(30,475)	(64,667)	(73,370)	(8,703)	12%	(146,740)
NET CASH FROM/(USED) INVESTING ACT		535,861	(146,740)	-	(30,475)	(64,667)	(73,370)	(8,703)	12%	(146,740)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACT		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HE		345,977	(100,705)	-	40,146	76,904	(24,364)			-
Cash/cash equivalents at beginning:		(132,013)	(183,424)	-	258,837	208,808	(183,424)			208,808
Cash/cash equivalents at month/year end:		213,964	(284,129)	-		285,712	(207,788)			-

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

		Mandeni Municipality	
BANK RECONCILIATION STATEMENT FOR DECEMBER 2024			
Main Account :52940480587			
Opening FNB Bank Balance as on 1 DECEMBER 2024		7 486 093.14	7 486 093.14
PLUS: Deposits Banked		8 294 692.84	
PLUS: Interest received		45 133.64	
PLUS: Transfers In		103 042 479.68	
PLUS:Interest received From Call 1		223 298.94	
PLUS:Unpaid		12 248.25	
PLUS: MATURED INVESTMENTS		-	
PLUS: SARS REFUND		2 048 046.04	
PLUS: GRANTS RECEIVED		89 650 000.00	
Total Deposits		203 315 899.39	203 315 899.39
Less:Total payments	-	200 218 803.43	- 200 218 803.43
LESS: EFT Payments	-	71 337 702.37	
LESS: Bank Charges	-	23 179.42	
LESS: Cheques Paid Out	-	-	
LESS: Transfers Out	-	98 104 000.00	
LESS: NEW INVESTMENTS	-	30 000 000.00	
LESS: Debit Orders	-	753 921.64	
Closing FNB Bank Balance as on 31 DECEMBER 2024			10 583 189.10
Cashbook Reconciliation for 31 DECEMBER 2024			
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 DECEMBER 2024-D0001/IA09567/F0001/X049/R0099/001/FIN		412 543 516.83	
Less:Cashbook Balance as on 1 DECEMBER 2024-D0001/IA09850/F0001/X049/R0099/001/FIN	-	420 335 393.29	
Corrections to be made (JNL DR/CR)		-	
PLUS: Deposits Banked for DECEMBER 2024		8 306 941.09	
LESS: EFT Payments for DECEMBER 2024	-	71 338 775.07	
Plus NOVEMBER 2024 outstanding (reconciled)		5 820 419.78	
Less: Bank Charges to date	-	141 483.16	
PLUS: Grant received		89 650 000.00	
Less : New investment	-	30 000 000.00	
Less: Payments not yet paid during DECEMBER 2024	-	11 000.00	
PLUS: Interest received to date		259 912.51	
PLUS:Interest received From Call 1-DECEMBER 2024		223 298.94	
PLUS MATURED INVESTMENT		-	
PLUS :SARS REFUND		2 048 046.04	
PLUS :TRANSFER IN		103 042 479.68	
LESS:TRANSFER OUT	-	98 104 000.00	
LESS: Debit Orders for DECEMBER 2024	-	753 921.64	
Closing Cashbook Balance as on 31 DECEMBER 2024		10 570 075.41	10 570 075.41
			13 086.24
Reconciling Items	Amount		
ADD: Journal Debits - on Cashbook not on Bank Statement		13 086.24	
MONTH END BALANCE PER BANK STATEMENT- 31 DECEMBER 2024			10 583 189.10
ADJUSTED MONTH END CASHBOOK BALANCE- 31 DECEMBER 2024			10 583 161.65
DIFFERENCE			27.45

Cash and cash equivalent at the beginning of 2024/25 financial year is R208.8 million as per audited AFS and cash and cash equivalent at the end of 31st December 2024 is R285.7 million. Table C7 shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

REVENUE

- Property rates collection rate to date is 49.5% or R28.0 million of the billed revenue as at December 2024. The collection rate is above the budgeted rate of 50% the municipality will remain the same during an adjustment budget.
Further to that the municipality is implementing strategies as per credit control and debt collection policy which has ensured that there is improved collection.
- Service Charges: electricity is 65% or R33.9 million of billed revenue as at December 2024 collection rate is within the limits of budgeted collection rate. Collection rate budgeted will be met at year end, budget will remain the same during adjustment budget.
- Service Charges: refuse is 27% or R3.0 million of billed revenue as at December 2024, collection rate is below the budgeted collection rate of 45%, however estimated collection rate will be met at year end, budget will remain the same during adjustment budget.
- Other Revenue collected to date is R3.4 million, which is due to collection of rentals of properties, licenses and permits and other sources of revenue. Further to that Other Revenue has also included VAT refunds received for the current financial year an amount of R13.9 million. Based on performance reported for Other revenue and VAT Refunds these items will be increase during an adjustment budget.
- Government Operating received to date as at December 2024 is R193.2 million per grants received as publicized in DORA. Equitable Share received to date is R182.5 million, FMG Grant of R1.8 million, EPWP Grant of R1.3 million, INEP of R1.5 million, PMU Operational of R2.2 million and Library Grant of R3.8 million.
- Government Capital: received to date R28.7 million from MIG of R27.9 million and Library Grant (capex) R850 thousand, this is in accordance with the approved business plan.
- Grant will be adjusted to align with the revised gazette and approved rollovers will be considered during an adjustment budget.
- Interest of 7.4 million has considered interest on current and non-current assets of R5.1 million and interest on debtors of R2.3 million as at December 2024.

PAYMENTS

- Suppliers and employees for cash outflows of R170.9 million do not correspond with table A4 as it has also considered VAT in other line items and payments for prior year creditors of R26.1 million as per the 2023/24 audited AFS which were paid in this current financial year.
- Capital Assets of R64.7 million do not correspond with table A5 due to VAT of R8.4 million as payments are paid with VAT to suppliers.

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTOR’S ANALYSIS

Table 8

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment												
Description	NT Code	Budget Year 2023/24									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transact	1200	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transact	1300	4,531	401	261	265	135	138	535	2,546	8,811	3,619	
Receivables from Non-exchange Transactions - Proper	1400	2,971	1,570	1,417	1,809	30,136	43	16,436	86,814	141,196	135,237	
Receivables from Exchange Transactions - Waste Wat	1500	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Mar	1600	1,190	1,048	990	1,033	928	918	4,998	59,016	70,121	66,893	
Receivables from Exchange Transactions - Property Re	1700	23	6	40	2	1	1	3	123	198	130	
Interest on Arrear Debtor Accounts	1810	433	429	429	376	387	388	1,937	33,510	37,888	36,597	
Recoverable unauthorised, irregular, fruitless and wast	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	15	-	-	-	-	-	-	5,660	5,675	5,660	
Total By Income Source	2000	9,164	3,454	3,137	3,484	31,588	1,487	23,908	187,668	263,889	248,135	
2022/23 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	610	69	321	1,688	15,529	91	7,320	23,035	48,663	47,663	
Commercial	2300	5,424	918	600	(8)	12,850	110	2,860	23,702	46,456	39,513	
Households	2400	2,983	2,338	2,064	1,679	2,385	1,162	11,851	137,268	161,731	154,345	
Other	2500	146	128	152	125	823	125	1,877	3,663	7,039	6,613	
Total By Customer Group	2600	9,164	3,454	3,137	3,484	31,588	1,487	23,908	187,668	263,889	248,135	

The total Consumer debtors outstanding as 31st December 2024 is **R 263 889 400.00**

- Debt book indicates 13% increase from to 1st July 2024 to 31 December 2024, the debt book is very high.
- Debtors collection rate at December 2024 is 76%
- 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 its credibility and this will subsequently affect its 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 letter
- 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.

2024/25 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.

Table 8.1

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT					
ACC. NO.	TOWN	ERF NO	DEBTORS NAME	DEBT TYPE	AMOUNT R
001001792	SUNDUMBILI A	179	MR MNGOMEZULU	REFUSE	45104.59
001001862	SUNDUMBILI A	186	MR DLAMINI	REFUSE	46787.29
'001002100	SUNDUMBILI A	21	MS ZULU	REFUSE/RATES	44963.50
001002242	SUNDUMBILI A	224	MR XULU	REFUSE	44963.50
001002400	SUNDUMBILI A	24	MR ZULU	RATES/REFUSE	59066.82
001001742	SUNDUMBILI A	174	MR MTHETHWA	REFUSE	42682.01
001019000	SUNDUMBILI A	190	MS MKHWANAZI	RATES/REFUSE	44690.32
001001400	SUNDUMBILI A	14	MR MASONDO	RATES/REFUSE	18127.62
001001372	SUNDUMBILI A	137	MR NGEMA	REFUSE	35612.60
001063100	SUNDUMBILI A	631	MR MADELA	RATES/REFUSE	75422.37
001064500	SUNDUMBILI A	645	MS ZUNGU	RATES/REFUSE	11974.16
001065000	SUNDUMBILI A	650	MS NTSHANGASE	RATES/REFUSE	60381.80
0010656	SUNDUMBILI A	656	MR MANQELE	RATES/REFUSE	35557.03
001069300	SUNDUMBILI A	693	MR WILLIAMSON	RATES/REFUSE	18974.94
001069900	SUNDUMBILI A	699	MS NGOBESE	RATES/REFUSE	6605.40
001071300	SUNDUMBILI A	713	MR SANGWENI	RATES/REFUSE	14117.18
001070800	SUNDUMBILI A	708	MR BELE	RATES/REFUSE	28990.62
001071200	SUNDUMBILI A	712	KCLK PROPERTY INV.	RATES/REFUSE	57362.71
001073500	SUNDUMBILI A	735	MS MBINGLA	RATES/REFUSE	11285.54
001073600	SUNDUMBILI A	736	MR SIBIYA	RATES/REFUSE	736.00
TOTAL					602951.50

Table 8.2

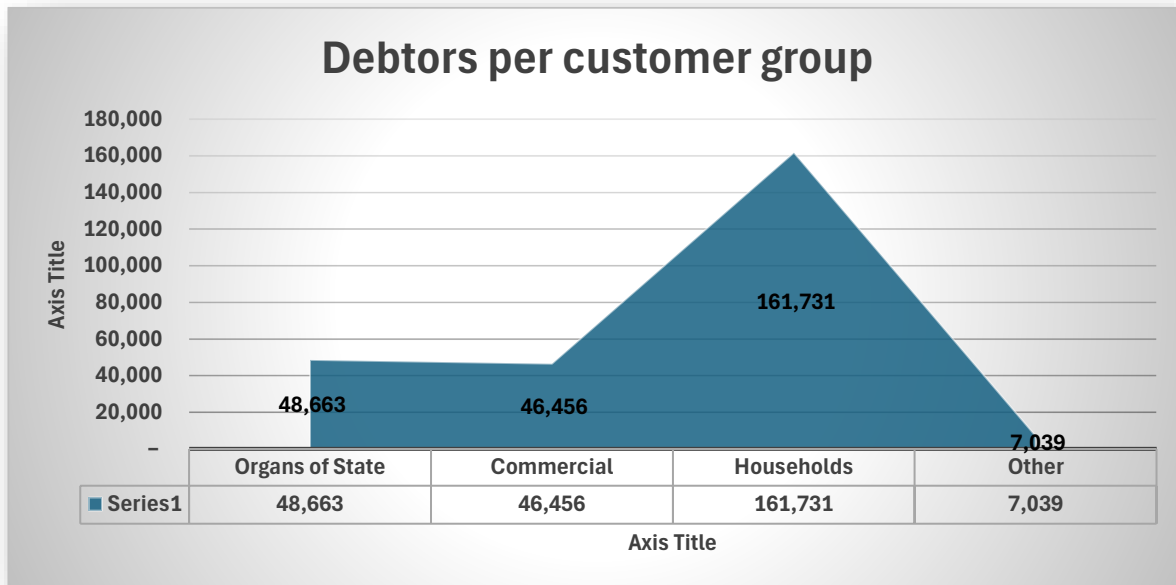
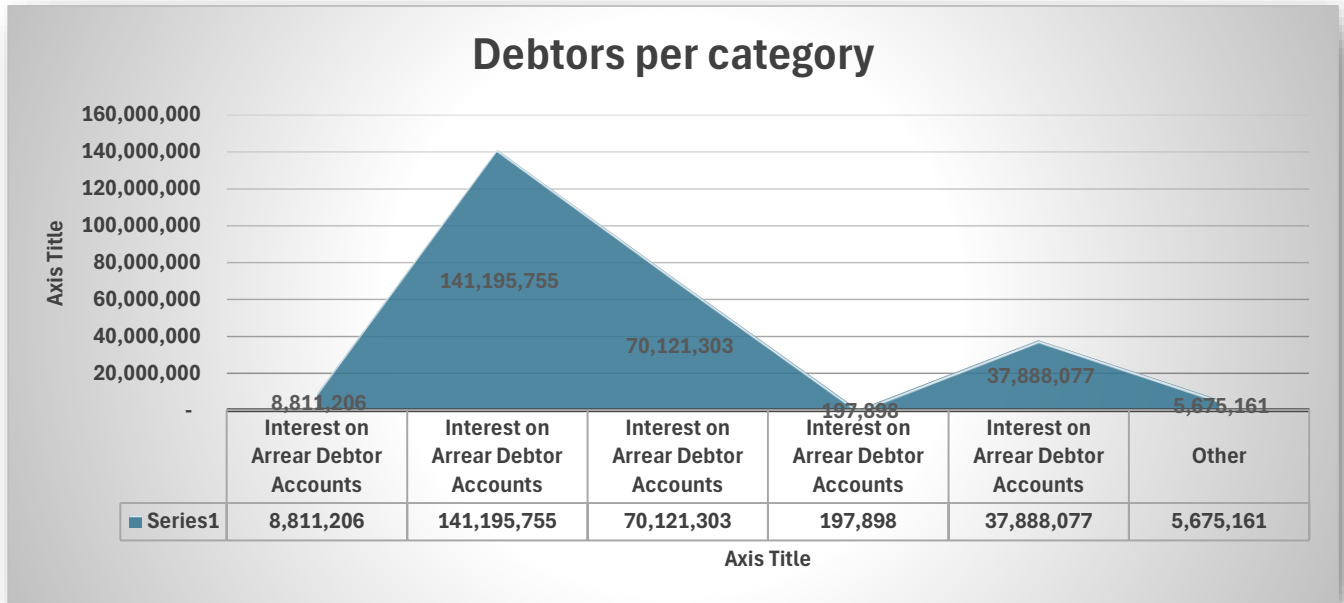
ARRANGEMENTS					
ACC. NO.	TOWN	ERF. NO	DEBTORS NAME	DEBT TYPE	AMOUNT R
009801201	MANDINI EXT. 001	278	MR NGCOBO	RATES/REFUSE	25691.63
001095000	SUNDUMBILI A	950	MR MASONDO	RATES	5274.92
009500781	MANDINI EXT. 007	994	MR SIBIYA S S	RATES/ELEC	148054.26
009701331	MANDII EXT. 005	776	MR THABETHE	RATES/REFUSE	7340.09
002145600	SUDUMBILI B	1456	MR MTHEMBU	RATES/REFUSE	17022.34
009900602	MANDINI EXT.090	60	MS BAKER	RATES/REFUSE	1044.92
002136900	SUNDUMBILI B	1369	MR VILAKAZI	RATES/REFUSE	57463.51
001022500	SUNDUMBILI A	225	MR MBATHA	RATES/REFUSE	13291.65
001072500	SUNDUMBILI A	725	MR SHANGE	RATES/REFUSE	30769.90
002242500	SUNDUMBILI B	2425	MR MDLULI	RATES	59615.99
'001077100	SUNDUMBILI A	771	MR MTHEMBU	RATES/REFUSE	4054.03
001107800	SUNDUMBILI A	1078	MR SKOSANA	RATES/REFUSE	2608.28
002160000	SUNDUMBILI B	1600	MR SHANGE	RATES/ REFUSE	26001.05
002067800	SUNDUMBILI B	678	MS MPUNGOSE	RATES/REFUSE	33635.77
001073600	SUNDUMBILI A	736	MR SIBIYA	RATES/REFUSE	20423.27
009903601	MANDINI EXT. 002	360	MR MWANDLA	RATES/REFUSE	25438.31
TOTAL					27,512.83

Table 8.3

DISCONNECTIONS					
ACCOUNT N	TOWN	ERF NO	DEBTORS NAME	DEBT TYPE	AMOUNT R
002600432	MANDINI	1426 EX	ASSOCIATED SPINNE	RATES/ELEC	-
008400851	MANDINI	835	ELASTICO	RATES/ELEC	5740.56
009600501	MANDINI	699	MR EUSHEN	RATES/ELEC	110731.65
008800681	MANDINI	98	MR GETKATE	RATES/ELEC	11961.42
003000102	MANDINI	307	MR MBUYISA	RATES/ELEC	12613.04
002800131	MANDINI	448 EXT	MR MVULA	RATES/ELEC	9306.72
002300031	MANDINI	746 EXT	MR MCHUNU X S	ELECTRICITY	826.74
009907461	MANDINI	746 EXT	MR MCHUNU X S	RATES/ELEC	2931.55
002601032	MANDINI	805 EXT	MR BUTHELEZI	ELECT.	
8000421	MANDINI	805 EXT	MR BUTHELEZI	RATES/ELEC	5417.09
008801301	MANDINI	77	MR PIETERS	RATES/ELEC	3544.51
002701212	MANDINI	28	MS NTULI	RATES/ELEC	23576.91
008903411	MANDINI	469 EXT	MR RADEBE L P	RATES/ELEC	77075.95
002900232	MANDINI	911 EXT	MR RADEBE	RATES/ELEC	70265.19
002700941	MANDINI	46 EXT.	MR KUBHEKA	RATES/ELEC	392.29
002701091	MANDINI	405 EXT	MS HORSLEY-DALIL	RATES/ELEC	25076.81
009300771	MANDINI	786/02	MR FOURIE	RATES/ELEC	3335.43
002800902	MANDENI	786/10	MR GOPAL	RATES/ELEC	5946.89
TOTAL					168,323.59

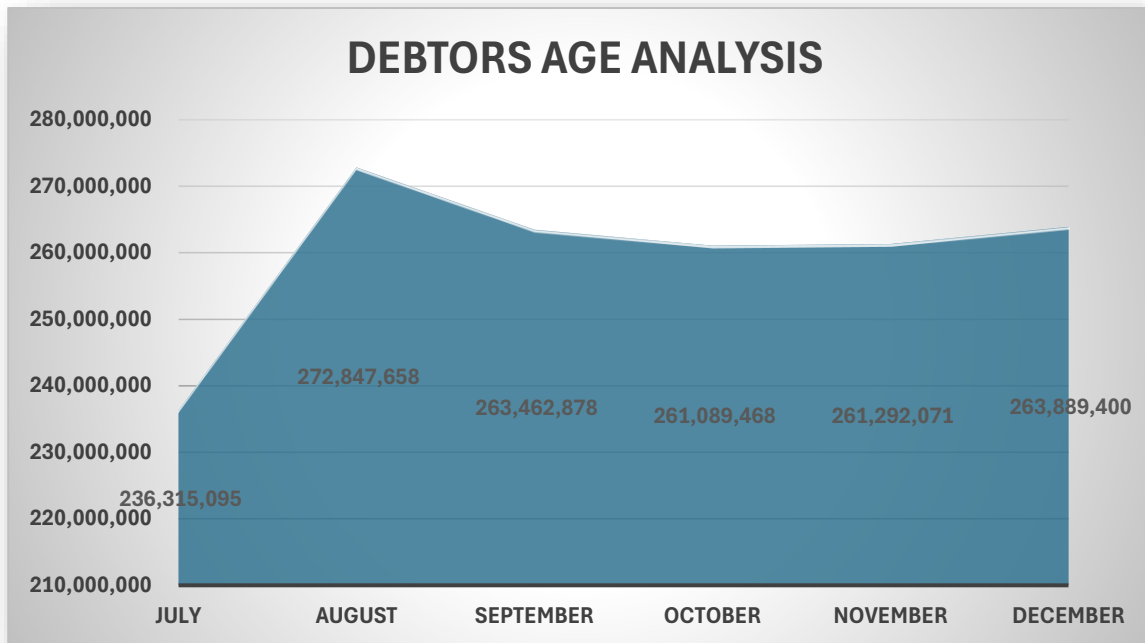
Table 8.4

- **Debtors outstanding per category**



The municipal debtors have increased from R205.7 million to R 208.5 million that is from July until 31 December 2024. This increase is dominated by Household debtors of 66% and it is followed by business of 19% and Organ of state is 14% compared to another debtors' type.

- **Total Outstanding Debtors from July –December**



The information presented in the chart above shows an increase in the outstanding debtor’s balances from 1st July 2024 of R 205.7 million when compared to the current period as at 31st December 2024, bringing the total outstanding debtors balance to R 207.6 million.

Councilors and Employees in Arrear

- Debt outstanding on Councilors as at December 2024 is R226,657.21
- Staff Accounts in arrears as at 31st December 2024 is R71,011.67

Debt outstanding on Councilors as at December 2024 is R226,657.21, it should be noted that we have since issued letters of demand to all affected Councilors in line with Regulation 9 of the 2023 Regulations on the Code of Conduct for Councilors which is aligned to Item 14 of the Actual Code of Conduct for Councilors as per Schedule 7 of the Local Government Municipal Structures Act No. 117 of 1998 as amended, as well as Council Resolution C141 of 29 June 2023.

Debt outstanding on Staff Accounts as at December 2024 is R71,011.67, deductions in this regard are ensured on a monthly basis.

2.2 CREDITORS ANALYSIS

Table 9

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment										
Description	NT Code	Budget Year 2023/24								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deduc	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-

- Creditors as at 31st December 2024 amounts to **R0**
- 100% of the creditors are paid within 30 days as stipulated in the MFMA.

2.3 INVESTMENT PORTFOLIO ANALYSIS _ DECEMBER 2024

Table 10

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

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment por									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Interest Rate ³	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investme nt Top Up	Closing Balance
R thousands									
<u>Municipality</u>									
		Yrs/Months							
call 1-internal grant		12months	CALL ACCOUNT	2.45	3,629	2,511	(41,831)	76,317	40,626
Call account 2 -HOUSING		12months	CALL ACCOUNT	2.45	2,046	72	-	-	2,117
Call account 3-MIG		12months	CALL ACCOUNT	2.45	17,691	604	(5,714)	-	12,582
Call account 5-TMT		12months	CALL ACCOUNT	2.45	458	15	(0)	6	479
Call account 6-INEP		12months	CALL ACCOUNT	2.45	2,110	60	(944)	-	1,226
Call account 7-AR		12months	CALL ACCOUNT	2.45	2,164	80	(587)	-	1,657
Call account 8- Title Deed		12months	CALL ACCOUNT	2.45	5,722	205	-	-	5,927
Call account 9-Disaster Recovery		12months	CALL ACCOUNT	6.7	15,837	569	(1,233)	-	15,173
NEDBANK		549 DAYS	INVESTMENT	8.8	65,000	2,837	(65,000)	-	2,837
NEDBANK		336 DAYS	INVESTMENT	10.27	100,000	5,008	-	-	105,008
NEDBANK		332 DAYS	INVESTMENT	9.8	50,000	2,054	-	-	52,054
NEDBANK		1 month	INVESTMENT	9	-	54	-	73,620	73,675
Municipality sub-total					264,657	14,070	(115,309)	149,943	313,362
<u>Entities</u>									
									-
									-
									-
									-
									-
									-
Entities sub-total					-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2				264,657	14,070	(115,309)	149,943	313,362

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

Closing balance for call investment deposits as at 31st December 2024 is R313.4 million with an interest generated during the 1st half of the year of R14.1 million.

The municipality has opened an external money market investment account with Nedbank and invested an amount of R223.6 million from its cash backed reserves of previous years. The municipality took a decision to increase its revenue source by re-investing its cash back reserves from institutions which offered better interest rates. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base.

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE
Table 13

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment										
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
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		261,703	258,621	-	81,196	189,453	129,310	51,832	40.1%	5,806
EPWP Incentive	-	4,807	1,815	-	-	1,271	908	344	38.0%	1,815
Finance Management	-	1,850	1,800	-	-	1,800	900	(863)	-95.9%	-
Integrated National Electrification Programme	-	7,200	9,227	-	-	1,500	4,614	(3,662)	-79.4%	1,800
Local Government Equitable Share	-	230,823	243,588	-	81,196	182,691	121,794	56,033	46.0%	-
Municipal Infrastructure Grant	-	17,023	2,191	-	-	2,191	1,095	(20)	-1.8%	2,191
	3	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	0.0%	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		50,633	3,769	-	-	3,769	1,885	1,885	100.0%	-
KwaZulu-Natal_Infrastructure_Infrastructure	-	50,633	-	-	-	-	-	-	0.0%	-
		-	-	-	-	-	-	-	0.0%	-
library	4	-	2,226	-	-	2,226	1,113	-	0.0%	-
cybercadest	-	-	1,543	-	-	1,543	772	-	0.0%	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:										
[insert description]		-	-	-	-	-	-	-	0.0%	-
		-	-	-	-	-	-	-	0.0%	-
Other grant providers:										
[insert description]		-	-	-	-	-	-	-	0.0%	-
		-	-	-	-	-	-	-	0.0%	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	312,336	262,390	-	81,196	193,222	131,195	(396)	-93.1%	-
		-	-	-	-	-	-	-	0.0%	-
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)	-	82,276	38,910	-	8,454	27,887	19,455	(2,294)	-11.8%	38,910
Integrated National Electrification Programme	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	0.0%	-
		-	-	-	-	-	-	-	0.0%	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:										
KwaZulu-Natal_Capacity Building and Other	-	13,680	850	-	-	850	425	425	100.0%	4,619
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:										
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:										
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	95,956	39,760	-	8,454	28,737	19,880	403	2.0%	43,529
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	408,292	302,150	-	89,650	221,959	151,075	7	0.0%	43,529

Grant Receipts Analysis:

The total operational YTD grant receipts as at 31st December 2024 is R 193.2 million, which has been allocated as follows:

- Equitable Share received to date is R182.7 million, with a remaining last trench of R56.0 million which will be received during the 3rd quarter as per DORA schedule.
- FMG of R1.9 million has been fully received as publicized on DORA.
- EPWP received to date is R1.3 million with the remaining last trench of R544 thousand will be received in the 3rd quarter as per payment schedule.
- Library Grant of R4.6 million has been received from Department of Arts and culture as publicized on DORA which has been split between operating of R3.7 million and capital budget of 8550 thousand as per the approved support plan.
- INEP received to date is R1.5 million, however it should be noted that second trench of INEP was withheld by Treasury.

The total capital YTD grant receipts as at 31st December 2024 is R 28.7 million which has been allocated as follows:

- MIG receipt of R 27.9 million has been received during the 1st half of the financial year, with a remaining balance of R11.0 million as publicized in DORA.
- Library receipts of R850 thousand have been received from Department of Arts & Culture as per gazette.

Table 12: Transfers and Grant Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		44,494	5,806	-	45,825	181,142	129,310	51,832	40.1%	5,806
Expanded Public Works Programme Integrat		4,807	1,815	-	233	1,252	908	344	38.0%	1,815
Integrated National Electrification Programme		6,576	-	-	-	37	900	(863)	-95.9%	-
Local Government Financial Management Gr		1,850	1,800	-	192	951	4,614	(3,662)	-79.4%	1,800
Municipal Disaster Relief Grant		21,482	-	-	45,223	177,827	121,794	56,033	46.0%	-
Municipal Infrastructure Grant		9,780	2,191	-	176	1,075	1,095	(20)	-1.8%	2,191
0										
Other transfers and grants [insert description]										
Provincial Government:		55,896	3,769	-	302	1,843	1,885	(42)	-2.2%	-
KwaZulu-Natal_Infrastructure_Infrastructure	REC	50,633	-	-	-	-	-	-		-
KwaZulu-Natal library		840	-	-	-	-	-	-		-
cybercadest		4,423	2,226	-	302	1,843	1,113	730	65.6%	-
Other transfers and grants [insert description]		-	1,543	-	-	-	772	(772)	-100.0%	-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
Other Transfers Public Corporations		-	-	-	-	-	-	-		-
[insert description]										
Total operating expenditure of Transfers and Gr		100,391	9,575	-	46,126	182,985	131,195	51,790	39.5%	5,806
Capital expenditure of Transfers and Grants										
National Government:		78,743	38,910	-	7,683	17,162	19,455	(2,294)	-11.8%	38,910
Municipal Infrastructure Grant		78,743	38,910	-	7,683	17,162	19,455	(2,294)	-11.8%	38,910
0										
0										
Other capital transfers [insert description]										
Provincial Government:		-	850	-	29	29	425	(396)	-93.1%	-
		-	850	-	29	29	425	(396)	-93.1%	-
0										
District Municipality:		-	-	-	-	-	-	-		-
0										
Other grant providers:		-	-	-	-	-	-	-		-
0										
Total capital expenditure of Transfers and Grant		78,743	39,760	-	7,712	17,191	19,880	(2,689)	-13.5%	38,910
TOTAL EXPENDITURE OF TRANSFERS AND GR		179,134	49,335	-	53,839	200,176	151,075	49,101	32.5%	44,716

Grant Expenditure Analysis:

The total operational YTD grant expenditure as at 31st December 2024 is R 200.2 million which has been split between conditional and unconditional grants. Conditional Grants YTD expenditure as 31st December is R11.1 million (64%) with a remaining unspent of R12.9 million which we anticipate it will be fully spent by year end.

- FMG expenditure year to date is R1.2 million at (67%) with the remaining unspent balance of R605 thousand. FMG expenditure for mid-year is on track as we are implementing projects approved as per FMG support plan, grant will be fully spent by year end.
- EPWP expenditure year to date is R1.7 million at (65%) with the remaining unspent balance of R883 thousand. Expenditure towards this grant has exceeded projected budget as per mid-year performance, this is due to wages paid towards epwp beneficiaries which is in accordance with EPWP MOU. Further to that it should be noted that the municipality have co-funded this project with a budget of R1 million as the municipality has a commitment with the epwp beneficiaries based on their contract, budget allocated by Department of Public Works is not sufficient to cover the full year and PPE.
- Library expenditure to date is R1.9 million at (43%) with the remaining unspent balance of R2.5 million. Library Expenditure is reflecting an underspending as at midyear, however there are commitments that have been made on this grant which will ensure that grant is fully spent by year end.
- INEP expenditure to date is R4.3 million at (58%) with a remaining balance of R3.0 million for allocated DORA. Further to that it should be noted that budget allocated towards Installation of Mandeni Bulk Substation, which is still in progress it is anticipated that grant allocated will be fully spent at year end.
- Massification Grant Rollover of R4.8 million that was approved by COGTA has been spent at R3.3 million at (70%) with a remaining unspent of R1.4 million which will be fully spent by year end.
- MIG operational expenditure (PMU) to date is R1.2 million (63%) with a remaining balance of R702 thousand. Expenditure reported to date has exceeded the budgeted projection, however it is anticipated that grant will be fully spent by year end.

The total capital YTD grant expenditure as at 31st December 2024 is R 17.9 million which has been split as follows:

- MIG capital expenditure to date is R16.3 million (34%) with the remaining unspent balance of R31.5 million. Performance reported as at mid-year is below the set limit of 50% of the approved implementation plan; the municipality has then developed MIG acceleration plan which will assist in ensuring that there is improvement in terms of spending before year end. Challenges that we experienced in relation to this grant have been outlined under capital expenditure.
- Disaster Relief Grant of R15.6 million has been approved by Treasury. Expenditure reported to date is R1.5 million at 9.8% with a remaining unspent of R14.0 million. Delays have been due to weather and floods which were experienced in December; however, it is anticipated that grant will be fully spent by year end.
- Library capital Expenditure to date is R104 thousand (19%) with the remaining unspent balance of R446 thousand. Variance is due to commitment to procure fleet for library which has not been delivered due to stock unavailability. However, the dealership has confirmed that these items will be delivered in 3rd quarter.

3.COUNCILORS AND BOARD MEMBER ALLOWNCES AND EMPLOYEE BENEFITS

Table 13

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C				%	D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12,378	13,768	-	1,072	6,807	6,884	(77)	-1%	13,768
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		528	675	-	37	225	337	(112)	-33%	675
Cellphone Allowance		1,491	1,687	-	126	752	843	(91)	-11%	1,687
Housing Allowances		167	258	-	11	63	129	(66)	-51%	258
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		14,564	16,388	-	1,246	7,848	8,194	(346)	-4%	16,388
% increase	4		12.5%							12.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	3,865	5,876	-	388	2,327	2,938	(612)	-21%	5,876
Pension and UIF Contributions		1	11	-	-	-	6	(6)	-100%	11
Medical Aid Contributions		163	42	-	21	124	21	103	485%	42
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		380	499	-	-	-	250	(250)	-100%	499
Motor Vehicle Allowance		716	871	-	60	358	435	(77)	-18%	871
Cellphone Allowance		272	195	-	29	171	98	73	75%	195
Housing Allowances		114	278	-	14	85	139	(54)	-39%	278
Other benefits and allowances		347	286	-	40	241	143	98	69%	286
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5,131	3,736	-	-	-	1,868	(1,868)	-100%	3,736
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10,989	11,794	-	551	3,305	5,897	(2,592)	-44%	11,794
% increase	4		7.3%							7.3%
Other Municipal Staff										
Basic Salaries and Wages		83,417	94,130	-	8,109	46,272	47,065	(793)	-2%	94,130
Pension and UIF Contributions		13,566	15,938	-	1,307	7,673	7,969	(296)	-4%	15,938
Medical Aid Contributions		6,332	6,180	-	568	3,512	3,090	422	14%	6,180
Overtime		3,361	2,469	-	297	1,633	1,235	399	32%	2,469
Performance Bonus		6,601	6,513	-	525	3,251	3,256	(5)	0%	6,513
Motor Vehicle Allowance		4,751	5,495	-	414	2,456	2,748	(292)	-11%	5,495
Cellphone Allowance		617	604	-	64	363	302	62	20%	604
Housing Allowances		315	362	-	28	170	181	(10)	-6%	362
Other benefits and allowances		983	887	-	142	717	443	273	62%	887
Payments in lieu of leave		3,462	2,718	-	-	187	1,359	(1,172)	-86%	2,718
Long service awards		355	1,407	-	-	118	703	(585)	-83%	1,407
Post-retirement benefit obligations	2	(1,041)	4,047	-	-	-	2,023	(2,023)	-100%	4,047
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122,720	140,748	-	11,454	66,353	70,374	(4,022)	-6%	140,748
% increase	4		14.7%							14.7%
Total Parent Municipality		148,273	168,930	-	13,251	77,505	84,465	(6,960)	-8%	168,930
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES &		148,273	168,930	-	13,251	77,505	84,465	(6,960)	-8%	168,930
% increase	4		13.9%							13.9%
TOTAL MANAGERS AND STAFF		133,709	152,543	-	12,005	69,658	76,271	(6,614)	-9%	152,543

4.EXPENDITURE MANAGEMENT

4.1 LEGAL FRAMEWORK

As part of the mid- year performance report the analysis of expenditure pattern and the cash flow is highlighted.

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

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

5. COST CONTAINMENT MEASURES

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

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

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

6. ASSET MANAGEMENT MID-YEAR REPORT

6.1 OVERVIEW SUMMARY

As of 31 December 2024, the total value of all assets as per the Fixed Asset Register is at **R 1 057 046 425.23** and the nett book value is sitting at **R 751 593 880.49**

6.2 NEW ACQUISITIONS

The acquisition of non-current assets amounted to **R 5 653 216.99** for the first half of 2024-2025. The following assets per asset type were purchased from 1st of July 2024 up to 31 December 2024.

ASSET TYPE	ADDITIONS AS PER FAR	ADDITIONS NOT YET ACCOUNTED FOR	TOTAL ADDITIONS
FURNITURE AND OFFICE EQUIPMENT	117 246.40	44 825.00	162 071.40
TRANSPORT ASSET	2 752 851.93		2 752 851.93
MACHINERY AND EQUIPMENT	1 659 950.00	253 760.00	1 913 710.00
COMPUTER EQUIPMENT	454 485.60	186 723.06	641 208.66
BUILDINGS	0.00	183 375.00	183 375.00
	4 984 533.93	668 683.06	5 653 216.99

Construction Work-in-Progress

During the period up to 31 December 2024, the following payments were made. The total payments per project for the six months period ending 31 December 2024 amounts to

KZN 291 Mandeni Municipality 2024/25 Mid-Year Budget Assessment Report (S 72)

R 50 579 623.88 excluding VAT. The breakdown of cumulative expenditure per project is as follows.

PROJECT NAME	CONTRACTOR/CONSULTANT	AMOUNT
INYONI ROADS PHASE 4	ZIBANDLELA TRADING 10 CC	2 400 272.50
MANDENI DLTC	NZAMAKHUZE HOLDINGS	869 545.75
HLOMENDLINI SPORTSFIELD	SIYAZENZELA CONSULTING	698 485.46
CONSTRUCTION OF MECHANICAL WORKSHOP	BHEKA PHEZULU INVESTMENTS AND SALE	1 349 761.99
UPGRADE MACHIBINI & ISITHEBE LINK ROAD	SILO CONSTRUCTION SA (PTY) LTD	1 596 780.60
REHABILITATION OF PHUMULA, INDUMISO & MAL	MVI-SSSS TRADING ENTERPRISE	2 124 533.89
REHABILITATION OF MTHOMBOTHU, MBABALA, U	BIG O TRADING 298	2 191 246.51
CONSTRUCTION OF MINI FACTORIES	LUZOMELAMANDLA TRADING ENTERPRISE	673 856.61
STREETLIGHTING OF P459 AND P415	R BUSISWE	668 755.07
REHABILITATION OF BUMBANANI ROAD	IQHAWE ELIHLE TRADING	6 499 129.31
BEAUTIFICATION OF P459 & NKONJANE INTERS	AKHA HOLDINGS	887 489.25
WARD 8 COMMUNITY HALL	GIBB	217 097.53
CONSTRUCTION OF NEW OFFICE BLOCK	DLV PROJECT MANAGERS AND ENGINEER	4 968 145.33
FENCING OF PUBLIC SAFETY OFFICES	MDLANGENI TRADING	314 040.35
REHABILITATION OF ISIBUKO ROAD	NGEJA CONSULTING ENGINEERS	375 833.57
REGRAVELLING WARD 11 - KWANGCOBO ESTC	PRO STRA PROJECTS	1 845 662.96
REGRAVELLING WARD 16 - KWAMATHONSI EST	SUKOLUHLE TARDING ENTERPRISE	1 490 170.00
REGRAVELLING WARD 17 - EZIMANGWENI TO O	BASINDAZWE CONSTRUCTION AND SERV	1 351 355.94
REGRAVELLING WARD 4 - MASINGA ROAD	ZISAYINI TRADING ENTERPRISE	2 129 663.77
WARD 10 KHENANA SPORTSFIELD	IMPUMELELO CONSULTING ENGINEERS	735 704.93
WARD 13 STORMWATER UPGRADE	ASAMKELE CONTRACTING AND TRADING E	971 448.00
REGRAVELLING WARD 9 - ESIKHOVENI TO NYA	THUBA CONSTRUCTION	1 241 332.20
REGRAVELLING WARD 18 - ISITHEBE LIBRARY T	LAMAZWIDE PROJECTS	1 200 915.00
REGRAVELLING WARD 8 - MANQINA ROAD	THE CURVE BEHIND TRADING 219	838 458.00
REGRAVELLING WARD 3 - CARWASH P415 TO N	CIRRUS PMC	1 332 801.00
REGRAVELLING WARD 2 - TUGELA BEACH ROA	GWIJANDOVO	1 393 983.00
REGRAVELLING WARD 5 - ESAMAQAMU TO MGL	PHELECON CONSTRUCTION	958 522.72
REGRAVELLING WARD 10 - DABEDABE ROAD	QHUDE PROJECTS 123	1 455 097.90
REGRAVELLING WARD 7 - EHLANZENI ROAD PH	AMATHOKOZAMAHLE TRADING	1 496 655.00
REGRAVELLING WARD 13 - ROAD 6	MUSA AND SON'S TRADING ENTERPRISE	1 220 381.77
KINGFISHER ROAD EXTENSION	BRIMSTOHN CONSULTING	132 234.35
REGRAVELLING WARD 15 - KWAMJULELWA TO	ONOMBUTHU	1 011 891.60
REGRAVELLING WARD 1 - D888 TO KWAMNGUN	HLOMUKA SUPPLIERS AND TRADING	1 483 743.25
REGRAVELLING WARD 12 - MACHIBINI ROAD	VKTA ENTERPRISES	1 338 564.55
REGRAVELLING WARD 6 - EVUTHA TO APOSTO	ISICHAKA ESINGENAMONA CONSTRUCTIO	1 116 064.22
GRAND TOTAL		50 579 623.88

The total additions of all assets for the 6-month period ending 31 December 2024 amounted to **R 55 564 157.81**. A detailed listing of all acquisitions and additions to the fixed assets register is contained in the attached **Annexure A**.

6.3 DEPRECIATION

Cumulative depreciation as at 31 December 2024 per the system generated report amounts to **R 17 546 281.89** The breakdown per asset type is as follows.

ASET CLASS/TYPE	Depreciation for Period
COMMUNITY ASSET Total	1 834 407.08
COMPUTER EQUIPMENT Total	378 987.08
ELECTRICAL INFRASTRUCTURE Total	552 870.69
FURNITURE AND OFFICE EQUIPMENT Total	262 307.35
INTANGIBLE ASSET Total	41 673.62
INVESTMENT PROPERTY Total	-
LAND Total	-
MACHINERY AND EQUIPMENT Total	1 067 755.62
OTHER ASSET Total	423 031.02
ROADS INFRASTRUCTURE Total	8 617 134.36
STORMWATER INFRASTRUCTURE Total	1 455 349.34
TRANSPORT ASSET Total	2 912 765.73
	17 546 281.89

6.4 INSURANCE CLAIMS REPORT

REPORTED CLAIMS

The following nine (9) claims were reported during the six months ending in December 2024.

CLAIM DESCRIPTION	VEHICLE REG./ REF.	MAKE OR MODEL	RESPONSIBLE OFFICIAL	INCIDENT DATE
NZ13851 COLLIDED WITH A THIRD PARTY VEHICLE	NZ13851	TOYOTA COROLLA QUEST 1.6 AT	SG MATHONSI	2024/07/02
NZ17601 COLLIDED WITH A MINIBUS TAXI	NZ17601	ISUZU 250 HO D/CAB HI - RIDE	SH NXUMALO	2024/08/22
MD CABASHE INJURED WHILE ON DUTY			MD GCABASHE	2022/07/21
NZ22867 BUMPED INTO LR192JGP AT FNB STADIUM	NZ22867	TOYOTA FORTUNER GD6 2.8	CB NTAKA	2024/05/25
TREE ON MATHEW ROAD FELL ON MR SB CELE VEHICLE	SHEPERD-ZN	VW JETTA	SB CELE	2024/05/08
ISUZU DMAX (BW36WM-ZN) COLLIDED WITH HYNDAI i10(HH31CL-GP)	BW36WM-ZN	ISUZU DMAX 1.9 DC	TP NSIBANDE	2024/11/11
72TOYOTA RUMION (BF72FG-ZN) COLLIDED WITH RENAULT KIGER (NZ22207)	BF72FG-ZN	TOYOTA RUMON 1.5	TD MTHEMBU	2024/11/16
NZ20887 COLLIDED WITH A MOTORBIKE (BF22WF-ZN)	NZ20887	TOYOTA FORTUNER GD6	FP GUMEDE	2024/11/24
TIPPER TRUCK (BS21VL-ZN) REVERSED TO A VW POLO (BT59TF-ZN)	BS21VL-ZN	UD TIPPER TRUCK	ML SHANDU	2024/11/21

FINALIZED CLAIMS

The following claims eight (8) were concluded and finalized during the six months period ending 31 December 2024

CLAIM DESCRIPTION	REGISTRATION/ MODEL	INCIDENT DATE	DATE SETTLED	STATUS
LAPTOP STOLEN FROM MUNICIPAL CHAMBER	01579	2024/04/09	12/06/2024	REJECTED
TOYOTA COROLLA QUEST 1.6 AT - NZ13851	NZ13851	2024/07/02	2024/09/26	SETTLED
NZ17601 COLLIDED WITH A MINIBUS TAXI	NZ17601	2024/08/22	2024/10/04	REPAIRS COMPLETED
NZ21345 TRUCK BIN OVERTURNED ON WHILE DELIVERING QUARRY	NZ21345	2024/03/01	2024/11/29	SETTLED
BG49VXZN(NZ6606) COLLIDED WITH THE THIRD PARTY	BG49VXZN	2024/09/23	2024/11/14	SETTLED
LAPTOP STOLEN FROM IT OFFICE	04282	2024/05/06	2024/11/29	DELIVERED
KS MCHUNU SHOT DEAD AT HIS HOME		2024/09/14	2024/11/29	SETTLED
NZ22867 BUMPED INTO LR192JGP AT FNB STADIUM	NZ22867	2024/05/25	2024/12/20	SETTLED

OUTSANDING CLAIMS

The following six (6) claims remain outstanding as of 31 December 2024.

CLAIM DESCRIPTION	INCIDENT DATE	STATUS REPORT	REMARKS
DOKODWENI FACILITY SET ALIGHT	2023/10/20	UPON FOLLOWING UP ON THE 12TH OF DECEMBER 2024, THE BROKERS ADVISED THAT THE INSURER IS STILL WAITING FOR THE LOSS ADJUSTERS REPORT	FILE OPEN
COMPUTERS WERE STOLEN AT SUNDUMBILI LIBRARY	2023/11/21	EXCESS INVOICE WAS RECEIVED ON THE 13TH OF DECEMBER. THE PAYMENT WILL ONLY BE MADE IN THE MID JANUARY.	FILE OPEN
LAPTOP WAS STOLEN AT NCANANA'S HOME	2024/06/26	THE EXCESS INVOICE WAS NOT PROCESSED IN DECEMBER IT WILL ONLY BE PAID MID-JANUARY 2025	FILE OPEN
ISUZU DMAX (BW36WM-ZN) COLLIDED WITH HYUNDAI i10(HH31CL-GP)	2024/11/11	VEHICLE WENT FOR ASSESSMENT ON THE 25TH OF NOVEMBER 2024 AT WINCLO	FILE OPEN
72TOYOTA RUMION (BF72FG-ZN) COLLIDED WITH RENAULT KIGER (NZ22207)	2024/11/16	VEHICLE WENT FOR ASSESSMENT ON THE 7TH OF JANUARY 2025 AT WINCLO	FILE OPEN
NZ20887 COLLIDED WITH A MOTORBIKE (BF22WF-ZN)	2024/11/24	VEHICLE WENT FOR ASSESSMENT ON THE 7TH OF JANUARY 2025 AT WINCLO	FILE OPEN

6.6 PHYSICAL ASSET VERIFICATIONS

ACTIVITIES

ACTIVITIES

During the first and the second quarter of the financial year ending 30 June 2025 the following sites were visited;

- Main Offices
- Technical Services
- Public Safety offices
- Beaches
- Mandeni and Ndulinde Libraries
- Sundumbili Stadium

Activities undertaken during physical asset verification included the following;

- Issuing of notice to all staff advising them of the physical asset verification for the first quarter.
- Updating of locations and the custodian's information per office.
- Physically verifying all movable assets in the civic centre and public safety offices using the scanner.
- Ensuring that movable assets are bar-coded and assigning new barcodes assets if required.
- Indicating the condition of each asset
1. Very good, 2. Good. 3. Fair, 4 Poor, 5. Very Poor
- Printing of inventory sheets per location, conducting quality assurance of information from each inventory list and obtaining a sign-off from the occupant or appointed person responsible for controlling the asset.
- Following up and resolving discrepancies as identified during the asset verification process.
- Obtaining a Site or Departmental sign-off Certificate per site from the Asset Controllers on completion of the verification process.
- Uploading of scanning results onto the AMS360 system and approving the project.
- Ensuring that the verification system (AMS360) integrates.

ASSET DISPOSALS

There was no disposal of assets during the first half of 2024-25 Financial year. The next auction is planned for the 3rd or last quarter of the financial year.

7. REPORTING (ANNUAL FINANCIAL STATEMENTS)

The municipality has planned to start preparing its Annual Financial Statements internally, by issuing interim AFS as at 31st December 2024 which will be issued in January 2025. This will ensure that annual financial statements are reviewed and reconciled to their line items to ensure completeness and accuracy. This will further assist in reducing material misstatements at year end, as errors will be identified earlier and corrected.

Furthermore, to that the municipality has adhered to MFMA and mSCOA regulation by ensuring that Section 71 reports and mSCOA data stings are submitted and tabled to Council and relevant treasuries within the legislated framework (monthly & quarterly) during the 1st half of the financial year.

8. Municipal Manager's Quality Certificate

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

- **Section 72 Mid-Year Budget and performance Assessment**

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

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature: _____

Date: **31 January 2025**