

# **MANDENI MUNICIPALITY**

**KZN291**



## **BUDGET & TREASURY DEPARTMENT**

### **MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED JULY 2023/24 FINANCIAL YEAR**

**BUDGET FOR THE PERIOD ENDING 31<sup>st</sup> July 2023.**

**1. PURPOSE**

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2023/24 Budget of the Mandeni Municipality for the period ending 31<sup>st</sup> July 2023 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

**2. AUTHORITY**

Mayor

**3. LEGAL / STATUTORY REQUIREMENTS**

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

**4. BACKGROUND**

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

**5. EXECUTIVE SUMMARY**

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 31<sup>st</sup> July 2023 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Capital Expenditure
- 5.3 DORA Receipts
- 5.4 DORA Grants Expenditure
- 5.5 Debtors Age Analysis
- 5.6 Employee Costs and Councilors' Remuneration
- 5.7 Investment Portfolio
- 5.8 Long-term Borrowing
- 5.9 Performance Indicators
- 6. Creditor's Age Analysis
- 6.1 Bank Reconciliation Statement
- 7. SUPPORTING TABLES
- 8. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

## 1.1 FINANCIAL PERFORMANCE

## BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M01 July								
Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
<b>Financial Performance</b>								
Total Revenue (excluding capital transfers and	344,473	382,369	107,079	107,079	31,864	75,215	236%	382,369
Total Expenditure	335,105	402,121	16,379	16,379	33,550	(17,171)	-51%	402,121
Surplus/(Deficit)	9,369	(19,752)	90,700	90,700	(1,686)	92,386	-5480%	(19,752)
Transfers and subsidies -	45,387	48,381	-	-	4,032	(4,032)	-100%	48,381
Surplus/(Deficit) after capital transfers & contributions	54,755	28,629	90,700	90,700	2,346	88,354	3766%	28,629
Surplus/ (Deficit) for the year	54,755	28,629	90,700	90,700	2,346	88,354	3766%	28,629
<b>Capital expenditure &amp; funds sources</b>								
Capital expenditure	74,457	143,945	5,285	5,285	11,995	(6,710)	-56%	143,945
Capital transfers recognised	12,358	55,598	-	-	4,633	(4,633)	-100%	55,598
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	62,099	88,347	5,285	5,285	7,362	(2,077)	-28%	88,347
Total sources of capital funds	74,457	143,945	5,285	5,285	11,995	(6,710)	-56%	143,945
<b>TOTAL BUDGET</b>		<b>546,065</b>	<b>21,664</b>	<b>21,664</b>	<b>45,545</b>	<b>(23,882)</b>	<b>(0)</b>	<b>546,065</b>

As can be seen from the table above, Actual surplus for the period ended 31<sup>st</sup> July 2023 is showing a positive surplus of R90.7million. The municipality has received the 1<sup>st</sup> trench of equitable share of R96.1 million.

Currently there are no financial challenges and major risks facing the municipality. A total amount of R165 million is invested by the municipality to the approved banking institutions and the total investment register closing balance as at July 2023, R335.4 million.

1.2 Monthly Budget statement Summary M12-JULY 2023

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M01 July								
Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							%	
<b>Financial Performance</b>								
Property rates	46,396	59,329	–	–	4,944	(4,944)	-100%	59,329
Service charges	61,434	63,657	6,520	6,520	5,305	1,215	23%	63,657
Investment revenue	20,010	–	–	–	–	–		–
Transfers and subsidies - Op	20,010	10,500	2,338	2,338	875	1,463	167%	10,500
Other own revenue	196,622	248,882	98,221	98,221	20,740	77,481	374%	–
<b>Total Revenue (excluding capital transfers and</b>	<b>344,473</b>	<b>382,369</b>	<b>107,079</b>	<b>107,079</b>	<b>31,864</b>	<b>75,215</b>	<b>236%</b>	<b>382,369</b>
Employee costs	115,824	141,420	9,818	9,818	11,785	(1,967)		141,420
Remuneration of Councillors	13,767	15,460	1,167	1,167	1,288	(121)		15,460
Depreciation and amortisation	33,951	35,534	–	–	2,961	(2,961)		35,534
Interest	325	100	–	–	8	(8)		100
Inventory consumed and built	49,554	51,014	92	92	4,251	(4,160)		51,014
Transfers and subsidies	–	–	–	–	–	–		–
Other expenditure	121,684	158,592	5,303	5,303	13,256	(7,953)	-60%	158,592
<b>Total Expenditure</b>	<b>335,105</b>	<b>402,121</b>	<b>16,379</b>	<b>16,379</b>	<b>33,550</b>	<b>(17,171)</b>	<b>-51%</b>	<b>402,121</b>
<b>Surplus/(Deficit)</b>	<b>9,369</b>	<b>(19,752)</b>	<b>90,700</b>	<b>90,700</b>	<b>(1,686)</b>	<b>92,386</b>	<b>-5480%</b>	<b>(19,752)</b>
Transfers and subsidies - capital (monetary)	45,387	48,381	–	–	4,032	(4,032)	-100%	48,381
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>	<b>88,354</b>	<b>3766%</b>	<b>28,629</b>
<b>Surplus/ (Deficit) for the year</b>	<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>	<b>88,354</b>	<b>3766%</b>	<b>28,629</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>74,457</b>	<b>143,945</b>	<b>5,285</b>	<b>5,285</b>	<b>11,995</b>	<b>(6,710)</b>	<b>-56%</b>	<b>143,945</b>
Capital transfers recognised	12,358	55,598	–	–	4,633	(4,633)	-100%	55,598
Borrowing	–	–	–	–	–	–		–
Internally generated funds	62,099	88,347	5,285	5,285	7,362	(2,077)	-28%	88,347
<b>Total sources of capital funds</b>	<b>74,457</b>	<b>143,945</b>	<b>5,285</b>	<b>5,285</b>	<b>11,995</b>	<b>(6,710)</b>	<b>-56%</b>	<b>143,945</b>
<b>Financial position</b>								
Total current assets	297,635	177,849		382,288				177,849
Total non current assets	601,233	740,801		606,518				740,801
Total current liabilities	73,464	71,097		72,218				71,097
Total non current liabilities	18,389	22,795		18,389				22,795
Community wealth/Equity	808,116	824,758		898,199				824,758
<b>Cash flows</b>								
Net cash from (used) operations	(271,411)	(256,692)	107,626	163,825	(20,045)	(183,870)	917%	(256,692)
Net cash from (used) investments	(377,325)	165,536	(5,285)	(5,285)	13,795	19,080	138%	165,536
Net cash from (used) financing	–	–	14	14	–	(14)	#DIV/0!	–
<b>Cash/cash equivalents at the end of the year</b>	<b>(565,749)</b>	<b>(299,135)</b>	<b>–</b>	<b>338,553</b>	<b>(214,230)</b>	<b>(552,783)</b>	<b>258%</b>	<b>–</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	6,081	1,274	4,644	3,373	2,471	28,253	156,672	205,705
<b>Creditors Age Analysis</b>								
Total Creditors	–	–	–	–	–	–	2	2

Table 1.3

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01									
Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
<b>Revenue - Functional</b>									
<b>Governance and administration</b>		<b>269,340</b>	<b>305,464</b>	<b>98,829</b>	<b>98,829</b>	<b>25,455</b>	73,374	288%	<b>305,464</b>
Executive and council		–	7,806	–	–	651	(651)	-100%	7,806
Finance and administration		269,340	297,658	98,829	98,829	24,805	74,024	298%	297,658
Internal audit		–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>10,732</b>	<b>4,692</b>	<b>262</b>	<b>262</b>	<b>391</b>	(129)	-33%	<b>4,692</b>
Community and social services		5,497	4,692	262	262	391	(129)	-33%	4,692
Sport and recreation		5,234	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>46,274</b>	<b>54,327</b>	<b>1,298</b>	<b>1,298</b>	<b>4,527</b>	(3,230)	-71%	<b>54,327</b>
Planning and development		44,726	49,857	1,232	1,232	4,155	(2,923)	-70%	49,857
Road transport		1,548	4,470	65	65	373	(307)	-82%	4,470
Environmental protection		–	–	–	–	–	–	–	–
<b>Trading services</b>		<b>63,514</b>	<b>66,266</b>	<b>6,690</b>	<b>6,690</b>	<b>5,522</b>	<b>1,167</b>	21%	<b>66,266</b>
Energy sources		50,063	53,804	5,499	5,499	4,484	1,016	23%	53,804
Water management		–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–
Waste management		13,451	12,463	1,190	1,190	1,039	152	15%	12,463
<b>Other</b>	4	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	2	<b>389,860</b>	<b>430,750</b>	<b>107,079</b>	<b>107,079</b>	<b>35,896</b>	<b>71,183</b>	<b>198%</b>	<b>430,750</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>		<b>166,163</b>	<b>201,988</b>	<b>9,938</b>	<b>9,938</b>	<b>16,872</b>	(6,934)	-41%	<b>201,988</b>
Executive and council		52,343	62,711	2,992	2,992	5,226	(2,234)	-43%	62,711
Finance and administration		113,820	139,277	6,946	6,946	11,646	(4,700)	-40%	139,277
Internal audit		–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>34,716</b>	<b>42,477</b>	<b>2,547</b>	<b>2,547</b>	<b>3,540</b>	(993)	-28%	<b>42,477</b>
Community and social services		26,376	31,792	2,069	2,069	2,649	(580)	-22%	31,792
Sport and recreation		8,316	9,442	478	478	787	(309)	-39%	9,442
Public safety		–	1,223	–	–	102	(102)	-100%	1,223
Housing		24	20	–	–	2	(2)	-100%	20
Health		–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>69,097</b>	<b>81,845</b>	<b>3,053</b>	<b>3,053</b>	<b>6,820</b>	(3,767)	-55%	<b>81,845</b>
Planning and development		19,166	22,164	1,091	1,091	1,847	(756)	-41%	22,164
Road transport		46,772	55,750	1,687	1,687	4,646	(2,958)	-64%	55,750
Environmental protection		3,159	3,931	274	274	328	(53)	-16%	3,931
<b>Trading services</b>		<b>65,129</b>	<b>75,761</b>	<b>840</b>	<b>840</b>	<b>6,313</b>	<b>(5,473)</b>	-87%	<b>75,761</b>
Energy sources		53,379	55,216	424	424	4,601	(4,177)	-91%	55,216
Water management		–	–	–	–	–	–	–	–
Waste water management		2,711	2,948	–	–	246	(246)	-100%	2,948
Waste management		9,039	17,597	416	416	1,466	(1,050)	-72%	17,597
<b>Other</b>		–	<b>50</b>	–	–	<b>4</b>	<b>(4)</b>	<b>-100%</b>	<b>50</b>
<b>Total Expenditure - Functional</b>	3	<b>335,105</b>	<b>402,121</b>	<b>16,379</b>	<b>16,379</b>	<b>33,550</b>	<b>(17,171)</b>	<b>-51%</b>	<b>402,121</b>
<b>Surplus/ (Deficit) for the year</b>		<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>	<b>88,354</b>	<b>3766%</b>	<b>28,629</b>

Table 1.4

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>		1							
Vote 1 - Executive and council		–	7,806	–	–	651	(651)	-100.0%	7,806
Vote 2 - Finance and administration		269,340	297,658	98,829	98,829	24,805	74,024	298.4%	297,658
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		5,497	4,692	262	262	391	(129)	-32.9%	4,692
Vote 5 - Sport and Recreation		5,234	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		44,726	49,857	1,232	1,232	4,155	(2,923)	-70.3%	49,857
Vote 9 - Road transport		1,548	4,470	65	65	373	(307)	-82.4%	4,470
Vote 10 - Energy sources		50,063	53,804	5,499	5,499	4,484	1,016	22.7%	53,804
Vote 11 - Waste Management		13,451	12,463	1,190	1,190	1,039	152	14.6%	12,463
Vote 12 - Environmental Protection		–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
<b>Total Revenue by Vote</b>	2	<b>389,860</b>	<b>430,750</b>	<b>107,079</b>	<b>107,079</b>	<b>35,896</b>	<b>71,183</b>	<b>198.3%</b>	<b>430,750</b>
<b>Expenditure by Vote</b>		1							
Vote 1 - Executive and council		52,343	62,711	2,992	2,992	5,226	(2,234)	-42.7%	62,711
Vote 2 - Finance and administration		113,820	139,277	6,946	6,946	11,646	(4,700)	-40.4%	139,277
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		26,376	31,792	2,069	2,069	2,649	(580)	-21.9%	31,792
Vote 5 - Sport and Recreation		8,316	9,442	478	478	787	(309)	-39.3%	9,442
Vote 6 - Public safety		–	1,223	–	–	102	(102)	-100.0%	1,223
Vote 7 - Housing		24	20	–	–	2	(2)	-100.0%	20
Vote 8 - Planning and Development		19,166	22,214	1,091	1,091	1,851	(760)	-41.1%	22,214
Vote 9 - Road transport		49,483	58,698	1,687	1,687	4,892	(3,204)	-65.5%	58,698
Vote 10 - Energy sources		53,379	55,216	424	424	4,601	(4,177)	-90.8%	55,216
Vote 11 - Waste Management		9,039	17,597	416	416	1,466	(1,050)	-71.6%	17,597
Vote 12 - Environmental Protection		3,159	3,931	274	274	328	(53)	-16.2%	3,931
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
<b>Total Expenditure by Vote</b>	2	<b>335,105</b>	<b>402,121</b>	<b>16,379</b>	<b>16,379</b>	<b>33,550</b>	<b>(17,171)</b>	<b>-51.2%</b>	<b>402,121</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>	<b>88,354</b>	<b>3766.3%</b>	<b>28,629</b>

**Table 1.5** provides information on the planned revenue and operational expenditures against the actual results for the period ending 31<sup>st</sup> July 2023

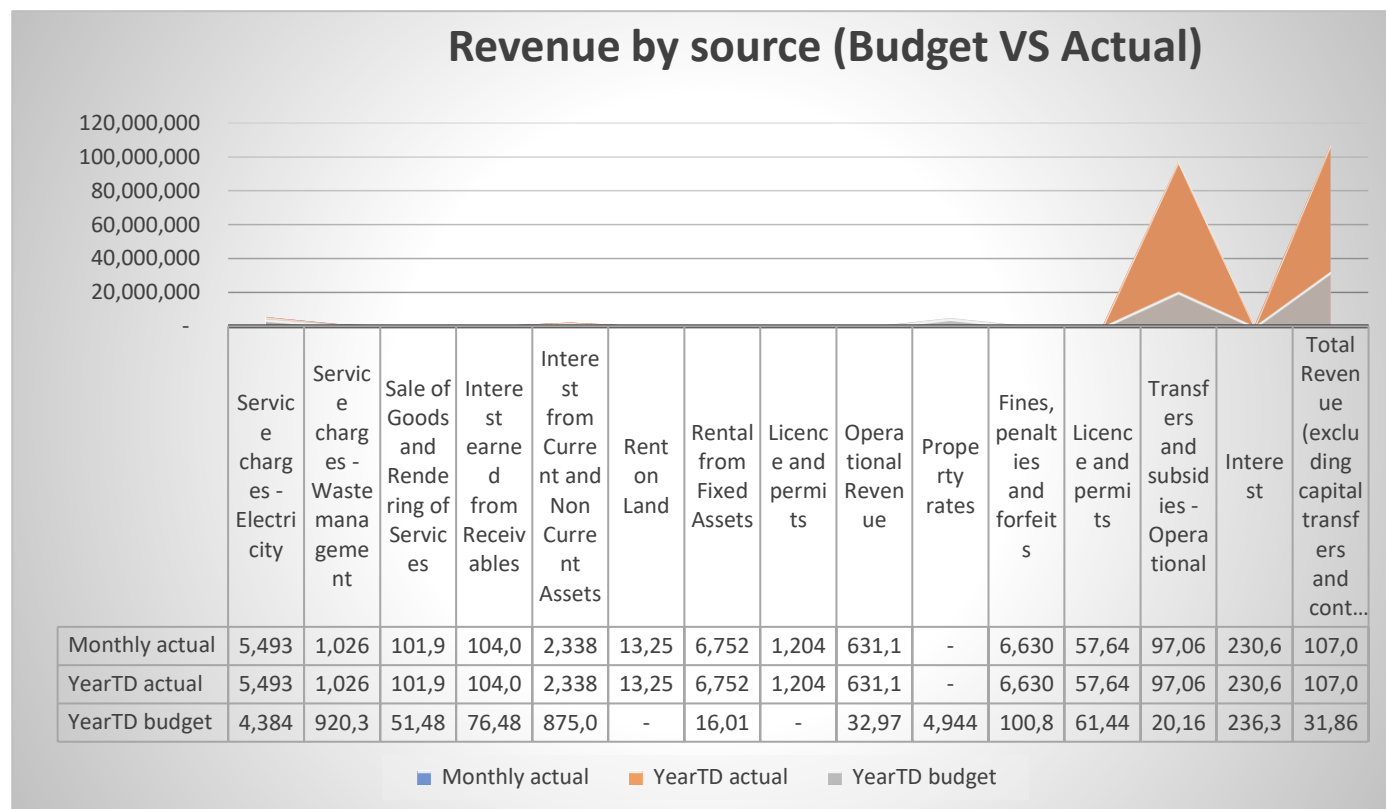
This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

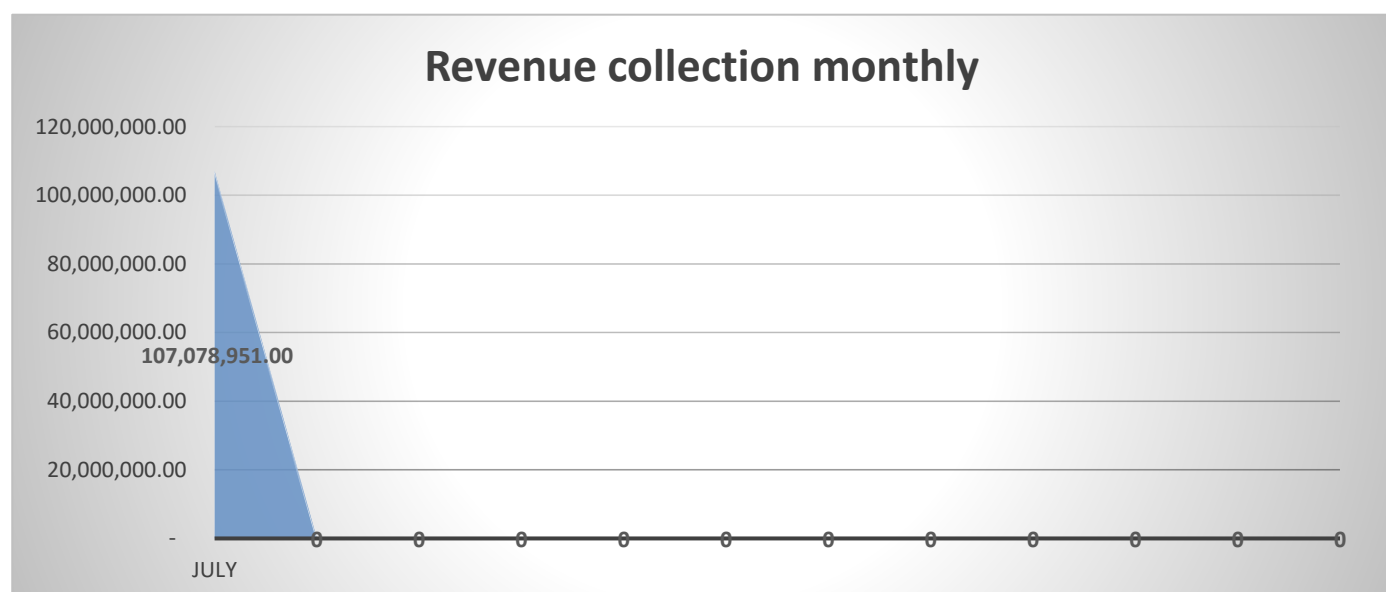
<b>KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July</b>									
Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity		49,864	52,613	5,493	5,493	4,384	1,109	25%	52,613
Service charges - Water		–	–	–	–	–	–		–
Service charges - Waste Water Manag		–	–	–	–	–	–		–
Service charges - Waste management		11,570	11,044	1,026	1,026	920	106	11%	11,044
Sale of Goods and Rendering of Servic		1,038	618	102	102	51	50	98%	618
Agency services		–	–	–	–	–	–		–
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		1,229	918	104	104	76	28	36%	918
Interest from Current and Non Current		20,010	10,500	2,338	2,338	875			10,500
Dividends		–	–	–	–	–	–		–
Rent on Land		106	–	13	13	–	13		–
Rental from Fixed Assets		248	192	7	7	16	(9)	-58%	192
Licence and permits		22	–	1	1	–	1	#DIV/0!	–
Operational Revenue		2,548	396	631	631	33	598	1814%	396
<b>Non-Exchange Revenue</b>									
Property rates		46,396	59,329	–	–	4,944	(4,944)	-100%	59,329
Surcharges and Taxes		–	–	–	–	–	–		–
Fines, penalties and forfeits		1,002	1,210	7	7	101	(94)		1,210
Licence and permits		525	737	58	58	61	(4)		737
Transfers and subsidies - Operational		223,107	241,975	97,068	97,068	20,165	76,903		241,975
Interest		2,628	2,837	231	231	236	(6)		2,837
Fuel Levy		–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–		–
Other Gains		(15,820)	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–		–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>344,473</b>	<b>382,369</b>	<b>107,079</b>	<b>107,079</b>	<b>31,864</b>	<b>75,215</b>	<b>236%</b>	<b>382,369</b>
<b>Expenditure By Type</b>									
Employee related costs		115,824	141,420	9,818	9,818	11,785	(1,967)	-17%	141,420
Remuneration of councillors		13,767	15,460	1,167	1,167	1,288	(121)	-9%	15,460
Bulk purchases - electricity		45,183	43,603	–	–	3,634	(3,634)		43,603
Inventory consumed		4,371	7,411	92	92	618	(526)		7,411
Debt impairment		4	37,303	–	–	3,109	(3,109)	-100%	37,303
Depreciation and amortisation		33,951	35,534	–	–	2,961	(2,961)	-100%	35,534
Interest		325	100	–	–	8	(8)	-100%	100
Contracted services		55,380	64,092	2,167	2,167	5,341	(3,174)	-59%	64,092
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		20,999	7,500	–	–	625	(625)		7,500
Operational costs		43,127	48,198	3,130	3,130	4,056	(927)	-23%	48,198
Losses on Disposal of Assets		2,117	1,500	–	–	125	(125)	-100%	1,500
Other Losses		57	–	6	6	–	6		–
<b>Total Expenditure</b>		<b>335,105</b>	<b>402,121</b>	<b>16,379</b>	<b>16,379</b>	<b>33,550</b>	<b>(17,171)</b>	<b>-51%</b>	<b>402,121</b>
<b>Surplus/(Deficit)</b>		<b>9,369</b>	<b>(19,752)</b>	<b>90,700</b>	<b>90,700</b>	<b>(1,686)</b>	<b>92,386</b>	<b>(0)</b>	<b>(19,752)</b>
Transfers and subsidies - capital (monetary allocations)		45,387	48,381	–	–	4,032	(4,032)	(0)	48,381
Transfers and subsidies - capital (in kind)		–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>			<b>28,629</b>
Income Tax		–	–	–	–	–	–		–
<b>Surplus/(Deficit) after income tax</b>		<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>			<b>28,629</b>
<b>Surplus/(Deficit) attributable to municipality</b>		<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>			<b>28,629</b>
Share of Surplus/Deficit attributable to		–	–	–	–	–			–
Intercompany/Parent subsidiary transac		–	–	–	–	–			–
<b>Surplus/ (Deficit) for the year</b>		<b>54,755</b>	<b>28,629</b>	<b>90,700</b>	<b>90,700</b>	<b>2,346</b>			<b>28,629</b>

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

**Figure 1**



**Figure 2**



**Revenue:**

- The monthly total revenue earned is R107.1 million for the period ending 31<sup>st</sup> July 2023 excluding capital conditional grant income. The pro-rata Budget is R 31.9 million; therefore, this reflects an over performance against the revenue projected by 236%, this is a reflection that the municipality has over-achieved its revenue performance budget due to receiving first trench of equitable share.

**Service Charges: Electricity**

- The actual revenue from Service Charges Electricity as of 31<sup>st</sup> July 2023 is R 5.5 million or 25 percent more than the budgeted income of R4.4 million, variance is due to level of demand for electricity by Umngeni Water due to the expansion of Umngeni Water Plant, the plant increased its water generating capacity to circumvent the Hezelmer Dam shortfalls which came as a result of the KZN April 2022 floods which resulted to a serious distraction of the Bulk Water Infrastructure particularly in Ethekwini and the Southern part of KwaDukuza.
- The actual cash collected being R5.4 million for the month ended July 2023.



**Service Charges: Refuse**

- The actual revenue from Service Charges Refuse as at 31<sup>st</sup> July 2023 is R 1.0 million or 11% compared to the budgeted income of R920 thousand. Overperformance is due to new properties identified in the implementation of the new valuation roll.
- The actual cash collected being R271 thousand for the month ended July 2023.

**Interest from current and non-current (External Investment)**

- Interest earned from current and non-current amounts to R2.3 million in comparison with the pro-rata budget of R875 thousand, or a variance of 59% or R1.5 million. Variance is due to interest generated from cash backed reserves which are not committed which have been invested.

**Interest earned from Receivables (outstanding debtors-Service charges)**

- Interest earned from Receivables amounts to R104 thousand in comparison with the pro-rata budget of R76 thousand, the variance of R28 thousand or 36% is due to interest charged from service charges outstanding debt.

**Rent on Land**

- Rent on Land income is collected from leasing of municipal houses, and rental from the occupied by Nursery. There is no Budget appropriated in this line vote, this will be corrected in the adjustment budget.

**Rental from Fixed Assets**

- Revenue from rental of fixed assets recognised amounts to R7 thousand in comparison with the pro-rata budget amount of R16 thousand thus indicating an under performance by R9 thousand or 58 percent. Variance is due to level of demand in the usage of municipal facilities (Municipal sports fields, municipal halls) when comparing to the projections.

**Operational Revenue**

- Most of the Council own funded sources are budgeted under this category. The monthly performance in operational revenue amounts to R631 thousand which is more than anticipated pro-rata budget of R33 thousand, thus indicating an over performance of R598 thousand or 1814%, variance is mainly due to seasonal fluctuations and level of demand for these revenue items e.g, tender fees, connection, and disconnection fees.

**Property Rates**

- As part of the municipal payment strategy, decision was taken by the municipality to bill rates over 10 months, instead of 12. The two months serves as a cooling-off period for the customers who are UpToDate and to catch for those who are behind with the Rates payments.
- The actual cash collected being R1.8 million for the month ended July 2023.

**Fines, Penalties, and forfeits**

- Fines underperformed by R94 thousand, with an actual amount of R7 thousand variance against pro-rata budget projections of R101 thousand. This is mainly due to the culture of non-payment and adverse economic conditions. However, it should be noted that fines should be accounted for in terms of iGRAP 1.

**Licences and permits**

- Licences and permits have underperformed by R4 thousand with an actual amount of R58 thousand as compared to pro-rata budget of R61 thousand, variance is due to performance by Traffic Department on issuing of licences.

**Transfers & subsidies**

- Transfers and subsidies recognised operational amounts to R97.1 million in comparison with the pro-rata budget of R20.2 million, thus indicating an over performance by R77 million or 381.36 percent, variance is due to the municipality receiving the 1<sup>st</sup> trench of equitable share. Equitable share will be received in 3 trenches in December 2023 and March 2024.
- Transfers and subsidies capital amounts to R0 in comparison with the pro rata budget of R4 million, thus indicating no performance variance is due to no expenditure incurred for this month in relation to capital grants.

**Interest earned from Receivables (interest income-Property rates)**

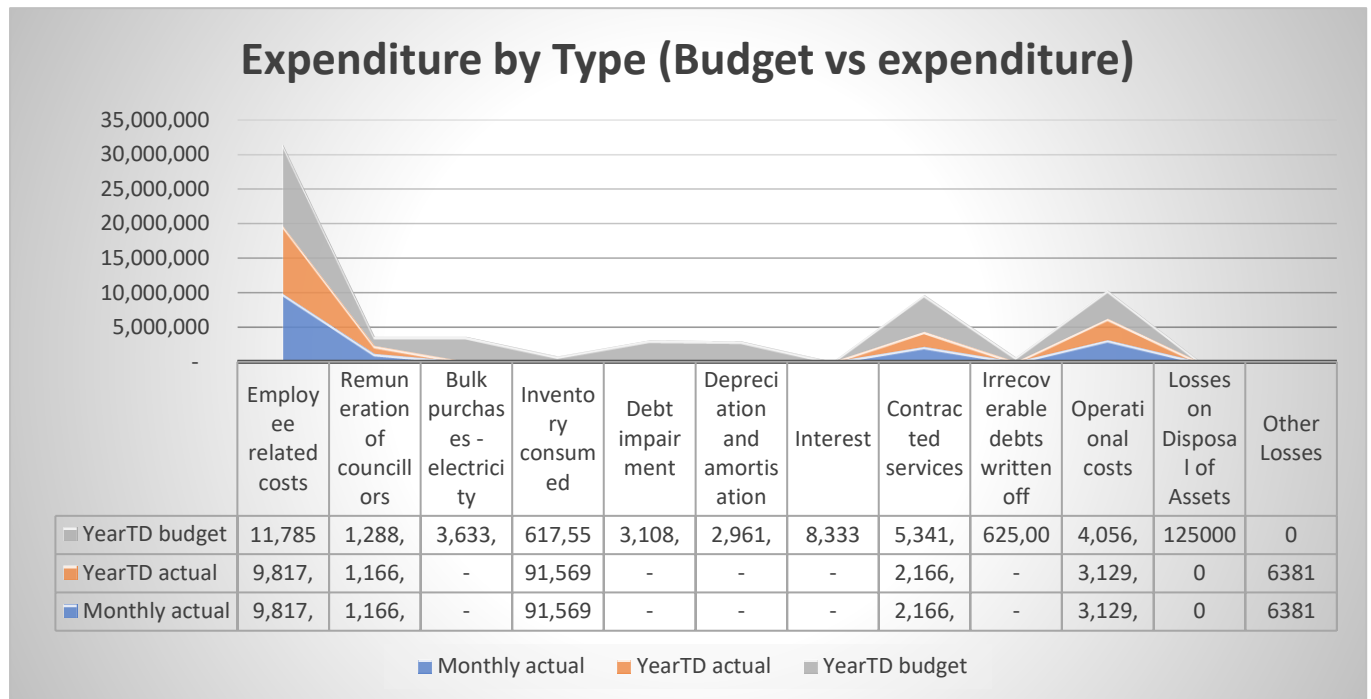
- Interest income-property rates amounts to R231 thousand in comparison with the pro-rata budget of R236 thousand, the variance of R6 thousand or 3% variance is due to interest billed on outstanding debt in relation to property rates.

**Operating Expenditure from July 2023**

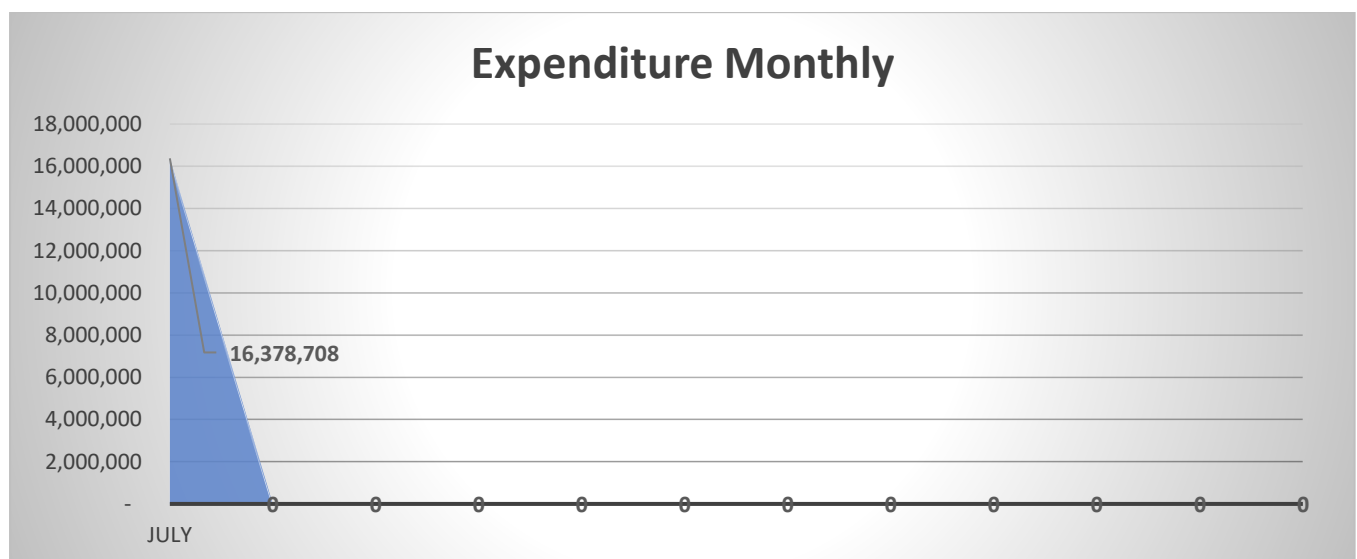
The table below reflects trend of expenditure for the period ended 31<sup>st</sup> July 2023

**Figure 6**

▪ **Total Operating Expenditure**



**Figure 7**



**Operating Expenditure:**

- The total operational expenditure monthly actual for the period ending 31<sup>st</sup> July 2023 amounted to R 16.4 million against the planned pro-rata budget of R 33.5 million. As at the end of July the operational expenditure budget has under spent by 51% or R 17.2 million. Variance is due to different line items performance for the month. However, since is the first month of this financial year there will be improvement as we will be implementing of procurement plan.

**Employee Related Costs**

- Employee related costs monthly expenditure for the period ending 31<sup>st</sup> July 2023 amounted to R9.8 million while the pro-rata budget was R11.8million, which is under spent by 17%. Variance is due to positions that have prioritised in the budget and have not been filled. However, recruitment processes are underway so as to ensure that positions are filled during the financial year.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month not in November as it was previously done in the prior years.

**Remuneration of Councilors**

- The expenditure on remuneration of councilor's as at 31<sup>st</sup> July 2023 has been underspent by R121 thousand. The monthly Remuneration of Councilor's budget is R1.3 million whilst the actual expenditure incurred results in under-expenditure of 9% YTD expenditure performance. The under expenditure will be covered when the municipality receives approval from COGTA for these upper limits.

**Bulk Purchases**

- The bulk purchases for Umngeni Water Board and Eskom Purchases reflects an under-spending of 100 percent from the pro-rata budget projections amounting to R3.6 million, the invoice for the Eskom Bulk purchases has been captured in the month of August.

**Inventory Consumed**

- Inventory Consumed is reflecting an underperformance by 15 percent or R526 thousand from pro-rata budget of R618 thousand against the monthly Actual of R92 million, variance is due to the implementation of procurement plan. The municipality is regularly reviewing its repairs and maintenance plan to ensure that the infrastructure of the municipality is regularly monitored for its aging.

**Debt Impairment**

- The provision for bad debt is reflecting an under performance by 100% from pro-rata budget of R3.1million. The Impairment Journal is only captured bi-annually, January and June.

**Depreciation and Asset Impairment**

- Depreciation and asset impairment are reflecting an under performance by 100% against pro-rata budget of R3 million. Due to year end processes the municipality was unable to run depreciation for this month.

**Interest**

- The interest reflects an under-performance by 100% over a pro-rata budget of R8 thousand. This is the interest charged by suppliers for the late payments, however to date there is no interest charged.

**Contracted Services**

- Contracted services expenditure is reflecting an under expenditure by 59% or R 3.2 million from pro-rata budget of R5.3 million against the actual amount of R2.2 million, variance is due to the implementation of procurement plan. However, we will see improvement during the financial year.

**Transfers & Subsidies**

- Transfers & Subsidies there is not expenditure reported under this line item.

**Irrecoverable debts written off.**

- Irrecoverable debts are written off at year end through the relevant procedure.

**Operational costs**

- Other expenditure has under spent by 23% or R927 thousand from the pro-rata budget of R4.1 million. The actual expenditure as of 31<sup>st</sup> July is R3.1 million.
- Other expenditure - The majority of items are straight-line expenditure some are paid where it is needed e.g. printing and stationery, mayoral projects, external services etc. Certain expenditure items are based on a seasonal commitment.

**Losses on Disposal of assets**

- Losses of 100% against the pro-rata budget of 128 thousand, this reflect that there are no losses in the month of reporting recognized.

## Other Losses

- Losses of R6 thousand has been realized for this month towards inventory.

## 2. Capital Expenditure

**Table C5 Monthly Budget Statement – Capital Expenditure**

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July									
Vote Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1								
<b>Multi-Year expenditure appropriation</b>	2								
<b>Single Year expenditure appropriation</b>	2								
Vote 1 - Executive and council		–	1,843	–	–	154	(154)	-100%	1,843
Vote 2 - Finance and administration		35,015	21,225	–	–	1,769	(1,769)	-100%	21,225
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		14,968	2,304	–	–	192	(192)	-100%	2,304
Vote 5 - Sport and Recreation		1,758	15,205	–	–	1,267	(1,267)	-100%	15,205
Vote 6 - Public safety		–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		11,028	16,435	–	–	1,370	(1,370)	-100%	16,435
Vote 9 - Road transport		5,784	79,374	5,285	5,285	6,614	(1,329)	-20%	79,374
Vote 10 - Energy sources		5,903	2,957	–	–	246	(246)	-100%	2,957
Vote 11 - Waste Management		–	4,602	–	–	383	(383)	-100%	4,602
Vote 12 - Environmental Protection		–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
<b>Total Capital single-year expenditure</b>	4	74,457	143,945	5,285	5,285	11,995	(6,710)	-56%	143,945
<b>Total Capital Expenditure</b>		<b>74,457</b>	<b>143,945</b>	<b>5,285</b>	<b>5,285</b>	<b>11,995</b>	<b>(6,710)</b>	<b>-56%</b>	<b>143,945</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>		<b>35,015</b>	<b>23,069</b>	<b>–</b>	<b>–</b>	<b>1,922</b>	<b>(1,922)</b>	<b>-100%</b>	<b>23,069</b>
Executive and council		–	1,843	–	–	154	(154)	-100%	1,843
Finance and administration		35,015	21,225	–	–	1,769	(1,769)	-100%	21,225
Internal audit		–	–	–	–	–	–		–
<b>Community and public safety</b>		<b>16,726</b>	<b>17,509</b>	<b>–</b>	<b>–</b>	<b>1,459</b>	<b>(1,459)</b>	<b>-100%</b>	<b>17,509</b>
Community and social services		14,968	2,304	–	–	192	(192)	-100%	2,304
Sport and recreation		1,758	15,205	–	–	1,267	(1,267)	-100%	15,205
Public safety		–	–	–	–	–	–		–
Housing		–	–	–	–	–	–		–
Health		–	–	–	–	–	–		–
<b>Economic and environmental services</b>		<b>16,812</b>	<b>95,809</b>	<b>5,285</b>	<b>5,285</b>	<b>7,984</b>	<b>(2,699)</b>	<b>-34%</b>	<b>95,809</b>
Planning and development		11,028	16,435	–	–	1,370	(1,370)	-100%	16,435
Road transport		5,784	79,374	5,285	5,285	6,614	(1,329)	-20%	79,374
Environmental protection		–	–	–	–	–	–		–
<b>Trading services</b>		<b>5,903</b>	<b>7,558</b>	<b>–</b>	<b>–</b>	<b>630</b>	<b>(630)</b>	<b>-100%</b>	<b>7,558</b>
Energy sources		5,903	2,957	–	–	246	(246)	-100%	2,957
Water management		–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–		–
Waste management		–	4,602	–	–	383	(383)	-100%	4,602
<b>Other</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>74,457</b>	<b>143,945</b>	<b>5,285</b>	<b>5,285</b>	<b>11,995</b>	<b>(6,710)</b>	<b>-56%</b>	<b>143,945</b>
<b>Funded by:</b>									
National Government		12,358	55,119	–	–	4,593	(4,593)	-100%	55,119
Provincial Government		–	478	–	–	40	(40)	-100%	478
District Municipality		–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
<b>Transfers recognised - capital</b>		<b>12,358</b>	<b>55,598</b>	<b>–</b>	<b>–</b>	<b>4,633</b>	<b>(4,633)</b>	<b>-100%</b>	<b>55,598</b>
<b>Borrowing</b>	6	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Internally generated funds</b>		<b>62,099</b>	<b>88,347</b>	<b>5,285</b>	<b>5,285</b>	<b>7,362</b>	<b>(2,077)</b>	<b>-28%</b>	<b>88,347</b>
<b>Total Capital Funding</b>		<b>74,457</b>	<b>143,945</b>	<b>5,285</b>	<b>5,285</b>	<b>11,995</b>	<b>(6,710)</b>	<b>-56%</b>	<b>143,945</b>

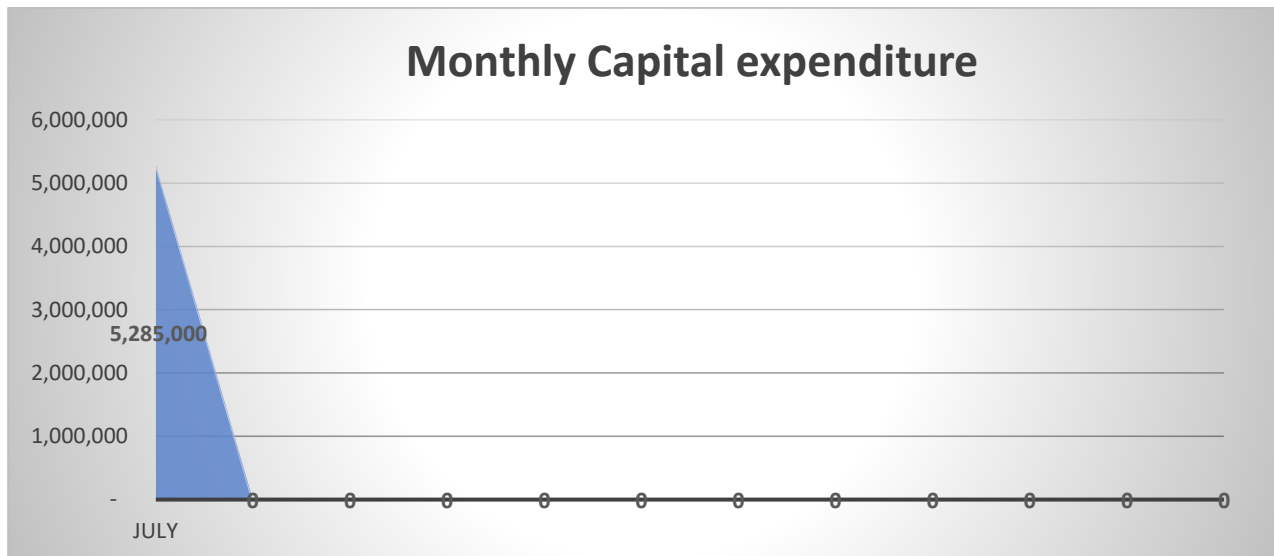
**Capital Expenditure from July 2023:**

The capital expenditure budget is R12 million against actual Capital expenditure amounted of R5.3 million resulting in an under performance of (56%) 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 municipality has developed a strategy to monitor capital projects, if there are any gaps the strategy is regularly reviewed so as to ensure that planned projects are completed". Further to that below we have attached progress report on implementation of capital projects and highlighted challenges that the municipality has come across in relation to other projects.

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

**Capital Expenditure from July 2023**



- Capital grants funded Internally actual is R5.3million versus pro-rata Budget of R7.4 million as at July 2023 variance of 28% reflects and under expenditure on this item. However, it should be noted that there are ongoing projects which are in progress in relation to this funding such as DLTC Establishment and Upgrading of municipal offices roofing.
- The Capital Grant expenditure funded by National treasury is underspent by 100%
- The Capital Grant expenditure funded by Provincial treasury is underspend by 100%

## 2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>11,609</b>	<b>11,895</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>991</b>	<b>990</b>	<b>99.9%</b>	<b>11,895</b>
Roads Infrastructure		7,600	5,522	-	1	1	460	459	99.7%	5,522
Roads		7,470	5,130	-	1	1	428	426	99.7%	5,130
Road Structures		59	261	-	-	-	22	22	100.0%	261
Road Furniture		70	130	-	-	-	11	11	100.0%	130
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		627	1,087	-	0	0	91	90	99.7%	1,087
Drainage Collection		627	1,087	-	0	0	91	90	99.7%	1,087
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1,196	2,778	-	-	-	232	232	100.0%	2,778
Power Plants		93	61	-	-	-	5	5	100.0%	61
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	1,304	-	-	-	109	109	100.0%	1,304
MV Substations		9	65	-	-	-	5	5	100.0%	65
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		58	87	-	-	-	7	7	100.0%	87
LV Networks		332	609	-	-	-	51	51	100.0%	609
Capital Spares		704	652	-	-	-	54	54	100.0%	652
Water Supply Infrastructure		2,187	2,508	-	-	-	209	209	100.0%	2,508
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		1,046	609	-	-	-	51	51	100.0%	609
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		1,089	1,485	-	-	-	124	124	100.0%	1,485
Distribution		52	294	-	-	-	24	24	100.0%	294
Distribution Points		-	120	-	-	-	10	10	100.0%	120
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		3	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		49	174	-	-	-	14	14	100.0%	174
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		1,036	1,191	-	-	-	99	99	100.0%	1,191
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		1,036	1,191	-	-	-	99	99	100.0%	1,191
MV Substations		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>91</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>100.0%</b>	<b>70</b>
Community Facilities		91	70	-	-	-	6	6	100.0%	70
Halls		91	70	-	-	-	6	6	100.0%	70
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		15,618	16,377	-	3	3	1,365	1,362	99.8%	16,377
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance</b>	1	<b>11,700</b>	<b>11,965</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>997</b>	<b>996</b>	<b>99.9%</b>	<b>11,965</b>

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

## PROJECTS STATUS QUO / PROGRESS REPORT AS AT 31 JULY 2023 – MIG FUNDED PROJECTS

2020/2021 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS (MIG)

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
01	Upgrade of Link Road between Masomonce Bus Route (Ward 10) and Enembe/Isithebe Link Road (Ward 12)	10/12	This project entails the construction of the new scope of work to prioritize the Storm-water, retaining wall, sidewalk and fixing the damage sections of the road.	<b>Consultant</b> Iqhina Consulting Engineers  <b>Contractor</b>	R2 000 000.00	Documentation stage		The new Consultant Iqhina consulting Engineers has been appointed to deal with the finishing of the project since the previous Consultant Leletu Consulting Engineers pulled out of the project.

2022/2023 FINANCIAL YEAR CAPITAL PROJECTS (MIG)

02	Khenana and Hlomendlini High Mast Lights	4, 10, 16, 17 and 18	7 x new high mast lighting including the following: - 40A single phase supply kiosk per mast. - Electrical cable reticulation including all trenches, sleeves,	<b>Consultant:</b> BVI Consulting  <b>Contractor:</b> Yakhalungisa Engineering Services	R5,924,861.03	The project is practical complete.	January 2023	Six out of seven High Mast Lights have been energized. The seventh high mast will be energized as soon as Eskom provide the
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No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
			<p>joints, and terminations as detailed in the electrical bill of quantities.</p> <ul style="list-style-type: none"> <li>- 25m high-mast pole including concrete base as detailed in the electrical bill of quantities.</li> <li>- 8 x 400w LED luminaires per mast using an 8-way spigot.</li> </ul>					connection point (Transformer).
11	Construction of Hlomendlini Sportfield, Ward 4	4	<p>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</p>	<p><b>Consultant:</b> SRK Consulting</p> <p><b>Contractor:</b> Zithinzuzo Trading Enterprise cc</p>	R8,041,369.71	Project is 41% complete	October 2023	There were delays with the contractor meeting contractual obligations, appointment of the ECO who ensures that the WULA conditions are adhered to on site.

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
			vehicle gates). Construction of an unpaved parking area.					
12	Installation of High Mast Lights in Mandeni, Phase 2	3,5,9, 11 and 12	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.	<b>Consultant:</b> Africoast JBFE Project Manager  <b>Contractor:</b> R Busisiwe (Pty) LTD	R5,046,311.80	Project is 90% complete.	May 2023	Awaiting Eskom to energize the installation of high mast lights.
13	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1	13	Site establishment. Site clearance. Mass Earthworks. Road Bed Preparation. Clearing Existing Stormwater Infrastructure. New Stormwater Infrastructure. New Pavement Layerworks. Road Surfacing. Kerbs and Channels. Road Restraint Systems. Road Signs. Road Marking. Finishing of road reserve.	<b>Consultant:</b> DLV Project Managers & Engineers (Pty) Ltd  <b>Contractor:</b>	R13,681,029.49	Tenders closed 31 March 2023 and are being evaluated and adjudicated by BEC/BAC.		

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
14	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 2 and Ward 14 White City Section		Milling of existing asphalt. Removal of existing layerworks and box cut to 340mm.  300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions. Rip and compact Roadbed. Construct 150mm Gravel Subgrade: with in-situ material. Construct 150mm Subbase: G5 with material from commercial sources. Construct 150mm Base G2 with material from commercial sources. Construct 40mm Asphalt (Mix D). Construction of Concrete V-Drains & Kerbing. Construction of Stormwater pipelines utilising 600mmØ and 450mmØ Concrete Pipes.	<b>Consultant:</b> Singh Govender Associates  <b>Contractor:</b> MVI-SSSS Trading Enterprise	R16,257,859.82	Tender awarded on the 25 July 2023.		Tender awarded on the 25 July 2023. Contractor will commence with construction after the launch and project award has taken place.
15	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater		Establishment on site. Clearing & grubbing. Traffic accommodation facilities. Milling and stockpiling of existing surface on strategic sections with minimal degree of surface failure. Insitu recycling	<b>Consultant:</b> Libeko (Pty) Ltd  <b>Contractor:</b> Nangu-u-Mzamo Retailers	R10,555,885.48	Tender awarded on the 18 July 2023.		Tender awarded on the 18 July 2023. Contractor will commence with construction after the launch and project award has taken place.

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
	in Sundumbili, Ward 15		(BSM2) on strategic sections with severe degree of surface failures. Patching. Heavy Rehabilitation. Construction of stormwater infrastructure. Replace with 40mm thick medium mix asphalt for the entire length of the road. Erection of Kerbing and Channel along either side of the road. Clearing of road reserve.					

## 2022/2023 FINANCIAL YEAR CAPITAL ROLL OVER PROJECTS (INEP)

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
16	Completion of Okhovothe Electrification Project	12	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	<b>Consultant:</b> BVI Engineers  <b>Contractor:</b> Onombuthu Pty LTD	R1 152 933.57	The project is 75% complete.	August 2023	Meters have not been installed in all connections; MOU expired. MOU renewal is ongoing so that the meters can be coded by Eskom and be installed. 70 dry connections are awaiting meter installation.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
17	Hlanzeni Electrification Project	7	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	<b>Consultant:</b> BVI Engineers  <b>Contractor:</b> Shanti's Electrical	R1,640,000.00	The project is 99% complete. Eskom's outages were successfully completed. Contractor is finalising the IC's to be submitted to the consultant by 30 January 2023.	January 2023	3 meters got burnt, 1 pole got burnt and 200m of airdac got burnt. A meeting was held with the consultant to discuss a way forward with regards to this issue and the consultant promised to buy the damaged material and the contractor agreed to provide free labour to do the work.
18	Dendethu / Wetane Electrification Project	5 & 15	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 170 households' connections	<b>Consultant:</b> Veritas Engineers  <b>Contractor:</b> Afrilectrical Consulting Engineers	R2,034,054.94	The project is 99% complete.	February 2023	Outages have been booked for 23 August 2023 for the outstanding 22 connections. 124 connections have been energized.
19	Emhlangeni Electrification	5	Supply, delivery, installation and	<b>Consultant:</b>	R2,908,456.61	Project is 54% complete.	July 2023	There are 70 dry connections that have

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			commissioning of a new MV and LV infrastructure to electricity to 100 households' connections	PSMT Consulting Engineers  <b>Contractor:</b> R Busisiwe (Pty) LTD				been achieved. awaiting Eskom to energize these 70 connections.

<b>2022/2023 FINANCIAL YEAR INTERNALLY FUNDED CAPITAL PROJECTS</b>								
No.	Project Name	Ward	Brief Description	Consultant & Consultant	Approved Internal Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
20	Construction of DLTC and DMC Administration Offices - Phase 1	3	Construction of a Drivers Licence Testing centre administration offices and Testing Ground	<b>Consultant:</b> Nzamaxhuze Holdings  <b>Contractor:</b> Mlombomvu Projects CC	R14,017,239.00	Project is 65% Complete.	July 2023 EOT - September 2023	The subcontractor started with fencing activity, but was stopped due to not conforming to the specification's requirements. There has been a slow progress on the project and the contractor is behind the programme.

								<p>Consultant has requested that the Contractor submits the recovery plan.</p> <p>Request for extension of time was submitted by the contractor and the new end date that was granted is the 26<sup>th</sup> of September 2023.</p>
22	Repair and Renovation of Civic Centre and Roof Replacement	3	<p>Replacement of Existing roof.</p> <p>Replacing existing ceiling. Treatment of Rising damp by Specialists.</p> <p>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</p>	<p><b>Consultant:</b> LZM Africa Holdings</p> <p><b>Contractor:</b> Uhlanga Trading Enterprise</p>	R10,993,497.45	Project is 68% complete	July 2023	<p>Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered as a result of a re-design of the Electrical Works along with the IT Services portion.</p>

			damages therefore re-routing and the installation of cable trays is recommendable. Damaged Walls with visible rising damp has to restored and re-painted.					
23	Construction of Mechanical Workshop	3	Demolition of existing pavement and structures, earthworks, construction of a Mechanical workshop, construction of a new office block, paving front of the workshop, construction of a drainage channel, installation of water and sewer, installation of electrical, mechanical and associated works.	<p><b>Consultant:</b> Ukwakha Consulting Engineers</p> <p><b>Contractor:</b> Bheka Phezulu Investments and Sales</p>	R14,590,742.56	Project is 8% complete		Bheka Phezulu Investments and Sales has commenced with site establishment.



			The site comprises an abundant building that will be demolished and an area to be used for the construction of the new office block.					
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**2022/2023 FINANCIAL YEAR CAPITAL PROJECTS (MASSIFICATION)**

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
24	Khenana Electrification Phase 5	10	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 100 households' connections	<b>Consultant:</b> Veritas Engineers  <b>Contractor:</b> Godide Engineering Services (Pty)	R1,783,633.26	Project to commence in August 2023.	October 2023	Project launch took place 28 June 2023 and handover meeting took place 31 July 2023. Contractor to be on site in August 2023.
25	Mantshangula Mhlubulweni Electrification	2 and 9	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to	<b>Consultant:</b> PSMT Consulting Engineers	R 3,260,653.00	Briefing took place on 5 July 2023, closed on 11 July 2023 and they are being evaluated and adjudicated by BEC/BAC.	<b>TBA</b>	

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			electricity to 105 households' connections	<b>Contractor:</b> <b>TBA</b>				

**2023/2024 FINANCIAL YEAR CAPITAL PROJECTS (DISASTER RECOVERY GRANT)**

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
24	Gravelling of Novas Farm 2 (Ward 04)	4	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source.	<b>Consultant:</b> <b>Libeko (Pty) Ltd</b>  <b>Contractor:</b> <b>TBA</b>	R4,218,420.00		October 2023	Inception, Preliminary Design, Detailed Design and Draft Tender Document are 100% Complete. The Contractor for this project will be sourced from the panel. The panel of contractors tender document closed on the 21st of July 2023. The tender documents are being evaluated by

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel selected layer: Preparation and process G7 material. (i) Gravel wearing coarse: Preparation and process G5 material (j) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (k) Installation of subsoil					Bid Evaluation Committee (BEC).

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(l) Installation of signages (m) Cleaning of road reserve					
	The Rehabilitation of D2022 Road (Ward 14)	14	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source. (e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc.	<b>Consultant:</b> Libeko (Pty) Ltd  <b>Contractor:</b> <b>TBA</b>	R2,994,366.00			Inception, Preliminary Design, Detailed Design and Draft Tender Document are 100% Complete. The Contractor for this project will be sourced from the panel. The panel of contractors tender document closed on the 21st of July 2023. The tender documents are being evaluated by Bid Evaluation Committee (BEC).

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel selected layer: Preparation and process G7 material. (i) Chemical stabilization: Preparation and process (j) Installation of kerbing and channelling (k) Crushed Stone Base: Preparation and process G2 material (l) Prime Coat: preparation and application. (m) 40mm Asphalt Wearing coarse (n) Prefabricated Culverts: Laying of prefabricated culverts					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			with associated catch pits and headwalls (o) Installation of subsoil (p) Road Marking (q) Installation of signages (r) Cleaning of road reserve					
	Gravelling of Efaletu Road (Ward 3)	3	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source.	<b>Consultant:</b> Libeko (Pty) Ltd  <b>Contractor:</b> <b>TBA</b>	R4,511,649.00			Inception, Preliminary Design, Detailed Design and Draft Tender Document are 100% Complete. The Contractor for this project will be sourced from the panel. The panel of contractors tender document closed on the 21st of July 2023. The tender documents are being evaluated by Bid Evaluation Committee (BEC).

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel selected layer: Preparation and process G7 material. (i) Gravel Wearing coarse: Preparation and process G5 material (j) Installation of Gabions (k) Excavation and preparation of side drains (l) Installation of subsoil					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(m) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls  (0) Installation of signages (p) Cleaning of road reserve					
25	Gravelling of D1293 Road (Ward 12)	12	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source.	<b>Consultant:</b> Libeko (Pty) Ltd  <b>Contractor:</b> <b>TBA</b>	R5,298,565.00		<b>TBA</b>	Inception, Preliminary Design, Detailed Design and Draft Tender Document are 100% Complete. The Contractor for this project will be sourced from the panel. The panel of contractors tender document closed on the 21st of July 2023. The tender documents are being evaluated by



No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel Wearing coarse: Preparation and process G5 material. (i) Gravel Subbase coarse: Preparation and process G7 material (j) Side Drainage: Excavation and preparation of side drains. (k) Construction of stone pitching.					Bid Evaluation Committee (BEC).

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(l) Installation of gabion wall and mattresses on stormwater inlet/outlet infrastructure (m) Cross drains: Laying of prefabricated culverts with associated catch pits and headwalls (n) Installation of subsoil (o) Installation of signages  (p) Cleaning of road reserve					

## 5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July									
Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>RECEIPTS:</b>	1,2								
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>		221,835	244,496	96,176	96,176	20,162	-		241,943
EPWP Incentive	-	2,435	2,553	-	-	-	-		-
Finance Management	-	165	1,850	-	-	154			1,850
Integrated National Electrification Programme	-	6,416	7,384	-	-	615			7,384
Local Government Equitable Share	-	212,818	230,823	96,176	96,176	19,235			230,823
Municipal Infrastructure Grant	-		1,886	-	-	157			1,886
	3						-		
Other transfers and grants [insert description]							-		
<b>Provincial Government:</b>		50,633	-	-	-	-	-		-
KwaZulu-Natal_Infrastructure_Infrastructure_F	-	50,633	-	-	-	-	-		-
							-		
	4						-		
							-		
<b>Total Operating Transfers and Grants</b>	5	272,468	244,496	96,176	96,176	20,162	-		241,943
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>		42,232	50,384	16,800	16,800	3,773	11,014	291.9%	50,384
Municipal Infrastructure Grant (MIG)	-	42,232	47,831	15,000	15,000	3,986	11,014	276.3%	47,831
Integrated National Electrification Programme	-	-	2,553	1,800	1,800	(213)			2,553
							-		
Other capital transfers [insert description]							-		
<b>Provincial Government:</b>		(4,972)	5,413	-	-	451	(451)	-100.0%	5,413
KwaZulu-Natal_Capacity Building and Other	-	(4,972)	5,413	-	-	451	(451)	-100.0%	5,413
<b>Total Capital Transfers and Grants</b>	5	37,260	55,797	16,800	16,800	4,224	10,563	250.1%	55,797
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANT</b>	5	309,728	300,293	112,976	112,976	24,386	10,563	43.3%	297,740

## 5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July									
Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original 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:									
		33,744	13,673	642	642	1,139	(497)	-43.6%	11,120
Expanded Public Works Programme Integrated	-	2,435	2,553	321	321	213	108	50.8%	-
Integrated National Electrification Programme (	-	165	7,384	-	-	615	(615)	-100.0%	7,384
Local Government Financial Management Gra	-	6,416	1,850	60	60	154	(94)	-61.1%	1,850
Municipal Disaster Relief Grant	-	20,015	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	4,713	1,886	262	262	157	105	66.5%	1,886
0									
Other transfers and grants [insert description]									
Provincial Government:									
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS		44,861	-	-	-	-	-	-	-
KwaZulu-Natal	-	44,861	-	-	-	-	-	-	-
0									
0									
Total operating expenditure of Transfers and Grants		78,605	13,673	642	642	1,139	(497)	-43.6%	11,120
Capital expenditure of Transfers and Grants									
National Government:									
		40,583	50,384	-	-	4,199	(4,199)	-100.0%	50,384
Integrated National Electrification Programme (	-	-	2,553	-	-	213	(213)	-100.0%	2,553
Municipal Infrastructure Grant	-	40,583	47,831	-	-	3,986	(3,986)	-100.0%	47,831
Other capital transfers [insert description]									
Provincial Government:									
		(3,064)	5,413	-	-	451	(451)	-100.0%	5,413
KwaZulu-Natal	-	(3,064)	5,413	-	-	451	(451)	-100.0%	5,413
0									
Total capital expenditure of Transfers and Grants		37,519	55,797	-	-	4,650	(4,650)	-100.0%	55,797
TOTAL EXPENDITURE OF TRANSFERS AND GRAN		116,124	69,470	642	642	5,789	(5,147)	-88.9%	66,917

## 3. Debtors Age Analysis

Table SC3 Monthly Budget Statement\_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July														
Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from	1200	—	—	—	—	—	—	—	—	—	—	—	—	—
Trade and Other Receivables from	1300	5,635	404	117	365	753	73	751	2,090	10,188	4,031	—	—	
Receivables from Non-exchange	1400	(934)	(359)	1,668	3,094	1,440	1,241	19,692	71,664	97,506	97,131	—	—	
Receivables from Exchange Trans	1500	—	—	—	—	—	—	—	—	—	—	—	—	
Receivables from Exchange Trans	1600	1,017	898	821	860	853	822	5,673	48,425	59,370	56,633	—	—	
Receivables from Exchange Trans	1700	13	10	10	10	10	20	45	232	351	318	—	—	
Interest on Arrear Debtor Accounts	1810	334	321	321	315	318	315	2,091	27,323	31,337	30,361	—	—	
Recoverable unauthorised, irregul	1820	—	—	—	—	—	—	—	—	—	—	—	—	
Other	1900	15	—	—	—	—	—	—	6,939	6,954	6,939	—	—	
<b>Total By Income Source</b>	<b>2000</b>	<b>6,081</b>	<b>1,274</b>	<b>2,937</b>	<b>4,644</b>	<b>3,373</b>	<b>2,471</b>	<b>28,253</b>	<b>156,672</b>	<b>205,705</b>	<b>195,413</b>	<b>—</b>	<b>—</b>	
<b>2022/23 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	(785)	85	296	254	327	314	6,096	16,080	22,666	23,071	—	—	
Commercial	2300	5,070	(224)	799	593	502	436	10,559	17,590	35,324	29,679	—	—	
Households	2400	1,668	1,306	1,684	3,653	2,401	1,576	10,619	121,424	144,330	139,673	—	—	
Other	2500	128	107	159	145	144	145	979	1,578	3,385	2,991	—	—	
<b>Total By Customer Group</b>	<b>2600</b>	<b>6,081</b>	<b>1,274</b>	<b>2,937</b>	<b>4,644</b>	<b>3,373</b>	<b>2,471</b>	<b>28,253</b>	<b>156,672</b>	<b>205,705</b>	<b>195,413</b>	<b>—</b>	<b>—</b>	

The total Consumer debtors outstanding as 31<sup>st</sup> July 2023 is **R 205.7million**

- Debt book indicates 13% increase from to 30 June 2022 to 30 June 2023, the debt book is very high.
- Debtors collection rate at July 2023 is 70.50%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since appointed three Debt Collectors to follow up on outstanding debtors, Debt collectors are operating Debt pack while telephoning Debtors, printing section 29 and Final demands, we will soon be moving to legal in order to further our collection measured on consumers that are resistant to pay nor respond to our Debt collectors.
- Our Debt collectors have embarked on an exercise where different households are being visited in order to assess the state affordability of each household, this exercise is aimed at assisting the Municipality to classify its debt book in terms of collectability or non-collectability of the debt, the program is ongoing.
- There is a challenge of high level of debt that calls for reassessments of the debtors, impairments.
- It is quite a challenge to collect satisfactory revenue from Sundumbili since we do not have any leverage to restrict in order to encourage regular payments from consumers thereon. I.e. Eskom is licensed to supply electricity.
- The high debt is mainly due to non-payment by Household in Sundumbili.
- Interventions have been made which are expected that they will change the current status, as the municipality is placing every effort in ensuring that we collect and recover the outstanding debt.

- We are currently undergoing the process of categorizing our book per various customers so that we know which ones to chase once our debt management system is up and running.
- We have also initiated a meter audit exercise, through Conlog, in order to ensure that we receive all the funds due for electricity supplied without any household tampering with our meter and steal electricity, the program is currently o
- Debt collection measures have been improved after the policy review by issuing summons with the intention to attach movable property. This initiative is however a slow process because of sheriff's involvement. They cannot cope with the number of summons to be served, upon attachment of movable properties for sale in execution, the sheriff returns with "nulla bona" which defeats the entire process. Property owners are not regular domiciles of properties indebted to council and have since left with no possible trace, legal proceedings cannot be extended further since courts are reluctant in granting intended judgement (section 66 declaring properties especially executable) as the said properties are primary residents to the latte's relatives or dependents.

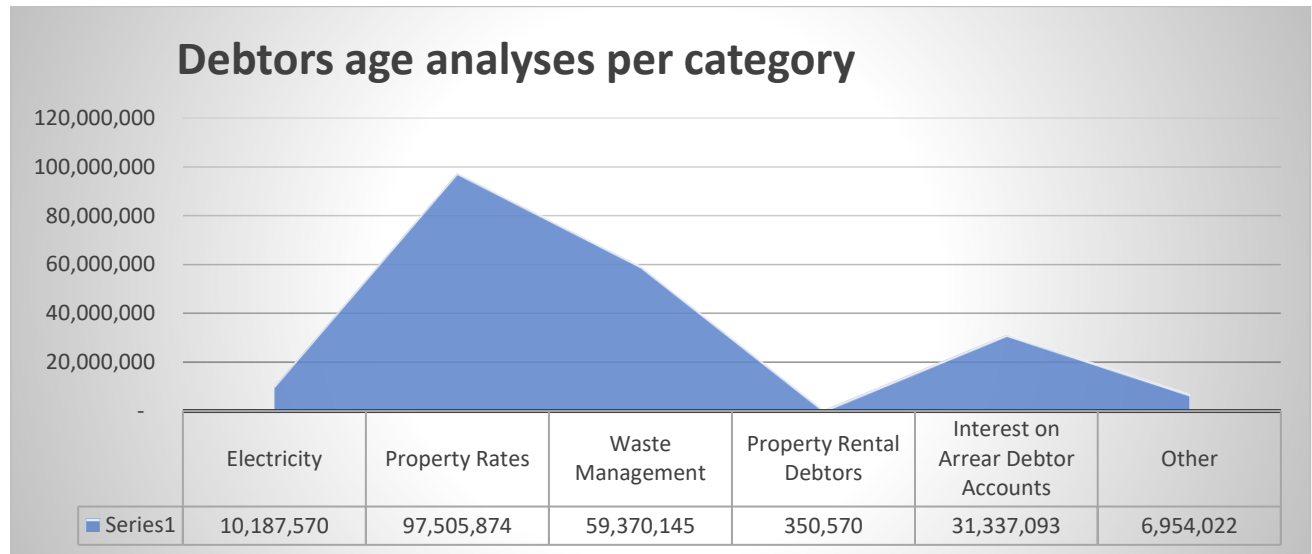
**Auditor General's matter of emphasis**

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

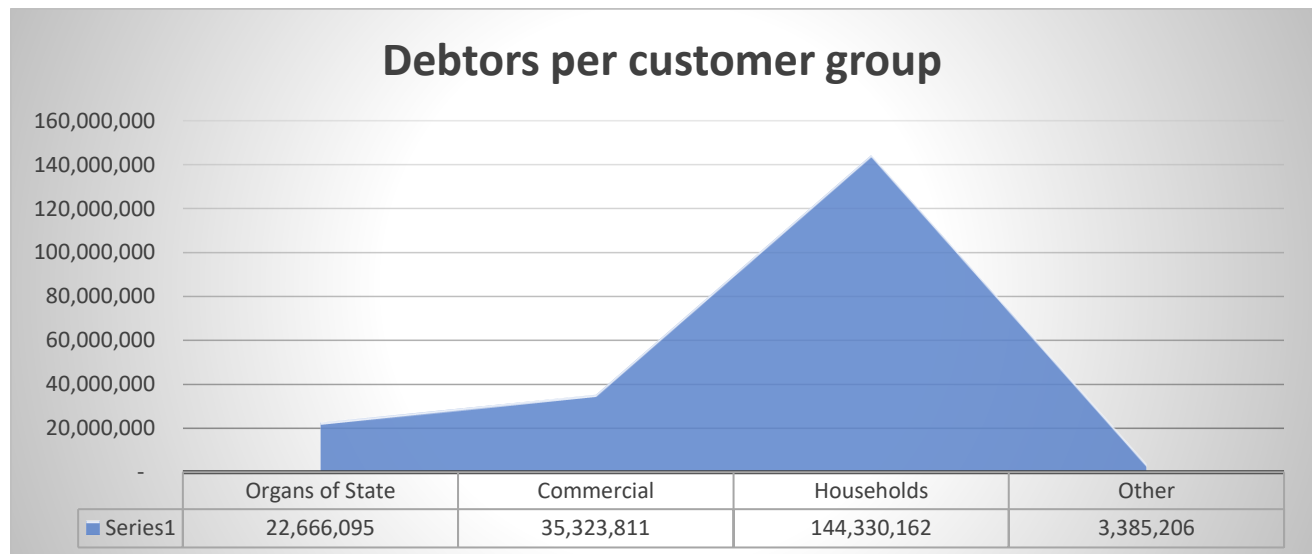
**2022/23 Debt Collection**

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

**Figure 9**

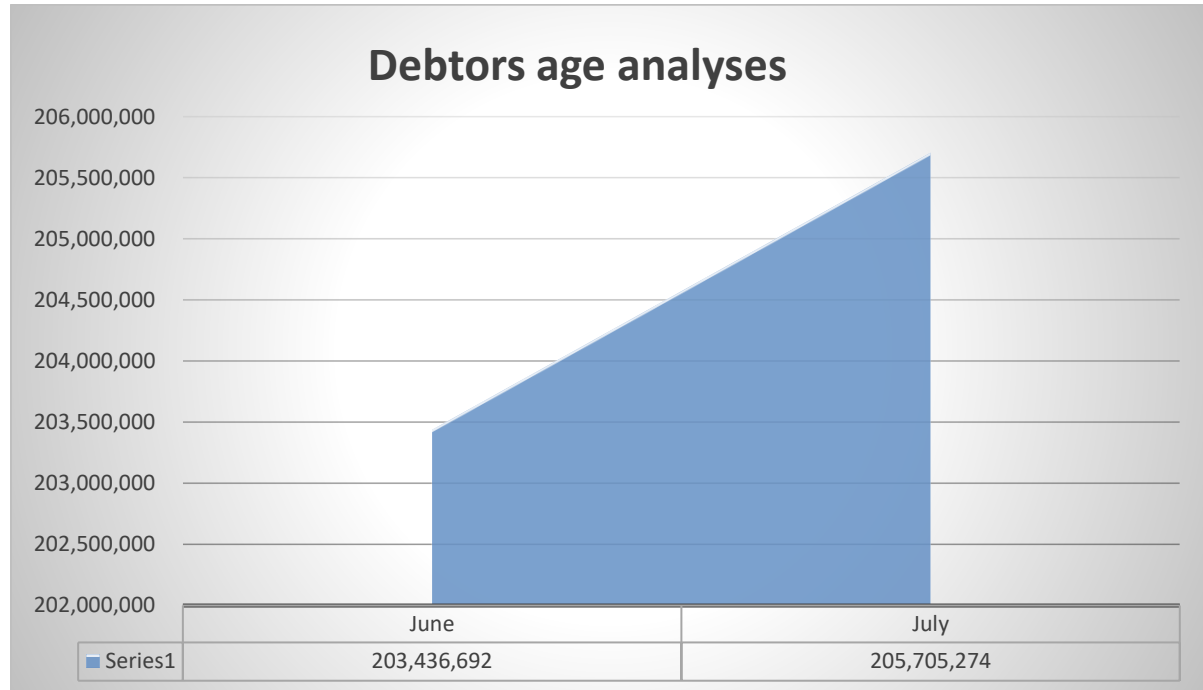


**Figure 10**



The municipal debtors have increased from R203.4 million to R 205.7 million from June until 31<sup>st</sup> July 2023. This increase is between Household debtors of 70% and it is followed by business Commercial of 17% and Organ of state is 12% compared to another debtors' type.

- **Total Outstanding Debtors from June – July 2023**



The information presented in the chart above show an increase in the outstanding debtor's balances from 1<sup>st</sup> June 2023 of R 203.4 million when compared to the current period as at 31<sup>st</sup> July 2023, bringing the total outstanding debtors balance to R 205.7 million.

#### **Councilors and Employees in Arrear**

- Debt outstanding on Councilors as at July 2023 is R 205,398.07
- Staff Accounts in arrears as at July 2023 is R 42,668.90
- However, it should be noted that both Councilors and Staff have made arrangement with the municipality to settle this outstanding debt.

#### **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.



**4. CREDITOR'S AGE ANALYSIS****Table SC4 Monthly Budget Statement\_ Creditors Age Analysis**

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July												
Description	NT Code	Budget Year 2023/24									Total	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			
R thousands												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	2	2	2	2
<b>Total By Customer Type</b>	<b>1000</b>	-	-	-	-	-	-	-	2	2	2	2

- Creditors as of 31<sup>st</sup> July 2023 amounts to **R2 thousand**
- 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:**

Name	Amount
ESKOM HOLDING	R 5,128,931.27
TELKOM SA	R 206,517
RURAL METRO	R 374,783
SQUARE METER	R 47,526
KWIKSPACE	R 34,991
EZAMALUNQA	R1,285,400
KING CETSHWAYO	R102,163
ILEMBE DISTRICT	R 56,274
CCG TECHNOLOGY	R 1,344,118
CONLOG	R360,613

**5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION**

**Table C6 displays the financial position of the municipality as at 31<sup>st</sup> July 2023**

<b>KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M01 July</b>					
Description	Ref	2022/23	Budget Year 2023/24		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1				
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		254,613	116,789	338,553	116,789
Trade and other receivables from exchange transactions		89,262	8,376	34,491	8,376
Receivables from non-exchange transactions		(52,675)	21,324	5,583	21,324
Current portion of non-current receivables		-	-	-	-
Inventory		714	739	656	739
VAT		5,496	30,621	2,781	30,621
Other current assets		225	-	225	-
<b>Total current assets</b>		<b>297,635</b>	<b>177,849</b>	<b>382,288</b>	<b>177,849</b>
<b>Non current assets</b>					
Investments		-	-	-	-
Investment property		60,544	88,164	60,544	88,164
Property, plant and equipment		540,397	652,214	545,682	652,214
Biological assets		-	-	-	-
Living and non-living resources		-	-	-	-
Heritage assets		-	-	-	-
Intangible assets		292	423	292	423
Trade and other receivables from exchange transactions		-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-
Other non-current assets		-	-	-	-
<b>Total non current assets</b>		<b>601,233</b>	<b>740,801</b>	<b>606,518</b>	<b>740,801</b>
<b>TOTAL ASSETS</b>		<b>898,868</b>	<b>918,651</b>	<b>988,807</b>	<b>918,651</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft		-	-	-	-
Financial liabilities		4,762	-	4,762	-
Consumer deposits		239	245	259	245
Trade and other payables from exchange transactions		38,424	35,888	20,249	35,888
Trade and other payables from non-exchange transactions		25,789	20,275	41,697	20,275
Provision		2,280	4,872	2,280	4,872
VAT		1,970	9,818	2,971	9,818
Other current liabilities		-	-	-	-
<b>Total current liabilities</b>		<b>73,464</b>	<b>71,097</b>	<b>72,218</b>	<b>71,097</b>
<b>Non current liabilities</b>					
Financial liabilities		-	-	-	-
Provision		-	-	-	-
Long term portion of trade payables		-	-	-	-
Other non-current liabilities		18,389	22,795	18,389	22,795
<b>Total non current liabilities</b>		<b>18,389</b>	<b>22,795</b>	<b>18,389</b>	<b>22,795</b>
<b>TOTAL LIABILITIES</b>		<b>91,853</b>	<b>93,892</b>	<b>90,607</b>	<b>93,892</b>
<b>NET ASSETS</b>	2	<b>807,015</b>	<b>824,758</b>	<b>898,199</b>	<b>824,758</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)		605,444	822,568	695,527	822,568
Reserves and funds		202,672	2,191	202,672	2,191
Other		-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>808,116</b>	<b>824,758</b>	<b>898,199</b>	<b>824,758</b>

**FINANCIAL RATIOS AND NORMS**

**Current ratio:** The municipality’s current assets are 5 (five) times that of current liabilities.  
**5.29:0.19**

The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 5.29:0.19 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 five time of the current liabilities.

**Creditors’ system efficiency:** 95 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 70.50 percent.

**Collection days:** 10.845 days it takes the municipality to collect outstanding debt.

**Cost coverage:** on average the municipality has sustained its existence for the period of 9 month without any grant funding.

**Debtors collection rate:** as at 31 July 2023 is 70.50%

	9 Month
Cash and cash equivalents	6,598,558
Unspent Conditional Grants	41,697,043
Overdraft	-
Short Term Investments	335,412,197
Total Annual Operational Expenditure	402,121,000

	5.29
Current Assets	382,288,457
Current Liabilities	72,218,045

	148%
Cash and cash Equivalents	6,598,558
Bank Overdraft	-
Short Term Investment	335,412,197
Long Term Investment	-
Unspent Grants	41,697,043

**KZN 291 Mandeni Municipality****Budget Monthly Statement as at 31<sup>st</sup> July 2023**

Net Assets	898,199,455
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	695,527,124

	<b>0 days</b>
Trade Creditors	2,480
Contracted Services	2,166,533
Repairs and Maintenance	2,860
General expenses	3,129,621
Bulk Purchases	-
Capital Credit Purchases ( <i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i> )	-

	<b>33%</b>
Employee/personnel related cost	9,817,764
Councillors Remuneration	1,166,840
Total Operating Expenditure	33,549,927
Taxation Expense	-

	<b>6%</b>
Contracted Services	2,166,533
Total Operating Expenditure	33,549,927
Taxation Expense	

	<b>0%</b>
Total Repairs and Maintenance Expenditure	2,860
PPE at carrying value	545,681,873
Investment Property at Carrying value	60,544,000

	70.50
Gross Debtors closing balance	204,053,693.11
Gross Debtors opening balance	203,420,225.41
Bad debts written Off	1,392,595.11
Billed Revenue	6,867,478.11

Consumer Debtors Bad debts written off	1,392,595.11
Consumer Debtors Current bad debt Provision	-

	10,845.26
Gross debtors	204,053,693.11
Bad debts Provision	-
Billed Revenue	6,867,478.11

## 6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31<sup>st</sup> July 2023

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M01 July									
Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates		(39,085)	26,698	1,891	29,991	2,225	27,766	1248%	26,698
Service charges		(53,802)	62,465	5,659	33,759	5,205	28,553	549%	62,465
Other revenue		5,383	18,972	805	805	1,581	(776)	-49%	18,972
Transfers and Subsidies - Operational		18,280	249,359	97,976	97,976	20,780	77,196	371%	249,359
Transfers and Subsidies - Capital		(17,023)	48,381	15,000	15,000	4,032	10,968	272%	48,381
Interest		23,867	10,500	2,673	2,673	875	1,798	205%	10,500
Dividends		-	-	-	-	-	-		-
<b>Payments</b>									
Suppliers and employees		(209,031)	(672,967)	(16,379)	(16,379)	(54,735)	(38,356)	70%	(672,967)
Finance charges		-	(100)	-	-	(8)	(8)	100%	(100)
Transfers and Subsidies		-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING A</b>		<b>(271,411)</b>	<b>(256,692)</b>	<b>107,626</b>	<b>163,825</b>	<b>(20,045)</b>	<b>(183,870)</b>	<b>917%</b>	<b>(256,692)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE		-	-	-	-	-	-		-
Decrease (increase) in non-current receiv		-	-	-	-	-	-		-
Decrease (increase) in non-current invest		-	-	-	-	-	-		-
<b>Payments</b>									
Capital assets		(377,325)	165,536	(5,285)	(5,285)	13,795	19,080	138%	165,536
<b>NET CASH FROM/(USED) INVESTING A</b>		<b>(377,325)</b>	<b>165,536</b>	<b>(5,285)</b>	<b>(5,285)</b>	<b>13,795</b>	<b>19,080</b>	<b>138%</b>	<b>165,536</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans		-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	14	14	-	14	#DIV/0!	-
<b>Payments</b>									
Repayment of borrowing		-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING A</b>		<b>-</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>(14)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH</b>		<b>(648,736)</b>	<b>(91,156)</b>	<b>102,355</b>	<b>158,554</b>	<b>(6,250)</b>			<b>-</b>
Cash/cash equivalents at beginning:		82,988	(207,979)	-	179,999	(207,979)			179,999
Cash/cash equivalents at month/year end		(565,749)	(299,135)		338,553	(214,230)			-

Cash and cash equivalent at the beginning of 2022/23 financial year was R180 million as per pre-audited AFS and cash and cash equivalent at the end of 31<sup>st</sup> July 2023 is R338.6 million.

## **Revenue -Receipts**


- Property rates collection for the month R1.8 million, there is no billed revenue in the 2months.
- Service Charges: Electricity and Refuse is 13.20% or R 6.5million of billed revenue as at July 2023 collection rate as the Municipality as implemented 50/50 Amnesty strategy and electricity disconnection puts pressure on Clients.
- Other Revenue collected to for the month is R717 thousand, which is due to collection of rentals of properties, licenses and permits and other sources of revenue, fines.
- Government Operating received to date as at July 2023 is R million. which includes- Equitable share of R96.2million INEP GRANT R1.8million.
- Government Capital: received to date is R15 million from MIG Allocation which is in accordance with the approved business plan.
- Interest earned on external investments amounts to R2.3 million in comparison with the pro-data budget of R875thousand.

## **PAYMENTS**

- Suppliers and employees for cash outflows of R16.3 million as of 31<sup>st</sup> July 2023.
- Capital Assets of R5.3 million on C5 excludes VAT whilst C7 includes VAT.
- Increase (decrease) in consumer debtors has paid R14 thousand through repayment of deposits of customers for rental of properties as at the end of July 2023.

**KZN 291 Mandeni Municipality Budget Monthly Statement as at 31<sup>st</sup> July 2023**

**6.1. BANK RECONCILIATION STATEMENT AS AT JULY 2023**

		Mandeni Municipality	
<b>BANK RECONCILIATION STATEMENT FOR JULY 2023</b>			
<b>Main Account :52940480587</b>			
<b>Opening FNB Bank Balance as on 1 JULY 2023</b>		<b>9,951,795.16</b>	<b>9,951,795.16</b>
PLUS: Deposits Banked		8,533,370.51	
PLUS: Interest received		25,579.08	
PLUS: Transfers In		122,764,524.33	
PLUS:Interest received From Call 1		619,713.21	
PLUS:Unpaid		-	
PLUS: MATURED INVESTMENTS		54,275,000.00	
PLUS: SARS REFUND		2,549,627.15	
PLUS: GRANTS RECEIVED		113,411,000.00	
<b>Total Deposits</b>		<b>302,178,814.28</b>	<b>302,178,814.28</b>
<b>Less:Total payments</b>	<b>-</b>	<b>304,912,338.35</b>	<b>- 304,912,338.35</b>
LESS: EFT Payments	-	41,279,701.70	
Plus :June 2023 outstanding (reconciled )		-	
LESS: Bank Charges	-	22,720.16	
LESS: Cheques Paid Out		-	
LESS: Transfers Out	-	162,976,000.00	
LESS: NEW INVESTMENTS	-	100,000,000.00	
LESS: Debit Orders	-	633,916.49	
<b>Closing FNB Bank Balance as on 31 JULY 2023</b>			<b>7,218,271.09</b>
<b>Cashbook Reconciliation for 31 JULY 2023</b>			
Cashbook Balance as on 1 JULY 2023-D0001/IA09567/F0001/X049/R0099/001/FIN		1,389,579,595.17	
Less:Cashbook Balance as on 1 JULY 2023-D0001/IA09850/F0001/X049/R0099/001/F-		1,379,214,463.26	
PLUS: Deposits Banked for JULY 2023		8,533,370.51	
LESS: EFT Payments for JULY 2023	-	40,950,471.62	
Less: Bank Charges to date	-	1,141,576.79	
PLUS: Grant received		113,411,000.00	
Less : New investment	-	100,000,000.00	
Less: Payments not yet paid during JULY 2023		-	
PLUS: Interest received to date		332,579.11	
PLUS:Interest received From Call 1-JULY 2023		619,713.21	
PLUS MATURED INVESTMENT		54,275,000.00	
PLUS :SARS REFUND		2,549,627.15	
PLUS :TRANSFER IN		122,764,524.33	
LESS:TRANSFER OUT	-	162,976,000.00	
LESS: Debit Orders for JULY 2023	-	633,916.49	
<b>Closing Cashbook Balance as on 31 JULY 2023</b>		<b>7,148,981.32</b>	<b>7,148,981.32</b>
			<b>69,232.84</b>
<b>Reconciling Items</b>	<b>Amount</b>		
Less: Journal Debits - on Cashbook not on Bank Statement		69,232.84	
Corrections to be made		-	
<b>ADJUSTED MONTH END CASHBOOK BALANCE- 31 JULY 2023</b>			<b>7,218,214.16</b>
<b>MONTH END BALANCE PER BANK STATEMENT-31 JULY 2023</b>			<b>7,218,271.09</b>
<b>DIFFERENCE</b>		<b>-</b>	<b>56.93</b>



**KZN 291 Mandeni Municipality Budget Monthly Statement as at 31<sup>st</sup> July 2023**

**6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO**

The following information presents the short-term investments balances broken down per investment type as at 31<sup>st</sup> July 2023

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July										
Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/ Months	Type of Investment	Interest Rate <sup>3</sup>	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands										
<b>Municipality</b>										
call 1-internal grant			CALL ACCOUNT	2.45		101,653	620	(121,820)	146,176	126,629
Call account 2 -HOUSING			CALL ACCOUNT	2.45		1,985	12	-	-	1,997
Call account 3-MIG			CALL ACCOUNT	2.45		202	54	(262)	15,000	14,994
Call account 5-TMT			CALL ACCOUNT	2.45		390	2	-	3	396
Call account 6-INEP			CALL ACCOUNT	2.45		1,636	12	(1,012)	1,800	2,437
Call account 7-AR			CALL ACCOUNT	6.7		2,899	17	(376)	85	2,625
Call account 8- Title Deed			CALL ACCOUNT	8.8		5,553	34	(0)	-	5,587
Call account 9-Disaster Recovery			CALL ACCOUNT	5.5		15,653	96	-	-	15,748
NEDBANK			INVESTMENT	10.27		65,000	486	-	-	65,486
NEDBANK			INVESTMENT		549 DAYS	50,000	305	(50,000)	-	305
NEDBANK			INVESTMENT		365 DAYS	100,000	703	-	-	100,703
					336 DAYS					-
										-
										-
<b>Municipality sub-total</b>						<b>344,970</b>	<b>2,341</b>	<b>(173,469)</b>	<b>163,064</b>	<b>336,906</b>
<b>TOTAL INVESTMENT</b>	<b>2</b>					<b>344,970</b>	<b>2,341</b>	<b>(173,469)</b>	<b>163,064</b>	<b>336,906</b>

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

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

Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24							
		2022/23 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
	1	A	B					%	D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		11,623	12,989	986	986	1,082	(96)	-9%	12,989
Pension and UIF Contributions		–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–
Motor Vehicle Allowance		543	636	46	46	53	(7)	-13%	636
Cellphone Allowance		1,419	1,591	119	119	133	(14)	-10%	1,591
Housing Allowances		182	244	15	15	20	(5)	-25%	244
Other benefits and allowances		–	–	–	–	–	–	–	–
<b>Sub Total - Councillors</b>		<b>13,767</b>	<b>15,460</b>	<b>1,167</b>	<b>1,167</b>	<b>1,288</b>	<b>(121)</b>	<b>-9%</b>	<b>15,460</b>
<b>% increase</b>	4		<b>12.3%</b>						<b>12.3%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3	4,204	5,602	333	333	467	(134)	-29%	5,602
Pension and UIF Contributions		1	11	0	0	1	(1)	-83%	11
Medical Aid Contributions		–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–
Performance Bonus		583	476	–	–	40	(40)	-100%	476
Motor Vehicle Allowance		645	773	60	60	64	(5)	-7%	773
Cellphone Allowance		182	186	14	14	16	(2)	-11%	186
Housing Allowances		256	265	9	9	22	(13)	-59%	265
Other benefits and allowances		1	1	0	0	0	(0)	-9%	1
Payments in lieu of leave		–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–
Post-retirement benefit obligation	2	1,443	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>7,316</b>	<b>7,314</b>	<b>416</b>	<b>416</b>	<b>609</b>	<b>(194)</b>	<b>-32%</b>	<b>7,314</b>
<b>% increase</b>	4		<b>0.0%</b>						<b>0.0%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		74,961	89,913	6,575	6,575	7,493	(918)	-12%	89,913
Pension and UIF Contributions		12,303	14,704	1,083	1,083	1,225	(142)	-12%	14,704
Medical Aid Contributions		5,406	5,886	485	485	491	(6)	-1%	5,886
Overtime		2,388	1,716	188	188	143	45	31%	1,716
Performance Bonus		5,437	6,209	488	488	517	(30)	-6%	6,209
Motor Vehicle Allowance		4,672	5,239	399	399	437	(38)	-9%	5,239
Cellphone Allowance		530	526	50	50	44	6	14%	526
Housing Allowances		306	345	26	26	29	(3)	-9%	345
Other benefits and allowances		828	765	82	82	64	19	29%	765
Payments in lieu of leave		2,367	2,591	27	27	216	(189)	-88%	2,591
Long service awards		962	1,341	–	–	112	(112)	-100%	1,341
Post-retirement benefit obligation	2	(1,651)	4,872	–	–	406	(406)	-100%	4,872
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>108,508</b>	<b>134,106</b>	<b>9,402</b>	<b>9,402</b>	<b>11,176</b>	<b>(1,773)</b>	<b>-16%</b>	<b>134,106</b>
<b>% increase</b>	4		<b>23.6%</b>						<b>23.6%</b>
<b>Total Parent Municipality</b>		<b>129,591</b>	<b>156,880</b>	<b>10,985</b>	<b>10,985</b>	<b>13,073</b>	<b>(2,089)</b>	<b>-16%</b>	<b>156,880</b>
			<b>21.1%</b>						<b>21.1%</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>129,591</b>	<b>156,880</b>	<b>10,985</b>	<b>10,985</b>	<b>13,073</b>	<b>(2,089)</b>	<b>-16%</b>	<b>156,880</b>
<b>% increase</b>	4		<b>21.1%</b>						<b>21.1%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>115,824</b>	<b>141,420</b>	<b>9,818</b>	<b>9,818</b>	<b>11,785</b>	<b>(1,967)</b>	<b>-17%</b>	<b>141,420</b>

**8. External Loan**

**NONE**

**9. Performance Indicators**

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

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.1%	8.9%	0.0%	0.0%	3.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		10.8%	9.6%	0.0%	9.5%	9.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	405.1%	250.2%	0.0%	529.4%	250.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		346.6%	164.3%	0.0%	468.8%	164.3%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		10.7%	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%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		33.6%	37.0%	0.0%	9.2%	37.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.5%	4.3%	0.0%	0.0%	4.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.0%	9.3%	0.0%	0.0%	4.1%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						


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 32.0%.

**KZN 291 Mandeni Municipality Budget Monthly Statement as at 31<sup>st</sup> July 2023**  
**10. MONTHLY BUDGET STATEMENT – MATERIAL VARIANCE**

**KZN291 Mandeni - Supporting Table SC1 Material variance explanations - M01 July**

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue</b>			
	Service charges - Electricity	25%	variance is due to the implementation of new tariffs	
	Service charges - Water			
	Service charges - Waste Water Management			
	Service charges - Waste management	11%	variance is due to fact that, there are new identified properties, as the Municipality is busy with the Balancing of the Valuation roll.	
	Sale of Goods and Rendering of Services	98%	variance of 59% or R1.5million, an Investment of R50million had Matured and paid out interest.	
	Agency services			
	Interest		variance of R28 thousand or 36% is collected from the service charges which are due.	
	Interest earned from Receivables	36%		
	Interest from Current and Non Current Assets			
	Dividends			
	Rent on Land		There is no Budget appropriated in this line vote	
	Rental from Fixed Assets	-58%	Variance is due to level of demand in the usage of municipal facilities	
	Licence and permits	#DIV/0!		
	Operational Revenue	1814%	variance is mainly due to seasonal fluctuations and level of demand for these items and additional rec e.g, tender fees, connection, and	
	Non-Exchange Revenue			
	Property rates	-100%	As part of the Municipal Payment strategy, it was decided to Bill rates over 10months, instead of 12. Which the two months will be	
	Surcharges and Taxes			
	Fines, penalties and forfeits		This is mainly due to the culture of non-payment and adverse economic conditions. This affect our target revenue collection as the Municipality.	
	Licence and permits			
	Transfers and subsidies - Operational			
	Interest		the variance of R6 thousand or 3% is collected from the interest income-property rates which are due.	
	Fuel Levy			
	Operational Revenue			
	Gains on disposal of Assets			
	Other Gains			
2	<b>Expenditure By Type</b>			
	Employee related costs	-17%	Variance is due to positions that were prioritised in the budget which	
	Remuneration of councillors	-9%	, the invoice for the Eskom Bulk purchases has been captured only	
	Bulk purchases - electricity			
	Inventory consumed			
	Debt impairment	-100%	§ The Impairment Journal is only captured bi-annually, January and June.	
	Depreciation and amortisation	-100%	variance is low as the Assets Unit is still sorting out Year-end	
	Interest	-100%	§ at the month there is no interest charged.	
	Contracted services	-59%	§ variance is due to the implementation of procurement plan.	
	Transfers and subsidies			
	Irrecoverable debts written off	-100%	§ Irrecoverable debts are written off at year end through the	
	Operational costs	-23%	The majority of items are not a straight-line expenditure some are	
	Losses on Disposal of Assets	-100%	§ , this reflect that there are Losses in the Month of Reporting captured.	
	Other Losses	-100%	§ Losses of R6thousnad has been captured in this line item as total	
3	<b>Capital Expenditure</b>			
	National Government			
	Provincial Government			
	Internally generated funds	5,285		
4	<b>Financial Position</b>			
	COMMUNITY WEALTH/EQUITY	695,527		
	Accumulated surplus/(deficit)	202,672		
	Reserves and funds			
	Other	898,199		
5	<b>Cash Flow</b>			
	NET INCREASE/ (DECREASE) IN CASH HELD	158,554		
	Cash/cash equivalents at beginning:	179,999		
	Cash/cash equivalents at month/year end:	338,553		

**KZN 291 Mandeni Municipality Budget Monthly Statement as at 31<sup>st</sup> July 2023**  
**11. DEVIATION REGISTER AS AT JULY 2023 AND QUOTATIONS**

 MANDENI MUNICIPALITY DEVIATION REGISTER PERIOD ENDING JULY 2023								
No	Date identified	Date reported to Mayor	Reasons for Deviation	Payment Status	Payment no./EFT no/ Cheque No.	Supplier	Responsible Department	Amount
1				PAID				
<b>TOTAL</b>							<b>Total</b>	<b>R -</b>

MANDENI LOCAL MUNICIPALITY												
QUOTATION REGISTER FOR GOODS AND SERVICES ABOVE R30 000.00 - R200 000.00 FOR 2023/2024												
Jul-23												
No	Quotation Number	Advert Closing Date	Bidder's Name	Description of goods/services	Date approved by CFO	Order Number	Quote amount	Youth	Women	Disabilities	EME or QSE	Locality
1	04/23/24	28/07/2023	Vukalusha Trading Enterprise	Supply and Deliver Sporting Gear	14/08/2023	PO11190	147,500.00	100%	0%	0%	100%	Y
2	03/23/24	28/07/2023	Evaluation	Supply and Deliver Brushcutters								
3	05/23/24	28/07/2023	Evaluation	Facilitation of Mandeni Take-Me-To-Varsity Outreach Campaign								
4	07/23/24	01/08/2023	ixperience Tours Pty Ltd	Provide Accommodation for Salqa Games	17/08/2023	PO11190	197,170.00	100%	100%		100%	Y
5	08/23/24	01/08/2023	ixperience Tours Pty Ltd	Provide Accommodation for Enyokeni Reed Dance	17/08/2023	PO11225	84,960.00	100%	100%		100%	Y
6	09/23/24	01/08/2023	Evaluation	Training Programme for Competency Certificates for Operators								
7	10/23/24	01/08/2023	Evaluation	Pothole Paching Training								
8	11/23/24	08/08/2023	Evaluation	Occupational Health and Safety Training for Managers								
9	13/23/24	08/08/2023	Evaluation	Supply and Deliver Throw Blankets								
5	14/23/24	08/08/2023	Evaluation	Peace Officer Training								
<b>TOTAL</b>							<b>429,630.00</b>					

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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:

-

▪ **Monthly Budget Statements**

for the month of **July 2023** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature\_\_\_\_\_

Date **15 August 2023**