

MANDENI MUNICIPALITY

KZN291



SECTION 52(d) QUARTELY REPORT 2020-21 FINANCIAL YEAR

July - September 2020

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Council Resolutions

Resolution No:

Refer to the recommendations contained in this report.

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.

FINANCIAL PERFORMANCE**Budget summary****Revenue by source**

The YTD actual revenue is R115,449 million versus the YTD Budget of R89,581million, which reflects an over-collection by 29%.

Operating expenditure by vote & type

The YTD performance amounts to R57,013 million or -28 per cent of the total expenditure budget of R79,439 million. The following factors should be taken into consideration:

- Depreciation not calculated for the month
- Debt impairment not calculated for the month
- Finance charges not calculated for the month

Capital expenditure

The YTD expenditure on capital expenditure amounts to R4,209 million, which is -71% when compared to YTD Budget of R10,543million. Spending in capital has been detailed explained below.

Cash flows

The Municipality's Cash flow reflects an opening balance of R181,984million for cash and cash equivalent. The YTD cash & cash equivalent at year end amounts to R246,825million. The net increase of cash and cash equivalent for the year is R64,841million. Surplus cash is invested at approved banking institutions in accordance with current cash and investment policy.

Allocations received (National & Provincial grants)

We have received all DORA allocations for 2020/21 financial year (operational & capital) which allocated for the 1st Quarter. The Municipality has also received an Additional for Dora Allocation of R46,262million for equitable share.

Disposal Management

There are no Assets Disposed in the 1st quarter.

Deviations

A list of deviations from SCM is attached, annexure, not yet approved by Municipal Manager. (Attached Table14)

Cash & Cash equivalent: as at 30th September 2020, is at R181,984million.

Consumer Debt: At 30th September 2020, is at R248,847million.

Creditors Age analyses: reflects balance of R5,233,333.16

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 - M03 September									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	40 080	52 479	52 479	3 818	19 144	13 120	6 024	46%	(52 479)
Service charges	33 280	43 803	43 803	4 500	11 191	10 951	240	2%	(43 803)
Investment revenue	4 893	3 500	3 500	1 251	1 661	875	786	90%	(3 500)
Transfers and subsidies	155 084	191 346	237 608	–	81 868	59 402	22 466	38%	(237 608)
Other own revenue	16 573	20 935	20 935	506	1 585	5 234	(3 649)	-70%	(20 935)
Total Revenue (excluding capital	249 909	312 062	358 324	10 075	115 449	89 581	25 868	29%	(358 324)
Employee costs	84 280	110 037	110 037	8 647	25 244	27 509	(2 265)	-8%	110 037
Remuneration of Council	13 023	14 087	14 087	1 138	3 396	3 522	(126)	-4%	14 087
Depreciation & asset imp	27 712	30 188	30 188	–	–	7 547	(7 547)	-100%	30 188
Finance charges	680	650	650	–	–	163	(163)	-100%	650
Materials and bulk purch	36 777	40 514	40 514	3 109	10 305	10 128	177	2%	40 514
Transfers and subsidies	–	1 622	1 622	143	420	406	14	4%	1 622
Other expenditure	103 437	111 918	120 658	8 342	17 648	30 165	(12 516)	-41%	120 658
Total Expenditure	265 909	309 016	317 756	21 379	57 013	79 439	(22 426)	-28%	317 756
Surplus/(Deficit)	(16 000)	3 046	40 568	(11 304)	58 436	10 142	48 294	476%	(676 081)
Transfers and subsidies - capital (monetary allocations) (National /	39 577	34 208	34 208	9 000	9 034	(8 552)	17 586	-206%	(34 208)
capital transfers & contributions	23 865	37 254	74 776	(2 304)	67 470	1 590	65 880	4143%	(710 288)
(deficit) of associate	–	–	–	–	–	–	–	–	–
year	23 865	37 254	74 776	(2 304)	67 470	1 590	65 880	4143%	(710 288)
Capital expenditure & funds sources									
Capital expenditure	237 694	59 005	93 806	2 785	4 209	14 751	(10 543)	-71%	93 806
Capital transfers recognis	138 744	34 949	37 749	2 158	2 986	8 737	(5 751)	-66%	37 749
Borrowing	3 881	–	–	–	–	–	–	–	–
Internally generated fund	95 070	24 056	56 056	627	1 223	6 014	(4 791)	-80%	56 056
Total sources of capital	237 694	59 005	93 806	2 785	4 209	14 751	(10 543)	-71%	93 806
Financial position									
Total current assets	113 772	122 443	122 443		244 767				122 443
Total non current assets	502 174	593 207	593 207		75 105				628 008
Total current liabilities	33 489	27 768	27 768		57 362				(27 768)
Total non current liabilities	14 053	19 189	19 189		20 359				(19 189)
Community wealth/Equit	429 732	668 694	668 694		242 151				797 407
Cash flows									
Net cash from (used) ope	(146 223)	67 143	98 336	(5 445)	65 791	25 891	(39 900)	-154%	103 565
Net cash from (used) inv	237 694	(59 005)	(93 806)	273	(951)	23 451	24 402	104%	93 806
Net cash from (used) fina	–	(1 528)	(1 528)	–	–	–	–	–	–
Cash/cash equivalents a	91 470	63 989	182 315	–	246 825	228 656	(18 169)	-8%	379 356
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 307	14 326	1 197	977	5 815	3 116	25 821	188 185	248 743
Creditors Age Analysis									
Total Creditors	5 233	–	–	–	–	–	–	–	5 233

Table 2

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		72 058	255 023	301 285	7 726	29 419	(75 321)	104 740	-139%	(301 285)
Executive and council		-	7 498	7 498	-	-	(1 874)	1 874	-100%	(7 498)
Finance and administration		72 058	247 525	293 787	7 726	29 419	(73 447)	102 865	-140%	(293 787)
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		151 113	5 166	5 166	5	81 808	(1 292)	83 100	-6434%	(5 166)
Community and social services		151 076	5 166	5 166	5	81 808	(1 292)	83 100	-6434%	(5 166)
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		37	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		44 152	39 601	39 601	9 060	9 226	(9 900)	19 126	-193%	(39 601)
Planning and development		37 752	35 478	35 478	9 006	9 049	(8 870)	17 919	-202%	(35 478)
Road transport		6 400	4 123	4 123	54	177	(1 031)	1 208	-117%	(4 123)
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		22 452	46 480	46 480	2 284	4 030	(11 620)	15 650	-135%	(46 480)
Energy sources		5 008	29 696	29 696	1 307	1 329	(7 424)	8 753	-118%	(29 696)
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		17 443	16 784	16 784	977	2 701	(4 196)	6 897	-164%	(16 784)
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	289 774	346 270	392 532	19 075	124 483	(98 133)	222 616	-227%	(392 532)
Expenditure - Functional										
Governance and administration		138 938	147 441	154 181	11 234	25 460	38 545	(13 085)	-34%	154 181
Executive and council		36 465	44 638	45 418	2 822	8 420	11 354	(2 934)	-26%	45 418
Finance and administration		102 283	102 503	108 463	8 346	16 830	27 116	(10 285)	-38%	108 463
Internal audit		189	300	300	66	209	75	134	179%	300
Community and public safety		32 143	37 336	37 536	2 638	8 318	9 384	(1 066)	-11%	37 536
Community and social services		30 536	32 045	32 045	2 369	7 310	8 011	(702)	-9%	32 045
Sport and recreation		1 560	4 869	4 869	268	1 008	1 217	(209)	-17%	4 869
Public safety		-	422	422	-	-	106	(106)	-100%	422
Housing		47	-	200	-	-	50	(50)	-100%	200
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		53 285	70 615	71 665	3 443	9 854	17 916	(8 062)	-45%	71 665
Planning and development		16 278	20 343	21 393	1 102	3 387	5 348	(1 961)	-37%	21 393
Road transport		29 565	39 236	39 236	1 724	5 021	9 809	(4 788)	-49%	39 236
Environmental protection		7 441	11 036	11 036	617	1 446	2 759	(1 313)	-48%	11 036
Trading services		41 544	53 625	54 375	4 064	13 381	13 594	(213)	-2%	54 375
Energy sources		31 544	40 122	40 872	3 341	10 929	10 218	711	7%	40 872
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 443	1 665	1 665	-	-	416	(416)	-100%	1 665
Waste management		7 557	11 837	11 837	723	2 452	2 959	(507)	-17%	11 837
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	265 909	309 016	317 756	21 379	57 013	79 439	(22 426)	-28%	317 756
Surplus/(Deficit) for the year		23 865	37 254	74 776	(2 304)	67 470	(177 572)	245 042	-138%	(710 288)

Table 3

Monthly Budget Statement_ Financial Performance

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and council		-	7 498	7 498	-	-	(1 874)	1 874	-100.0%	(7 498)
Vote 2 - Finance and administration		72 058	247 525	293 787	7 726	29 419	(73 447)	102 865	-140.1%	(293 787)
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		151 076	5 166	5 166	5	81 808	(1 292)	83 100	-6433.8%	(5 166)
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		37	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		37 752	35 478	35 478	9 006	9 049	(8 870)	17 919	-202.0%	(35 478)
Vote 9 - Road transport		6 400	4 123	4 123	54	177	(1 031)	1 208	-117.2%	(4 123)
Vote 10 - Energy sources		5 008	29 696	29 696	1 307	1 329	(7 424)	8 753	-117.9%	(29 696)
Vote 11 - Waste Management		17 443	16 784	16 784	977	2 701	(4 196)	6 897	-164.4%	(16 784)
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	289 774	346 270	392 532	19 075	124 483	(98 133)	222 616	-226.9%	(392 532)
Expenditure by Vote	1									
Vote 1 - Executive and council		36 465	44 638	45 418	2 822	8 420	11 354	(2 934)	-25.8%	45 418
Vote 2 - Finance and administration		102 277	102 253	107 813	8 345	16 830	26 953	(10 124)	-37.6%	107 813
Vote 3 - Internal audit		196	550	950	66	210	238	(27)	-11.5%	950
Vote 4 - Community and social services		30 536	32 045	32 045	2 369	7 310	8 011	(702)	-8.8%	32 045
Vote 5 - Sport and Recreation		1 560	4 869	4 869	268	1 008	1 217	(209)	-17.2%	4 869
Vote 6 - Public safety		-	422	422	-	-	106	(106)	-100.0%	422
Vote 7 - Housing		47	-	200	-	-	50	(50)	-100.0%	200
Vote 8 - Planning and Development		16 278	20 343	21 393	1 102	3 387	5 348	(1 961)	-36.7%	21 393
Vote 9 - Road transport		32 008	40 901	40 901	1 724	5 021	10 225	(5 205)	-50.9%	40 901
Vote 10 - Energy sources		31 544	40 122	40 872	3 341	10 929	10 218	711	7.0%	40 872
Vote 11 - Waste Management		7 557	11 837	11 837	723	2 452	2 959	(507)	-17.1%	11 837
Vote 12 - Environmental Protection		7 441	11 036	11 036	617	1 446	2 759	(1 313)	-47.6%	11 036
Vote 13 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	265 909	309 016	317 756	21 379	57 013	79 439	(22 426)	-28.2%	317 756
Surplus/ (Deficit) for the year	2	23 865	37 254	74 776	(2 304)	67 470	(177 572)	245 042	-138.0%	(710 288)

Table 4
Municipality Financial Performance

C4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 30th September 2020

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September										
Description	Re	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		40 080	52 479	52 479	3 818	19 144	13 120	6 024	46%	(52 479)
Service charges - electricity revenue		24 368	33 865	33 865	3 758	8 940	8 466	474	6%	(33 865)
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		8 911	9 938	9 938	741	2 251	2 484	(233)	-9%	(9 938)
Rental of facilities and equipment		170	280	280	4	17	70	(53)	-76%	(280)
Interest earned - external investments		4 893	3 500	3 500	1 251	1 661	875	786	90%	(3 500)
Interest earned - outstanding debtors		13 851	18 136	18 136	393	1 146	4 534	(3 388)	-75%	(18 136)
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		404	449	449	1	5	112	(107)	-95%	(449)
Licences and permits		1 133	1 381	1 381	54	177	345	(168)	-49%	(1 381)
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		155 084	191 346	237 608	-	81 868	59 402	22 466	38%	(237 608)
Other revenue		1 015	689	689	54	240	172	68	40%	(689)
Gains		-	-	-	-	-	-	-	-	-
capital transfers and contributions)		249 909	312 062	358 324	10 075	115 449	89 581	25 868	29%	(358 324)
Expenditure By Type										
Employee related costs		84 280	110 037	110 037	8 647	25 244	27 509	(2 265)	-8%	110 037
Remuneration of councillors		13 023	14 087	14 087	1 138	3 396	3 522	(126)	-4%	14 087
Debt impairment		41 621	32 708	32 708	-	-	8 177	(8 177)	-100%	32 708
Depreciation & asset impairment		27 712	30 188	30 188	-	-	7 547	(7 547)	-100%	30 188
Finance charges		680	650	650	-	-	163	(163)	-100%	650
Bulk purchases		22 907	29 201	29 201	2 747	9 014	7 300	1 714	23%	29 201
Other materials		13 870	11 313	11 313	362	1 291	2 828	(1 537)	-54%	11 313
Contracted services		31 309	38 311	41 241	2 376	7 427	10 310	(2 883)	-28%	41 241
Transfers and subsidies		-	1 622	1 622	143	420	406	14	4%	1 622
Other expenditure		29 471	40 899	46 709	5 966	10 221	11 677	(1 456)	-12%	46 709
Losses		1 036	-	-	-	-	-	-	-	-
Total Expenditure		265 909	309 016	317 756	21 379	57 013	79 439	(22 426)	-28%	317 756
Surplus/(Deficit)		(16 000)	3 046	40 568	(11 304)	58 436	10 142	48 294	0	(676 081)
(monetary allocations) (National / Provincial and District)		39 577	34 208	34 208	9 000	9 034	(8 552)	17 586	(0)	(34 208)
(monetary allocations) (National / Provincial and District) - capital		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		288	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		23 865	37 254	74 776	(2 304)	67 470	1 590			(710 288)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		23 865	37 254	74 776	(2 304)	67 470	1 590			(710 288)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		23 865	37 254	74 776	(2 304)	67 470	1 590			(710 288)
Attributable to associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		23 865	37 254	74 776	(2 304)	67 470	1 590			(710 288)

Revenue Collection

Property rates

The total budget amounts to R13,120 million, while the year to date revenue generated amounts to R19,144million or 46 per cent of the budget. The Billing is done over 10months as the 2months (July and August) is a period to assist those who are behind.

Service charges-electricity

The total budget amounts to R8,466 million, the year to date revenue generated amounts to R8,490million or 6 per cent of the budget. Disconnection were only been done in July, the Billing dept will be sending Reminders only for august.

Service charges-refuse

The actual revenue from Service Charges Refuse as 30th September 2020 is R2,251million or -9 percent less than the budgeted income of R2,484million. SMS were sent to consumers and more customers are paying.

Rental of facilities

Revenue form rental of facilities recognised amounts to R17thousand in comparison with the YTD budget amount of R70 thousand thus indicating an underperformance of R53 thousand or -76%. Some of the leases were reviewed in this Financial year.

Interest earned-external investments

The total budget amounts to R875 thousand, the year to date receipts stands at R1,661 thousand or 90 per cent of the budget. Investment revenue is more than anticipated due to the number of the investments the Municipality has done.

Interest earned-outstanding debtors

YTD Actual of R1,146million for interest earned for outstanding debtors shows an under-collection of -75%.

Dividends received

No Dividends received by the Municipality has been recorded as Municipality does not collect dividends, which is why an under-performance of -100% is indicated.

Fines, penalties and forfeits

YTD Actual of R5thousands compared to the YTD budget of R112thousand, shows an under-collection of -95%. The variance is mainly due to the culture of non- payment and adverse economic conditions.

Licensing and permits

The licensing and permits YTD Actual of R177thousands compared to the YTD budget of R345thousand, shows an under-collection of - 49%. the licencing dept is up and running, under-performance might be because a lot of people lost jobs earlier in the year.

Agency services

No Agency services has been recorded as Municipality does not have agencies, which is why an under-performance of -100% is indicated.

Transfers and subsidies

YTD Actual for Transfers and subsidies of R81,868million is an over-collection of 38%, the operational Grants, for the first trenches has been receive and allocated. A list of the grants received will be detailed.

Other revenue

YTD Actual of R240million on other revenue, is an over collection when measured versus the YTD Budget of R172million. Most of our other revenue includes Other Clearance transaction handling fee and Tender documents. A lot of tender had been advertised, as the Municipality has received an additional Equitable share.

Gains on disposal of PPE

No Gains on disposal of property, plant and equipment has been recorded by assets unit, which is why an under-performance of -100% is indicated.

Expenditure performance**Employment related costs**

The YTD Actual for employee related costs is R25,244million which is underperformance of -8% when compared to YTD budget of R27,509million. The variance is from the savings that resulted in vacant positions that have not filled.

Remuneration of Councilor's

The remuneration of councilor's is under spent by -4% when compares to YTD budget of R3,522million.

Debt impairment

Debt impairment YTD Actual of Rnil million for debt impairment shows an under performance of -100%, The underspending is due to impairment calculation being done annually.

Depreciation & asset impairment

Depreciation and Asset impairment YTD Actual is under performed by -100% due to the system problem.

Finance charges

The YTD Actual for Finance charges is nil versus a YTD budget of R163thousand which is under performance of -100%. There was no movement reported, an accrual will be done at year end.

Bulk purchases

YTD Actual is R9,014million for Bulk purchases over YTD budget of R7,300million, which is an over-performance by 23%. There is an increase in consumption.

Other materials

YTD actual of R3,708million shows an under-performance of -54% when comparing the YTD budget. Most of the projects are advertised or not yet appointed.

Contracted services

YTD Actual is R7,427million which is an under-performance by -28% when compared to TYD budget of R10,340million. Most of the projects are advertised or not yet appointed.

Transfers and subsidies

The budget amounts to R406 thousand, while the expenditure to date amounts to R420thousand or 4 per cent of the budget.

Other expenditure

YTD Actual of R10,221million on other expenditure, is an underperformed of -12% when measured versus the YTD Budget of R11,667million. The expenditure will show only when the Most of the Programs are allowed to be Held in the Communities.

Loss on disposal of PPE

No loss on disposal of property, plant and equipment has been recorded by assets unit, which is why an under-performance of -100% is indicated.

Table 4.1

▪ **Total Operating Revenue from (July - September 2020)**

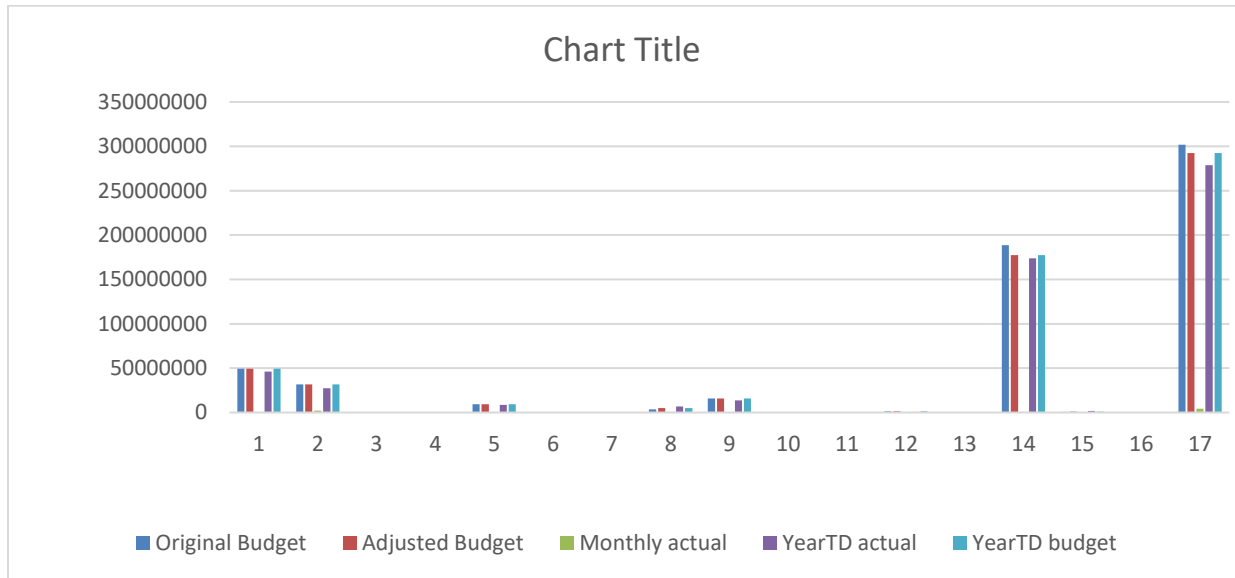


Table 4.2

Total Operating Expenditure from (July – September 2020)

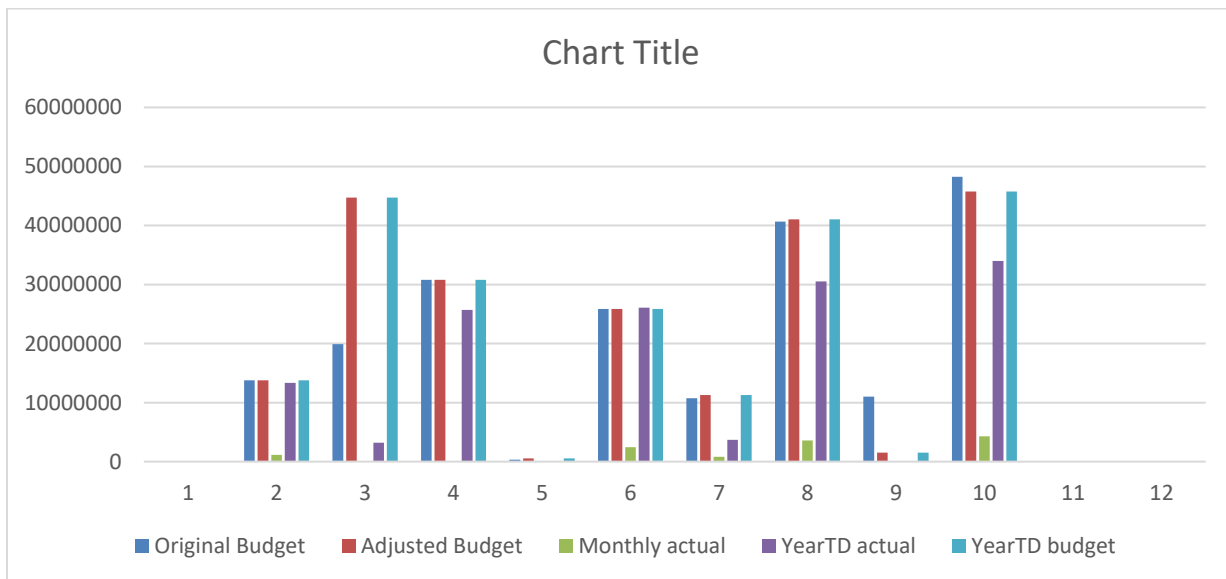


Table 5

Monthly Budget Statement_ Capital Expenditure

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		3 949	650	650	–	–	163	(163)	-100%	650
Vote 2 - Finance and administration		55 799	1 650	4 150	–	313	1 037	(724)	-70%	4 150
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		78 835	9 598	15 448	98	98	3 862	(3 764)	-97%	15 448
Vote 5 - Sport and Recreation		301	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	1 790	1 790	–	–	448	(448)	-100%	1 790
Vote 7 - Housing		–	200	200	–	–	50	(50)	-100%	200
Vote 8 - Planning and Development		25	15 351	22 211	–	283	5 553	(5 270)	-95%	22 211
Vote 9 - Road transport		72 627	25 876	44 097	2 061	2 888	2 324	564	24%	44 097
Vote 10 - Energy sources		26 158	2 150	2 150	627	627	538	89	17%	2 150
Vote 11 - Waste Management		–	840	2 090	–	–	523	(523)	-100%	2 090
Vote 12 - Environmental Protection		–	900	1 020	–	–	255	(255)	-100%	1 020
Vote 13 - [NAME OF VOTE 1]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 1]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 1]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	237 694	59 005	93 806	2 785	4 209	14 751	(10 543)	-71%	93 806
Total Capital Expenditure		237 694	59 005	93 806	2 785	4 209	14 751	(10 543)	-71%	93 806
Capital Expenditure - Functional Classification										
Governance and administration		59 748	2 300	4 800	–	313	575	(262)	-46%	4 800
Executive and council		3 949	650	650	–	–	163	(163)	-100%	650
Finance and administration		55 799	1 650	4 150	–	313	413	(99)	-24%	4 150
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		79 136	11 588	17 438	98	182	2 897	(2 715)	-94%	17 438
Community and social services		78 835	9 598	15 448	98	182	2 400	(2 218)	-92%	15 448
Sport and recreation		301	–	–	–	–	–	–	–	–
Public safety		–	1 790	1 790	–	–	448	(448)	-100%	1 790
Housing		–	200	200	–	–	50	(50)	-100%	200
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		72 652	42 127	67 328	2 061	3 087	10 532	(7 445)	-71%	67 328
Planning and development		25	15 351	22 211	–	199	3 838	(3 639)	-95%	22 211
Road transport		72 627	25 876	44 097	2 061	2 888	6 469	(3 581)	-55%	44 097
Environmental protection		–	900	1 020	–	–	225	(225)	-100%	1 020
Trading services		26 158	2 990	4 240	627	627	748	(121)	-16%	4 240
Energy sources		26 158	2 150	2 150	627	627	538	89	17%	2 150
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	840	2 090	–	–	210	(210)	-100%	2 090
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional C	3	237 694	59 005	93 806	2 785	4 209	14 751	(10 543)	-71%	93 806
Funded by:										
National Government		138 512	33 977	36 777	2 158	2 986	8 494	(5 508)	-65%	36 777
Provincial Government		231	972	972	–	–	243	(243)	-100%	972
District Municipality		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		138 744	34 949	37 749	2 158	2 986	8 737	(5 751)	-66%	37 749
Borrowing	6	3 881	–	–	–	–	–	–	–	–
Internally generated funds		95 070	24 056	56 056	627	1 223	6 014	(4 791)	-80%	56 056
Total Capital Funding		237 694	59 005	93 806	2 785	4 209	14 751	(10 543)	-71%	93 806

CAPITAL EXPENDITURE:**Nyoni Phase 3 Underpass and Intersection**

This project a turnkey project and was counter funded through the Department of Human Settlements. The project is split into two for the intersection and the pedestrian bridge/underpass

Construction of the culvert, jacking and backfilling has been completed and the consultant has issued practical completion certificate. Intersection: The Sub-contractor was terminated due to non-performance. The implementing agent has appointed a Subcontractor to complete the outstanding work. This work is progressing. All that is left at the intersection is the asphaltting and road markings

Upgrade and Improvement of Enembe Road

This project commenced in May 2019 however the project experienced delays due to subcontracting agreements between the business forum and the contractor. Once these were resolved in late October, the contractor experienced delays with sourcing the required material or forming the required C3 layer. The contractor has completed layer works, Asphaltting, Road Marking, bus bays and construction of speedhumps.

Construction of Swimming Pool

The project was approved by Cogta in 2017, the Geotech and the survey studies have been completed. The consultant has submitted the design layout and the tender document in preparation for the Specification.

Construction of Enembe Sport field ward 5

The project was advertised on 12th June 2020, clarification meeting took place on the 25th June 2020 and tender closed on the 03rd July 2020. Currently the project has been provisionally awarded and is undergoing a 14-day objection period.

Upgrade of Link Road between Masomonce Bus Route (Ward 10) and Enembe/Isithebe Link Road (Ward 12)

The project was advertised in January 2020 and the intention to award was issued in March 2020 however due to tender disputes and Provincial Treasury ruling the tender must re-advertised.

Upgrade of Link Road between Shayamoya Road (Ward 07) and Amajuba Road (Ward 15)

The tender was advertised in January 2020 and the and the contractor was appointed in March 2020.

Upgrade of Link Road between Amajuba Road (Ward 15) and Road 116 (Ward 14)

The tender was advertised in January 2020 and the and the contractor was appointed in March 2020.

5.2 Neighbourhood Development Partnership Grant (NDPG)

Upgrade and Improvement of the Sundumbili/Mandeni CBD: Construction of Access No. 1 on P459.

This project was re-advertised and awarded to Barleda Plant and Civils and the contractor commenced with assessment of work activities and site establishment on the 13th of May 2019.

New Protection Services Centre DLTC

The municipality has approved a budget of R8 000 000.00 in the 2020/2021 FY to be utilised against the Community Services budget for the construction of a DLTC.

Upgrade of Isithebe Modular Library

This project was awarded to Bophelani Trading. The site establishment is complete, contractor has completed layer works for parking area and is currently ready for surfacing.

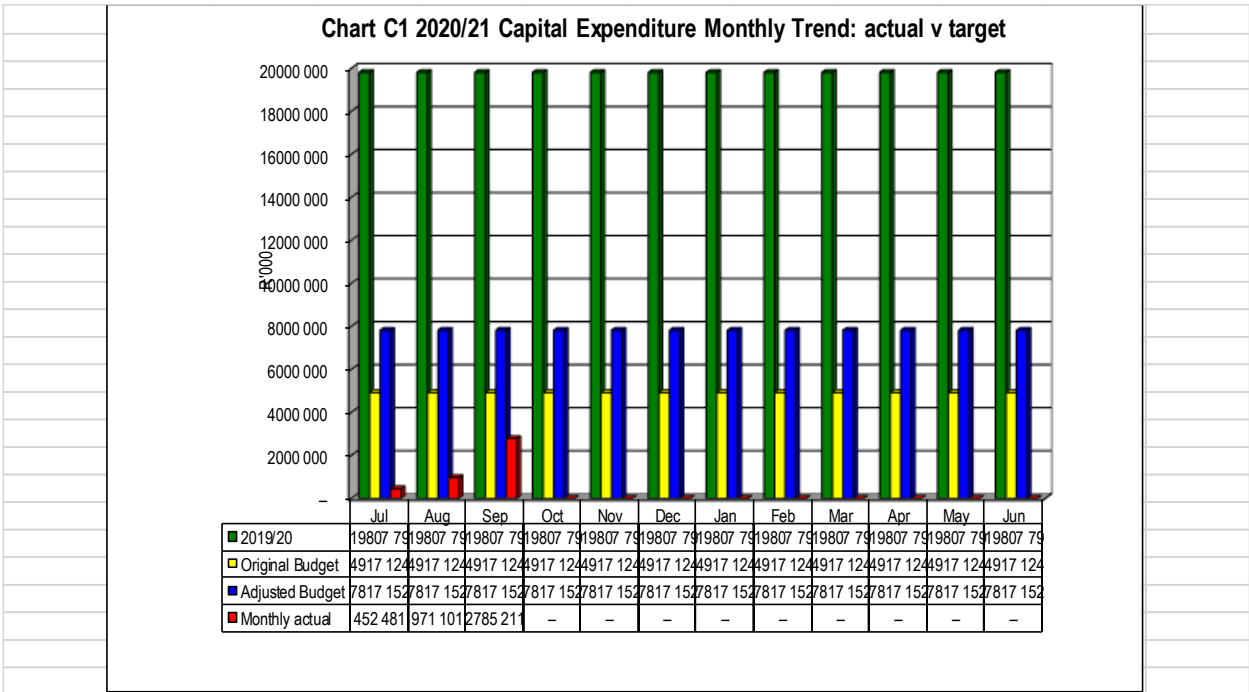
Department of Energy: Integrated National Electrification Programme (INEP)
Projects

This project has 190 connections and the appointed consultant is BVI Consulting.

Khenana Phase 3A Electrification Project

The appointed consultant is BVI Consultants. This project is for 311 connections.

Table 4.3



FINANCIAL POSITION

Table 6

Table C6 displays the financial position of the municipality as at 30th September 2020

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M03 September						
Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		58 901	58 759	58 759	1 691	58 759
Call investment deposits		1 734	–	–	177 867	–
Consumer debtors		66 414	59 175	59 175	61 999	59 175
Other debtors		(13 785)	4 000	4 000	–	4 000
Current portion of long-term receivables		–	–	–	–	–
Inventory		508	508	508	3 211	508
Total current assets		113 772	122 443	122 443	244 767	122 443
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		57 877	57 877	57 877	70 116	57 877
Investments in Associate		–	–	–	–	–
Property, plant and equipment		443 462	534 711	534 711	4 209	569 512
Biological		–	–	–	–	–
Intangible		836	619	619	780	619
Other non-current assets		–	–	–	–	–
Total non current assets		502 174	593 207	593 207	75 105	628 008
TOTAL ASSETS		615 947	715 650	715 650	319 872	750 450
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		2 704	–	–	870	–
Consumer deposits		176	211	211	336	(211)
Trade and other payables		28 834	27 557	27 557	22 702	(27 557)
Provisions		1 775	–	–	33 454	–
Total current liabilities		33 489	27 768	27 768	57 362	(27 768)
Non current liabilities						
Borrowing		38	1 425	1 425	893	(1 425)
Provisions		14 015	17 764	17 764	19 465	(17 764)
Total non current liabilities		14 053	19 189	19 189	20 359	(19 189)
TOTAL LIABILITIES		47 542	46 956	46 956	77 721	(46 956)
NET ASSETS	2	568 405	668 694	668 694	242 151	797 407
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		227 059	666 935	666 935	240 369	628 718
Reserves		202 672	1 759	1 759	1 782	168 688
TOTAL COMMUNITY WEALTH/EQUITY	2	429 732	668 694	668 694	242 151	797 407

PERFORMANCE INDICATOR

Table 7
C7 below display the Cash Flow Statement for the month ending 30th September 2020.

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M03 September										
Description	Ref	2019/20		Budget Year 2020/21						
		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		-	35 686	35 686	1 527	6 721	8 921	(2 200)	-25%	35 686
Service charges		-	37 581	37 581	2 796	9 314	9 395	(81)	-1%	37 581
Other revenue		224	3 690	2 373	1 434	5 251	923	4 328	469%	3 690
Transfers and Subsidies - Operational		42 490	196 810	242 914	-	84 100	60 493	23 607	39%	241 972
Transfers and Subsidies - Capital		6 585	35 150	34 208	9 000	16 000	8 788	7 212	82%	35 150
Interest		-	4 347	4 347	1 175	1 417	1 087	331	30%	4 347
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(194 843)	(243 848)	(256 500)	(21 234)	(56 592)	(63 147)	(6 555)	10%	(252 588)
Finance charges		(680)	(650)	(650)	-	-	(163)	(163)	100%	(650)
Transfers and Grants		-	(1 622)	(1 622)	(143)	(420)	(406)	14	-4%	(1 622)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(146 223)	67 143	98 336	(5 445)	65 791	25 891	(39 900)	-154%	103 565
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	3 059	3 258	-	3 258	#DIV/0!	-
Payments										
Capital assets		237 694	(59 005)	(93 806)	(2 785)	(4 209)	23 451	27 660	118%	93 806
NET CASH FROM/(USED) INVESTING ACTIVITIES		237 694	(59 005)	(93 806)	273	(951)	23 451	24 402	104%	93 806
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	(211)	(211)	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	(1 317)	(1 317)	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(1 528)	(1 528)	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		91 470	6 610	3 002	(5 172)	64 841	49 343			197 371
Cash/cash equivalents at beginning:		-	57 379	179 313		181 984	179 313			181 984
Cash/cash equivalents at month/year end:		91 470	63 989	182 315		246 825	228 656			379 356

Table 8

Table SC2 Performance Indicators

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

Description of financial indicator	Basis of calculation	Ref	2019/20	Budget Year 2020/21			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.3%	10.0%	9.7%	0.0%	4.6%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		1.6%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		7.3%	4.3%	4.3%	10.1%	-3.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	81.0%	81.0%	50.1%	-0.8%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	339.7%	441.0%	441.0%	426.7%	-441.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		181.1%	211.6%	211.6%	313.0%	-211.6%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21.1%	20.2%	17.6%	53.7%	-17.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
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		33.7%	35.3%	30.7%	21.9%	-30.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		11.4%	9.9%	8.6%	0.0%	-4.1%
<u>IDP regulation financial viability indicators</u>							
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						

The above ratios indicate that the municipality is financially stable and adequately funded to continue with its operations. The year-to-date ratio of employee costs as compared to the total revenue – capital revenue for the year to date is 21.9%.

The municipality still depends on grant funding of over 60% to fund its operations. All municipal provisions and the capital replacement reserve are cash backed and the cash and cash equivalents are sufficient to cover the Municipality till the next withdrawals.

PART 2 – SUPPORTING DOCUMENTATION

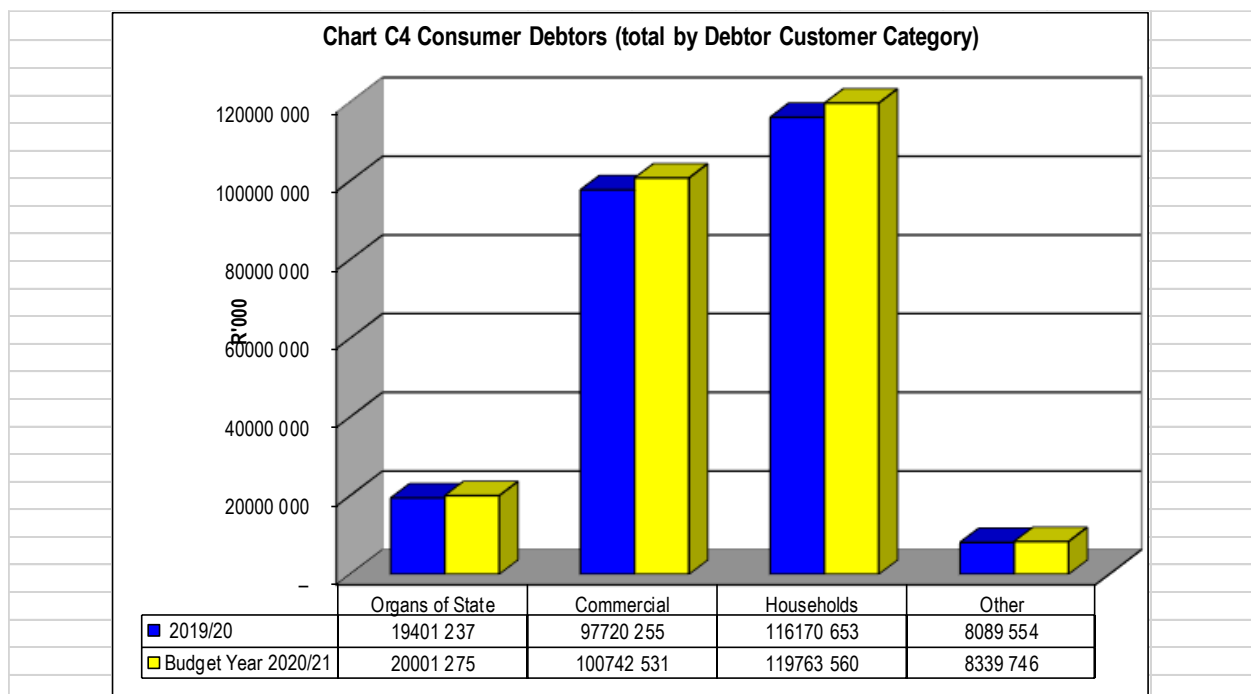
DEBTOR'S AGE ANALYSIS

Table 9

The total Consumer debtors outstanding as 30th September 2020 is **R248,847million** (attached)

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

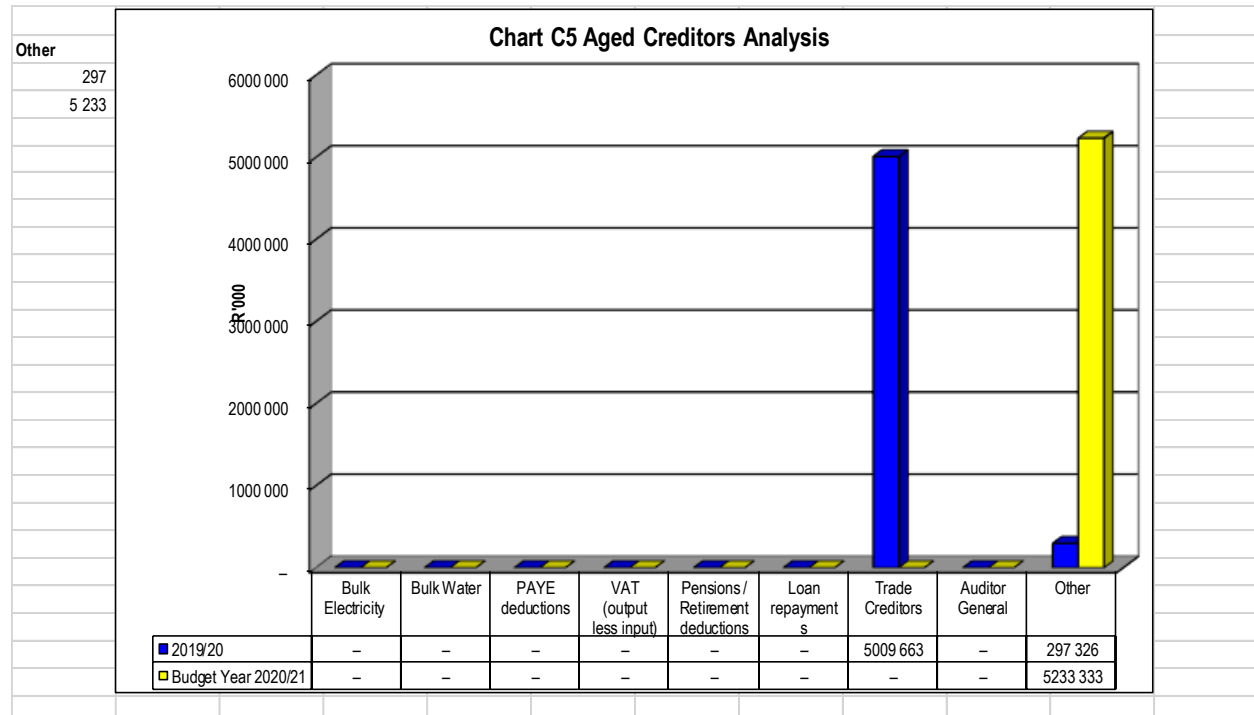
Description	NT Code	Budget Year 2020/21									Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr					
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 606	(3)	273	169	155	132	764	2 141	7 238	3 362	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	3 248	14 347	(34)	65	5 045	2 366	12 176	108 817	146 029	128 469	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 548	(18)	712	692	604	605	3 399	36 699	44 241	41 998	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	36	-	17	49	11	8	60	64	245	192	-	-	
Interest on Arrear Debtor Accounts	1810	768	0	229	1	-	5	9 422	40 461	50 886	49 889	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	101	-	-	-	-	-	-	2	104	2	-	-	
Total By Income Source	2000	9 307	14 326	1 197	977	5 815	3 116	25 821	188 185	248 743	223 913	-	-	
2019/20 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	421	4 368	45	96	2 233	305	2 323	10 210	20 001	15 167	-	-	
Commercial	2300	5 001	1 964	104	68	1 669	1 514	11 673	78 750	100 743	93 674	-	-	
Households	2400	3 795	716	1 045	808	1 291	1 278	11 736	99 095	119 764	114 208	-	-	
Other	2500	192	7 278	3	5	622	18	90	133	8 340	867	-	-	
Total By Customer Group	2600	9 409	14 326	1 197	977	5 815	3 116	25 821	188 187	248 847	223 915	-	-	



CREDITORS ANALYSIS
Table 10

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September												
Description	NT Code	Budget Year 2020/21									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less i	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirem	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-	5 010
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	5 233	-	-	-	-	-	-	-	-	5 233	297
Total By Custome	1000	5 233	-	-	-	-	-	-	-	-	5 233	5 307

- Creditors as at 30th September 2020 amounts to **R5,233,333.18**.
- 100% of the creditors are on current as per our age analysis, as we ensure that creditors are paid within 30 days



INVESTMENT PORTFOLIO ANALYSIS


Table 11

The following information presents the short-term investments balances broken down per investment type as at 30th September 2020

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investm									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Variable or Fixed interest rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Closing Balance
R thousands		Yrs/Months							
Municipality									
Call account 1-GRANTS		12MNTHS	CALL ACCOUNTS	0.0245	30 June 2020	85 340	159	(26 659)	58 840
Call account 2 -HOUSING		12MNTHS	CALL ACCOUNTS	0.0245	01 July 2020	1 789	4		1 793
Call account 3-MIG		12MNTHS	CALL ACCOUNTS	0.0245	02 July 2020	20 352	10 539	(97)	30 794
Call account 4-NDPG		12MNTHS	CALL ACCOUNTS	0.0245	03 July 2020	2	0	-	2
Call account 5-TMT		12MNTHS	CALL ACCOUNTS	0.0245	04 July 2020	222	1		223
Call account 6-INEP		12MNTHS	CALL ACCOUNTS	0.0245	05 July 2020	4 626	12	(506)	4 132
Call account 7-AR		12MNTHS	CALL ACCOUNTS	0.0245	06 July 2020	104	0		105
Call account 8- Title Deed		12MNTHS	CALL ACCOUNTS	0.0245	07 July 2020	3 364	7		3 370
STANDARD BANK		12MNTHS	INVESTMENT	0.02	08 July 2020	4	-		4
STANDARD		12MNTHS	INVESTMENT	0	09 July 2020	0			0
STANDARD		12MNTHS	INVESTMENT	0.034	10 July 2020	1 671	5		1 676
NEDBANK		12MNTHS	INVESTMENT	0.035	11 July 2020	1 838	5		1 843
STANDARD BANK		12MNTHS	INVESTMENT	0.06675	12 July 2020	30 000			30 000
NEDBANK		12MNTHS	INVESTMENT	0.0482	13 July 2020	30 000			30 000
						-	15 000		15 000
									-
Municipality sub-total						179 313	25 732	(27 262)	177 783
TOTAL INVESTMENTS A	2					179 313		(27 262)	177 783

Withdrawals from Municipal Bank Account

Table 12

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET				
 national treasury Department of National Treasury REPUBLIC OF SOUTH AFRICA			Municipal Finance Management Act, section 11(4) Consolidated Quarterly Report for period 01/07/2020 to 30/09/2020	
Date	Payee	Amount in R'000	Purpose (including section)	Authorised by (name)
27.07.2020	Khumalo V	1 500.00	Section 11 f	MAKHOBHA -MNG TREASURY
27.07.2021	Khumalo V	1 000.00	Section 11 f	MAKHOBHA -MNG TREASURY
27.07.2022	Seepamere MM	1 750.00	Section 11 f	MAKHOBHA -MNG TREASURY
27.07.2023	Mwelase PN	4 000.00	Section 11 f	MAKHOBHA -MNG TREASURY
28.08.2020	Maharaj Nalini	4 377.17	Section 11 f	MAKHOBHA -MNG TREASURY
28.08.2021	Mengo T.A.	3 549.68	Section 11 f	MAKHOBHA -MNG TREASURY
23.09.2020	Standard Bank	15 000 000.00	Section 11- h	Nozipho Mngomezulu-CFO

Instructions for completing this report:

sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.
 This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

Withdrawals that must be reported each quarter:


- Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;
- Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);
- Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);
- Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including
 - money collected by the municipality on behalf of that person or organ of state by agreement; or
 - any insurance or other payments received by the municipality for that person or organ of state;
- Section 11(f) - Refund money incorrectly paid into a bank account;
- Section 11(g) - Refund guarantees, sureties and security deposits;
- Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;
- Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;
- Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.

Distribution:

- Table this report in a full council meeting, including additional motivation on action taken to rectify, within 30 days after the end of each quarter (section 29(1)(g));
- Submit a copy to the relevant National Treasury, provincial treasury and the Auditor-General


ASSETS RECONCILIATION

Table 13

MANDENI MUNICIPALITY			
MONTHLY ASSETS RECONCILIATION AS AT 30 SEPTEMBER 2020			
	COST	ACCUM DEP	CARRYING
	30-Sep-20	30-Sep-20	30-Sep-20
 FAR OPENING BALANCE AS AT 01 JULY 2020	700 552 946.67	193 559 427.93	506 993 518.74
ADD: ADDITIONS	4 208 793.08	-	
ACQUISITIONS	1 023 894.84		
WORK-IN-PROGRESS	3 184 898.24		
DONATED ASSETS			
LESS: DISPOSALS / IMPAIRMENTS			
WRITEOFFS			-
IMPAIRMENTS			
LESS : TRANSFERS			
WIP TRANSFER			
BALANCE AS PER FIXED ASSET MODULE	704 761 739.75	193 559 427.93	511 202 311.82
BALANCE AS PER GENERAL LEDGER	704 761 740.39	193 559 427.93	511 202 312.46
DIFFERENCE	-0.64	-	-
Analysis of the Balance			
The following invoices for additions has been was processed in the GL but not yet captured in the FAR			
DEKATSHE CONSULTING	Computer Equipment	R15 374	
ZAR TECHNOLOGY (PTY)LTD	Computer Equipment	R132 755.65	
UNLIMITED ABC TRADING AND PROJEC	Machinery	R84 000	
MVI-SSSS TRADING ENTERPRISE	Computer Equipment	R165 000	
WORTH KINGS TRADING	Transformer	R626 765	
		R1 023 895	

DEVIATION NOT YET APPROVED BY THE MUNICIPAL MANAGER

Table 14

Annexure C										
 MANDENI MUNICIPALITY DEVIATION REGISTER PERIOD ENDING SEPTEMBER 2020										
Date identified	Date reported to Mayor	Reasons for Deviation	Payment Status	Payment no./EFT no/Cheque No.	Supplier	Responsible Department	Amount	Amount approved by Council as valid expenditure	Amount still under investigation (Closing Balance)	Resolution No.
24-Jul-20		Emergency - Fumigation of municipal offices. Urgent effort to mitigate against the spread of covid 19 as there are cases reported. The time available would have made it impractical to go through the normal competitive bidding process where advertising atleast for seven days must be observed ,However three quotations were sought and lower quote was considered . SCM Reg 36(1)(a)(ii)	Paid		Rural Metro Emergency Management Services	Community	R44 901.89			
09-Sep-20		Emergency - Fumigation of municipal offices. Urgent effort to mitigate against the spread of covid 19 as there are cases reported. The time available would have made it impractical to go through the normal competitive bidding process where advertising atleast for seven days must be observed ,However three quotations were sought and lower quote was considered . SCM Reg 36(1)(a)(ii)	Not yet Paid		North Coast Pest Control	Community	R35 000.00			
TOTAL						Total	R79 901.89			

COUNCILLOR AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

Table 15 Councilor and Staff benefits

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September										
of Employee and Councillor rem	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9 422	10 462	10 462	854	2 545	2 616	(70)	-3%	10 462
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 413	1 388	1 388	109	327	347	(20)	-6%	1 388
Cellphone Allowance		1 423	1 514	1 514	119	357	378	(21)	-6%	1 514
Housing Allowances		765	724	724	55	166	181	(15)	-8%	724
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		13 023	14 087	14 087	1 138	3 396	3 522	(126)	-4%	14 087
% increase	4		8.2%	8.2%						8.2%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	3 609	5 526	5 526	433	1 299	1 381	(82)	-6%	5 526
Pension and UIF Contributions		10	11	11	-	-	3	(3)	-100%	11
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		705	785	785	61	184	196	(12)	-6%	785
Cellphone Allowance		165	186	186	16	47	47	-	-	186
Housing Allowances		110	114	114	22	66	28	38	132%	114
Other benefits and allowances		1	1	1	0	0	0	(0)	-1%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	815	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 416	6 623	6 623	532	1 596	1 656	(59)	-4%	6 623
% increase	4		22.3%	22.3%						22.3%
Other Municipal Staff										
Basic Salaries and Wages		56 448	67 170	67 170	5 300	16 202	16 792	(591)	-4%	67 170
Pension and UIF Contributions		8 770	10 895	10 895	863	2 637	2 724	(87)	-3%	10 895
Medical Aid Contributions		3 952	5 310	5 310	404	1 212	1 327	(115)	-9%	5 310
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		3 530	3 866	3 866	467	1 132	966	166	17%	3 866
Motor Vehicle Allowance		3 959	4 510	4 510	312	988	1 127	(140)	-12%	4 510
Cellphone Allowance		473	485	485	37	114	121	(7)	-6%	485
Housing Allowances		379	297	297	24	77	74	3	4%	297
Other benefits and allowances		1 434	5 382	5 382	211	686	1 345	(660)	-49%	5 382
Payments in lieu of leave		-	5 500	5 500	367	406	1 375	(969)	-70%	5 500
Long service awards		-	-	-	131	194	-	194	#DIV/0!	-
Post-retirement benefit obligations	2	(80)	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		78 865	103 414	103 414	8 114	23 648	25 854	(2 206)	-9%	103 414
% increase	4		31.1%	31.1%						31.1%
Total Parent Municipality		97 303	124 124	124 124	9 784	28 640	31 031	(2 391)	-8%	124 124
			27.6%	27.6%						27.6%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		97 303	124 124	124 124	9 784	28 640	31 031	(2 391)	-8%	124 124
% increase	4		27.6%	27.6%						27.6%
TOTAL MANAGERS AND STAFF		84 280	110 037	110 037	8 647	25 244	27 509	(2 265)	-8%	110 037

ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Table 16 SC6 Monthly Budget Statement – Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		183 893	194 117	239 379	-	84 100	48 529	35 571	73.3%	-
Local Government Equitable Share		167 483	181 342	227 604	-	81 603	45 336	36 268	80.0%	-
Finance Management		1 900	1 900	1 900	-	1 900	475	1 425		-
EPWP Incentive		2 234	2 387	2 387	-	597	597	0		-
Integrated National Electrification Pro		10 116	6 000	5 000	-	-	1 500	(1 500)		-
Municipal Drought Relief	3	745	745	745	-	-	186	(186)	-100.0%	-
PMU		1 415	1 743	1 743	-	-	436	(436)	-100.0%	-
Provincial Government:		2 738	3 636	3 536	-	-	909	(780)	-85.8%	-
		1 228	2 714	2 714	-	-	679	(679)	-100.0%	-
		1 510	515	515	-	-	129	-		-
	4		407	307	-	-	102	(102)	-100.0%	-
Other transfers and grants [insert description]					-	-				-
District Municipality:		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	186 630	197 753	242 915	-	84 100	49 438	34 791	70.4%	-
Capital Transfers and Grants										
National Government:		39 750	33 408	33 408	9 000	16 000	8 352	7 648	91.6%	-
Municipal Infrastructure Grant (MIG)		33 954	33 408	33 408	9 000	16 000	8 352	7 648	91.6%	-
Neighbourhood Development Partne		5 796								-
Other capital transfers [insert description]										-
Provincial Government:		-	800	800	-	-	200	(200)	-100.0%	-
[insert description]			800	800			200	(200)	-100.0%	-
Total Capital Transfers and Grants	5	39 750	34 208	34 208	9 000	16 000	8 552	7 448	87.1%	-
TOTAL RECEIPTS OF TRANSFERS AND GRANTS	5	226 381	231 960	277 122	9 000	100 100	57 990	42 239	72.8%	-

The total operational and capital grant receipts for the year is R100,100million which is inclusive of the Equitable share of R81,603million and Capital allocation of R16,000million over a YTD Budgeted of R57,990million.

The Municipality has received these Grants: Equitable Share, MIG, FMG, EPWP.

ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Table 17 SC7 Monthly Budget Statement-Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September										
Description	Ref	2019/20	Budget Year 2020/21							
		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:		183 893	194 117	239 379	27 636	60 741	64 706	(3 964)	-6.1%	-
Local Government Equitable Share		167 483	181 342	227 604	26 500	58 653	60 447	(1 794)	-3.0%	
Finance Management		1 900	1 900	1 900	259	456	633	(177)	-28.0%	
EPWP Incentive		2 234	2 387	2 387	-	439	796	(356)	-44.8%	
Integrated National Electrification Programme		10 116	6 000	5 000	805	937	2 000	(1 063)	-53.2%	
0		-	-	-	-	-	-	-	-	
Municipal Drought Relief		745	745	745	-	149	248	(99)	-40.1%	
PMU		1 415	1 743	1 743	73	107	581	(474)	-81.6%	
Provincial Government:		2 738	3 636	3 536	-	-	717	(717)	-100.0%	-
0		1 228	2 714	2 714	-	-	581	(581)	-100.0%	
0		1 510	515	515	-	-	-	-	-	
0		-	-	-	-	-	-	-	-	
0		-	407	307	-	-	136	(136)	-100.0%	
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	
Total operating expenditure of Transfers and Grants		186 630	197 753	242 915	27 636	60 741	65 422	(4 681)	-7.2%	-
Capital expenditure of Transfers and Grants										
National Government:		39 750	33 408	33 408	2 754	3 706	11 136	(7 430)	-66.7%	-
Municipal Infrastructure Grant (MIG)		33 954	33 408	33 408	2 754	3 706	11 136	(7 430)	-66.7%	
0		5 796	-	-	-	-	-	-	-	
Provincial Government:		-	800	800	-	-	-	-	-	-
		-	800	800	-	-	-	-	-	
Total capital expenditure of Transfers and Grants		39 750	34 208	34 208	2 754	3 706	11 136	(7 430)	-66.7%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		226 381	231 960	277 122	30 390	64 447	76 558	(12 111)	-15.8%	-

The actual YTD Capital grant expenditure incurred amounted to R64,447million resulting in underperformance of -15.8% of the YTD capital grants budget of R11,136million. Expenditure for the Operational grants amounts to R60,741million for YTD which is -7.2% under-performance when compared to YTD budget of R65,422million.

- ✓ MIG YTD actual expenditure of R2,754million - 33%

✓ **Covid-19 Grant expenditure:**

COVID-19 GRANTS			
YTD Budget	YTD Actual		
393 181.13	148 866.14	37.86	

The Actual YTD is R148,866.14thousand against a Budget of R393,181.13thousand. This expenditure includes purchases of hand sanitizers, disinfectant soaps, Face masks and Face shields, and also includes Fumigation of Offices.

It has become a normal practice to disinfect our offices every week with the hope to minimize the spread of Covid-19. The staff is always encouraged to follow the Covid-19 Protocols and Regulations.

SCM IMPLEMENTATION

The success of the SCM Unit is dependent on the role played by the user departments. To control the unit the procurement plans were instituted and implemented. However, these plans are not perfectly followed.

Improvement is monitored through working together with other departments. Bid Committees have worked tremendously to support the functioning of the unit.

Due to poor planning in some units there is an increase in deviations. This situation is being addressed.

Contract management is earmarked for improvement as this is an area that the report of the auditor general has pointed out some weaknesses, including the maintenance of documents, monitoring of service providers, transfer of skills etc.

COST CUTTING MEASURES

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

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

Municipal manager's quality certificate

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

- **Section 52(d) 1stQuarter Report (July-September)**

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

Print Name **Mr. Sizwe. Khuzwayo**

Municipal manager of Mandeni Municipality (KZN 291)

Signature_____

Date **30th OCTOBER 2020**