

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED DECEMBER 2023/24 FINANCIAL YEAR

BUDGET FOR THE PERIOD ENDING 31st DECEMBER 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 31st December 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 31st December 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 - M06 December								
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								
Financial Performance								
Total Revenue (excluding capital)	401,553	382,369	89,736	255,747	191,184	64,562	34%	382,369
Total Expenditure	340,534	402,121	52,117	194,007	201,300	(7,292)	-4%	402,121
Surplus/(Deficit)	61,019	(19,752)	37,619	61,740	(10,115)	71,855	-710%	(19,752)
Transfers and subsidies - capital	45,387	48,381	5,817	16,468	24,191	(7,723)	-32%	48,381
Surplus/(Deficit) after capital transfers & subsidies for the year	106,406	28,629	43,436	78,207	14,075	64,132	456%	28,629
	106,406	28,629	43,436	78,207	14,075	64,132	456%	28,629
Capital expenditure & funds sources								
Capital expenditure	73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945
Capital transfers received	12,628	55,598	6,181	19,560	27,799	(8,239)	-30%	55,598
Borrowing	0	–	–	–	–	–	–	–
Internally generated funds	60,688	88,347	1,976	21,677	44,174	(22,496)	-51%	88,347
Total sources of capital	73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945
TOTAL BUDGET	413,849	546,065	60,274	235,244	273,272	(38,028)	(0)	546,065

As can be seen from the table above, Actual surplus for the period ended 31st December 2023 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 31st December 2023 (year to date actual), shows a surplus of R78.2 million against YTD budget of R 14.1million which reflects variance of more than 100%. The municipality has received the 2nd trench of equitable share of R76.9 million.

Currently there are no financial challenges and major risks facing the municipality. A total amount of R215 million is invested by the municipality to the approved banking institutions and the total investment register closing balance as at December 2023, is R313.4 million.

1.2 Monthly Budget statement Summary M06- DECEMBER 2023

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M06 December								
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							%	
Financial Performance								
Property rates	50,660	59,329	4,465	21,483	29,665	(8,182)	-28%	59,329
Service charges	61,434	63,657	4,651	37,046	31,829	5,217	16%	63,657
Investment revenue	20,010	–	–	–	–	–		–
Transfers and subsidies	20,010	10,500	2,385	14,070	5,250	8,820	168%	10,500
Other own revenue	249,438	248,882	78,236	183,148	124,441	58,707	47%	–
Total Revenue (excluding capital)	401,553	382,369	89,736	255,747	191,184	64,562	34%	382,369
Employee costs	116,754	141,420	10,198	60,715	70,710	(9,995)	-14%	141,420
Remuneration of Council	14,325	15,460	1,278	7,841	7,730	111	1%	15,460
Depreciation and amortisation	32,437	35,534	2,814	16,482	17,767	(1,285)	-7%	35,534
Interest	325	100	–	31	50	(19)	-37%	100
Inventory consumed and	49,664	51,014	2,148	26,073	25,507	566	-48%	51,014
Transfers and subsidies	–	–	–	–	–	–		–
Other expenditure	127,029	158,592	35,679	82,865	79,535	3,330	4%	158,592
Total Expenditure	340,534	402,121	52,117	194,007	201,300	(7,292)	-4%	402,121
Surplus/(Deficit)	61,019	(19,752)	37,619	61,740	(10,115)	71,855	-710%	(19,752)
Transfers and subsidies - capital (monetary)	45,387	48,381	5,817	16,468	24,191	(7,723)	-32%	48,381
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & subsidies for the year	106,406	28,629	43,436	78,207	14,075	64,132	456%	28,629
	106,406	28,629	43,436	78,207	14,075	64,132	456%	28,629
Capital expenditure & funds sources								
Capital expenditure	73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945
Capital transfers recognised	12,628	55,598	6,181	19,560	27,799	(8,239)	-30%	55,598
Borrowing	0	–	–	–	–	–		–
Internally generated funds	60,688	88,347	1,976	21,677	44,174	(22,496)	-51%	88,347
Total sources of capital	73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945
Financial position								
Total current assets	288,947	177,849		334,492				177,849
Total non current assets	602,748	740,801		627,502				740,801
Total current liabilities	78,293	71,097		70,708				71,097
Total non current liabilities	17,730	22,795		17,730				22,795
Community wealth/Equity	795,672	824,758		873,557				824,758
Cash flows								
Net cash from (used) operations	167,695	74,381	(10,482)	116,198	45,266	(70,931)	-157%	74,381
Net cash from (used) investments	(376,184)	(165,536)	(9,381)	(47,423)	(82,768)	(35,346)	43%	(165,536)
Net cash from (used) financing	–	–	(14)	(118)	–	118	#DIV/0!	–
Cash/cash equivalents at end of year	(125,502)	(299,135)	–	323,181	(245,481)	(568,663)	232%	–
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	9,552	5,591	3,339	2,550	1,146	16,089	164,540	207,588
Creditors Age Analysis								
Total Creditors	123	–	–	–	–	–	2	125

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) - M06									
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							%	
Revenue - Functional									
Governance and administration		319,605	305,464	83,746	210,977	152,732	58,245	38%	305,464
Executive and council		–	7,806	–	–	3,903	(3,903)	-100%	7,806
Finance and administration		319,605	297,658	83,746	210,977	148,829	62,148	42%	297,658
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		10,732	4,692	281	2,074	2,346	(272)	-12%	4,692
Community and social services		5,497	4,692	281	2,074	2,346	(272)	-12%	4,692
Sport and recreation		5,234	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
Economic and environmental ser		46,274	54,327	6,616	20,891	27,163	(6,272)	-23%	54,327
Planning and development		44,726	49,857	6,175	18,510	24,928	(6,418)	-26%	49,857
Road transport		1,548	4,470	441	2,381	2,235	146	7%	4,470
Environmental protection		–	–	–	–	–	–	–	–
Trading services		70,329	66,266	4,909	38,272	33,133	5,139	16%	66,266
Energy sources		56,878	53,804	3,606	31,062	26,902	4,160	15%	53,804
Water management		–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–
Waste management		13,451	12,463	1,304	7,210	6,231	979	16%	12,463
Other	4	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	446,939	430,750	95,553	272,214	215,375	56,839	26%	430,750
Expenditure - Functional									
Governance and administration		168,536	201,988	38,702	107,347	101,233	6,114	6%	201,988
Executive and council		54,325	62,711	6,481	32,079	31,355	724	2%	62,711
Finance and administration		114,211	139,277	32,221	75,268	69,878	5,390	8%	139,277
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		34,639	42,477	3,769	20,837	21,238	(402)	-2%	42,477
Community and social services		26,279	31,792	2,552	15,515	15,896	(381)	-2%	31,792
Sport and recreation		8,335	9,442	967	5,052	4,721	331	7%	9,442
Public safety		–	1,223	250	250	612	(362)	-59%	1,223
Housing		24	20	–	20	10	10	99%	20
Health		–	–	–	–	–	–	–	–
Economic and environmental ser		65,567	81,845	6,281	31,250	40,922	(9,672)	-24%	81,845
Planning and development		19,166	22,164	2,341	8,813	11,082	(2,269)	-20%	22,164
Road transport		43,242	55,750	3,595	20,637	27,875	(7,237)	-26%	55,750
Environmental protection		3,159	3,931	346	1,800	1,965	(166)	-8%	3,931
Trading services		71,791	75,761	3,043	34,573	37,881	(3,308)	-9%	75,761
Energy sources		60,265	55,216	2,307	29,478	27,608	1,870	7%	55,216
Water management		–	–	–	–	–	–	–	–
Waste water management		2,487	2,948	211	1,257	1,474	(217)	-15%	2,948
Waste management		9,039	17,597	524	3,838	8,798	(4,960)	-56%	17,597
Other		–	50	–	–	25	(25)	-100%	50
Total Expenditure - Function	3	340,534	402,121	51,795	194,007	201,300	(7,292)	-4%	402,121
Surplus/ (Deficit) for the year		106,406	28,629	43,758	78,207	14,075	64,132	456%	28,629

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) - M06 December

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
R thousands								%	
Revenue by Vote	1								
Vote 1 - Executive and council		–	7,806	–	–	3,903	(3,903)	-100.0%	7,806
Vote 2 - Finance and administration		319,605	297,658	83,746	210,977	148,829	62,148	41.8%	297,658
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		5,497	4,692	281	2,074	2,346	(272)	-11.6%	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	6,175	18,510	24,928	(6,418)	-25.7%	49,857
Vote 9 - Road transport		1,548	4,470	441	2,381	2,235	146	6.5%	4,470
Vote 10 - Energy sources		56,878	53,804	3,606	31,062	26,902	4,160	15.5%	53,804
Vote 11 - Waste Management		13,451	12,463	1,304	7,210	6,231	979	15.7%	12,463
Vote 12 - Environmental Protection		–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
Total Revenue by Vote	2	446,939	430,750	95,553	272,214	215,375	56,839	26.4%	430,750
Expenditure by Vote	1								
Vote 1 - Executive and council		54,325	62,711	6,481	32,079	31,355	724	2.3%	62,711
Vote 2 - Finance and administration		114,211	139,277	32,221	75,268	69,878	5,390	7.7%	139,277
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		26,279	31,792	2,552	15,515	15,896	(381)	-2.4%	31,792
Vote 5 - Sport and Recreation		8,335	9,442	967	5,052	4,721	331	7.0%	9,442
Vote 6 - Public safety		–	1,223	250	250	612	(362)	-59.1%	1,223
Vote 7 - Housing		24	20	–	20	10	10	99.5%	20
Vote 8 - Planning and Development		19,166	22,214	2,341	8,813	11,107	(2,294)	-20.7%	22,214
Vote 9 - Road transport		45,730	58,698	3,806	21,894	29,349	(7,455)	-25.4%	58,698
Vote 10 - Energy sources		60,265	55,216	2,307	29,478	27,608	1,870	6.8%	55,216
Vote 11 - Waste Management		9,039	17,597	524	3,838	8,798	(4,960)	-56.4%	17,597
Vote 12 - Environmental Protection		3,159	3,931	346	1,800	1,965	(166)	-8.4%	3,931
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
Total Expenditure by Vote	2	340,534	402,121	51,795	194,007	201,300	(7,292)	-3.6%	402,121
Surplus/ (Deficit) for the year	2	106,406	28,629	43,758	78,207	14,075	64,132	455.6%	28,629

Table 1.5 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31st December 2023

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December 2023									
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									
Revenue									
Exchange Revenue									
Service charges - Electricity		49,864	52,613	3,565	30,892	26,306	4,586	17%	52,613
Service charges - Water		–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–
Service charges - Waste management		11,570	11,044	1,085	6,154	5,522	631	11%	11,044
Sale of Goods and Rendering of Services		7,854	618	84	353	309	45	14%	618
Agency services		–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–
Interest earned from Receivables		1,229	918	157	761	459	302	66%	918
Interest from Current and Non Current Assets		20,010	10,500	2,385	14,070	5,250	8,820	168%	10,500
Dividends		–	–	–	–	–	–	–	–
Rent on Land		106	–	–	–	–	–	–	–
Rental from Fixed Assets		248	192	25	111	96	15	15%	192
Licence and permits		22	–	8	23	–	23	#DIV/0!	–
Operational Revenue		2,548	396	311	1,365	198	1,167	590%	396
Non-Exchange Revenue									
Property rates		50,660	59,329	4,465	21,483	29,665	(8,182)	-28%	59,329
Surcharges and Taxes		–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1,002	1,210	10	232	605	(373)	-62%	1,210
Licence and permits		525	737	82	463	369	94	25%	737
Transfers and subsidies - Operational		223,107	241,975	77,238	178,390	120,987	57,402	47%	241,975
Interest		2,628	2,837	320	1,451	1,418	32	2%	2,837
Fuel Levy		–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–
Other Gains		30,181	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		401,553	382,369	89,736	255,747	191,184	64,562	34%	382,369
Expenditure By Type									
Employee related costs		116,754	141,420	10,099	60,715	70,710	(9,995)	-14%	141,420
Remuneration of councillors		14,325	15,460	1,278	7,841	7,730	111	1%	15,460
Bulk purchases - electricity		45,293	43,603	1,327	24,609	21,801	2,808	13%	43,603
Inventory consumed		4,371	7,411	821	1,463	3,705	(2,242)	-61%	7,411
Debt impairment		–	37,303	18,652	18,652	18,651	0	0%	37,303
Depreciation and amortisation		32,437	35,534	2,814	16,482	17,767	(1,285)	-7%	35,534
Interest		325	100	–	31	50	(19)	-37%	100
Contracted services		62,194	64,092	7,915	30,749	32,046	(1,297)	-4%	64,092
Transfers and subsidies		–	–	–	–	–	–	–	–
Irrecoverable debts written off		15,022	7,500	3,750	3,750	3,750	(0)	0%	7,500
Operational costs		43,672	48,198	5,140	29,654	24,338	5,316	22%	48,198
Losses on Disposal of Assets		6,080	1,500	–	–	750	(750)	-100%	1,500
Other Losses		61	–	–	60	–	60	#DIV/0!	–
Total Expenditure		340,534	402,121	51,795	194,007	201,300	(7,292)	-4%	402,121
Surplus/(Deficit)		61,019	(19,752)	37,941	61,740	(10,115)	71,855	(0)	(19,752)
Transfers and subsidies - capital (monetary allocations)		45,387	48,381	5,817	16,468	24,191	(7,723)	(0)	48,381
Surplus/(Deficit) after capital transfers & contributions		106,406	28,629	43,758	78,207	14,075			28,629
Income Tax		–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		106,406	28,629	43,758	78,207	14,075			28,629
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Municipality		–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		106,406	28,629	43,758	78,207	14,075			28,629
Share of Surplus/Deficit attributable to Associated Entity		–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		106,406	28,629	43,758	78,207	14,075			28,629

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

Figure 1

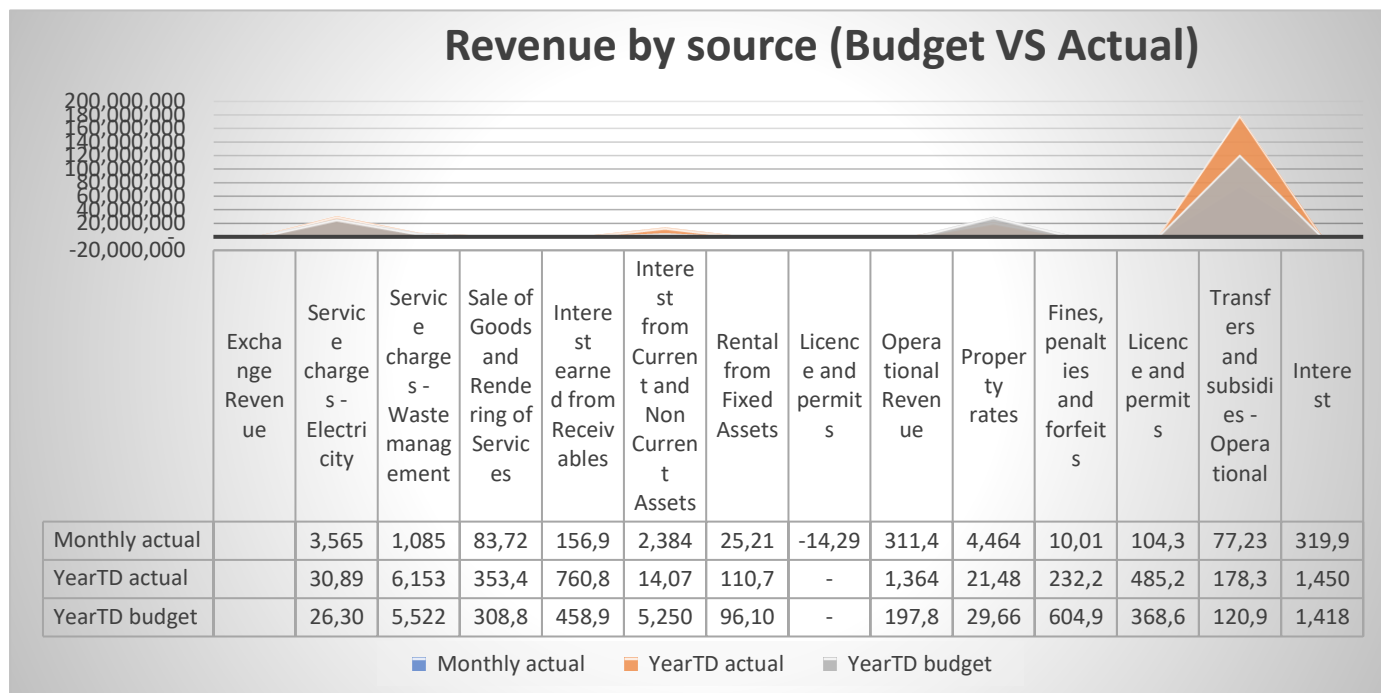
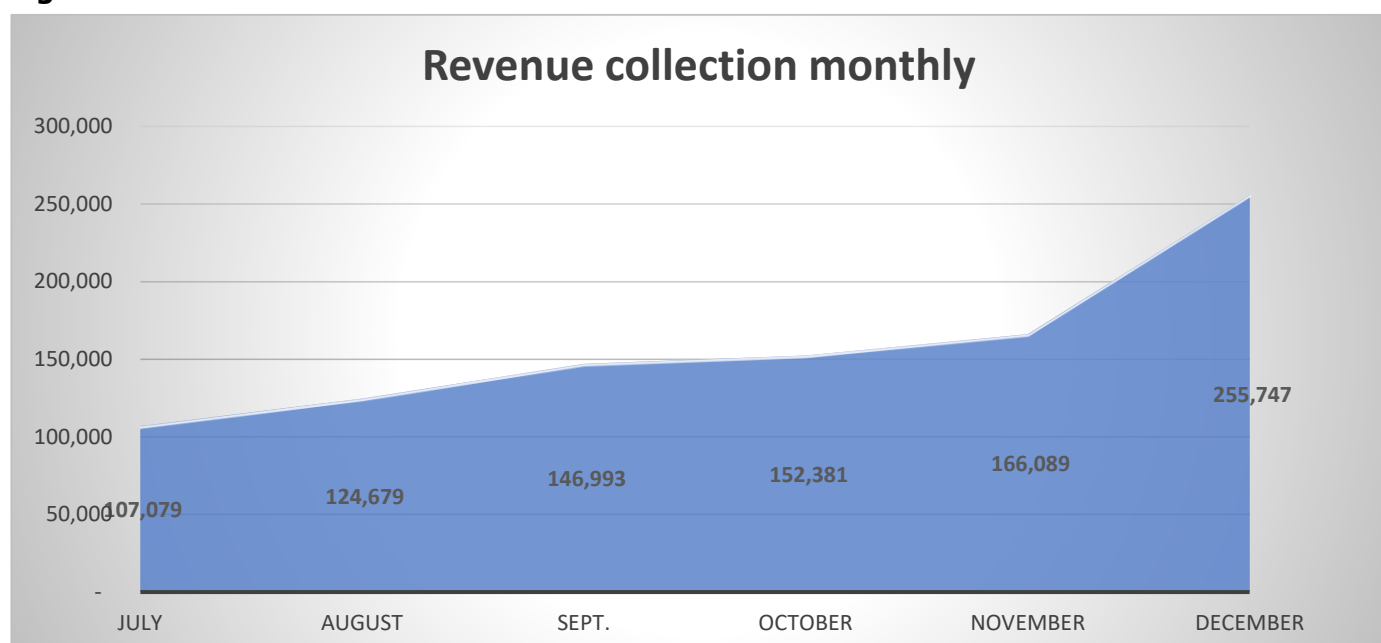


Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R 255.7 million for the period ending 31st December 2023 excluding capital conditional grant income. The YTD Budget is R 191,2 million; therefore, this reflects an over performance against the revenue projected by 34%, this is a reflection that the municipality has achieved its revenue performance budget.
- As can be seen from the table above that transfers recognized-operational are high is due to the municipality receiving both tranches of equitable share for R172.5 million has been received by the municipality which has set off an INEP rollover application of R624 thousand which was not approved by National Treasury. Therefore the municipality is awaiting the last trench of R49.9 million as publicized on DORA. Also increase is due to operational grants which conditions have been met as they have been realized as revenue for FMG, EPWP and INEP.

Exchange Revenue

Service Charges: Electricity

- The actual revenue from Service Charges Electricity as @ 31st December 2023 is R30.9 million or 17 percent more than the budgeted income of R26.3 million.

- Variance of 17% is due expansion of Umngeni Water Plant. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came as a result of the KZN April 2022 and 2023 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekwini and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption. Consequently, the Municipal Electricity Revenue then followed the same upsurge resulting in the over performance of the initially recognized budget.
- Based on performance reported as at mid-year this item will be increase during adjustment budget.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as @ 31st December 2023 is R6.2 million or 11 percent more than the budgeted income of R5.5 million. The variance is acceptable, the business refuse always increases during the more economic active months. As part of Revenue Enhancement Strategy, the Municipality provides an incentive for consumers who wish to settle their annual refuse collection debt within the 1st two months of the financial year. As result we receive a lot of requests for annual refuse billings in this regard. As the months progresses the revenue billed will subsequently match the budgeted figures.
- Budget allocated for this item will remain the same during adjustment budget.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R353 thousand in comparison with the year-to-date budget of R309 thousand, thus indicating an over performance by R45 thousand or 14 percent, variance is due to the level of demand in the sale of goods and rendering services. Based on performance for mid-year this item will be adjusted during an adjustment budget so as to ensure realistic estimates.

Interest earned from receivables.

- Interest earned from receivables amounts to R761 thousand in comparison with the year-to-date budget of R459 thousand, thus indicating an over performance by R302 thousand or 66 percent, variance is based on the outstanding debt billed on refuse and electricity. Interest rate on outstanding debtors is 2% per annum. Based on performance for mid-year Interest on outstanding debtors appears that this line item was understated, and it will be adjusted an adjustment budget.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R14.1 million in comparison with the year-to-date budget of R5.3 million, thus indicating an over performance by R8.8 million or 168 percent, variance is based interest rate on the cash available from previous year cash backed reserves and additional grants received. Based on performance reported at mid-year, the municipality will increase budget during an adjustment budget to ensure realistic estimates and also to accommodate additional funds to be re invested so as to increase revenue sources of the municipality.
- Further to that the municipality has taken decision to redirect the interest generated from these investment towards service delivery which will also be considered during adjustment budget process.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R111 thousand in comparison with the year-to-date budget amount of R96 thousand thus indicating an over performance of R15 thousand or 15 percent. Variance is due to level of demand in rental of municipal facilities due (Municipal sports fields, municipal halls) when comparing to the projections. Based on mid-year performance this item appears that budget is understated and will be adjusted during an adjustment budget.

Licences and permits

- Licences and permits have underperformed by 21 percent or R74 thousand with an actual amount of R272 thousand as compared to budget of R346 thousand, variance is due to exemption of charging licences for market stalls that was granted by EDTEA due to impact of COVID regulation that affected them. Expenditure reported for licences and permits is based on the performance of the traffic department through issuing and renewal of licences. Budget allocated will remain the same as we anticipate that performance by traffic department in relation to issuing of licenses will be met at year end.

Operational Revenue

- The majority of the Council own funded sources are budgeted under this category. The year-to-date performance in Operational Revenue amounts to R1.4 million more than anticipated YTD budget of R198 thousand, thus indicating an over performance of R1.2 million or 590 percent, variance is mainly due to the municipality receiving additional revenue which were not budgeted for during budgeted preparation process as there was no source to support this revenue.
- Additional revenue received is Skills Development Levy of R618 thousand, Insurance Refund of 35 thousand and Sale of Property of R155 thousand.

Non exchange revenue

Property Rates

- The actual revenue from property rates as @ 31st December 2023 is R21.5 million or 28 percent less than the budgeted income of R21.5 million. The variance of 28%
- The said variance is as a result of outstanding Annual Billings that were placed on hold due to errors, omissions and objections received from Government Departments in the newly implemented valuation roll.
- A decision was then taken to suspend annual billings until such time that all matters were resolved, the Municipal Valuer has been working around the clock in resolving the matter and we are confident that we will bill in the Month of February 2024 after the publication of the Supplementary in line with the provisions of the MPRA.
- Property rates budget will remain the same as we anticipate that projected budget will be met at year end.

Fines, Penalties and forfeits

- Fines underperformed by 62 percent or R373 thousand, with an actual amount of R232 thousand variance against year-to-date budget projections of R605 thousand. This is mainly due to the culture of non-payment and adverse economic conditions. Revenue reported to date is on cash basis, as the municipality accounts for fines in terms of iGRAP 1 during year end. Furthermore, to that based on the audited AFS the budget allocated appears to be understated and it will be adjusted during an adjustment budget to ensure realistic budget estimates.

Licences and permits

- Licences and permits have over performed by 25 percent or R94 thousand with an actual amount of R463 thousand as compared to budget of R369 thousand, variance is due to the level of demand for issuing of licences and permits. Revenue reported has been received from issuing licences and permits by traffic department and trading licences for business within the municipality.
- Based on performance reported for mid-year, budget allocated will be adjusted during an adjustment budget.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R178.4 million YTD Actual in comparison with the YTD budget of R120.9 million, thus indicating an over performance by R57.4 million or 47 percent, variance is mainly attributable to the municipality receiving the 2nd trench of the Equitable Share of R173 million and realisation of operational grants spent as conditions have been met for EPWP, FMG and Library Grant.
- Transfers and subsidies capital amounts to R16.5 million in comparison with the YTD budget of R24.2 million, thus indicating an over performance by R7.7 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*
- Further to that it should be noted that the municipality has been affected with the changes tabled as part of mid-term budget policy which has financial implications. The adjusted DORA will be considered in the adjustment budget and implementation plan will be revised to align with these adjustments.
- The proposed Amendments as per the attached DORA Government Gazette No. 49550 issued on 24 October 2023 affect Mandeni Municipal Budget Allocation for 2023/24 as follows:
 - 1) Expanded Public Works Programme (EPWP) Grant is reduced from R2.6 million with R143 thousand will now be R2.4 million as per DORA Gazette.
 - 2) Municipal Infrastructure Grant (MIG) is reduced from R49.7 million with R3.3 million will now be R46.4 million as per DORA Gazette.
 - 3) MIG Ring-fenced funding for Sports Infrastructure- construction of Endlondlweni Sports Field is reduced from R8 million with R536 thousand will now be R7.5 million as per Gazette.

Interest earned from receivables.

- Interest earned from receivables amounts to R1.5 million in comparison with the year-to-date budget of R1.4 million, thus indicating over performance by R32 thousand or 2 percent, variance is based on the outstanding debtors billed on property rates. Interest rate on outstanding debtors is 2% per annum. Based on performance reported for mid-year Interest on outstanding debtors appears to be realistic and it will remain the same during an adjustment budget.

Operating Expenditure from December 2023

The table below reflects trend of expenditure for the period ended 31st December 2023

Figure 6

Total Operating Expenditure

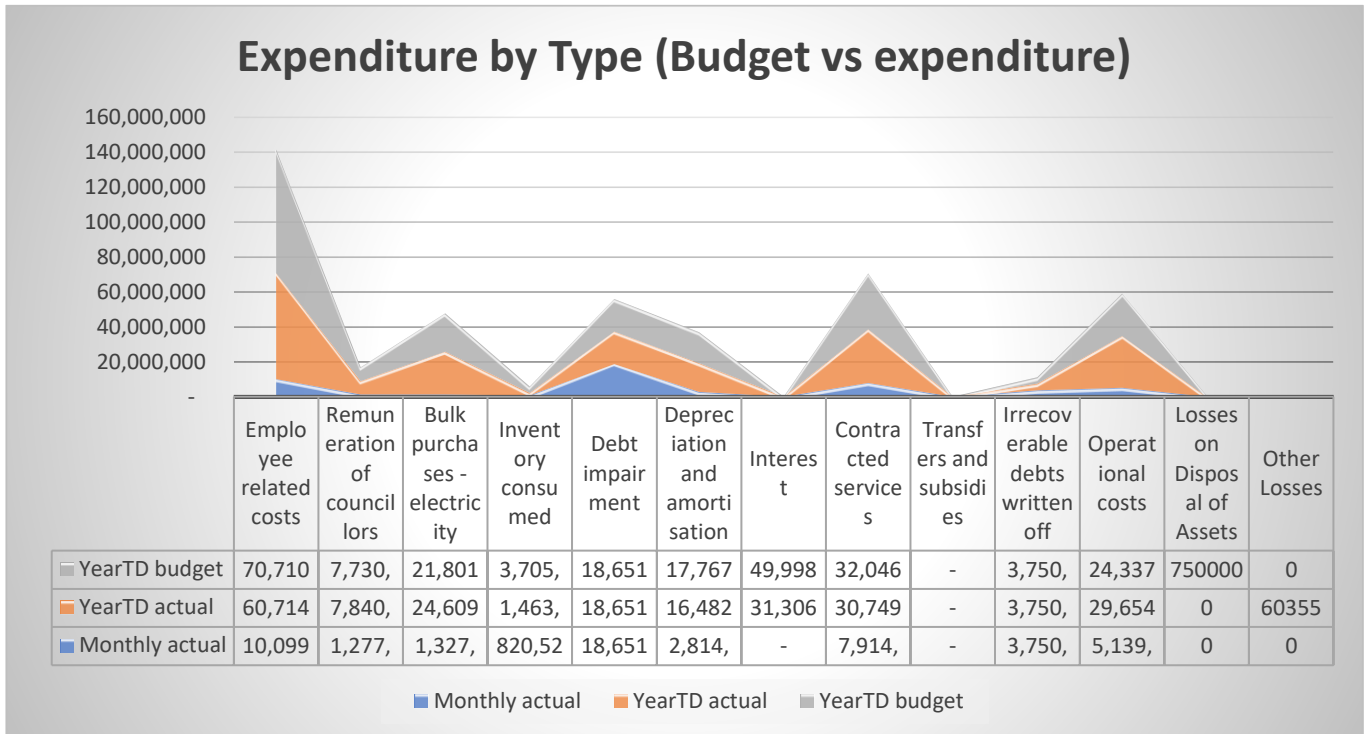
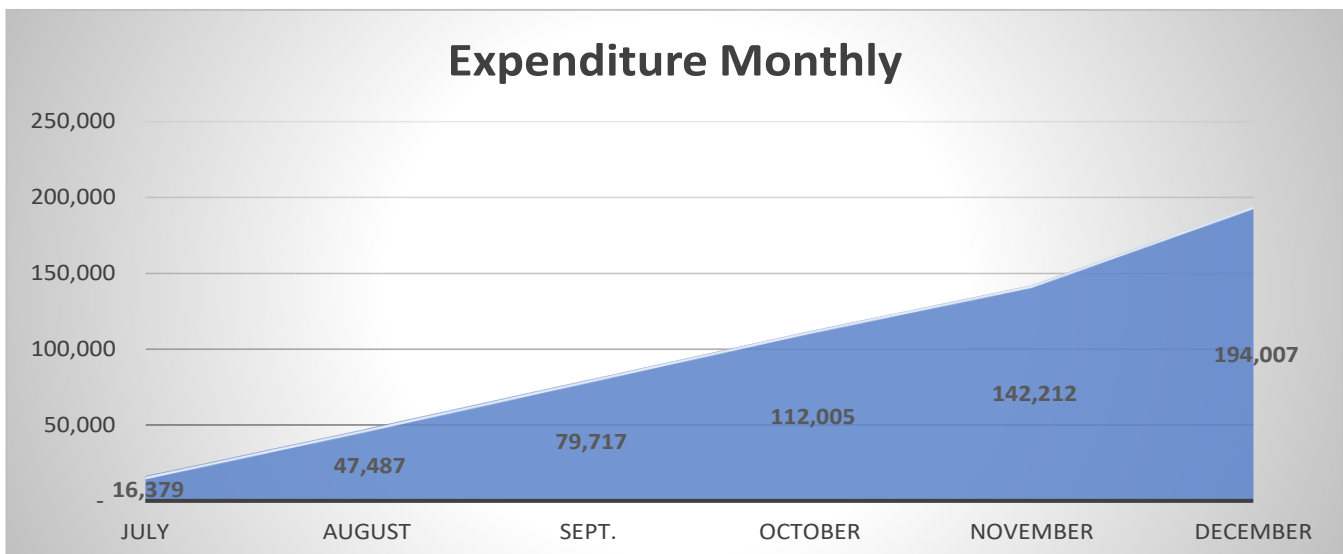


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st December 2023 amounted to R 194.0 million against the planned target of YTD budget is R 201.3 million. As at the end of December the operational expenditure budget has under spent by -4% or R7.3 million. Variance is significantly low and detailed expenditure analysis is below:

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st December 2023 amounted to R60.7 million while the YTD budget is R70.7 million, which has resulted in a underspending by 14%. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are still underway in ensuring that these positions are filled before year end.
- Further to variance is due to employee bonuses which are being paid to employees on their birth month not in November as it was previously done in the prior years.
- Another contributing factor to this variance is due to calculation of provision for leave and long service awards which are processed at year end upon receiving the actuarial calculation for Actuaries.
- Budget for this item will remain the same during adjustment budget to consider the items listed above.

Remuneration of Councilors

- The expenditure on councilor allowances as at 31st December 2023 was under spent by R 111 thousand. The YTD Remuneration of Councilor's budget was R7.7 million whilst the actual expenditure incurred results in slightly over-spending of 1% YTD expenditure performance.
- Performance reported under Remuneration of Cllrs has considered the approval from COGTA in relation Cllrs Upper limits as per Gazette Notice No. 3807 dated 18 August 2023. Further to that backpack was considered when implementing this gazette.
- This item will not be adjusted during an adjustment budget as budget allocated will be sufficient up until year end.

Bulk Purchases - Electricity

- The bulk purchases for Umngeni Water Board and Eskom Purchases reflects an overspending of 13 percent or R2.8 million from the year-to-date budget projections amounting to R21.8 million, variance is due to electricity bulk consumption by umngeni water and increased rate that was approved by NERSA.
- Performance reported in this line item has considered the expansion of Umngeni Water Plant. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came because of the KZN April 2022 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekwini and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption.
- However, due to floods that were experienced during December 2023 within Ilembe District and performance reported during mid-year it appears that budget allocated for this item is understated, so as to ensure that the municipality does not incur an unauthorized expenditure this item will have to be increased during an adjustment budget.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 61 percent or R2.2 million from YTD budget of R3.7 million against the YTD Actual of R1.5 million, variance is due to the implementation of procurement plan, however it should be noted that there will be improvement during the 3rd quarter of this financial year as bulk of these projects will be implemented.
- Budget allocated for this item relates to materials procured by the municipality towards repairs and maintenance which are kept at stores for rendering of services, such as pothole patching materials, workshop stock etc.
- The municipality regularly reviews its repairs and maintenance plan so as to ensure that the infrastructure of the municipality is regularly monitored for its aging.
- Based on performance reported during mid-year and floods that severely affected the municipality budget will be adjusted during an adjustment budget based on the R&M Plan.

Debt Impairment

- The provision for debt impairment actual of R18.7 million versus YTD budget of R18.7 million is within the budgeted projections. Debt impairment calculation has assumed the method below.
- Budget allocated within this item will remain the same during an adjustment budget.
- The assumption is that you exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all categories except Electricity. With Electricity the assumption is that 90% of the debt older than 90 days is still collectable. This line item will remain the same during an adjustment budget.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an under performance by -7 percent or R1.3 million against YTD actual of R16.5 million against the YTD budget of R17.8 million, variance is low but it is due to delays in acquiring capital assets that were planned to be procured and completion of projects that are still under work in progress as assets are depreciated when completed. However, budget will remain the same as the municipality anticipates meeting the projected budget.

Interest

- Finance charges are reflecting an under performance by 37 percent or R19 thousand against YTD actual of R31 thousand. Expenditure incurred is due to interest paid to as per Eskom Invoices for late payment which results in fruitless and wasteful expenditure. However, the municipality has been engaging eskom in relation to this interest being charged whereas payments are always done timeously.
- Another contributing factor to finance charges is the reclassification of retirement benefit obligation interest costs in accordance with GRAP 25, this calculation will be done during year end after assessment by Actuarial Report has been completed for the year. Based on performance for 2023/24 for finance charges of R2.6 million this item appears to be under stated and it will be adjusted during an adjustment budget to avoid Unauthorized Expenditure.

Contracted Services

- Contracted services expenditure is reflecting an underspending of -4 percent or R1.3 million from YTD budget of R32.0 million against the YTD actual of R30.8 million, variance is within the projected budget as planned projects have been implemented as per the approved procurement plan.
- Based on performance reported for mid-year and disasters that the municipality has experienced during December 2023, this line item will be adjusted during an adjustment budget, as other projects relates to contracted services such as hiring of plant and equipment.

Irrecoverable debts written off

- Irrecoverable debts written off is within the projected budget of R3,8 million, this is due to result of Indigents and untraceable debtors which have been written off within the 1st half of this financial year. The municipality has been in the process of data cleansing, and we have discovered deceased accounts, liquidated companies etc.
- Budget allocated within this item will remain the same during an adjustment budget.

Operational Cost

- Other expenditure has overspent by 23 percent or R5.5 million from YTD budget of R24.3 million against the YTD actual of R29.9 million, variance is due to activities that that took place in the 1st half of the financial year and the decision the municipality took on implementation of cost cutting measures so as to improve the municipal cash flows. Most of other expenditure items will take place during the second half of the year.

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

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

Losses on Disposal of Assets

Losses on disposal of assets reflects no performance in the 1st half of this financial year. This is because the planned auction to dispose assets has been scheduled for the month of January.

Budget allocated for this item will remain the same during an adjustment budget.

Other Losses

Losses of R60 thousand reported as at mid-year is due to write off of Inventory items. This item was not budgeted for initially this will then be adjusted during an adjustment budget and consider actual reported in prior year audited AFS 2022/23.

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

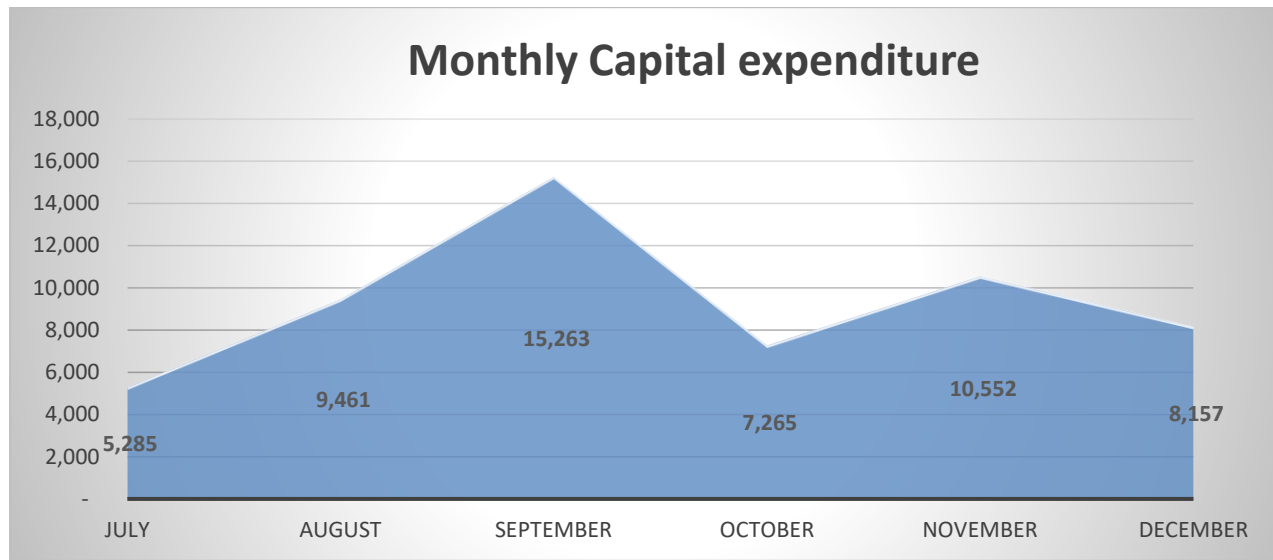
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December									
Vote Description	Ref	2022/23	Budget Year 2023/24						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Multi-Year expenditure appropriation	2								
Single Year expenditure appropriation	2								
Vote 1 - Executive and council		–	1,843	–	93	922	(829)	-90%	1,843
Vote 2 - Finance and administration		34,353	21,225	629	5,997	10,613	(4,615)	-43%	21,225
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social services		21,438	2,304	43	506	1,152	(646)	-56%	2,304
Vote 5 - Sport and Recreation		(4,264)	15,205	138	1,364	7,602	(6,239)	-82%	15,205
Vote 6 - Public safety		–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		11,028	16,435	1,175	6,492	8,217	(1,725)	-21%	16,435
Vote 9 - Road transport		4,857	79,374	5,658	21,328	39,456	(18,128)	-46%	79,374
Vote 10 - Energy sources		5,903	2,957	513	593	1,709	(1,116)	-65%	2,957
Vote 11 - Waste Management		–	4,602	–	4,864	2,301	2,563	111%	4,602
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945
Total Capital Expenditure		73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945
Capital Expenditure - Functional Classification									
Governance and administration		34,353	23,069	629	6,090	11,534	(5,444)	-47%	23,069
Executive and council		–	1,843	–	93	922	(829)	-90%	1,843
Finance and administration		34,353	21,225	629	5,997	10,613	(4,615)	-43%	21,225
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		17,174	17,509	181	1,870	8,755	(6,885)	-79%	17,509
Community and social services		21,438	2,304	43	506	1,152	(646)	-56%	2,304
Sport and recreation		(4,264)	15,205	138	1,364	7,602	(6,239)	-82%	15,205
Public safety		–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
Economic and environmental services		15,885	95,809	6,833	27,821	47,674	(19,853)	-42%	95,809
Planning and development		11,028	16,435	1,175	6,492	8,217	(1,725)	-21%	16,435
Road transport		4,857	79,374	5,658	21,328	39,456	(18,128)	-46%	79,374
Environmental protection		–	–	–	–	–	–	–	–
Trading services		5,903	7,558	513	5,457	4,010	1,447	36%	7,558
Energy sources		5,903	2,957	513	593	1,709	(1,116)	-65%	2,957
Water management		–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–
Waste management		–	4,602	–	4,864	2,301	2,563	111%	4,602
Other		–	–	–	–	–	–	–	–
Total Capital Expenditure - Functiona	3	73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945
Funded by:									
National Government		12,628	55,119	6,181	19,469	27,560	(8,091)	-29%	55,119
Provincial Government		–	478	–	91	239	(148)	-62%	478
District Municipality		–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–
Transfers recognised - capital		12,628	55,598	6,181	19,560	27,799	(8,239)	-30%	55,598
Borrowing	6	0	–	–	–	–	–	–	–
Internally generated funds		60,688	88,347	1,976	21,677	44,174	(22,496)	-51%	88,347
Total Capital Funding		73,316	143,945	8,157	41,237	71,972	(30,735)	-43%	143,945

Capital Expenditure from November 2023:

The capital expenditure budget is R72 million against actual Capital expenditure amounted of R41.2 million resulting in an under performance of (43%) 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.

Capital Expenditure reported as at December 2023



- Capital grants funded by the National Government for MIG actual is R19.7 million versus YTD Budget of R27.6 million as at Dcember 2023. Variance of -R8.1 million or -29 per cent is due to expenditure incurred from MIG, further to that it should be noted that no expenditure has been incurred to Disaster Relief Grant as the appointments are still undergoing SCM processes.
- Capital grants funded by Provincial Government actual is R91 thousand versus YTD Budget of R239 thousand as at November 2023 variance of 62% reflects an underspending on of R148thousand in this grant. There are more goods planned to be procured.
- Capital grants funded Internally generated funds actual is R21.7 million versus YTD Budget of R44.2 million as at November 2023. Variance of -R22.5 million or -51 per cent is due to expenditure incurred further to that it should be noted that there are projects that are still in progress in relation to this funding.

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 - M06 December									
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								
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure		10,468	9,996	1,193	3,658	4,998	1,339	26.8%	9,996
Roads Infrastructure		7,600	5,522	467	1,720	2,761	1,041	37.7%	5,522
Roads		7,470	5,130	467	1,720	2,565	845	32.9%	5,130
Road Structures		59	261	–	–	130	130	100.0%	261
Road Furniture		70	130	–	–	65	65	100.0%	130
Capital Spares		–	–	–	–	–	–	–	–
Storm water Infrastructure		627	1,087	125	582	543	(39)	-7.1%	1,087
Drainage Collection		627	1,087	125	582	543	(39)	-7.1%	1,087
Storm water Conveyance		–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–
Electrical Infrastructure		1,196	2,778	322	885	1,389	504	36.3%	2,778
Power Plants		93	61	–	–	30	30	100.0%	61
HV Substations		–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–
HV Transmission Conductors		–	1,304	–	–	652	652	100.0%	1,304
MV Substations		9	65	–	–	33	33	100.0%	65
MV Switching Stations		–	–	–	–	–	–	–	–
MV Networks		58	87	–	18	43	25	58.5%	87
LV Networks		332	609	178	337	304	(32)	-10.6%	609
Capital Spares		704	652	144	530	326	(204)	-62.6%	652
Information and Communication Infras		1,046	609	279	471	304	(167)	-54.7%	609
Data Centres		–	–	–	–	–	–	–	–
Core Layers		1,046	609	279	471	304	(167)	-54.7%	609
Distribution Layers		–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–
Community Assets		1,089	1,485	8	331	743	412	55.5%	1,485
Community Facilities		52	294	–	8	147	139	94.3%	294
Halls		–	120	–	–	60	60	100.0%	120
Centres		–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–
Libraries		3	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–
Purls		49	174	–	8	87	79	90.4%	174
Public Open Space		–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–
Sport and Recreation Facilities		1,036	1,191	8	322	596	273	45.9%	1,191
Indoor Facilities		–	–	–	–	–	–	–	–
Outdoor Facilities		1,036	1,191	8	322	596	273	45.9%	1,191
Capital Spares		–	–	–	–	–	–	–	–
Other assets		91	70	–	–	35	35	100.0%	70
Operational Buildings		91	70	–	–	35	35	100.0%	70
Municipal Offices		91	70	–	–	35	35	100.0%	70
Pay/Enquiry Points		–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–
Machinery and Equipment		3,970	4,826	834	2,559	2,473	(86)	-3.5%	4,826
Machinery and Equipment		3,970	4,826	834	2,559	2,473	(86)	-3.5%	4,826
Total Repairs and Maintenan	1	15,618	16,377	2,034	6,548	8,248	1,700	20.6%	16,377

KZN 291 Mandeni Municipality **Monthly Budget Statement ended 31st December 2023**
The ratio for Repairs and Maintenance measures the level of repairs to ensure adequate maintenance and to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of service.

PROJECTS STATUS QUO / PROGRESS REPORT AS AT 31 DECEMBER 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.	Consultant Iqhina Consulting Engineers Contractor TBA e.	R2 000 000.00	Planning stage	TBA	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, joints, and terminations as detailed in the electrical bill of quantities.	Consultant: BVI Consulting Contractor: Yakhalungisa Engineering Services	R5,924,861.03	The project is complete.	July 2023	All seven high mast lights have been energized.
----	--	----------------------	---	---	---------------	--------------------------	-----------	---

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
			- 25m high-mast pole including concrete base as detailed in the electrical bill of quantities. - 8 x 400w LED luminaires per mast using an 8-way spigot.					
11	Construction of Hlomendlini Sportfield, Ward 4	4	Site Establishment. Setting out of works. Bulk earthworks to the various elements of infrastructure on side. Construction of a soccer field (110m x 75m). Construction of a combi court (38m x 19.5m). Construction of an ablution facility (10 toilet units), with change rooms (4 toilet units), public toilets (6 toilet units) and office/first aid room including water, sewage, and electrical supply. Construction of a grandstand with a minimum of 5 rows of seats (length of 25m). Installation of fencing including gate house (pedestrian and vehicle gates). Construction of an unpaved parking area.	Consultant: SRK Consulting Contractor: Zithinzuzo Trading Enterprise cc	R8,041,369.71	Project is 49% complete	March 2024	There were delays with the contractor meeting contractual obligations, appointment of the ECO who ensures that the WULA conditions are adhered to on site. Inclement weather conditions have resulted in numerous delays due too wet conditions on site. Boulders has been encountered on site along with double handling of material. Issues relating to the access to the site and other town planning challenges have been resolved and the

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
								contractor is expected to continue after the builders shutdown i.e January 2024
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.	Consultant: Africoast JBFE Project Manager Contractor: R Busisiwe (Pty) LTD	R5,046,311.80	Project is 95% complete.	January 2024	All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, light fittings have been delivered and installation of the light fittings is currently underway.
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.	Consultant: DLV Project Managers & Engineers (Pty) Ltd Contractor: Bheka Phezulu Investments and Sales	R12,748,334.78	Project is 32 % complete.		Project has commenced however there was a bit of a delay at the start due to disputes regarding labour and CLO recruitment, but it was later resolved. Other additional labour was recruited and the

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
								new CLO was appointed.
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.	Consultant: Singh Govender Associates Contractor: MVI-SSSS Trading Enterprise	R16,257,859.82	Project is 30% complete.	April 2024	Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an of R 5 479 308.70 incl vat more than the amount approved by COGTA i.e. Notification of Registration Amount (NOR). Furthermore, we have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
								subsurface ground water levels.
15	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 15		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 (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.	Consultant: Libeko (Pty) Ltd Contractor: Nangu-u-Mzamo Retailers	R10,555,885.48	Project is 35% complete.	February 2024	Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an of R 1 041 525.73 incl vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). The Project delays that were experienced as a result of subcontracting of

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
								works process has been resolved.

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	Consultant: BVI Engineers Contractor: Onombuthu Pty LTD	R1,152,933.57	The project has 105 dry connections ready to be energized. 100% construction progress, energizing currently underway.	January 2024	Delays are due to inexperience of the contractor and the negligence of consultant, not ordering material on time. Further to the above mentioned, Eskom have delayed the project further by not providing the consultant with KCTs to allow for the energization of the households. KCTs were only made available to the consultant on the 6 th of December 2023. Installation of stand numbers is currently

No	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
								underway and the energizing of households.
17	Dendethu / Wetane Electrification Project	5 & 15	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 170 households' connections	Consultant: Veritas Engineers Contractor: Afrilectrical Consulting Engineers	R2,034,054.94	The project is 99% complete.	February 2023	Contractor not cooperating with the clients/consultant, contractor not on site to remove the illegal connections. This project is experiencing delays due to the inefficiency and unwillingness to comply and perform duties effectively by the contractor. The matter has been escalated to the municipal manager to engage with the contractor. Awaiting MMs meeting with the contractor to find a way forward.
18	Emhlangeni Electrification	5	Supply, delivery, installation and	Consultant:	R2,908,456.61	Project is 100% complete.	January 2023	The project has a dependency as per

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 Contractor: R Busisiwe (Pty) LTD				Eskom's Network Planning Report, which is a line upgrade from MV Oak line to MV Chickadee line. This upgrade calls for break-and-build in the same servitude because of space constraints. The break-and-build requires the line to be dead, this then necessitates the booking of outages from the commencement of the project to do the upgrade as there are no connections to be added in the network before the line has been upgraded. Eskom to rectify the issue of an incorrect prefix that they issued and to provide a date for an outage.

2022/2023 FINANCIAL YEAR INTERNALLY FUNDED CAPITAL PROJECTS								
No.	Project Name	Ward	Brief Description	Consultant & Consultant	Approved Internal Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
19	Construction of DLTC and DMC Administration Offices - Phase 1	3	Construction of a Drivers Licence Testing centre administration offices and Testing Ground	Consultant: Nzamakhuze Holdings Contractor: Mlombomvu Projects CC	R14,017,239.00	Project is 91% Complete.	July 2023 EOT – 15 December 2023	The contractor is progressing very slow they did not finish the work with the granted extension of time which ended on 15 December 2023.
20	Repair and Renovation of Civic Centre and Roof Replacement	3	Replacement of Existing roof. Replacing existing ceiling. Treatment of Rising damp by Specialists. Installation of Energy saving Components and the replacement of all existing Electrical Components and Wiring. Upon	Consultant: LZM Africa Holdings Contractor: Uhlanga Trading Enterprise	R10,993,497.45	Project is 79% complete	February 2024	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. We anticipate the commencement of relocation of phase 2 at

			<p>Replacement of Existing Roofs, The networking and Security cabling will be exposed to damages therefore re-routing and the installation of cable trays is recommendable. Damaged Walls with visible rising damp has to restored and re-painted.</p>					<p>the end of October 2023 which will then give us a projected completion date of February 2024.</p>
21	Construction of Mechanical Workshop	3	<p>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,</p>	<p>Consultant: Ukwakha Consulting Engineers Contractor: Bheka Phezulu Investments and Sales</p>	R16,996,962.19	Project is 46% complete		<p>The work did not progress very well in December 2023 due to inclement weather conditions.</p>

			<p>installation of water and sewer, installation of electrical, mechanical and associated works.</p> <p>The site comprises an abundant building that will be demolished and an area to be used for the construction of the new office block.</p>					
--	--	--	--	--	--	--	--	--

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
22	Khenana Electrification Phase 5	10	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 100 households' connections	<p>Consultant: Veritas Engineers</p> <p>Contractor: Godide Engineering Services (Pty)</p>	R1,783,633.26	Project is 99% complete.	January 2024	Construction on site have been completed, meter delivery delayed by 6 weeks. Meters have been delivered and installed, delays from Eskom in providing KCTs and to capture SLDs.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
								Eskom has still not captured the SLDs and as a result we can't book an outage. KCTs were only provided by Eskom on the 7 th of December 2023.
23	Mantshangula/ Mhlubulweni Electrification	2 and 9	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	Consultant: PSMT Consulting Engineers Contractor: R Busisiwe (PTY) LTD	R 3,906,727.96	Excavation, planting of MV and LV poles, stringing of LV bundle conductor and MV Fox conductor.	March 2024	Appointment letter has been signed by the appointed contractor, kick-off meeting was held on the 10th of October 2023. Project launch was held on the 20th of October 2023. Expected start date for physical construction is the 6th of November 2023 and the anticipated completion date is the 6 of March 2024. On the 17 th of November 2023, A week after the contractor had

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
								commenced with construction on site, the project was stopped by the traditional council. This delayed the project by two weeks, the construction on site resumed on site on the 8 th of December 2023.

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.	Consultant: Libeko (Pty) Ltd Contractor: Msebe Contracting and Trading cc	R3,665,502.91	Project is 5% complete	February 2024	The Contractor was appointed on 30 November 2023. The project was launched and site handover was done. The contractor will resume with the construction work in January 2024.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(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. (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					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			with associated catch pits and headwalls (k) Installation of subsoil (l) Installation of signages (m) Cleaning of road reserve					
25	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.	Consultant: Libeko (Pty) Ltd Contractor: Musa and Sons Trading Enterprise Pty Ltd	R2,657,657.41	Project is 0% complete	February 2024	The Contractor was appointed on 5 December 2023. The project was launched and site handover was done. The contractor will resume with the construction work in January 2024.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(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) 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					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(n) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (o) Installation of subsoil (p) Road Marking (q) Installation of signages (r) Cleaning of road reserve					
26	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	Consultant: Libeko (Pty) Ltd Contractor: Humble Frank Multi Service	R3,905,945.04	Project is 5% complete	February 2024	The Contractor was appointed on 30 November 2023. The project was launched and site handover was done. The contractor will resume with the construction work in January 2024.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			layer material from commercial source. (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					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(l) Installation of subsoil (m) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (O) Installation of signages (p) Cleaning of road reserve					
27	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	Consultant: Libeko (Pty) Ltd Contractor: Sukoluhle Trading Enterprise	R4,653,370.55	Project is 5% complete	February 2023	The Contractor was appointed on 30 November 2023. The project was launched and site handover was done. The contractor will resume with the construction work in January 2024.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			layer material from commercial source. (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.					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(k) Construction of stone pitching. (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					

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December
5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December									
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									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		223,519	244,496	76,941	182,941	122,248	512	0.4%	241,943
EPWP Incentive	-	2,435	2,553	-	1,788	1,277	512	40.1%	-
Finance Management	-	1,850	1,850	-	1,850	925			1,850
Integrated National Electrification P	-	6,416	7,384	-	4,300	3,692			7,384
Local Government Equitable Share	-	212,818	230,823	76,941	173,117	115,412			230,823
Municipal Infrastructure Grant	-	-	1,886	-	1,886	943			1,886
	3								
Other transfers and grants [insert description]									
Provincial Government:		53,711	19,429	-	4,863	1,937	2,927	151.1%	-
KwaZulu-Natal_Infrastructure_Infra	-	50,633	15,556	-	-	-	7,778	100.0%	-
EDTEA					990				
	4								
LIBRARY GRANT		3,078	3,873		3,873	1,937	1,937	100.0%	
Other transfers and grants [insert description]									
Total Operating Transfers and Grants	5	277,231	263,925	76,941	187,180	124,184	3,438	2.8%	241,943
Capital Transfers and Grants									
National Government:		42,232	47,831	-	29,114	23,916	5,198	21.7%	50,384
Municipal Infrastructure Grant (MIC)	-	42,232	47,831	-	29,114	23,916	5,198	21.7%	47,831
Integrated National Electrification P	-	-	-	-	-	-			2,553
Other capital transfers [insert description]									
Provincial Government:		-	550	-	550	275	275	100.0%	5,413
KwaZulu-Natal_Capacity Building	-	-	550	-	550	275	275	100.0%	5,413
Total Capital Transfers and Grants	5	42,232	48,381	-	29,664	24,191	5,473	22.6%	55,797
TOTAL RECEIPTS OF TRANSFERS	5	319,463	312,306	76,941	216,844	148,375	8,911	6.0%	297,740

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December									
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:		246,583	244,496	56,311	265,647	122,248	143,399	117.3%	11,120
Expanded Public Works Programme	_	2,435	2,553	341	1,670	1,277	393	30.8%	-
Integrated National Electrification Programme	_	6,416	7,384	492	2,283	3,692	(1,409)	-38.2%	7,384
Local Government Financial Management	_	185	1,850	71	1,244	925	319	34.5%	1,850
Municipal Disaster Relief Grant	_	20,015	-	-	-	-	-	-	-
Municipal Infrastructure Grant	_	4,713	1,886	256	1,184	943	241	25.6%	1,886
EQUITABLE SHARE		212,818	230,823	55,150	259,266	115,412	143,855	124.6%	
Other transfers and grants [insert description]									
Provincial Government:		18,634	19,429	1,607	3,338	9,715	(6,376)	-65.6%	-
KwaZulu-Natal Infrastructure Infrastructure RECEIPTS									
KwaZulu-Natal	_	15,556	15,556	1,354	1,524	7,778	(6,254)	-80.4%	-
0									
LIBRARY GRANT		3,078	3,873	253	1,815	1,937	(122)	-6.3%	
Other transfers and grants [insert description]									
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
Other Transfers Public Corporation	_	-	-	-	-	-	-	-	-
[insert description]									
Total operating expenditure of Transfers and Grants		265,217	263,925	57,917	268,986	131,962	137,023	103.8%	11,120
Capital expenditure of Transfers and Grants									
National Government:		40,583	47,831	5,817	16,349	23,916	(7,567)	-31.6%	50,384
Integrated National Electrification Programme	_	-	-	-	-	-	-	-	2,553
Municipal Infrastructure Grant	_	40,583	47,831	5,817	16,349	23,916	(7,567)	-31.6%	47,831
0									
0									
Other capital transfers [insert description]									
Provincial Government:		-	550	-	104	2,706	(2,602)	-96.1%	5,413
KwaZulu-Natal	_	-	550	-	104	2,706	(2,602)	-96.1%	5,413
0									
District Municipality:		-	-	-	-	-	-	-	-
0									
Other grant providers:		-	-	-	-	-	-	-	-
0									
Total capital expenditure of Transfers and Grants		40,583	48,381	5,817	16,453	26,622	(10,169)	-38.2%	55,797
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		305,800	312,306	63,734	285,439	158,584	126,854	80.0%	66,917

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December														
Description	NT Code	Budget Year 2023/24									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from	1300	4,030	795	410	186	105	103	8	3,015	8,653	3,417	-	-	
Receivables from Non-exchange T	1400	3,927	3,242	3,070	1,934	908	(127)	7,100	56,494	76,549	66,310	-	-	
Receivables from Exchange Trans	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Trans	1600	1,143	993	919	921	823	842	5,416	54,488	65,544	62,490	-	-	
Receivables from Exchange Trans	1700	8	4	4	6	10	10	50	244	336	320	-	-	
Interest on Arrear Debtor Accounts	1810	455	827	314	293	948	309	2,052	29,779	34,977	33,380	-	-	
Recoverable unauthorised, irregul	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	21,593	21,593	21,593	-	-	
Total By Income Source	2000	9,563	5,861	4,718	3,340	2,795	1,137	14,626	165,612	207,651	187,510	-	-	
2022/23 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	510	269	262	(42)	(875)	(23)	1,176	21,001	22,278	21,237	-	-	
Commercial	2300	5,999	2,686	1,541	664	881	94	2,207	17,861	31,932	21,707	-	-	
Households	2400	2,932	2,782	2,799	2,600	2,674	951	10,335	124,443	149,517	141,004	-	-	
Other	2500	122	124	116	117	116	115	907	2,307	3,924	3,562	-	-	
Total By Customer Group	2600	9,563	5,861	4,718	3,340	2,795	1,137	14,626	165,612	207,651	187,510	-	-	

The total Consumer debtors outstanding as 31st December 2023 is **R 207,7 million**

- Debt book indicates 13% increase from to 1st July 2022 to 31st December 2023, the debt book is very high.
- Debtors collection rate at December 2023 is 91%
- 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.

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December

- 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.

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December
Planned Interventions to Increase Collections (Property rates and Service Charges)

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

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

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

DISCONNECTIONS					
ACCOUNT	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
002600432	MANDINI	1426 EXT. 0	ASSOCIATED SPINNERS	RATES/ELEC	-
008400851	MANDINI	835	ELASTICO	RATES/ELEC	5740.56
009600501	MANDINI	699	MR EUSHEN	RATES/ELEC	110731.65
008800681	MANDINI	98	MR GETKATE	RATES/ELEC	11961.42
003000102	MANDINI	307	MR MBUYISA	RATES/ELEC	12613.04
002800131	MANDINI	448 EXT. 00	MR MVULA	RATES/ELEC	9306.72
002300031	MANDINI	746 EXT. 00	MR MCHUNU X S	ELECTRICITY	826.74
009907461	MANDINI	746 EXT. 00	MR MCHUNU X S	RATES/ELEC	2931.55
002601032	MANDINI	805 EXT. 00	MR BUTHELEZI	ELECT.	
8000421	MANDINI	805 EXT. 00	MR BUTHELEZI	RATES/ELEC	5417.09
008801301	MANDINI	77	MR PIETERS	RATES/ELEC	3544.51
002701212	MANDINI	28	MS NTULI	RATES/ELEC	23576.91
008903411	MANDINI	469 EXT. 00	MR RADEBE L P	RATES/ELEC	77075.95
002900232	MANDINI	911 EXT. 00	MR RADEBE	RATES/ELEC	70265.19
002700941	MANDINI	46 EXT. 090	MR KUBHEKA	RATES/ELEC	392.29
002701091	MANDINI	405 EXT. 00	MS HORSLEY-DALIL	RATES/ELEC	25076.81
009300771	MANDINI	786/02 FLA	MR FOURIE	RATES/ELEC	3335.43
002800902	MANDENI	786/10 FLA	MR GOPAL	RATES/ELEC	5946.89
TOTAL					168,323.59

Figure 9

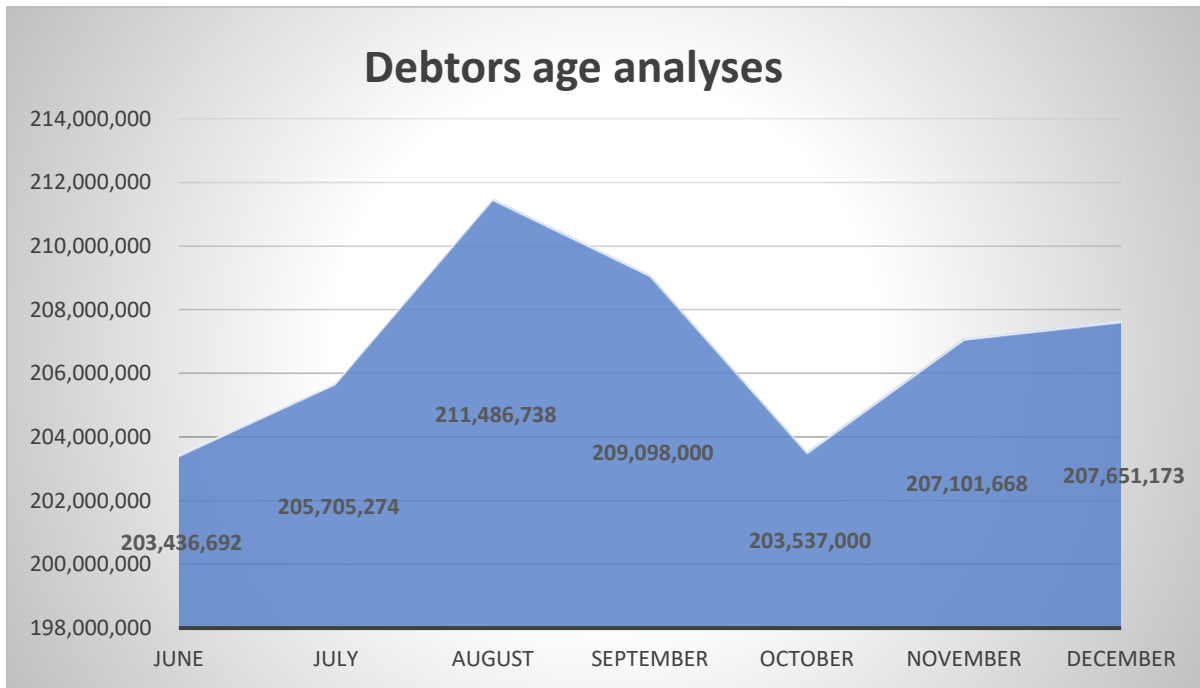
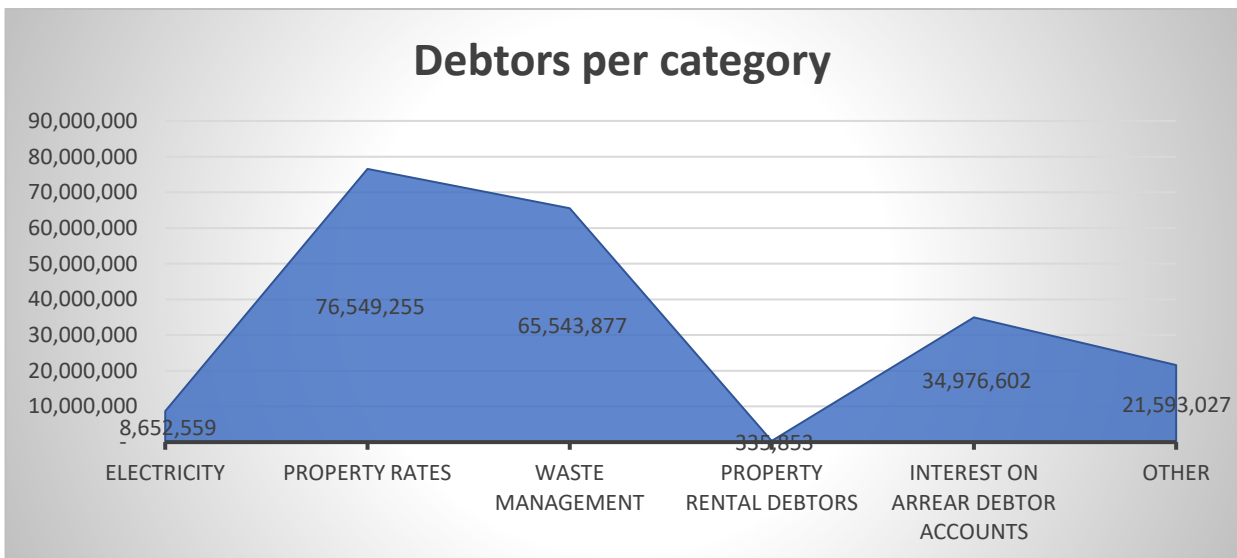
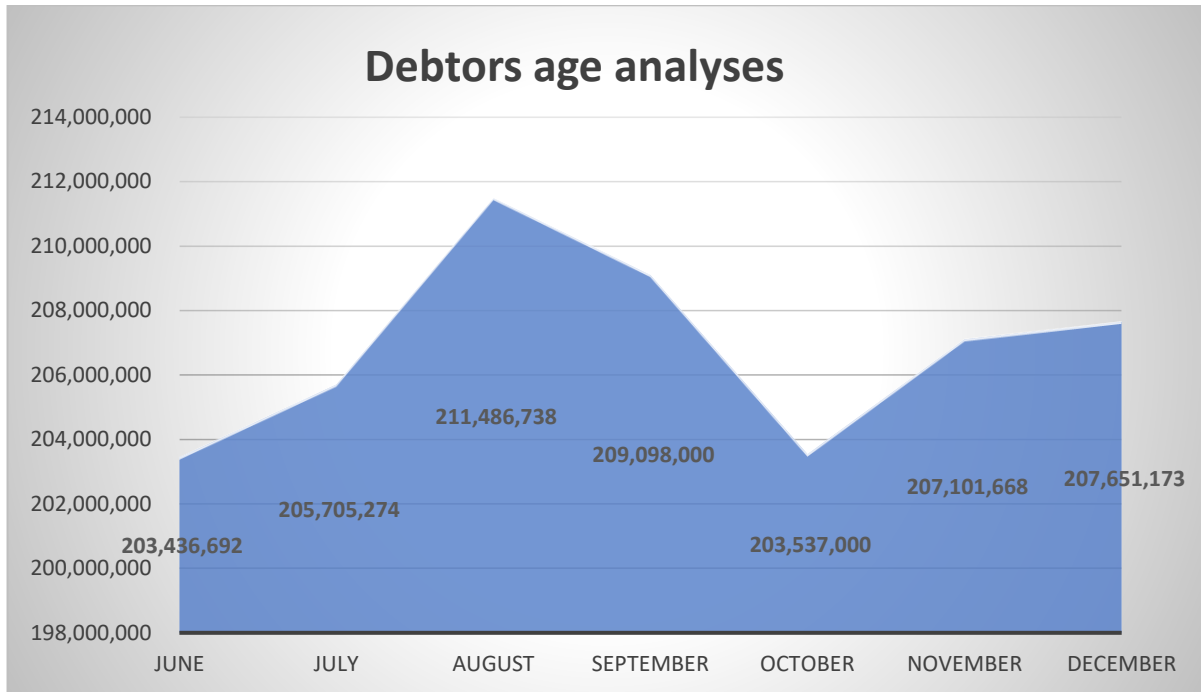


Figure 10



The municipal debtors have increased from R205.7 million to R 207.6 million that is from July until 31st December 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 July – December 2023**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at December 2023 is R 226657.21
- Staff Accounts in arrears as at December 2023 is R 71011.67

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

4. CREDITOR’S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description	NT Code	Budget Year 2023/24									Prior year totals for chart
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductio	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	123	-	-	-	-	-	-	-	123	123
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	123	-	-	-	-	-	-	-	123	123

- Creditors as of 31st December 2023 amounts to **R123 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 1 810 854.60
EMALANGENI	R 1 186 959.95
RURAL METRO	R 401 018.60
SQUARE METER	
MTHULI TRADING	R 83 121.36
EZAMALUNQA	R1 327 592.19
KING CETSHWAYO	R 139 980.98
ILEMBE DISTRICT	
CCG TECHNOLOGY	R 421 586.01
CONLOG	R 287 395.59

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 31st December 2023

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M06 December					
Description	Ref	2022/23	Budget Year 2023/24		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands	1				
ASSETS					
Current assets					
Cash and cash equivalents		254,613	116,789	323,181	116,789
Trade and other receivables from exchange transactions		53,837	8,376	53,193	8,376
Receivables from non-exchange transactions		(67,991)	21,324	(87,702)	21,324
Current portion of non-current receivables		–	–	–	–
Inventory		42,752	739	43,029	739
VAT		5,511	30,621	2,566	30,621
Other current assets		225	–	225	–
Total current assets		288,947	177,849	334,492	177,849
Non current assets					
Investments		–	–	–	–
Investment property		60,544	88,164	60,544	88,164
Property, plant and equipment		541,873	652,214	566,654	652,214
Biological assets		–	–	–	–
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		331	423	304	423
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–
Other non-current assets		–	–	–	–
Total non current assets		602,748	740,801	627,502	740,801
TOTAL ASSETS		891,695	918,651	961,994	918,651
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		4,762	–	4,762	–
Consumer deposits		216	245	212	245
Trade and other payables from exchange transactions		41,741	35,888	19,330	35,888
Trade and other payables from non-exchange transactions		25,789	20,275	40,876	20,275
Provision		3,815	4,872	3,815	4,872
VAT		1,969	9,818	1,712	9,818
Other current liabilities		–	–	–	–
Total current liabilities		78,293	71,097	70,708	71,097
Non current liabilities					
Financial liabilities		–	–	–	–
Provision		–	–	–	–
Long term portion of trade payables		–	–	–	–
Other non-current liabilities		17,730	22,795	17,730	22,795
Total non current liabilities		17,730	22,795	17,730	22,795
TOTAL LIABILITIES		96,023	93,892	88,437	93,892
NET ASSETS	2	795,672	824,758	873,557	824,758
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		593,000	822,568	670,885	822,568
Reserves and funds		202,672	2,191	202,672	2,191
Other		–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	795,672	824,758	873,557	824,758

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December

Current ratio: The municipality's current assets are 6 (six) times that of current liabilities.
4.73:0.21

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 4.73 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 four 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 91 percent.

Collection days: 983 days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at first quarter is 91 %

	9 Month
Cash and cash equivalents	10,314,493
Unspent Conditional Grants	40,476,076
Overdraft	-
Short Term Investments	326,440,118
Total Annual Operational Expenditure	402,121,000

	4.73
Current Assets	334,492,311
Current Liabilities	70,707,546

	0 days
Trade Creditors	122,820
Contracted Services	30,749,241
Repairs and Maintenance	6,548,102
General expenses	29,654,250
Bulk Purchases	24,609,399
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	40,649,075

KZN 291 Mandeni Municipality**Monthly Budget Statement as at 31st December**

	35%
Employee/personnel related cost	60,714,954
Councillors Remuneration	7,840,582
Total Operating Expenditure	194,007,203
Taxation Expense	-

	16%
Contracted Services	30,749,241
Total Operating Expenditure	194,007,203
Taxation Expense	

	91%
Gross Debtors closing balance	207,587,759
Gross Debtors opening balance	203,310,845
Bad debts written Off	1,392,595
Billed Revenue	63,583,234

	4%
Consumer Debtors Bad debts written off	1,392,595
Consumer Debtors Current bad debt Provision	36,349,668

	983 days
Gross debtors	207,587,759
Bad debts Provision	36,349,668
Billed Revenue	63,583,234

	1%
Total Repairs and Maintenance Expenditure	6,548,102
PPE at carrying value	566,653,600
Investment Property at Carrying value	60,544,000

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31st December 2023

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(31,470)	26,698	-	4,812	12,709	13,349	(640)	-5%	26,698
Service charges		(61,026)	62,465	-	4,826	38,980	31,233	7,747	25%	62,465
Other revenue		12,199	18,972	-	2,434	15,185	9,486	5,699	60%	18,972
Transfers and Subsidies - Operational		334,785	249,359	-	76,317	180,004	124,679	55,325	44%	249,359
Transfers and Subsidies - Capital		(88,617)	48,381	-	-	31,550	24,191	7,359	30%	48,381
Interest		23,867	10,500	-	2,861	16,282	5,250	11,032	210%	10,500
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(22,044)	(341,895)	-	(101,732)	(178,482)	(162,872)	15,610	-10%	(341,895)
Finance charges		-	(100)	-	-	(31)	(50)	(19)	38%	(100)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		167,695	74,381	-	(10,482)	116,198	45,266	(70,931)	-157%	74,381
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(376,184)	(165,536)	-	(9,381)	(47,423)	(82,768)	(35,346)	43%	(165,536)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(376,184)	(165,536)	-	(9,381)	(47,423)	(82,768)	(35,346)	43%	(165,536)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	(14)	(118)	-	(118)	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	(14)	(118)	-	118	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(208,489)	(91,156)	-	(19,876)	68,657	(37,502)			-
Cash/cash equivalents at beginning:		82,988	(207,979)	-	-	254,524	(207,979)			254,524
Cash/cash equivalents at month/year end:		(125,502)	(299,135)	-	-	323,181	(245,481)			-

Cash and cash equivalent at the beginning of 2022/23 financial year was R254.5 million as per pre-audited AFS and cash and cash equivalent at the end of 31st December 2023 is R323.2 million. Table C7 shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Revenue -Receipts


- Property rates collection rate to date is 72% or R21.5 million of the billed revenue as at December 2023. The municipality is implementing strategies as per credit control and debt collection policy which has ensured that there is improved collection.
- Service Charges: Electricity and Refuse is 118% or R31.8 million of billed revenue as at December 2023 collection rate is within the limits of budgeted collection rate.
- Other Revenue collected to date is R2.2 million, which is due to collection of rentals of properties, licenses and permits and other sources of revenue. Further to that the additional revenue from VAT refunds received as at December for R13.8 million.
- Government Operating received to date as at December 2023 is R178.4 million of grants received as published in DORA
- Government Capital: received to date is R31.0 million for MIG Grant, as the first trench has been transferred.
- Interest earned on external investments amounts to R14.1 million in comparison with the year-to-date budget of R5.3 million. Variance is due to interest generated from invested funds. An adjustment of this line item will be considered in the Budget review.

Payments

- Suppliers and employees for cash outflows of R178.5 million does not correspond with table A4 as it has also considered payments for prior year creditors of R17.3 million as per the 2022/23 pre-audited AFS which were paid in this current financial year. Further to that suppliers and employees cash flow have included INEP payments of R2.3 million as we adhere to GRAP 109 as the municipality serves as an agent.
- Finance charges reflect an under performance by 31 percent or R19 thousand against YTD actual of R31 thousand.
- Capital Assets of R 47.4million for the month of December 2023 with VAT included and, where C5 excludes VAT. The monthly expenditure for Capex is R8.2million.

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December

6.1. BANK RECONCILIATION STATEMENT AS AT DECEMBER 2023

		Mandeni Municipality	
BANK RECONCILIATION STATEMENT FOR DECEMBER 2023			
Main Account :52940480587			
Opening FNB Bank Balance as on 1 DECEMBER 2023		2,802,384.22	2,802,384.22
PLUS: Deposits Banked		10,400,636.04	
PLUS: Interest received		14,695.37	
PLUS: Transfers In		36,477,830.39	
PLUS:Interest received From Call 1		336,081.74	
PLUS:Unpaid		1,668.57	
PLUS: MATURED INVESTMENTS		-	
PLUS: SARS REFUND		2,433,997.98	
PLUS: GRANTS RECEIVED		76,317,000.00	
Total Deposits		125,981,910.09	125,981,910.09
Less:Total payments	-	118,469,853.95	- 118,469,853.95
LESS: EFT Payments	-	41,273,390.78	
LESS: Bank Charges	-	21,532.57	
LESS: Cheques Paid Out	-	-	
LESS: Transfers Out	-	76,317,000.00	
LESS: NEW INVESTMENTS	-	-	
LESS: Debit Orders	-	857,930.60	
Closing FNB Bank Balance as on 31 DECEMBER 2023			10,314,440.36
Cashbook Reconciliation for 31 DECEMBER 2023			
Cashbook Balance as on 1 DECEMBER 2023-D0001/IA09567/F0001/X049/R0099/001/FIN		1,728,406,908.34	
Less:Cashbook Balance as on 1 DECEMBER 2023-D0001/IA09850/F0001/X049/R0099/001/FIN	-	1,724,808,480.11	
PLUS: Deposits Banked for DECEMBER 2023		10,402,304.61	
LESS: EFT Payments for DECEMBER 2023	-	41,461,647.08	
Plus :NOVEMBER 2023 outstanding (reconciled)		-	
Less: Bank Charges to date	-	1,250,418.87	
PLUS: Grant received		76,317,000.00	
Less : New investment		-	
Less: Payments not yet paid during DECEMBER 2023		-	
PLUS: Interest received to date		447,590.00	
PLUS:Interest received From Call 1-DECEMBER 2023		336,081.74	
PLUS MATURED INVESTMENT		-	
PLUS :SARS REFUND		2,433,997.98	
PLUS :TRANSFER IN		36,477,830.39	
LESS:TRANSFER OUT	-	76,317,000.00	
LESS: Debit Orders for DECEMBER 2023	-	857,930.60	
Closing Cashbook Balance as on 31 DECEMBER 2023		10,126,236.40	10,126,236.40
			188,256.30
Reconciling Items	Amount		
ADD: Journal Debits - on Cashbook not on Bank Statement		188,256.30	
Corrections to be made		-	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 DECEMBER 2023			10,314,492.70
MONTH END BALANCE PER BANK STATEMENT- 31 DECEMBER 2023			10,314,440.36
DIFFERENCE			52.34

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December
6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as at 31st December 2023

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Interest Rate ³	Opening balance	Interest to be realised	Partial / Prematur e Withdraw al (4)	Investm ent Top Up	Closing Balance
R thousands		Yrs/Months							
Municipality									
call 1-internal grant		12months	CALL ACCOUNT	2.45	3,629	2,094	(28,336)	76,317	51,946
Call account 2 -HOUSING		12months	CALL ACCOUNT	2.45	2,046	72	-	-	2,057
Call account 3-MIG		12months	CALL ACCOUNT	2.45	17,691	604	(5,714)	-	12,066
Call account 5-TMT		12months	CALL ACCOUNT	2.45	458	15	(0)	6	466
Call account 6-INEP		12months	CALL ACCOUNT	2.45	2,110	60	(944)	-	1,174
Call account 7-AR		12months	CALL ACCOUNT	2.45	2,164	80	(587)	-	1,577
Call account 8- Title Deed		12months	CALL ACCOUNT	2.45	5,722	205	-	-	5,757
Call account 9-Disaster Recovery		12months	CALL ACCOUNT	6.7	15,837	569	(1,233)	-	14,698
NEDBANK		549 DAYS	INVESTMENT	8.8	65,000	2,837	(65,000)	-	-
NEDBANK		336 DAYS	INVESTMENT	10.27	100,000	5,008	-	-	100,000
NEDBANK		332 DAYS	INVESTMENT	9.8	50,000	2,054	-	-	50,000
					-	54		73,620	73,620
									-
									-
									-
									-
Municipality sub-total					264,657	13,654	(101,814)	149,943	313,362
TOTAL INVESTMENTS AND INTEREST	2				264,657	13,654	(101,814)	149,943	313,362

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December
7. MONTHLY BUDGET STATEMENT - Employee costs and councilors benefits (Section 66 MFMA)

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December									
Summary of Employee and Councillor remuneration	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	A	B						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		12,098	12,989	1,088	6,747	6,494	252	4%	12,989
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Motor Vehicle Allowance		543	636	43	271	318	(47)	-15%	636
Cellphone Allowance		1,502	1,591	134	735	796	(61)	-8%	1,591
Housing Allowances		182	244	13	88	122	(34)	-28%	244
Other benefits and allowances		-	-	-	-	-	-	-	-
Sub Total - Councillors		14,325	15,460	1,278	7,841	7,730	111	1%	15,460
% increase	4		7.9%						7.9%
Senior Managers of the Municipality									
Basic Salaries and Wages	3	4,204	5,602	316	1,814	2,801	(987)	-35%	5,602
Pension and UIF Contributions		1	11	-	0	5	(5)	-94%	11
Medical Aid Contributions		-	-	-	15	-	15	#DIV/0!	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		583	476	-	-	238	(238)	-100%	476
Motor Vehicle Allowance		645	773	60	313	386	(73)	-19%	773
Cellphone Allowance		182	186	24	118	93	25	27%	186
Housing Allowances		256	265	9	45	132	(87)	-66%	265
Other benefits and allowances		1	1	34	103	1	102	13370%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	1,443	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7,316	7,314	443	2,409	3,657	(1,248)	-34%	7,314
% increase	4		0.0%						0.0%
Other Municipal Staff									
Basic Salaries and Wages		74,961	89,913	6,926	40,605	44,957	(4,351)	-10%	89,913
Pension and UIF Contributions		12,303	14,704	1,114	6,610	7,352	(743)	-10%	14,704
Medical Aid Contributions		5,426	5,886	506	2,994	2,943	50	2%	5,886
Overtime		2,388	1,716	223	1,182	858	324	38%	1,716
Performance Bonus		6,078	6,209	413	2,832	3,104	(272)	-9%	6,209
Motor Vehicle Allowance		4,672	5,239	378	2,409	2,619	(210)	-8%	5,239
Cellphone Allowance		530	526	50	312	263	49	19%	526
Housing Allowances		306	345	25	164	172	(9)	-5%	345
Other benefits and allowances		828	765	88	480	383	98	25%	765
Payments in lieu of leave		2,636	2,591	-	684	1,295	(611)	-47%	2,591
Long service awards		962	1,341	33	134	671	(536)	-80%	1,341
Post-retirement benefit obligations	2	(1,651)	4,872	-	-	2,436	(2,436)	-100%	4,872
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		109,438	134,106	9,755	58,405	67,053	(8,648)	-13%	134,106
% increase	4		22.5%						22.5%
Total Parent Municipality		131,079	156,880	11,476	68,655	78,440	(9,786)	-12%	156,880
			19.7%						19.7%
TOTAL SALARY, ALLOWANCES & BENEFITS		131,079	156,880	11,476	68,655	78,440	(9,786)	-12%	156,880
% increase	4		19.7%						19.7%
TOTAL MANAGERS AND STAFF		116,754	141,420	10,198	60,814	70,710	(9,896)	-14%	141,420

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

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
<u>Borrowing Management</u>							
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%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		11.3%	9.6%	0.0%	9.5%	9.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	369.1%	250.2%	0.0%	473.1%	250.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		325.2%	164.3%	0.0%	457.1%	164.3%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		-3.5%	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%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		29.1%	37.0%	0.0%	23.7%	37.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.9%	4.3%	0.0%	2.6%	4.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.2%	9.3%	0.0%	0.0%	4.1%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN 291 Mandeni Municipality Monthly Budget Statement as at 31st December

Tel 032 456 8200

Fax 032 456 2504 / 086 568 9741

Email ceo@mandeni.gov.za

2 Kingfisher Road, Mandeni, KwaZulu Natal, 4490, South Africa

PO Box 144, Mandeni, 4490

www.mandeni.gov.za

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 **December 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 January 2023**