

MANDENI MUNICIPALITY (KZN 291)



SECOND QUARTER REPORT SECTION 52(D) (mSCOA) 2024/25 FINANCIAL YEAR

JULY– DECEMBER 2024

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1.1 MAYORS' FOREWORD

Attached

1.2 COUNCIL RESOLUTION

Resolution No: C

Refer to the recommendations contained in this report.

1.3 EXECUTIVE SUMMARY**LEGAL REQUIREMENTS**

In terms of section 52(d) of the MFMA, the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state affairs of the municipality.

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

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

1.3.2 FINANCIAL PERFORMANCE

BUDGET SUMMARY

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter								
Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							%	
Financial Performance								
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 (monetary allocations)	55 093	39 760	7 712	17 344	19 880	(2 536)	-13%	39 760
Surplus/(Deficit) after capital transfers & contributions	80 427	43 830	40 635	133 573	21 755	111 818	514%	43 830
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
TOTAL BUDGET	537 029	570 631	87 696	278 927	285 476	(6 549)	(0)	570 631

As can be seen from the table above, Actual surplus for the period ended 31st December 2024 is Significantly more than the Budgeted Surplus by- 100%. Monthly budget statement summary (Table C1), for the period ending 31st December 2024 (year to date actual), shows a surplus of R133,6million against YTD budget of R21,8million which reflects variance of more than 100%.

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

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 - Q2 Second Quarter								
Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Financial Performance								
Property rates	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	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%	-
(excluding capital transfers and	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 Council	14 564	16 388	1 246	7 848	8 194	(346)	-4%	16 388
Depreciation and amortis	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	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 (monetary)	55 093	39 760	7 712	17 344	19 880	(2 536)	-13%	39 760
Surplus/(Deficit) after capital transfers & Surplus/ (Deficit) for the year	80 427	43 830	40 635	133 573	21 755	111 818	514%	43 830
	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 recognis	51 789	34 702	5 819	15 469	17 351	(1 882)	-11%	34 702
Borrowing	-	-	-	-	-	-		-
Internally generated fund	87 873	92 898	20 680	40 763	46 449	(5 686)	-12%	92 898
Total sources of capital f	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) ope	(189 884)	46 034	62 167	141 571	49 006	(92 566)	-189%	46 034
Net cash from (used) inve	535 861	(146 740)	(30 475)	(64 667)	(73 370)	(8 703)	12%	(146 740)
Net cash from (used) fina	-	-	-	-	-	-		-
Cash/cash equivalents a	213 964	(284 129)	-	285 712	(207 788)	(493 500)	238%	-
Debtors & creditors analysis								
	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	9 164	3 454	3 484	31 588	1 487	23 908	187 668	263 889
Debtors Age Analysis								
Total Creditors	-	-	-	-	-	-	-	-

Table 2
Table C2 provides the statement of financial performance by standard classification.

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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 - Function	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 - Function	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

Table 3

Table C3 provides the statement of financial performance by standard classification.

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter									
Vote Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote	1								
Vote 1 - Executive and council		–	8 038	–	–	4 019	(4 019)	-100.0%	8 038
Vote 2 - Finance and administra		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 s		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 Developm		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 Protect		–	–	–	–	–	–	–	–
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 administra		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 s		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 Developm		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 Protect		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 Vot	2	398 006	449 292	61 196	222 694	224 806	(2 112)	-0.9%	449 292
Surplus/ (Deficit) for the y	2	79 788	43 830	40 635	133 573	21 755	111 818	514.0%	43 830

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) - Q2 Sec									
Description	Ref	2023/24		Budget Year 2024/25					
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue									
Exchange Revenue									
Service charges - Electricity		61 164	72 341	5 501	34 820	36 171	(1 351)	-4%	72 341
Service charges - Water		—	—	—	—	—	—	—	—
Service charges - Waste Water Man		—	—	—	—	—	—	—	—
Service charges - Waste management		12 380	14 106	1 104	6 597	7 053	(456)	-6%	14 106
Sale of Goods and Rendering of Se		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 Curr		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 - Operatio		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 & Income Tax		80 427	43 830	40 635	133 573	21 755			43 830
Surplus/(Deficit) after income tax		80 427	43 830	40 635	133 573	21 755			43 830
Share of Surplus/Deficit attributable		—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable		—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		80 427	43 830	40 635	133 573	21 755			43 830
Share of Surplus/Deficit attributable		—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary tra		—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		80 427	43 830	40 635	133 573	21 755			43 830

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

Figure 1

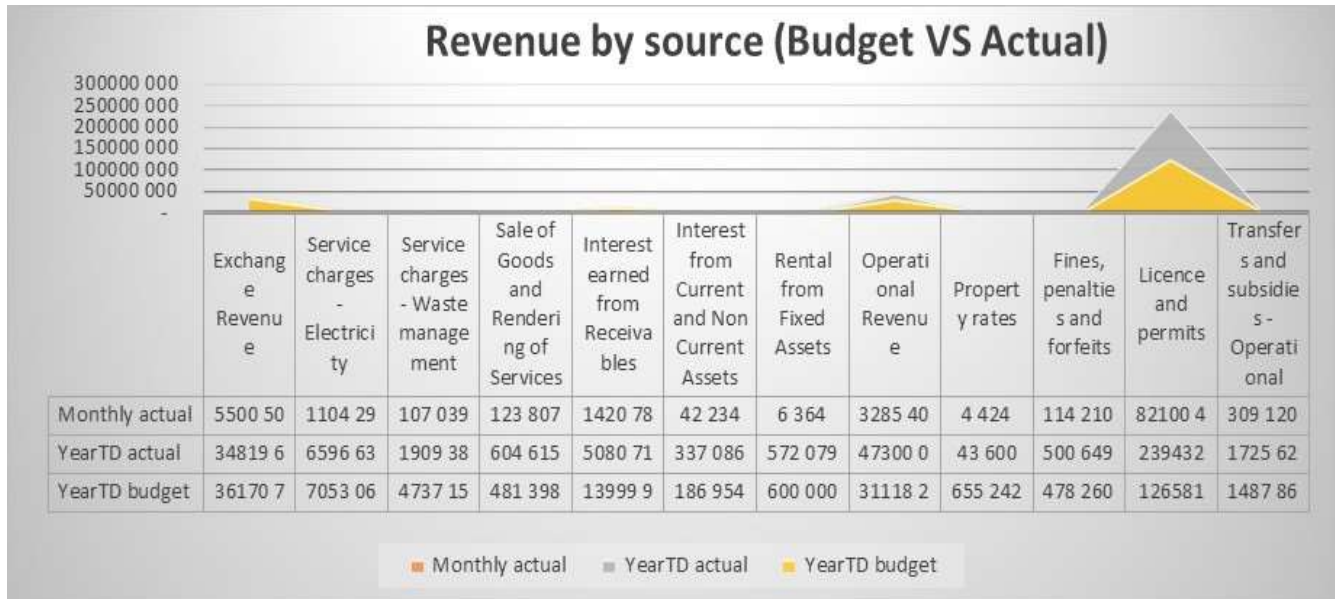
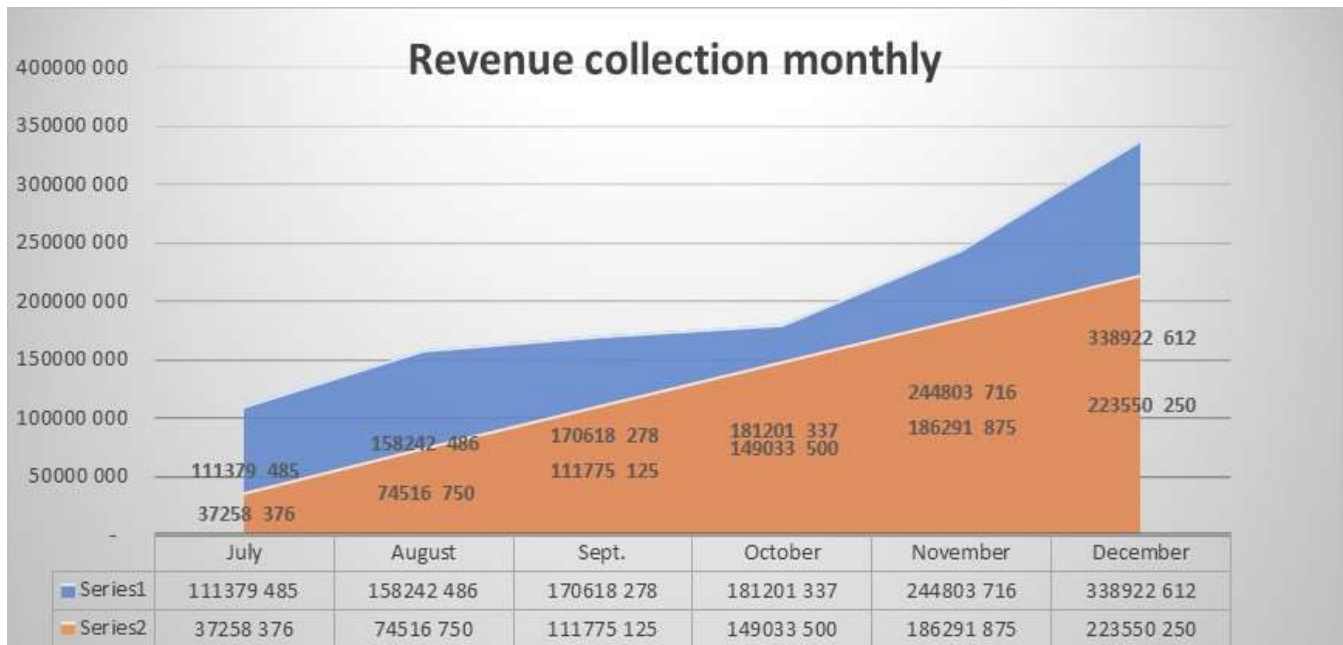


Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R338,9million for the period ending 31 December 2024 excluding capital conditional grant income. The YTD Budget is R223,6million; therefore, this reflects an over performance against the revenue projected by 58%, this is a reflection that the municipality has achieved more of its revenue performance budget.

EXCHANGE REVENUE**Service Charges: Electricity**

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R34,8million under a budget YTD of R36,2million. The variance of -4% or R1,4million is indeed immaterial.
- The actual cash collected is R 4,6 million for the month ended December 2024.

Service Charges: Refuse

- The billed revenue from Service Charges Refuse as @ 31st December 2024 is R6,5 million against the budgeted income of R7,1million, which under performance by 6%. The variance is immaterial.
- The actual cash collected is R269thousand for the month of December 2024.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R1,9million in comparison with the year-to-date budget of R4,7million, thus indicating an under performance by R2,8million and or -60%, variance is caused by the INEP expenditure that has been allocated to the vote for the correction of GRAP transacting. This vote also includes: Tender documents sales vote and Escort fees vote, which is the person responsible for the patrolling of children who are going to school and also Library photocopies.
- **Interest earned from receivables.**
- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R605thousand in comparison with the year-to-date budget of R481 thousand, thus indicating an over performance by R123thousand or 26%. The Municipality has noticed the majority of the customers did not honour their agreements.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R5,1million in comparison with the year-to-date budget of R14million, thus indicating an under performance by R8,9million or 63 percent, variance is caused by the Investments maturity date are towards the year end.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R337 thousand in comparison with the year-to-date budget amount of R187 thousand thus indicating an over performance of R150thousand or 80%. Variance is due to level of demand in rental of staff rental houses are fully occupied. And Municipal facilities have been fully booked in the first quarter of the year more than the municipality anticipated.

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 R572thousand which is less than anticipated YTD budget of R600thousand, thus indicating an under performance of R28 thousand or 5%, variance is due to the collection charges not received, as these are paid from customers who are behind with rates and services.

NON-EXCHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements. The YTD Actual for rates shows over -collection Budget of R31,1million, which is an over collection by 52% or R16,2million. The variance in this vote is due to Annual Billing for the year of R30million and the implementation of SV3.
- The actual cash collected being R2,2million for the month ended 31st December 2024.

Fines, Penalties and forfeits

- Fines for the month of December are underperformed by 93% or R612 thousand, over a pro-rata budget of R612thousand. The variance is since PS fines and Library fines are impossible to collect as no proper trace of customers is kept within the Municipality. Library fines are charge for tardiness of books returns.

Licences and permits.

- Licences and permits have under-performed by 5% or R22thousand with an actual amount of R501 thousand as compared to pro-rata 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. This revenue collection is only monitored through walk in customers only.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R239,4million YTD Actual in comparison with the YTD budget of R126,6million, thus indicating an over performance by R112,6 million or 89% variance is mainly attributable to the municipality receiving 2nd trench of Equitable share of R81,1million against the Gazette allocation of R 243,6million, which will be received over 3 Trenches.
- Transfers and subsidies capital amounts to R17,3million in comparison with the YTD budget of R19,9million, 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

- Interest earned from receivables amounts to R1,7million in comparison with the year-to-date budget of R1,5million, thus indicating an over performance by R238thousand or 16percent.

Operating Expenditure from December 2024

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

Figure 6

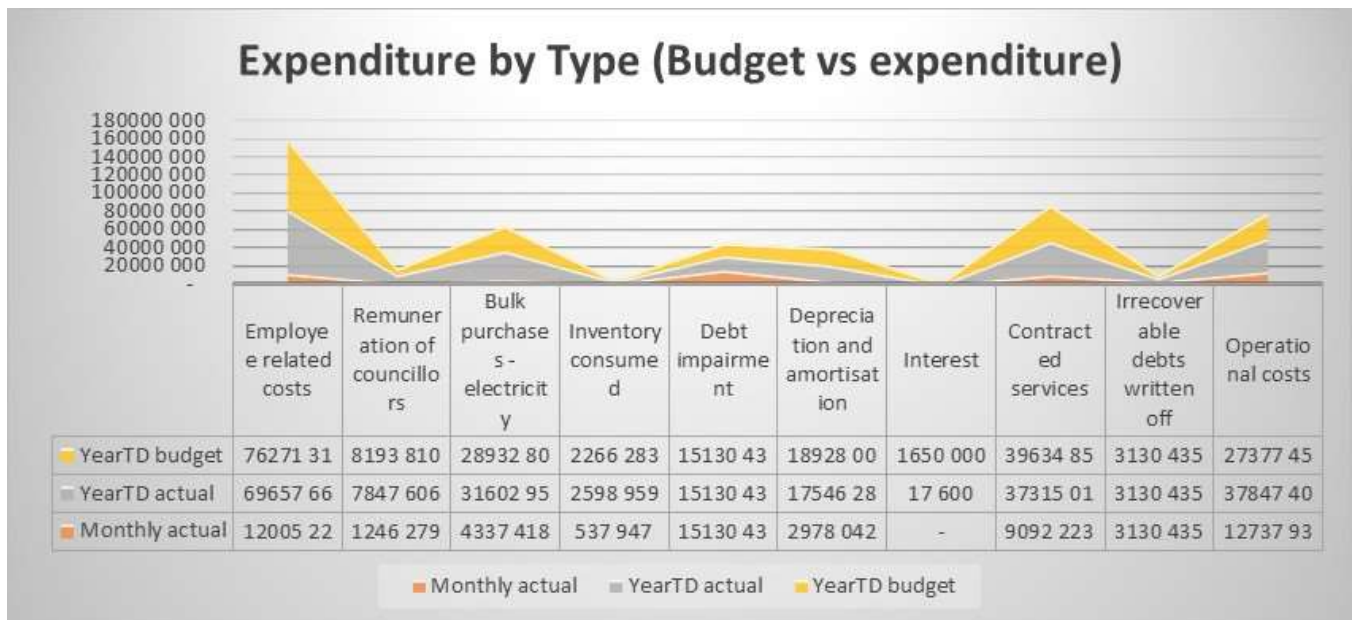
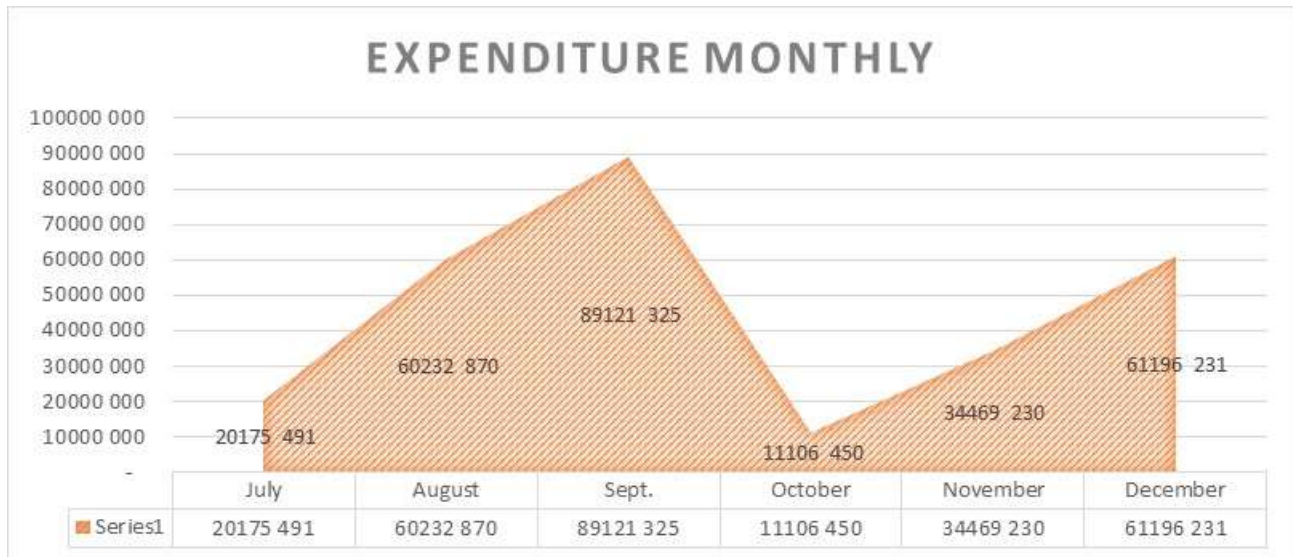


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st December 2024 amounted to R222,7million against the planned target of R221,7million. As at the end of December the operational expenditure budget has been reached. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st December 2024 amounted to R69,7million while the YTD budget was R76,3million with an underspending of R6,6million or -9%. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are underway to filling of these positions.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.
- Another contributing factor to this variance is due to calculation of provision for leave and long service awards which are processed at year end upon receiving the actuarial calculation for Actuaries.

Remuneration of Councilors

- Councilors allowances pro-rata budget as at 31st December 2024 was under spent by R346thousand. The YTD Remuneration of Councilor’s budget was R8,2million whilst the actual expenditure incurred results in slightly under-spending of -4% YTD expenditure performance. The variance is immaterial.

Bulk Purchases

- The YTD on Bulk purchases amounts to R31.6million which is an over performance when compared to YTD pro-rata budget of R28,9million. The variance of R2,7million or -9% over projected budget is caused by the period variances in Eskom invoices.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 15% or R333thousand, when compared to YTD budget of R2,3million, variance is due to the implementation of procurement plan,
- Budget allocated for this item relates to materials procured by the municipality towards repairs and maintenance which are kept at stores for rendering of services, such as pothole patching materials, workshop stock etc.
- The municipality regularly reviews its repairs and maintenance plan to ensure that the infrastructure of the municipality is regularly monitored for its aging.

Debt Impairment

- The provision for bad debt Journal had been processed as at 31st December 2024 for R15,1million, which gives us a performance at 100% as YTD Budget is R15,1million. The performance in the vote is prepared bi-annually, a second leg will be processed in June 2025.
- When provision for debt impairment is calculated, the following assumptions must take into consideration.
- Each debtor's account per age analysis must be analyzed.
- The frequency of payment must be analysed on each debtor.
- Indigent debtors, debtors with take on balances which cannot be explained, insolvent and debtors under administration of estate should be impaired 100%.
- The Municipality is guided by a write off policy when the assumptions are determined.
- Different services must be impaired separately.
- Different customer must be impaired separately.

Depreciation and Asset Impairment

- The YTD Actual of R17,5million for Depreciation and asset impairment is reflecting an under performance by -7percent or R1,4million, when compared to pro-rata budget of R18,9million. The variance of R7million is due to the fact that most projects are still under work-in-progress.

Interest

- Finance charges reflect an under performance by 99percent, the first invoice has been received and allocated. The main transactions normally are allocated in January and June, which is every six months.
- Another contributing factor to finance charges is the reclassification of retirement benefit obligation interest costs in accordance with GRAP 25, this calculation will be done during year end after assessment by Actuarial Report has been completed for the year.

Contracted Services

- Contracted services expenditure is reflecting an underspending of 6% or R2,3million, from YTD budget of R39,6million against the YTD actual of R37,3million, the variance is immaterial.

Irrecoverable debts written off

- Irrecoverable debts written off has performed by 100% for the amount of R3,1million. A Journal to the vote for the witting of irrecoverable debts had been tabled to council.

Operational Cost

- Other expenditure is overspent in this month by 38% or R10,5million when compared to YTD budget of R27,3million. The variance is due to activities that took place in the third quarter of the financial year. Most of other expenditure items will take place during the third quarter of the year.

Losses on Disposal of assets

- There is no budget for this line of vote for the financial year 2024/25.

Other Losses

- There is no budget for this line of vote for the financial year 2024/25.

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

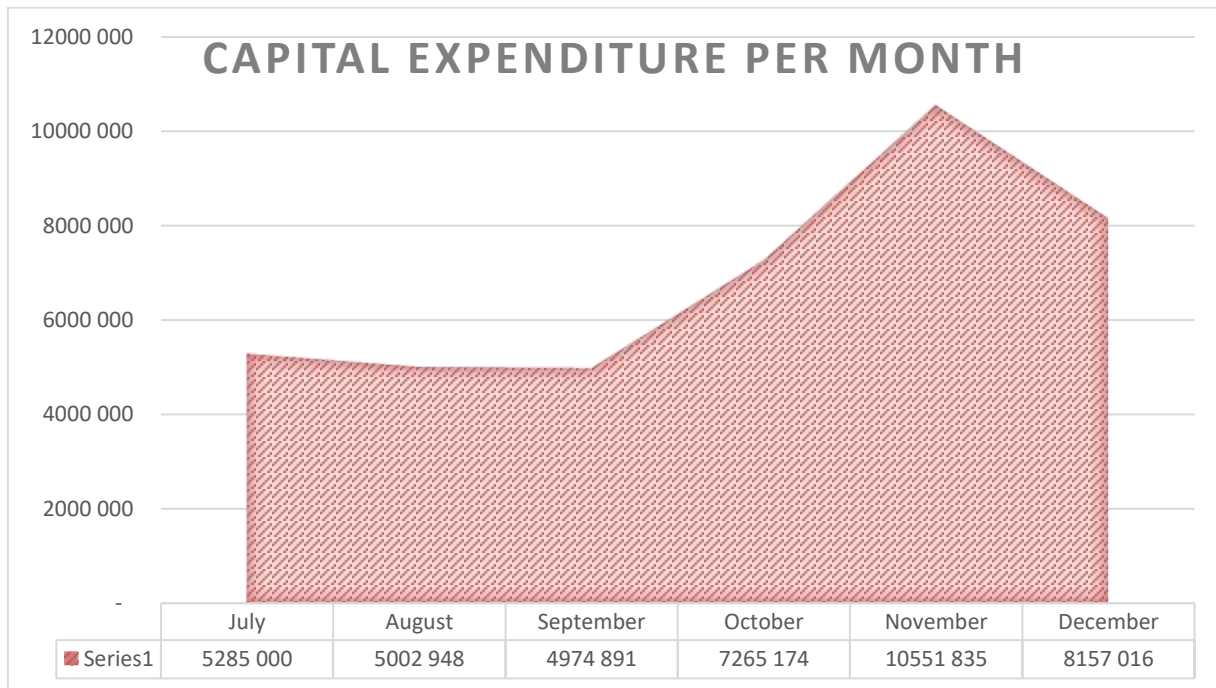
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter									
Vote Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Single Year expenditure	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	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 administrative services		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		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	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		–	–	–	–	–	–	–	–
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 December 2024:

The YTD capital expenditure budget is R63,8 million against YTD actual Capital expenditure amounted to R56,2 million resulting in an under performance of (12%) on capital expenditure. Variance in capital expenditure were due to different reason (detail report on the progress on all capital projects has been provided below).

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

Capital Expenditure reported as at December 2024



- Capital grants funded by National Government actual is R15,4million versus YTD Budget of R16,7million, expenditure reported has been underspent by (9%). However, the municipality will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government has expenditure of R29thousand.
- Capital grants funded Internally actual is R40,8million versus YTD Budget of R46,4 million variance of 12% reflects and under expenditure on this item.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q2 Second Quarter

Description	Ref	Budget Year 2024/25							
		2023/24 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure		10 904	15 113	2 447	5 393	7 557	2 163	28.6%	15 113
Roads Infrastructure		6 397	8 548	603	1 790	4 274	2 484	58.1%	8 548
Roads		6 397	7 939	603	1 790	3 970	2 180	54.9%	7 939
Road Structures		-	435	-	-	217	-	100.0%	435
Road Furniture		-	174	-	-	87	-	100.0%	174
Capital Spares		-	-	-	-	-	-	-	-
Storm water Infrastructure		1 017	2 870	1 562	2 365	1 435	(931)	-64.9%	2 870
Drainage Collection		1 017	2 870	1 562	2 365	1 435	(931)	-64.9%	2 870
Storm water Conveyance		-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-
Electrical Infrastructure		2 518	3 000	237	797	1 500	703	46.9%	3 000
Power Plants		-	43	-	40	22	(18)	-81.7%	43
HV Substations		-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-
HV Transmission Conductors		521	739	-	-	370	370	100.0%	739
MV Substations		77	43	9	25	22	(3)	-15.1%	43
MV Switching Stations		-	-	-	-	-	-	-	-
MV Networks		47	130	-	48	65	17	26.8%	130
LV Networks		784	739	17	474	370	(104)	-28.1%	739
Capital Spares		1 089	1 304	211	211	652	441	67.6%	1 304
Water Supply Infrastructure		-	-	-	-	-	-	-	-
Information and Communication Infra		972	696	45	441	348	(93)	-26.7%	696
Data Centres		-	-	-	-	-	-	-	-
Core Layers		972	696	45	441	348	(93)	-26.7%	696
Distribution Layers		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Community Assets		1 843	2 148	174	540	1 074	534	49.7%	2 148
Community Facilities		207	174	-	-	87	87	100.0%	174
Halls		107	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-
Police		101	174	-	-	87	87	100.0%	174
Public Open Space		-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Sport and Recreation Facilities		1 635	1 974	174	540	987	447	45.3%	1 974
Indoor Facilities		-	-	-	-	-	-	-	-
Outdoor Facilities		1 635	1 974	174	540	987	447	45.3%	1 974
Capital Spares		-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-
Other assets		30	-	-	-	-	-	-	-
Operational Buildings		30	-	-	-	-	-	-	-
Municipal Offices		30	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-
Computer Software and Applicatio		-	-	-	-	-	-	-	-
Load Settlement Software Applica		-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Machinery and Equipment		5 289	6 348	927	4 170	3 174	(997)	-31.4%	6 348
Machinery and Equipment		5 289	6 348	927	4 170	3 174	(997)	-31.4%	6 348
Transport Assets		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Ar		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological An		-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-
Total Repairs and Mainte	1	18 065	23 609	3 549	10 103	11 804	1 701	14.4%	23 609

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

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

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

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 - Phase 1
- 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.

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 side.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).
- Construction of an ablution facility (10 toilet units), with change rooms (4 toilet units), public toilets (6 toilet units) and office/first aid room including water, sewage, and electrical supply.
- Construction of a grandstand with a minimum of 5 rows of seats (length of 25m).
- Installation of fencing including gate house (pedestrian and vehicle gates).
- Construction of an unpaved parking area.

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

Challenges:

Municipality has terminated contract with appointed service providers. Appointment for new consultant has been concluded for the completion of redesign of outstanding works. New Consultant's appointment date is the 27th March 2024. 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%, 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: October 2023
Contractual Completion Date: April 2024
Revised Completion date: August 2024

Project Scope

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

Current Status Overall Construction progress 52%: Site establishment 100%, Site Clearance 80%, Mass earthworks 90%, Roadbed preparation 80%, C4 Stabilized layer 12%, Stormwater 75%, Manholes 50%, subsoil drainage 50%, Asphalt surfacing 16%, Kerbs 20%.

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

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

On the 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: October 2022
Contractual Completion Date: July 2023
Revised Completion date: September 2024

Project Scope

The scope of works includes the following activities.

- Replacement of Existing roof
- Replacing existing ceiling

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

Current Status Overall Construction progress 100%: project is completed.

Challenges: Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered because of a re-design of the Electrical Works along with the IT Services portion. The contractor has experienced further delays around items that are outsourced to be done by specialized services such as the smoke and fire system, inclement weather during the roof installation, delays regarding the carpentry works. Relocation of staff back to main building has commenced. The smoke and fire system was commissioned on **Monday, 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: Nzamakhuze Holdings
Name of Contractor: Mlombomvu Projects
Project Commencement Date: January 2023
Contractual Completion Date: July 2023

Revised Completion date: 5 August 2024

Project Scope

- Site establishment
- Site clearance
- Fencing (450m Approximately) and installation of Vehicular Gates
- Excavation for foundation
- Construction of brickworks for super structure
- Installation of roof sheeting including finishing off remaining works
- Plaster and Paint works for internal walls
- Electrical connections and Plumbing works
- Building Electrical and Mechanical Works (Fire and HVAC)
- Portable water pipeline supply will be connected on the district Municipality main water pipeline.
- Parking and related pavement earthworks and layer works
- Stormwater Drainage Works and Installation of Jojo Tanks (specification changed to steel tank)
- Yard marking
- Installation of Sewer Reticulation
- Finishes
- Landscaping
- Cleaning, removal of building rubble and reinstatement of lawns

Additional Scope:

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

Current Status Overall Construction progress 99%: Site Establishment 100%, Excavation for foundation 100%, Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%, Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%, Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%, Building Electrical and Mechanical Works (Fire and HVAC) 98%, Stormwater Drainage Works 100%, Portable water pipeline supply will be
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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) ProjectsProjects 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 October 2024.

Challenges: The project has a dependency as per Eskom’s Network Planning Report, which is a line upgrade from MV Oak line to MV Chickadee line. This upgrade calls for break-and-build in the same servitude because of space constraints. The break-and-build requires the line to be dead, this then necessitates the booking of outages from the commencement of the project to do the upgrade as there are no connections to be added in the network before the line has been upgraded.

b) Okhovothe Electrification Project

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

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.

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		261 703	258 621	81 196	189 453	129 310	364	0.3%	249 394
EPWP Incentive	–	4 807	1 815	–	1 271	908	364	40.1%	1 815
Finance Management	–	1 850	1 800	–	1 800	900			1 800
Integrated National Electrification	–	7 200	9 227	–	1 500	4 614			–
Local Government Equitable Share	–	230 823	243 588	81 196	182 691	121 794			243 588
Municipal Infrastructure Grants	–	17 023	2 191	–	2 191	1 095			2 191
Other transfers and grants	0	–	–	–	–	–	–		–
Provincial Government:	0	50 633	3 769	–	3 769	1 885	1 885	100.0%	–
KwaZulu-Natal_Infrastructure	–	50 633	–	–	–	–	–		–
0	0	–	–	–	–	–	–		–
0	0	–	–	–	–	–	–		–
library	4	–	2 226	–	2 226	1 113	1 113	100.0%	–
cybercadest	0	–	1 543	–	1 543	772	772	100.0%	–
Other transfers and grants	0	–	–	–	–	–	–		–
District Municipality:	0	–	–	–	–	–	–		–
[insert description]	0	–	–	–	–	–	–		–
0	0	–	–	–	–	–	–		–
Other grant providers:	0	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	312 336	262 390	81 196	193 222	131 195	2 248	1.7%	249 394
0	0	–	–	–	–	–	–		–
Capital Transfers and Grants									
National Government:	0	82 276	38 910	8 454	19 433	19 455	(22)	-0.1%	38 910
Municipal Infrastructure Grants	–	82 276	38 910	8 454	19 433	19 455	(22)	-0.1%	38 910
Integrated National Electrification	–	–	–	–	–	–			–
0	0	–	–	–	–	–	–		–
Other capital transfers [insert description]	0	–	–	–	–	–	–		–
Provincial Government:	0	13 680	850	–	850	425	425	100.0%	4 619
KwaZulu-Natal_Capacity Building	–	13 680	850	–	850	425	425	100.0%	4 619
Total Capital Transfers and Grants	5	95 956	39 760	8 454	20 283	19 880	403	2.0%	43 529
TOTAL RECEIPTS OF TRANSFERS AND GRANTS	5	408 292	302 150	89 650	213 505	151 075	2 651	1.8%	292 923

Grant Receipts Analysis

The total operational YTD grant receipts as at 30th September 2024 is R 107,4million, which has been allocated as follows:

- Equitable Share of R101,4 million has been received as 1st payment. The balance of R142,1million is still outstanding.
- FMG of R1.9 million has been fully received as publicized on DORA.
- EPWP of R454 million has been receive which is the first trench of R1,8million.
- Library Grant of R4,6 million has been allocated to the Municipality by Department of Arts and culture as publicized on DORA however there has not been any payment received.
- INEP of R1,5 million has been receive as a 1st payment. The balance of R7,7million is still outstanding.

The total capital YTD grant receipts as at 30th September 2024 is R 11,4 million which has been allocated as follows:

- MIG receipt of R 13,6 million has been as a first payment to this year, which includes R2,1million for PMU administration cost.

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter										
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:		261 703	258 621	-	45 825	181 142	129 310	51 832	40.1%	5 806
EPWP Incentive	-	4 807	1 815	-	233	1 252	908	344	38.0%	1 815
Finance Management	-	1 850	1 800	-	-	37	900	(863)	-95.9%	-
Integrated National Electrification Programme	-	7 200	9 227	-	192	951	4 614	(3 662)	-79.4%	1 800
Local Government Equitable Share	-	230 823	243 588	-	45 223	177 827	121 794	56 033	46.0%	-
Municipal Infrastructure Grant	-	17 023	2 191	-	176	1 075	1 095	(20)	-1.8%	2 191
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-	-
Provincial Government:		55 896	3 769	-	302	1 843	1 885	(42)	-2.2%	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	-	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]	-	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other Transfers Public Corporations	-	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		317 599	262 390	-	46 126	182 985	131 195	51 790	39.5%	5 806
Capital expenditure of Transfers and Grants										
National Government:		78 743	38 910	-	4 349	17 162	19 455	(2 294)	-11.8%	38 910
Municipal Infrastructure Grant	-	78 743	38 910	-	4 349	17 162	19 455	(2 294)	-11.8%	38 910
Other capital transfers [insert description]	-	-	-	-	-	-	-	-	-	-
Provincial Government:		-	850	-	29	29	425	(396)	-93.1%	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		78 743	39 760	-	4 378	17 191	19 880	(2 689)	-13.5%	38 910
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		396 343	302 150	-	50 505	200 176	151 075	49 101	32.5%	44 716

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter														
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from	1300	4 531	401	261	265	135	138	535	2 546	8 811	3 619	-	-	
Receivables from Non-exchange	1400	2 971	1 570	1 417	1 809	30 136	43	16 436	86 814	141 196	135 237	-	-	
Receivables from Exchange Tra	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Tra	1600	1 190	1 048	990	1 033	928	918	4 998	59 016	70 121	66 893	-	-	
Receivables from Exchange Tra	1700	23	6	40	2	1	1	3	123	198	130	-	-	
Interest on Arrear Debtor Accoun	1810	433	429	429	376	387	388	1 937	33 510	37 888	36 597	-	-	
Recoverable unauthorised, irreg	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	-	-	
2023/24 - 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 263,9 million**

- Debt book indicates 9% increase from to 1st July 2024 to December 2024, within 6 month the debt book has accumulated a 9% increase.
- Debtors collection rate at December2024 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.

2022/23 Debt Collection

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

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

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

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT

ACC. NO.	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
008907042	MANDINI	05	RADEBE	RATES/REFUSE	R134945.92
009909321	MANDINI	43	HLONGWANE	RATES/REFUSE	R187855.84
009907851	MANDINI	04	RAMSUMER	REFUSE/RATES	R190384.05
009500781	MANDINI	20	SIBIYA	RATES/REFUSE	R154910.62
008078614	MANDINI	15	HARITATOS	RATES/REFUSE	R116234.74
009600111	MANDINI	10	KANNIGAN	RATES/REFUSE	R126787.88
002257600	MANDINI	25	ZIBANE	RATES/REFUSE	R107866.54
002151800	MANDINI	1518	SHAMASE	RATES/REFUSE	R337280.46
001073800	MANDINI	738	MATHONSI	RATES/REFUSE	R703921.06
001064800	MANDINI	648	SHEZI	RATES/REFUSE	R370501.12
001101000	MANDINI	1010	MTHEMBU	RATES/REFUSE	R233150.96
002016100	MANDINI	161	DLAMINI	RATES/REFUSE	R270711.80
002083700	MANDINI	837	MAREDI	RATES/REFUSE	R184200.59
001004000	MANDINI	40	MLUNGWANA	RATES/REFUSE	R139056.23
002140600	MANDINI	1406	NGEMA	RATES/REFUSE	R157387.37
001100600	MANDINI	1006	MPHILI	RATES/REFUSE	R146936.80
002251400	MANDINI	2514	NSELE	RATES/REFUSE	R125044.86
001081800	MANDINI	818	MOLOI	RATES/REFUSE	R126360.30
002202500	MANDINI	112	NTANZI	RATES/REFUSE	R123083.55
001089100	MANDINI	891	BUTHELEZI	RATES/REFUSE	R152837.73
TOTAL					R4089458.42

DISCONNECTIONS

ACCOUNT NO.	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
009904501	MANDINI	09	DUBE	RATES/ELEC	R16023.43
009908211	MANDINI	82	GUMEDE	RATES/ELEC	R62409.35
002900531	MANDINI	08	MKHIZE	RATES/ELEC	R14889.10
009902221	MANDINI	08	KHAMBULE	RATES/ELEC	R27712.45
002401262	MANDINI	64	KHUMALO	RATES/ELEC	R12308.18
008701011	MANDINI	63	MHLONGO	RATES/ELEC	R20811.52
009900821	MANDINI	54	THABETHE	RATES/ELEC	R33986.81
009900851	MANDINI	05	NDLOVU	RATES/ELEC	R8997.58
009902561	MANDINI	05	ZUNGU	RATES/ELEC	R13608.48
002500882	MANDINI	05	OLDHAM PROP	RATES/ELEC	R10343.55

007900391	MANDINI	05	MLABA	RATES/ELEC	R12728.89
008907042	MANDINI	05	RADEBE	RATES/ELEC	R134945.92
009910611	MANDINI	05	MKHWANAZI	RATES/ELEC	R13292.02
002901821	MANDINI	49	LANGA	RATES/ELEC	R17531.84
009800611	MANDINI	40	MOOLMAN	RATES/ELEC	R8626.92
008803801	MANDINI	04	NDLELA	RATES/ELEC	R20043.40
009501772	MANDINI	04	MTHEMBU	RATES/ELEC	R66028.97
009907442	MANDINI	04	HARIMAN	RATES/ELEC	R73776.56
009901181	MANDINI	04	NZUZA	RATES/ELEC	R10524.12
009906321	MANDINI	39	SHEMBE	RATES/ELEC	R12841.21
008900571	MANDINI	35	ZUNGU	RATES/ELEC	R7440.35
009901541	MANDINI	33	SANGWENI	RATES/ELEC	R8718.99
009904701	MANDINI	32	CELE	RATES/ELEC	R36860.53
009903071	MANDINI	31	MBUYISA	RATES/ELEC	R34465.50
009900431	MANDINI	31	MKHWANAZI	RATES/ELEC	R16488.00
009900371	MANDINI	20	MKHWANAZI	RATES/ELEC	R8985.30
009906281	MANDINI	31	MLAMBO	RATES/ELEC	R7191.63
008903411	MANDINI	30	RADEBE	RATES/ELEC	R83562.94
009900971	MANDINI	30	GUMEDE	RATES/ELEC	R9355.53
009501721	MANDINI	03	MTHEMBU	RATES/ELEC	R8146.18
009907542	MANDINI	03	SOMTSEWU	RATES/ELEC	R27641.44
009910241	MANDINI	03	QHOSHA	RATES/ELEC	R24228.36
009910601	MANDINI	03	MKHWANAZI	RATES/ELEC	R8419.93
009910421	MANDINI	03	SIBIYA	RATES/ELEC	R49367.75
009901561	MANDINI	29	GABELA	RATES/ELEC	R8013.69
008005271	MANDINI	28	NXUMALO	RATES/ELEC	R38802.02
008800681	MANDINI	28	GETKATE	RATES/ELEC	R13283.95
009501061	MANDINI	24	BUTHELEZI	RATES/ELEC	R23153.22
009701121	MANDINI	23	LIAO	RATES/ELEC	R81811.20
009909512	MANDINI	20	BUSANE	RATES/ELEC	R25778.77
008908221	MANDINI	02	DLAMINI	RATES/ELEC	R42603.71
009903601	MANDINI	17	MWANDLA	RATES/ELEC	R32173.05
009909691	MANDINI	17	RIVERA	RATES/ELEC	R28265.84
009903151	MANDINI	14	MDLALOSE	RATES/ELEC	R21320.99
009903581	MANDINI	13	DLUDLA	RATES/ELEC	R45605.02
009002041	MANDINI	12	ZULU	RATES/ELEC	R7329.00
008902282	MANDINI	12	NAIDOO	RATES/ELEC	R8453.05
TOTAL					R1298896.24

ARRANGEMENT - DECEMBER 2024 REPORT								
NO.	DATE	ACCOUNT HOLDER	REF NUMBER	ADDRESS	ACCOUNT NUMBER	AMOUNT OWING	AMOUNT AGREED	COMMENTS
1	02/12/2024	MAPHANGA	03	03 TALBORT ROAD	002400202	R25716.22	R1000.00	PER MONTH
2	02/12/2024	SIBIYA	20	20 UMSINSI ROAD	009500781	R157927.05	R2000.00	PER MONTH
3	02/12/2024	NDLELA	01	01 STRATTEN ROAD	009900131	R13496.38	R2000.00	PER MONTH
4	02/12/2024	NDLELA	02	02 GAZELLE ROAD	0089037792	R9541.85	R1000.00	PER MONTH
5	02/12/2024	NDLELA	11	11 FARROW ROAD	009901451	R10789.72	R1000.00	PER MONTH
6	03/12/2024	SAGADEVEN	134	134 ANDERSON ROAD	009900041	R9564.97	R1200.00	PER MONTH
7	04/12/2024	DUBE	17	17 TALBOT ROAD	009903001	R18756.58	R1000.00	PER MONTH
8	06/12/2024	NHLUMAYO	12	12 SANDPIPER ROAD	009905201	R11524.34	R1130.00	PER MONTH
9	09/12/2024	CELE	13	13 MIMOSA ROAD	009909671	R18439.56	R3000.00	PER MONTH
10	10/12/2024	ZANGWA	131	131 ANDRSON ROAD	008700781	R85066.95	R1500.00	PER MONTH
11	18/12/2024	NZIMA	05	05 BEGONIA ROAD	009910611	R13292.02	R2660.00	PER MONTH
12	18/12/2024	NZIMA	03	03 BEGONIA ROAD	009910601	R8419.93	R2060.00	PER MONTH
13	18/12/2024	NTSHANGASE	17	17 MIMOSA ROAD	009909691	R28265.84	R2000.00	PER MONTH
14	12/12/2024	MBUTHU	398	SUNDUMBILI A	001039800	R2330.31	R700.00	PER MONTH
15	10/12/2024	SHEZI	381	SUNDUMBILI A	001038100	R36468.17	R10940.00	PER MONTH
16	05/12/2024	GCWENSA	512	SUNDUMBILI B	002051200	R25000.73	R1500.00	PER MONTH
17	19/12/2024	MBUYISA	31	31 TALBOT ROAD	009903071	R34465.50	R1500.00	PER MONTH
18	19/12/2024	GABELA	29	29 ANDERSON ROAD	009901561	R8013.69	R800.00	PER MONTH
19	19/12/2024	MKHWANAZI	33	SUNDUMBILI A	001008300	R92294.15	R500.00	PER MONTH
20	19/12/2024	KANNI	05	5 DUIKER ROAD	009909161	R15408.59	R800.00	PER MONTH
21	20/12/2024	NXUMALO	915	SUNDUMBILI A	001091500	R2571.94	R500.00	PER MONTH
22	20/12/2024	MTSHALI	561	SUNDUMBILI B	002056100	R8173.66	R2000.00	PER MONTH
23	20/12/2024	MASONDO	22	22 READ ROAD	009801431	R8486.65	R2000.00	PER MONTH
24	21/12/2024	MDLETSHE	27	SUNDUMBILI A	001002700	R49897.60	R500.00	PER MONTH
25	21/12/2024	KHUMALO	20	20 IMPUNZI ROAD	009601081	R4328.93	R1500.00	PER MONTH
26	23/12/2024	NTSHANGASE	424	SUNDUMBILI A	001042400	R24399.45	R1000.00	PER MONTH
27	23/12/2024	MKHWANAZI	60	60 GREIG ROAD	009902701	R30511.07	R2000.00	PER MONTH
28	23/12/2024	ZUNGU	05	5 WATSON ROAD	009902561	R13481.23	R1800.00	PER MONTH
29	23/12/2024	SIKHAKHANE	13	13 UMDONI PLACE	009909451	R7516.10	R1500.00	PER MONTH
30	24/12/2024	SITHOLE	35	35 O'HARA ROAD	008801111	R6153.23	R2000.00	PER MONTH
	TOTAL					R9111554.85	R51340.00	

Figure 9

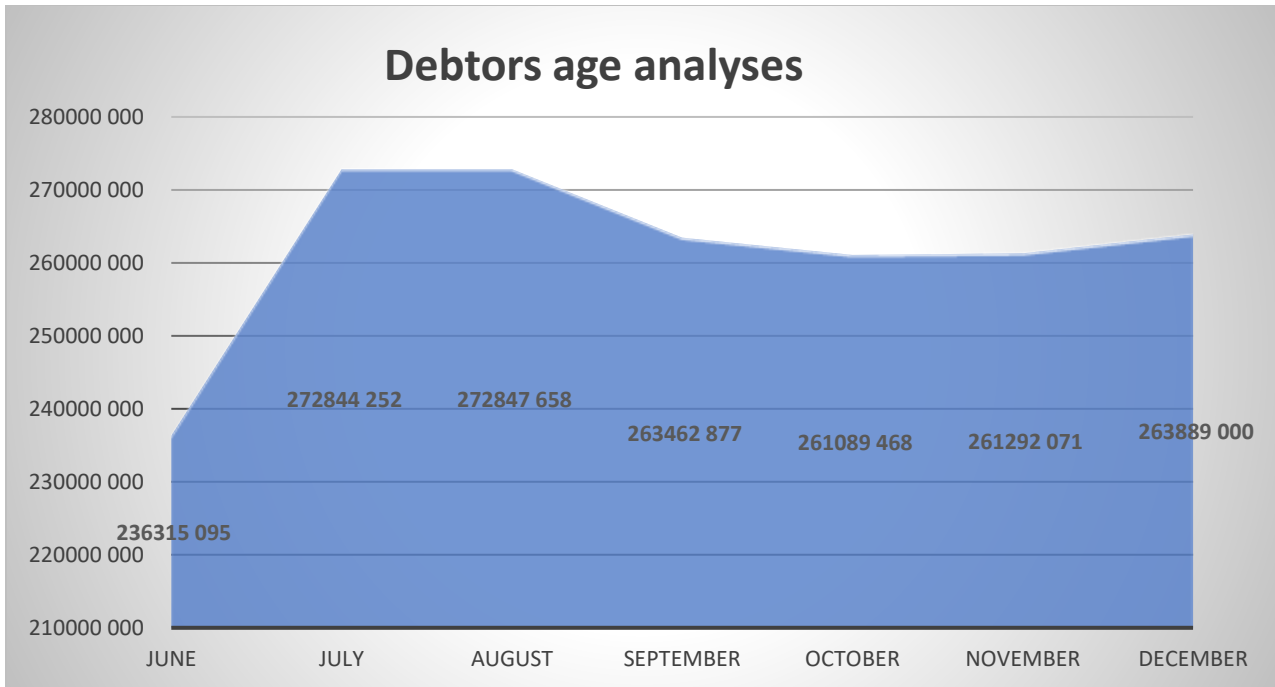
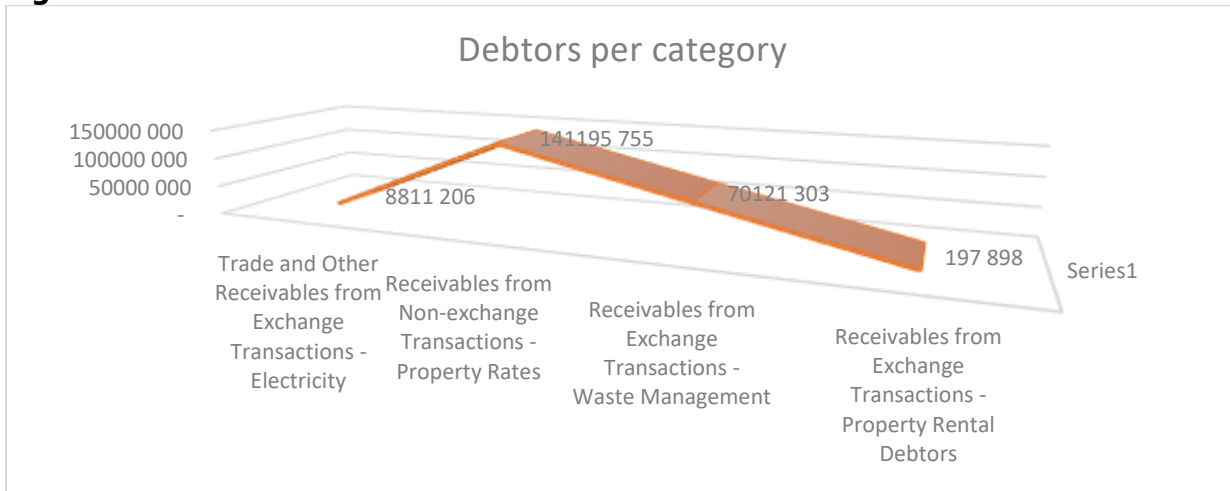
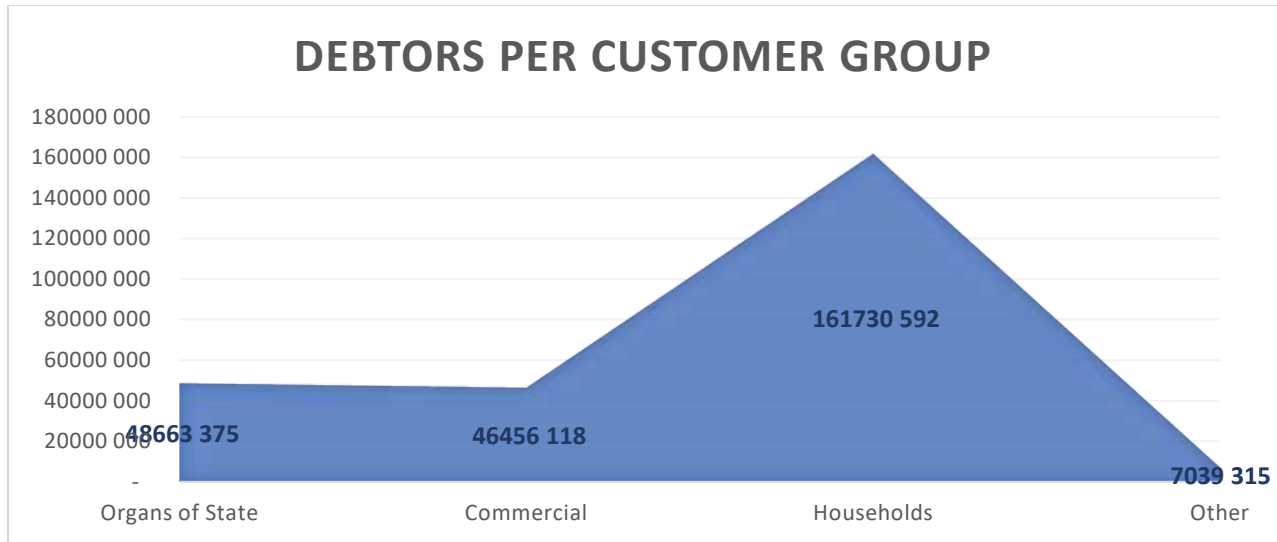


Figure 10



The municipal debtors have reduced from R263.3 million to R263,9 million that is from June 2023 until 31st December 2024. This increase is between Household debtors of 61% and it is followed by Organs of State by 18% and Business Commercial is 18% and lastly the other debtors with a percentage of 3%.

- **Total Outstanding Debtors from December 2024**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at December is R239,394.73
- Staff Accounts in arrears as at December 2024 is R 31,182.26

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

4. CREDITOR’S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter											
Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less i	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirer	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Custome	1000	-	-	-	-	-	-	-	-	-	-

- Creditors aging is R as of 31st December 2024. (Age analysis listing attached)
- 95% of the creditors are on current as per our age analysis, we ensure that creditors are paid within 30 days as stipulated by the MFMA.

Top 10 Creditors:

Top 10 Creditors (SEPTEMBER 2024)

Name	Amount
ESKOM HOLDING	R 5 569 604.95
EMALANGENI	R 682 218.68
KING CETSHWAYO	R 133 843.46
BAMBHANANI ENTERPRISE	R 51 727.71
MALUTHULI TRADING	R 446 375.00
EZAMALUNQA	R 1 364 246.55
NJOMISA BOEDERY	R 44 903.91
CITY OF CHOICE	R 152 811.56
ILEMBE MUNICIPALITY	R 967 7500

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

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

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter						
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 transactions		57 057	33 169	–	44 402	33 169
Receivables from non-exchange transactions		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 transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
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 transactions		54 641	23 220	–	26 197	23 220
Trade and other payables from non-exchange transactions		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

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are (5) times that of current liabilities. 5,95:0,17

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

Liquidity ratio: The cash and cash equivalents are the current liabilities, R5,95c

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

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

Outstanding debtors: billing far exceeds the collection on outstanding debt at the rate of 76%.

Collection days: 1022 days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at SIXTH month is 76 %

	6 Month
Cash and cash equivalents	10 583 189
Unspent Conditional Grants	25 572 603
Overdraft	-
Short Term Investments	224 449 342
Total Annual Operational Expenditure	443 030 793

	5.95
Current Assets	412 811 225
Current Liabilities	69 420 466

	20%
Total Operating Expenditure	222 694 357
Taxation Expense	
Total Capital Expenditure	56 232 466

	0%
PPE, Investment Property and Intangible Impairment	
PPE at carrying value	708 019 173

Investment at carrying value	41 913 000
Intangible Assets at carrying value	2 330 016

	1%
Total Repairs and Maintenance Expenditure	10 103 395
PPE at carrying value	708 019 173
Investment Property at Carrying value	41 913 000

	76%
Gross Debtors closing balance	254 657 503
Gross Debtors opening balance	236 985 481
Bad debts written Off	3 130 435
Billed Revenue	85 536 793

	21%
Consumer Debtors Bad debts written off	3 130 435
Consumer Debtors Current bad debt Provision	15 130 435

	1 022 days
Gross debtors	254 657 503
Bad debts Provision	15 130 435
Billed Revenue	85 536 793

6. MONTHLY BUDGET STATEMENT -CASH FLOW

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

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter										
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	191 031	140 422	50 609	36%	262 390
Transfers and Subsidies - Capital		(69 416)	39 760	-	-	22 474	19 880	2 594	13%	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)	(162 470)	(179 805)	(17 336)	10%	(392 386)
Finance charges		-	(3 300)	-	-	-	(1 650)	(1 650)	100%	(3 300)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(189 884)	46 034	-	62 167	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 receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		535 861	(146 740)	-	(30 475)	(64 667)	(73 370)	(8 703)	12%	(146 740)
NET CASH FROM/(USED) INVESTING ACTIVITIES		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 ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		345 977	(100 705)	-	31 692	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)			-

References

Cash and cash equivalent at the beginning of 2023/24 financial year was R208.8 million as per pre-audited AFS and cash and cash equivalent as at 31st December 2024 is R285,7million. The net increase of R76,9million is observed, as the Municipality has a positive trend for the past months which means the municipality has available cash to cover all operating expenses, pay debts if any and reinvest in growth.

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


Revenue -Receipts

- The property rates collection rate to date is 152% or R16,2million of the billed revenue as at December 2024.
- Service Charges: Electricity and Refuse is 90% or R1,8 million of billed revenue as at December 2024.
- Other Revenue collected to date is R3,4million over a Budget of R6,5million which gives a collection of 52% of these votes. A combination of votes from rentals of properties, licenses and permits and other sources of revenue are included. Further to that the additional revenue from VAT refunds received as at December totals to R2,0million.
- Government grants received in the month of December 2024, totals to R89,6 million, which is an MIG of R8,5million and a second trench of Equitable share of R81,1million had been received.
- Interest earned on external investments amounts to R 5,1million in comparison with the year-to-date budget of R14 million which is an under performance of 63%.

Payments

- Suppliers and employees for cash outflows of R162,5 million.
- Finance charges reflect under performance by 99 percent or R1,7million against YTD actual of R18 thousand. Usually, this votes interest is allocated in January and at year end.
- Capital Assets of R 56,2million for the month of December 2024 shows an under-performance of 12% as at 31st December2024.

6.1. BANK RECONCILIATION STATEMENT AS AT DECEMBER 2024

		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

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

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

Name of grant	Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
	2024/12/01					2024/12/31	
	R					R	
call 1-internal grant	21 102 815.15	81 196 000.00	90 223 298.94	223 298.94	-	12 298 815.15	1 614 575.93
Call account 2 - HOUSING	2 146 061.74	-	-	12 285.46	-	2 158 347.20	76 682.27
Call account 3-MIG	14 112 541.68	8 454 000.00	4 052 770.50	87 536.77		18 601 307.95	507 483.37
Call account 5-TMT	503 443.24	3 060.00	-	2 799.83	(75.80)	509 227.27	17 284.81
Call account 6-INEP	1 534 298.85		31 853.85	8 364.92	-	1 510 809.92	42 663.77
Call account 7-AR	5 196 453.60		341 755.33	28 817.15	-	4 883 515.42	185 812.52
Call account 8-Title Deed	4 611 876.51		162 100.00	25 856.65	-	4 475 633.16	165 560.82
Call account 9-Disaster Recovery	11 619.75	-		66.12	-	11 685.87	404.33
ABSA BANK	100 000 000.00			535 890.41		100 000 000.00	4 823 013.69
ABSA BANK	50 000 000.00			265 753.43		50 000 000.00	2 391 780.82
ABSA BANK	-	-	-	-		-	1 172 054.79
ABSA BANK	-	-	-	-		-	239 359.03
ABSA BANK	-	30 000 000.00		182 071.23		30 000 000.00	182 071.23
FNB-MAIN BANK				45 133.64			259 912.51
TOTAL	199 219 110.52	119 653 060.00	(94 811 778.62)	1 417 874.55	75.80	224 449 341.94	11 678 659.89

The municipality has sourced quotations from four financial institutions and ABSA BANK offered better interest rate as compared to other institutions.

An amount of R200 million has been invested with ABSA BANK at the beginning of the financial year during the month of July 2024, to generate better interest.

The invested amount has been split into three different investment terms. R100 Millions for a period of 12 month or until year end at 9.78%, R50 million over 6 Months at 9.70%, and R50 million over 3 months at 9.30%.

In line with the municipal cash and investment policy funds are to be utilised for service delivery purposes, however due to monitoring of cashflows it was clear that cash available will be able to meet financial obligations of the municipality.

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter										
Summary of Employee and Councillor remuneration	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		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		3 865	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:										

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q2 Second Quarter							
Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	9.3%	0.0%	0.0%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.6%	6.4%	0.0%	7.2%	6.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	406.2%	436.2%	0.0%	594.7%	436.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		257.3%	143.1%	0.0%	411.6%	143.1%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		16.7%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		31.6%	34.1%	0.0%	20.6%	34.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.3%	5.3%	0.0%	3.0%	5.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.0%	9.2%	0.0%	0.0%	4.4%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

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QUALITY CERTIFICATE

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

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

▪ **SECOND QUARTER REPORT S52(d)**

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

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

Municipal Manager of Mandeni Municipal (KZN291)

Signature: _____

Date: **31 JANUARY 2024**