

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

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

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/24 BUDGET FOR THE PERIOD ENDING 30 JUNE 2024.

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 30 June 2024 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 30 June 2024 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 Managers quality certificate

1.1 FINANCIAL PERFORMANCE

BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M12 June									
Description	2022/23 Audited Outcome	Budget Year 2023/24							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Total Revenue (excluding capital transfers and	401 560	382 369	418 730	13 915	416 234	418 730	(2 496)	-1%	382 369
Total Expenditure	340 534	402 121	439 037	41 733	402 379	439 187	(36 808)	-8%	402 121
Surplus/(Deficit)	61 026	(19 752)	(20 307)	(27 817)	13 856	(20 457)	34 313	-168%	(19 752)
Transfers and subsidies - capital (monetary allocations)	45 387	48 381	60 292	7 677	50 279	60 292	(10 013)	-17%	48 381
Transfers and subsidies - capital	—	—	—	—	—	—	—		—
Surplus/(Deficit) after capital transfers & contributions	106 413	28 629	39 985	(20 141)	64 135	39 835	24 300	61%	28 629
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—		—
Surplus/ (Deficit) for the year	106 413	28 629	39 985	(20 141)	64 135	39 835	24 300	61%	28 629
Capital expenditure & funds sources									
Capital expenditure	73 316	143 945	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945
Capital transfers recognised	12 628	55 598	52 428	4 618	50 689	52 428	(1 739)	-3%	55 598
Borrowing	0	—	—	—	—	—	—		—
Internally generated funds	60 688	88 347	87 356	20 197	80 164	87 356	(7 192)	-8%	88 347
Total sources of capital funds	73 316	143 945	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945

As can be seen from the table above, Actual surplus for the period ended 30th JUNE 2024 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 30th JUNE 2024 (year to date actual), shows a surplus of R64.1million against YTD budget of R39.8 million which reflects variance of more than 100%.

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

All the investment has matured and paid out on the 30th June 2024, total investment with interest amounted to R230,996,711.92

1.2 Monthly Budget statement Summary M12-JUNE 2024

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M12 June									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	50 660	59 329	59 329	(53)	51 151	59 329	(8 178)	-14%	59 329
Service charges	61 440	63 657	72 787	7 521	74 925	72 787	2 138	3%	63 657
Investment revenue	20 010	—	—	—	—	—	—	—	—
Transfers and subsidies - Operating	20 010	10 500	23 500	1 437	26 748	23 500	3 248	14%	10 500
Other own revenue	249 438	248 882	263 113	5 010	263 410	263 113	297	0%	—
capital transfers and contributions)	401 560	382 369	418 730	13 915	416 234	418 730	(2 496)		382 369
Employee costs	116 754	141 420	141 563	11 390	126 553	141 563	(15 010)	-11%	141 420
Remuneration of Councillors	14 325	15 460	15 460	1 214	14 564	15 460	(896)	-6%	15 460
Depreciation and amortisation	32 437	35 534	35 534	—	30 671	35 534	(4 863)	-14%	35 534
Interest	325	100	3 300	—	137	3 300	(3 163)	-96%	100
Inventory consumed and bulk purchase	49 664	51 014	55 837	9 789	58 475	55 837	2 638	5%	51 014
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	127 029	158 592	187 342	19 340	171 979	187 492	(15 513)	-8%	158 592
Total Expenditure	340 534	402 121	439 037	41 733	402 379	439 187	(36 808)	-8%	402 121
Surplus/(Deficit)	61 026	(19 752)	(20 307)	(27 817)	13 856	(20 457)	34 313	-168%	(19 752)
Transfers and subsidies - capital (monetary allocations)	45 387	48 381	60 292	7 677	50 279	60 292	(10 013)	-17%	48 381
Transfers and subsidies - capital	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	106 413	28 629	39 985	(20 141)	64 135	39 835	24 300	61%	28 629
Surplus/ (Deficit) for the year	106 413	28 629	39 985	(20 141)	64 135	39 835	24 300	61%	28 629
Capital expenditure & funds sources									
Capital expenditure	73 316	143 945	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945
Capital transfers recognised	12 628	55 598	52 428	4 618	50 689	52 428	(1 739)	-3%	55 598
Borrowing	0	—	—	—	—	—	—	—	—
Internally generated funds	60 688	88 347	87 356	20 197	80 164	87 356	(7 192)	-8%	88 347
Total sources of capital funds	73 316	143 945	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945
Financial position									
Total current assets	288 955	177 849	312 297		333 392				177 849
Total non current assets	602 748	740 801	704 758		702 929				740 801
Total current liabilities	78 294	71 097	68 086		68 681				71 097
Total non current liabilities	17 730	22 795	21 693		17 730				22 795
Community wealth/Equity	795 679	824 758	927 276		949 910				824 758
Cash flows									
Net cash from (used) operating	285 069	(281 522)	(238 474)	(30 673)	104 824	(246 592)	(351 416)	143%	(281 522)
Net cash from (used) investing	(432 612)	190 367	160 666	(28 537)	(150 481)	184 766	335 247	181%	190 367
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the month end	(64 555)	116 823	176 717	—	208 868	192 699	(16 169)	-8%	—
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 948	(28)	2 988	3 965	3 656	5 289	23 708	173 307	222 833
Creditors Age Analysis									
Total Creditors	22 207	—	—	—	—	—	—	—	22 207

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) - M12 June										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		319 605	305 464	319 314	1 501	315 051	319 314	(4 263)	-1%	305 464
Executive and council		—	7 806	7 806	—	—	7 806	(7 806)	-100%	7 806
Finance and administration		319 605	297 658	311 508	1 501	315 051	311 508	3 543	1%	297 658
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		10 732	4 692	4 743	424	4 522	4 743	(221)	-5%	4 692
Community and social services		5 497	4 692	4 743	424	4 522	4 743	(221)	-5%	4 692
Sport and recreation		5 234	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		46 274	54 327	67 424	9 310	58 347	67 424	(9 077)	-13%	54 327
Planning and development		44 726	49 857	47 398	5 702	37 722	47 398	(9 675)	-20%	49 857
Road transport		1 548	4 470	20 026	3 608	20 625	20 026	599	3%	4 470
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		70 336	66 266	87 542	10 356	88 594	87 542	1 052	1%	66 266
Energy sources		56 878	53 804	75 079	9 118	74 874	75 079	(205)	0%	53 804
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		13 458	12 463	12 463	1 238	13 720	12 463	1 257	10%	12 463
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	446 946	430 750	479 022	21 592	466 514	479 022	(12 508)	-3%	430 750
Expenditure - Functional										
Governance and administration		168 536	201 988	252 151	16 940	198 757	252 301	(53 544)	-21%	201 988
Executive and council		54 325	62 711	64 591	6 227	62 392	64 741	(2 349)	-4%	62 711
Finance and administration		114 211	139 277	187 560	10 713	136 365	187 560	(51 195)	-27%	139 277
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		34 639	42 477	42 484	4 379	46 325	42 484	3 841	9%	42 477
Community and social services		26 279	31 792	31 347	2 668	32 963	31 347	1 616	5%	31 792
Sport and recreation		8 335	9 442	9 935	1 660	12 916	9 935	2 981	30%	9 442
Public safety		—	1 223	1 162	51	418	1 162	(745)	-64%	1 223
Housing		24	20	40	—	29	40	(11)	-28%	20
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		65 567	81 845	86 280	9 080	71 873	86 280	(14 407)	-17%	81 845
Planning and development		19 166	22 164	23 161	2 143	18 891	23 161	(4 270)	-18%	22 164
Road transport		43 242	55 750	59 187	6 609	49 318	59 187	(9 870)	-17%	55 750
Environmental protection		3 159	3 931	3 931	329	3 664	3 931	(267)	-7%	3 931
Trading services		71 791	75 761	98 107	11 334	85 424	98 107	(12 683)	-13%	75 761
Energy sources		60 265	55 216	76 369	10 483	74 324	76 369	(2 044)	-3%	55 216
Water management		—	—	—	—	—	—	—	—	—
Waste water management		2 487	2 948	2 948	—	2 330	2 948	(618)	-21%	2 948
Waste management		9 039	17 597	18 790	851	8 770	18 790	(10 020)	-53%	17 597
Other		—	50	—	—	—	—	—	—	50
Total Expenditure - Functional	3	340 534	402 121	479 022	41 733	402 379	479 172	(76 793)	-16%	402 121
Surplus/ (Deficit) for the year		106 413	28 629	—	(20 141)	64 135	(150)	64 285	-42857%	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) - M12 June										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 1 - Executive and council		–	7 806	7 806	–	–	7 806	(7 806)	-100.0%	7 806
Vote 2 - Finance and administration		319 605	297 658	311 508	1 501	315 051	311 508	3 543	1.1%	297 658
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		5 497	4 692	4 743	424	4 522	4 743	(221)	-4.7%	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	47 398	5 702	37 722	47 398	(9 675)	-20.4%	49 857
Vote 9 - Road transport		1 548	4 470	20 026	3 608	20 625	20 026	599	3.0%	4 470
Vote 10 - Energy sources		56 878	53 804	75 079	9 118	74 874	75 079	(205)	-0.3%	53 804
Vote 11 - Waste Management		13 458	12 463	12 463	1 238	13 720	12 463	1 257	10.1%	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	446 946	430 750	479 022	21 592	466 514	479 022	(12 508)	-2.6%	430 750
Expenditure by Vote	1									
Vote 1 - Executive and council		54 325	62 711	64 591	6 227	62 392	64 741	(2 349)	-3.6%	62 711
Vote 2 - Finance and administration		114 211	139 277	187 560	10 713	136 365	187 560	(51 195)	-27.3%	139 277
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		26 279	31 792	31 347	2 668	32 963	31 347	1 616	5.2%	31 792
Vote 5 - Sport and Recreation		8 335	9 442	9 935	1 660	12 916	9 935	2 981	30.0%	9 442
Vote 6 - Public safety		–	1 223	1 162	51	418	1 162	(745)	-64.1%	1 223
Vote 7 - Housing		24	20	40	–	29	40	(11)	-27.6%	20
Vote 8 - Planning and Development		19 166	22 214	23 161	2 143	18 891	23 161	(4 270)	-18.4%	22 214
Vote 9 - Road transport		45 730	58 698	62 136	6 609	51 648	62 136	(10 488)	-16.9%	58 698
Vote 10 - Energy sources		60 265	55 216	76 369	10 483	74 324	76 369	(2 044)	-2.7%	55 216
Vote 11 - Waste Management		9 039	17 597	18 790	851	8 770	18 790	(10 020)	-53.3%	17 597
Vote 12 - Environmental Protection		3 159	3 931	3 931	329	3 664	3 931	(267)	-6.8%	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	479 022	41 733	402 379	479 172	(76 793)	-16.0%	402 121
Surplus/ (Deficit) for the year	2	106 413	28 629	–	(20 141)	64 135	(150)	64 285	-42856.6%	28 629
<u>References</u>										

Table 1.5 provides information on the planned revenue and operational expenditures against the actual results for the period ending 30th JUNE 2024

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		49 864	52 613	61 743	6 465	62 546	61 743	802	1%	52 613
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		11 577	11 044	11 044	1 055	12 380	11 044	1 336	12%	11 044
Sale of Goods and Rendering of Services		7 854	618	12 862	3 703	13 401	12 862	539	4%	618
Agency services		—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		1 229	918	918	121	919	918	1	0%	918
Interest from Current and Non Current Assets		20 010	10 500	23 500	1 437	26 748	23 500	3 248	14%	10 500
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		106	—	—	—	—	—	—	—	—
Rental from Fixed Assets		248	192	242	19	294	242	52	21%	192
Licence and permits		22	—	—	—	—	—	—	—	—
Operational Revenue		2 548	396	2 012	(121)	1 814	2 012	(197)	-10%	396
Non-Exchange Revenue										
Property rates		50 660	59 329	59 329	(53)	51 151	59 329	(8 178)	-14%	59 329
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 002	1 210	1 210	1 324	1 584	1 210	374	31%	1 210
Licence and permits		525	737	737	53	985	737	247	34%	737
Transfers and subsidies - Operational		223 107	241 975	242 295	(353)	240 953	242 295	(1 342)	-1%	241 975
Interest		2 628	2 837	2 837	264	3 460	2 837	623	22%	2 837
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		30 181	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		401 560	382 369	418 730	13 915	416 234	418 730	(2 496)	-1%	382 369
Expenditure By Type										
Employee related costs		116 754	141 420	141 563	11 390	126 553	141 563	(15 010)	-11%	141 420
Remuneration of councillors		14 325	15 460	15 460	1 214	14 564	15 460	(896)	-6%	15 460
Bulk purchases - electricity		45 293	43 603	51 864	8 181	51 852	51 864	(12)	0%	43 603
Inventory consumed		4 371	7 411	3 974	1 608	6 623	3 974	2 650	67%	7 411
Debt impairment		—	37 303	37 303	—	18 652	37 303	(18 651)	-50%	37 303
Depreciation and amortisation		32 437	35 534	35 534	—	30 671	35 534	(4 863)	-14%	35 534
Interest		325	100	3 300	—	137	3 300	(3 163)	-96%	100
Contracted services		62 194	64 092	84 884	12 381	85 622	84 884	738	1%	64 092
Transfers and subsidies		—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		15 022	7 500	7 500	—	3 750	7 500	(3 750)	-50%	7 500
Operational costs		43 672	48 198	56 155	6 829	64 686	56 305	8 381	15%	48 198
Losses on Disposal of Assets		6 080	1 500	1 500	—	(1 043)	1 500	(2 543)	-170%	1 500
Other Losses		61	—	—	130	312	—	312	#DIV/0!	—
Total Expenditure		340 534	402 121	439 037	41 733	402 379	439 187	(36 808)	-8%	402 121
Surplus/(Deficit)		61 026	(19 752)	(20 307)	(27 817)	13 856	(20 457)	34 313	(0)	(19 752)
Transfers and subsidies - capital (monetary allocations)		45 387	48 381	60 292	7 677	50 279	60 292	(10 013)	(0)	48 381
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		106 413	28 629	39 985	(20 141)	64 135	39 835			28 629
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		106 413	28 629	39 985	(20 141)	64 135	39 835			28 629
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		106 413	28 629	39 985	(20 141)	64 135	39 835			28 629
Share of Surplus/Deficit attributable to Associated Companies		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		106 413	28 629	39 985	(20 141)	64 135	39 835			28 629

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

Figure 1

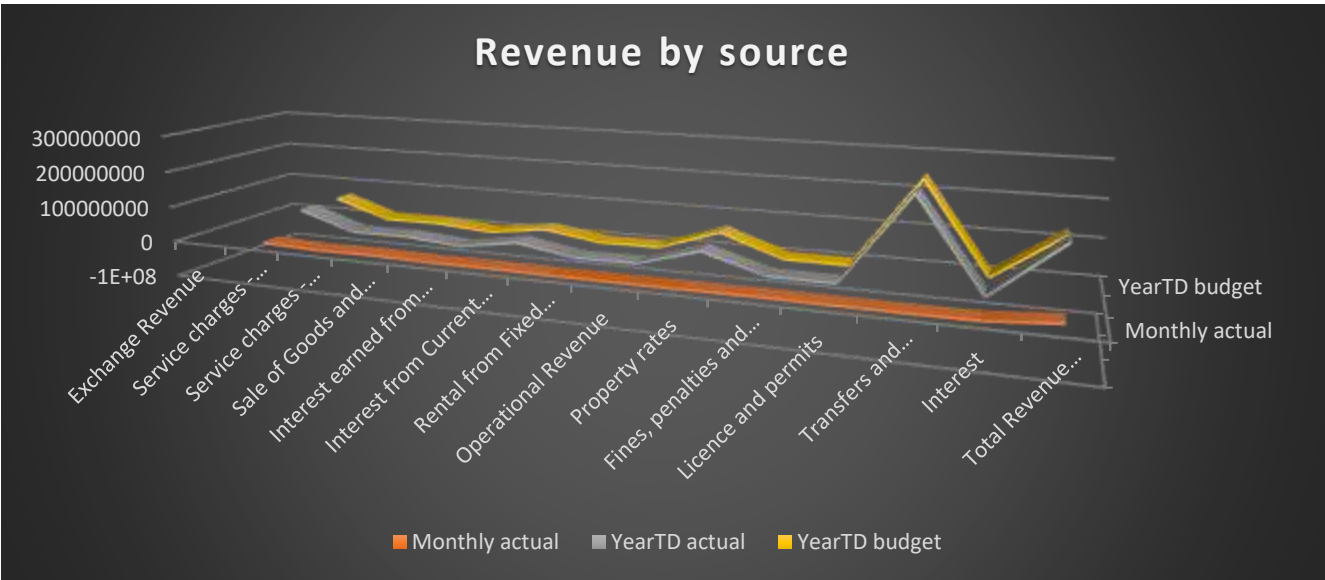
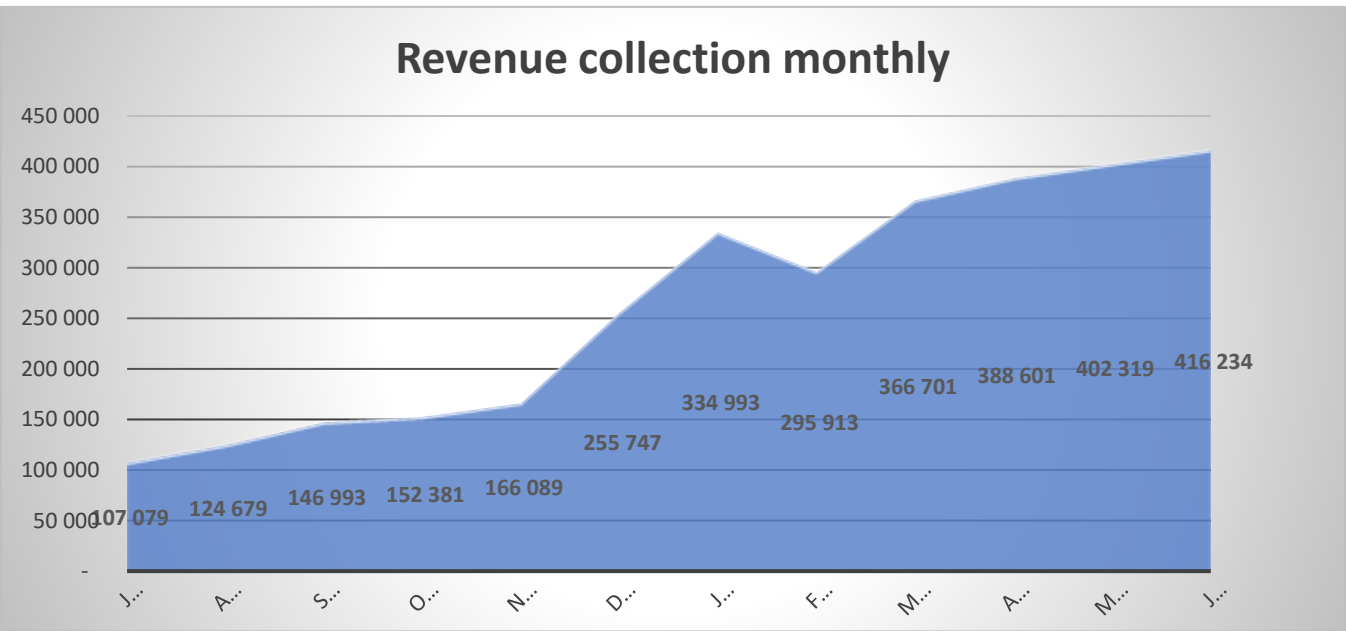


Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R416.2 million for the period ending 30th JUNE 2024 excluding capital conditional grant income. The YTD Budget is R418.7million; therefore, this reflects an over performance against the revenue projected by 5%, this is a reflection that the municipality has achieved its revenue performance budget.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R62.5million (current month – R3.8million) over a budget YTD of R61.7 million the target for this item has been reached, as the variance to this vote is zero.

The actual cash collected is R 3.8 million for the month ended June 2024.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as @ 30th JUNE 2024 is R12.8 million or 12 percent more than the budgeted income of R11.0 million. Variance is due to business refuse which has increased during this period. 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.
- The actual cash collected is R 279thousand for the month ended June 2024.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R13.4 million in comparison with the year-to-date budget of R12.9 million, thus indicating an under performance by R 539thousand or 4percent, variance is due to INEP revenue which has been recognised under Transfers and subsidies operational. This item will be updated so as to adhere to GRAP 11.

Interest earned from receivables.

- Interest earned from receivables amounts to R 919thousand in comparison with the year-to-date budget of R918 thousand, thus indicating an under performance by R1thousand or 1 percent, variance is based on the outstanding debt billed on refuse and electricity.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R26.7 million in comparison with the year-to-date budget of R23.5 million, thus indicating an over performance by R3.2 million or 14 percent, variance is based interest rate on the cash available from previous year cash backed reserves and additional grants received.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R294 thousand in comparison with the year-to-date budget amount of R242 thousand thus indicating an over performance of

R52 thousand or 21 percent. Variance is due to level of demand in rental of municipal facilities due (Municipal sports fields, municipal halls) when comparing to the projections.

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 R1.8 million more than anticipated YTD budget of R2.0 million, thus indicating an over performance of R197 thousand or 10 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.

NON-EXCHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements and the total amount billed is R51.2million which equates to an under billing by 14% when compared to the total R59.3 million pro-rata property rates revenue budgeted.
- The actual cash collected being R3.1million for the month ended June 2024.

Fines, Penalties and forfeits

- Fines underperformed by 31 percent or R374 thousand, with an actual amount of R1.6 million variance against year-to-date budget projections of R1.2 million. 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.

Licences and permits.

- Licences and permits have over performed by 34% or R247 thousand with an actual amount of R985 thousand as compared to budget of R737 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.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R244million YTD Actual in comparison with the YTD budget of R243 million, thus indicating an under performance by R1.3 million or 1 percent, variance is mainly attributable to the municipality receiving total allocation of Equitable Share of R230 million and realisation of operational grants spent as conditions have been met for EPWP, FMG and Library Grant.

- Transfers and subsidies capital amounts to R50.3million in comparison with the YTD budget of R60.3 million, thus indicating an under performance by R10.0 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R3.5million in comparison with the year-to-date budget of R2.8million, thus indicating an over performance by R623 thousand or 22 percent.

Operating Expenditure from June 2024

The table below reflects trend of expenditure for the period ended 30th JUNE 2024

Figure 6

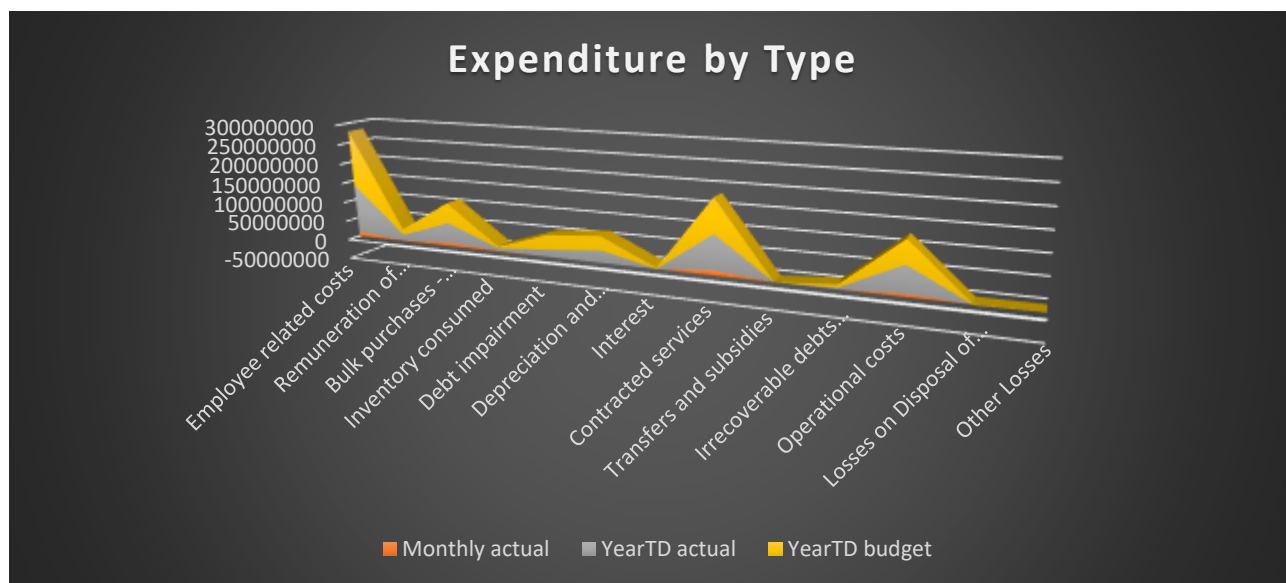
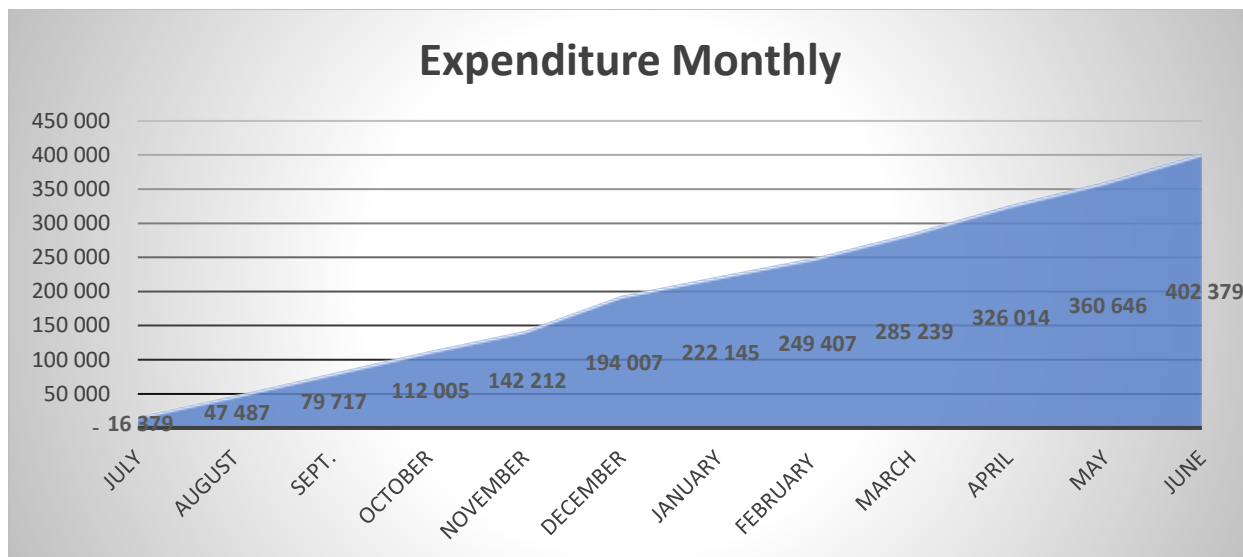


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 30th JUNE 2024 amounted to R 402.4million against the planned target of YTD budget is R 439.2million. As at the end of June the operational expenditure budget has been under spent by -8% or -R36.8 million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 30th JUNE 2024 amounted to R126.6 million while the YTD budget was R1141.6million with an underspending of R15.0million at -11per cent. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are underway to filling of these positions.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.
- Another contributing factor to this variance is due to calculation of provision for leave and long service awards which are processed at year end upon receiving the actuarial calculation for Actuaries.

Remuneration of Councilors

- The expenditure on councilor allowances as at 30th June 2024 was under spent by R896 thousand. The YTD Remuneration of Councilor's budget was R14.6 million whilst the actual expenditure incurred results in slightly under-spending of 6% 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.

Bulk Purchases

- The bulk purchases for Umngeni Water Board and Eskom Purchases reflects an underspending of 0 percent or R12 thousand from the year-to-date budget projections amounting to R51.9 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 Ethekewini 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.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 67 percent or R2.7 million from YTD budget of R2.7 million against the YTD Actual of R6.6 million, variance is due to the implementation of procurement plan, however it should be noted that there will be improvement during the 4th 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.

Debt Impairment

- The provision for bad debt is reflecting an under performance by 50percent or R18.7 million from YTD budget of R37.3 million against the YTD actual of R18.7 million. Based on the complexity of analysis which brings about the said calculation, it was management's view that such calculation should take place biannually (Midyear and Year end). We believe that the said Midyear calculation will increase the expenditure value to be in line with the year-to-date budgeted amount.
- When provision for debt impairment is calculated, the following assumptions must take into consideration.
 - Each debtor's account per age analysis must be analyzed.
 - The frequency of payment must be analyses on each debtor.
 - Indigent debtors, debtors with take on balances which cannot be explained, insolvent and debtors under administration of estate should be impaired 100%.
 - The Municipality is guided by a write off policy when the assumptions are determined.
 - Different services must be impaired separately.
 - Different customer must be impaired separately.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an under performance by -14 percent or R4.9 million against YTD actual of R35.5 million against the YTD budget of R35.6 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.

Interest

- Finance charges reflect an under performance by 96 percent or R3.3 million against YTD actual of R137 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.

Contracted Services

- Contracted services expenditure is reflecting an underspending of 1 percent or R738 thousand from YTD budget of R84.9 million against the YTD actual of R85.6 million, variance is due to planned activities within this quarter, however we anticipate that this expenditure will improve during the last quarter of this year.

Irrecoverable debts written off

- Irrecoverable debts written off is within the projected budget of R7.5 million, this is due to result of Indigents and untraceable debtors which have been written off within the third quarter of this financial year. The municipality has been in the process of data cleansing, and we have discovered deceased accounts, liquidated companies etc.

Operational Cost

- Other expenditure has overspent by 15 percent or R8.4 million from YTD budget of R8.4 million against the YTD actual of R56.3 million, variance is due to activities that that took place in the third quarter 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 third quarter of the year.

Losses on Disposal of assets

Losses on disposal of assets reflects R1.0million which is reflected as a misallocation, a journal to correct it will be done, as it should be posted in the Gains rather than losses as this is monies received from Auction.

Other Losses

- Losses of R312 thousand reported as at mid-year is due to write off of Inventory items.

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

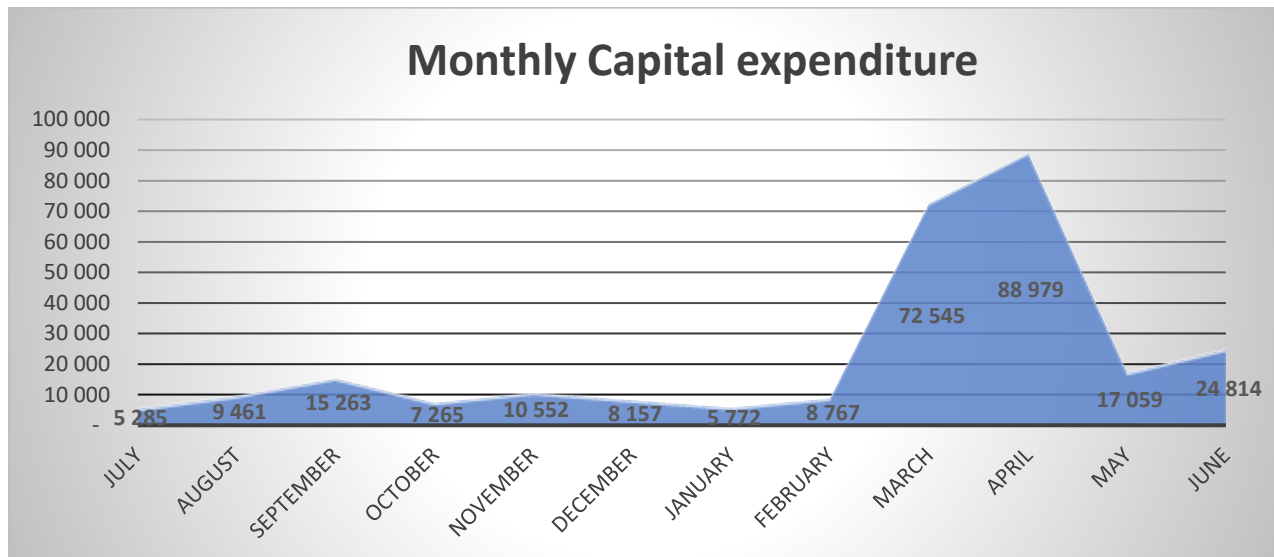
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		–	1 843	1 878	–	1 932	1 878	53	3%	1 843
Vote 2 - Finance and administration		34 353	21 225	17 330	1 306	15 341	17 330	(1 989)	-11%	21 225
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		21 438	2 304	1 765	123	1 613	1 765	(152)	-9%	2 304
Vote 5 - Sport and Recreation		(4 264)	15 205	14 084	706	5 369	14 084	(8 715)	-62%	15 205
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		11 028	16 435	18 565	4 402	16 847	18 565	(1 718)	-9%	16 435
Vote 9 - Road transport		4 857	79 374	78 546	17 498	82 111	78 546	3 565	5%	79 374
Vote 10 - Energy sources		5 903	2 957	3 710	–	1 907	3 710	(1 802)	-49%	2 957
Vote 11 - Waste Management		–	4 602	3 906	780	5 734	3 906	1 828	47%	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	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945
Total Capital Expenditure		73 316	143 945	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945
Capital Expenditure - Functional Classification										
Governance and administration		34 353	23 069	19 208	1 306	17 272	19 208	(1 936)	-10%	23 069
Executive and council		–	1 843	1 878	–	1 932	1 878	53	3%	1 843
Finance and administration		34 353	21 225	17 330	1 306	15 341	17 330	(1 989)	-11%	21 225
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		17 174	17 509	15 850	829	6 982	15 850	(8 868)	-56%	17 509
Community and social services		21 438	2 304	1 765	123	1 613	1 765	(152)	-9%	2 304
Sport and recreation		(4 264)	15 205	14 084	706	5 369	14 084	(8 715)	-62%	15 205
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		15 885	95 809	97 111	21 899	98 958	97 111	1 847	2%	95 809
Planning and development		11 028	16 435	18 565	4 402	16 847	18 565	(1 718)	-9%	16 435
Road transport		4 857	79 374	78 546	17 498	82 111	78 546	3 565	5%	79 374
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		5 903	7 558	7 615	780	7 641	7 615	26	0%	7 558
Energy sources		5 903	2 957	3 710	–	1 907	3 710	(1 802)	-49%	2 957
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	4 602	3 906	780	5 734	3 906	1 828	47%	4 602
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	73 316	143 945	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945
Funded by:										
National Government		12 628	55 119	51 837	4 520	49 971	51 837	(1 865)	-4%	55 119
Provincial Government		–	478	591	97	718	591	126	21%	478
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		12 628	55 598	52 428	4 618	50 689	52 428	(1 739)	-3%	55 598
Borrowing	6	0	–	–	–	–	–	–	–	–
Internally generated funds		60 688	88 347	87 356	20 197	80 164	87 356	(7 192)	-8%	88 347
Total Capital Funding		73 316	143 945	139 784	24 814	130 853	139 784	(8 931)	-6%	143 945

Capital Expenditure from June 2024:

The YTD capital expenditure budget is R106.0 million against YTD actual Capital expenditure amounted to R 127.9 million resulting in an under performance of (17%) on capital expenditure. Variance in capital expenditure were due to different reason (detail report on the progress on all capital projects has been provided below).

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

Capital Expenditure reported as at June 2024



- Capital grants funded by National Government actual is R130.9 million versus YTD Budget of R139.8million, expenditure reported has been underspent by (6%). However, the municipality will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government actual is R718 thousand versus YTD Budget of R 591thousand variance of (21%) reflects and OVER expenditure on this grant by R126thousand.
- Capital grants funded Internally actual is R50 million versus YTD Budget of R51.8 million variance of 4% reflects and under expenditure on this item. However, it should be noted that there are ongoing projects which are in progress in relation to this funding such as the DLTC Establishment, Upgrading of municipal offices roofing and rehabilitation of roads which will ensure that there is improvement in expenditure reported at year end. Further to that bulk of projects that were prioritized are rehabilitation of roads in all wards within Mandeni. Panel of Contractors has been finalized we are undertaking the appointment of services providers from the pane

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 - M12 June										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		10 468	9 996	13 517	4 746	14 083	13 517	(566)	-4.2%	9 996
Roads Infrastructure		7 600	5 522	6 261	792	6 402	6 261	(142)	-2.3%	5 522
Roads		7 470	5 130	5 870	792	6 402	5 870	(533)	-9.1%	5 130
Road Structures		59	261	261	—	—	261	261	100.0%	261
Road Furniture		70	130	130	—	—	130	130	100.0%	130
Capital Spares		—	—	—	—	—	—	—		—
Storm water Infrastructure		627	1 087	3 435	3 314	4 062	3 435	(627)	-18.3%	1 087
Drainage Collection		627	1 087	3 435	3 314	4 062	3 435	(627)	-18.3%	1 087
Storm water Conveyance		—	—	—	—	—	—	—		—
Attenuation		—	—	—	—	—	—	—		—
Electrical Infrastructure		1 196	2 778	3 083	596	2 648	3 083	435	14.1%	2 778
Power Plants		93	61	61	—	—	61	61	100.0%	61
HV Substations		—	—	—	—	—	—	—		—
HV Switching Station		—	—	—	—	—	—	—		—
HV Transmission Conductors		—	1 304	1 304	116	521	1 304	783	60.0%	1 304
MV Substations		9	65	65	—	77	65	(12)	-18.1%	65
MV Switching Stations		—	—	—	—	—	—	—		—
MV Networks		58	87	87	—	47	87	40	46.5%	87
LV Networks		332	609	696	222	667	696	29	4.2%	609
Capital Spares		704	652	870	257	1 336	870	(466)	-53.6%	652
Information and Communication Infrastru		1 046	609	739	45	972	739	(233)	-31.5%	609
Data Centres		—	—	—	—	—	—	—		—
Core Layers		1 046	609	739	45	972	739	(233)	-31.5%	609
Distribution Layers		—	—	—	—	—	—	—		—
Capital Spares		—	—	—	—	—	—	—		—
Community Assets		1 089	1 485	2 137	317	1 990	2 137	148	6.9%	1 485
Community Facilities		52	294	294	7	186	294	108	36.9%	294
Halls		—	120	120	7	107	120	13	11.1%	120
Libraries		3	—	—	—	—	—	—		—
Cemeteries/Crematoria		—	—	—	—	—	—	—		—
Police		—	—	—	—	—	—	—		—
Purrs		49	174	174	—	79	174	95	54.7%	174
Capital Spares		—	—	—	—	—	—	—		—
Sport and Recreation Facilities		1 036	1 191	1 843	311	1 804	1 843	39	2.1%	1 191
Indoor Facilities		—	—	—	—	—	—	—		—
Outdoor Facilities		1 036	1 191	1 843	311	1 804	1 843	39	2.1%	1 191
Capital Spares		—	—	—	—	—	—	—		—
Heritage assets		—	—	—	—	—	—	—		—
Other assets		91	70	40	—	30	40	11	26.3%	70
Operational Buildings		91	70	40	—	30	40	11	26.3%	70
Municipal Offices		91	70	40	—	30	40	11	26.3%	70
Machinery and Equipment		3 970	4 826	4 609	486	5 156	4 609	(547)	-11.9%	4 826
Machinery and Equipment		3 970	4 826	4 609	486	5 156	4 609	(547)	-11.9%	4 826
Zoological plants and animals		—	—	—	—	—	—	—		—
Total Repairs and Maintenance	1	15 618	16 377	20 303	5 549	21 259	20 303	(955)	-4.7%	16 377

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.

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

2023/24 Financial Year MIG Allocation	R46 392 000.00
Less: Total Expenditure (incl. Retention)	R 31 546 560.00
Balance	R 14 845 440.00
Expenditure of as a %	88,57% (including pending claims)

Projects under Construction Stage

- a) Installation of High Mast Phase 2
- b) Construction of a Sportsfield in Hlomendlini : Previous Consultant and Contractor have been terminated.
- c) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili ward 15 (Amajuba Road)
- d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).
- e) Nyoni Taxi Route Phase 4
- f) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- g) Specialised Vehicles, Waste Management (TLB, 2 Cage Trucks) – **Delivered and reported in November 2023.**
- h) Construction of Sportsfield in Mandeni Ward 10 Endlondlweni -

Projects that are Planning Stage and registered with MIG.

- i) Upgrade of Machibini Link Road in Isithebe in Ward 10 and Ward 12.
- j) The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- k) Construction of Sportsfield in Hlomendlini - New Consultant was appointed to continue with the project - 27 March 2024

Projects that are in planning stage and are to be registered with MIG

- l) Upgrade of Rural Gravel Roads in Mandeni, Phase 5 - Ward 8
- m) Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- n) Construction of a Sportsfield in Ward 2, Mandeni
- o) Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
- p) Construction of a Sportsfield in Ward 1, Mandeni
- q) Construction of Community Hall in Ward 8
- r) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section

4.2. Projects under Municipal Internal Funding

Projects under Construction

- a) Repair and Renovation of Civic Centre Roof in Mandeni
- b) New Protection Services Centre DLTC
- c) Extension of Mechanical Workshop and Construction of New Offices
- d) P415-459 Ward 3 Streetlights

Projects under planning

- e) Establishment of new office building
- f) Upgrade of Links Road Mosomonce Bus Route and Enembe/Isithebe Link Road Ward 13
- g) Extension of Mechanical/ Technical Services Building Phase 2 and Fencing of Technical Services Depot
- h) Construction of a Community Hall in Ward 6
- i) Construction of a Community Hall in Ward 12
- j) Construction of community hall in ward 16
- k) Construction of community hall in ward 11
- l) Establishment of new cemeteries, phase 1
- m) Establishment of new emergency centre

4.3. Projects under the Integrated National Electrification Programme (INEP)

2023/24 Financial Year Allocation	R 7 384 000.00
Less: Total Expenditure	R 7 384 000.00
Balance	R 0

Expenditure as a %	100%
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Projects under Construction

- a) Dendethu Phase2/Wetane - 108HH (38)
- b) Khovothi Electrification 105 HH
- c) Emhlangeni Electrification 100 HH

Projects under Planning Stage

- d) Mandeni Sub-station - Bulk

4.4. Projects under the Massification Grant

Total Allocation	R 5 000 000.00
Less: Total Expenditure	R 5 231 849.93
Balance	-R 231 849.93
Expenditure as a %	104.64%

Projects under Construction

- e) Mantshangula Mhlubulweni Electrification Project
- f) Khenana Phase 5 Electrification Project

4.5. Projects under the Disaster Management Grant

Total Allocation	R17 023 000.00
Less: Total Expenditure	R 17 023 000.00
Balance	R 0.00
Expenditure as a %	100%

Projects under Construction -

- a) Novas Farm 2 (Ward 04)
- b) D2022 Road (Ward 14)
- c) Efaletu Road (Ward 3)

d) D1293 Road (Ward 12)

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

Projects under Construction Stage

a) Installation of High Mast Lights in Mandeni, Phase 2 (Ward 3, 5, 9, 11 and 12x2)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 067 105.27	R 1 022 364.28
Construction Cost (incl. Retention) (V.O : R 367 004.50)	R 5 413 316.30	R 5 283 165.92
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 3055 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

- Supply and install of 6 x 30m high mast lighting.

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

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and the Light fittings have been installed. Consultant to book an outage for energizing.

Challenges: Awaiting approval of metering point application from Eskom. Previously approved metering point has expired due to delays that was experienced on the light fitting specification.

b) Construction of Hlomendlini Sportfield, Ward 4

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

Project Details

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

Project Scope

- Site Establishment. Setting out of works.

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

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

Challenges:

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

c) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili ward 15 (Amajuba Road)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 360 223.17	R 1 323 892.56
Construction Cost (incl. Retention)	R 9 514 359.75	R 9 550 690.36

Internal Funds	R 1 166 508.82	R 942 617.82
TOTALS (Incl Vat)	R 12 041 091.74	R 11 817 200.74

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Nangu-U-Mzamo Retailers
Project Commencement Date: August 2023
Contractual Completion Date: February 2024
Revised Completion date: N/A

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material.
- Installation of Subsoil drainage.
- Concrete pipe installation: Installation of prefabricated culverts with associated catch pits and headwalls.
- Concrete kerb-channel: Installation of precast kerb and cast in situ channel.
- Roadbed preparation.
- Hauling and Processing of G7, G6, G5 and G2 quality gravel materials.
- In-situ Recycling (First Phase) and (Second Phase);
- Stabilization.
- Milling and stockpiling of existing surface on strategic sections with minimal degree of surface failure;
- Patching and repairing edge breaks.
- Priming;
- Asphalt Wearing coarse: Lay and process Asphalt from commercial source.
- Construction of speed humps;
- Gabions: Installation of gabions.
- Plantable Interlocking TB300;

- Installation of Concrete Bollards.
- Road Signs: Installation of road signs;
- Road Marking.
- Landscaping and Planting; and
- Finishing the road and road reserve.

Current Status Overall Construction progress 100%: Contractor has achieved their Completion of works dated Tuesday, 30th April 2024.

Challenges: Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 1 041 525.73 incl. vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). Recent inclement weather conditions have caused delays and sub-contracting issues.

d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 352 795.17	R 2 256 723.49
Construction Cost (incl. Retention)	R 16 257 859.82	R 13 856 254.04
TOTALS (Incl Vat)	R 18 610 654.99	R 16 112 977.53

Project Details

Name of Consultant: Singh Govender & Associates cc
Name of Contractor: MVI-SSSS Trading Enterprise cc
Project Commencement Date: August 2023
Contractual Completion Date: April 2024
Revised Completion date: July 2024

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.
- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.
- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.
- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.
- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

Current Status Overall Construction progress 92%: Site establishment 90%, Setting Out of works is 100%, Site Clearance 100% and Roadbed preparation 100%, Stormwater Installation 100%, Manhole Construction subsoil installation 85%, service crossing ducts 92%, G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 85%, Kerbing and Channel 35%.

Contractor has shown improvements with regards to works completed in the month of June 2024.

Challenges: Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 5 479 308.70 incl. vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). Project delays which have been encountered include recent inclement weather conditions, theft of survey pegs, hard rock excavation and existing services such as water and sewer pipe leaks. Furthermore, we have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in subsurface ground water levels.

e) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 099 409.35
Construction Cost (incl. Retention)	R 12 148 430.66	R 6 168 512.61
Internal Funds	R 667 565.79	R 0.00
TOTALS (Incl. Vat)	R 14 348 595.28	R 7 267 921.96

Project Details

Name of Consultant: DLV Project Managers and Engineers
Name of Contractor: Bheka Phezulu Investments and Sales
Project Commencement Date: October 2023
Contractual Completion Date: April 2024
Revised Completion date: July 2024

Project Scope

- Site establishment
- Site clearance
- Mass Earthworks
- Road Bed Preparation
- Clearing Existing Stormwater Infrastructure
- New Stormwater Infrastructure

- New Pavement Layerworks (Construction of 150mm G7 subgrade layer, Construction of stabilized 125mm C4 lower – subbase layer and Construction of stabilized 125mm C4 base)
- Asphalt Road Surfacing
- Kerbs and Channels
- Road Restraint Systems
- Road Signs
- Road Marking
- Finishing

Current Status Overall Construction progress 48%: Site establishment 100%, Site Clearance 50%, Mass earthworks 47%, Roadbed preparation 45%, C4 Stabilized layer 12%, Stormwater 60%, Manholes 45%, subsoil drainage 40%, Asphalt surfacing 16%, Kerbs 20%.
intention to terminate has been issued to contractor for poor performance.

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

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

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

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

Slow progress on site is still being noted as the Contractor has insufficient resources including plant to continue with the construction works. As it stands the Contractor is still not adhered to the

acceleration plan that they submit on a weekly basis to finish the project by the Extension of Claim No.2. EOT No.2 for the project is pending approval.

f) Construction of Sportfield in Mandeni Ward 10 (Endlondlweni)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 801 860.14	R 1 357 464.73
Construction Cost	R 13 321 772.49	R 731 780.46
TOTALS (Incl. Vat)	R 15 123 632.63	R 2 089 245.19

Project Details

Name of Consultant: Ukwakha Consulting Engineers

Name of Contractor: Maboka Contractors (Pty) Ltd

Project Commencement Date: March 2024

Contractual Completion Date: October 2024

Revised Completion date: N/A

- Clearing and removal of vegetation, i.e. trees and grass and topsoil removal – Site Clearance
- Earthworks to create the required platform for the development of sports facilities.
- Construction of 110m x 70m soccer field (Soccer field to average DSAC and SAFA standards complete with goal posts)
- Construction of Practice Field
- Athletic Track
- Construction of Combi Court
- Construction of change rooms, ablution facility, and Guardhouse
- Construction of parking bays
- Construction of a grandstand within the soccer field vicinity.
- Provision of water, sewer, and irrigation services

Current Status Overall Construction progress 5%: Site Establishment 70%, Site Clearing 10%.

Challenges: Upon the project launch, it came to the Mandeni Municipality attention that the land that was earmarked for the construction of the sport field has the graveyard. The family that has graves went out to site to identify the graves. Site layout has been revised to avoid interference with graveyard.

Project is on hold due to unresolved issue of land. Municipality looking at possibility of reprioritising the grant fund.

5.2. Municipal Internal Funding:

Projects under Construction Stage

A) **Repair and Renovation of Civic Centre Roof in Mandeni**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 829 510.70	R 1 829 510.71
Construction Cost	R10 993 497.45	R 10 827 620.82
TOTALS (Incl Vat)	R 12 823 008.15	R 12 657 131.53

Project Details

Name of Consultant:	LZM Africa Holdings
Name of Contractor:	Uhlanga Trading Enterprise
Project Commencement Date:	October 2022
Contractual Completion Date:	July 2023
Revised Completion date:	July 2024

Project Scope

The scope of works includes the following activities.

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

Current Status Overall Construction progress 96%: Site Establishment 100%, Relocation of staff 100%, Stripping of Existing Roof 100% and Installation of New Trusses 100%, installation of roof tiles 100%, Electrical work 100%, Ceiling 99%, External Paint 100%, Commissioning of the Smoke & Fire System for the first Phase of works 100%. Contractor to complete electrical works, ceiling and carpentry works for Phase 1 due to some of the works being linked to the second phase.

Phase 2 works progress is as follows: Relocation of staff 100%, Stripping of Existing Roof 100% and Installation of New Trusses 100%, installation of roof tiles 100%, Electrical work 96%, Ceiling 95%, External Paint 80%, floor tiling 100%, IT Works 95%, doors installation 95%. Contractor is yet to commence with the follow works: - smoke and fire detection system and carpentry works for Phase 2.

Challenges: Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered because of a re-design of the Electrical Works along with the IT Services portion. The contractor has experienced further delays around items that are outsourced to be done by specialized services such as the smoke and fire system, inclement weather during the roof installation, delays regarding the carpentry works. Relocation of staff back to main building has commenced.

B) New Protection Services Centre DLTC

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 114 723.00	R 1 615 369.85
Construction Cost	R 15 525 192.27	R 12 370 516.37
TOTALS (Incl. Vat)	R 17 639 915.27	R 13 985 886.22

Project Details

Name of Consultant: Nzamakhuze Holdings
Name of Contractor: Mlombomvu Projects
Project Commencement Date: January 2023
Contractual Completion Date: July 2023
Revised Completion date: 20 June 2024

Project Scope

- Site establishment
- Site clearance
- Fencing (450m Approximately) and installation of Vehicular Gates
- Excavation for foundation
- Construction of brickworks for super structure
- Installation of roof sheeting including finishing off remaining works

- Plaster and Paint works for internal walls
- Electrical connections and Plumbing works
- Building Electrical and Mechanical Works (Fire and HVAC)
- Portable water pipeline supply will be connected on the district Municipality main water pipeline.
- Rainwater collection system
- Parking and related pavement earthworks and layer works
- Stormwater Drainage Works and Installation of Jojo Tanks (specification changed to steel tank)
- Yard marking
- Installation of Sewer Reticulation
- Finishes
- Fully furnished kitchen
- Cleaning, removal of building rubble and reinstatement of lawns

Additional Scope:

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

Current Status Overall Construction progress 98.1%: Site Establishment 100%, Excavation for foundation 100%, Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%, Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%, Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%, Building Electrical and Mechanical Works (Fire and HVAC) 98%, Stormwater Drainage Works 95%, Portable water pipeline supply will be connected on the district Municipality main water pipeline 100%, Rainwater collection system 95%, Yard Marking 0%, Fencing 95% and installation of Vehicular Gates 90%, Finishes 98%, Fully furnished kitchen 0%. Cleaning, removal of building rubble and reinstatement of lawns 85%.

The contractor has started with additional scope which is the installation of burglar guards, construction of a platform for a steel tank and construction of a steep hill.

Challenges: No extension of time application has been sent, therefore the contractor is working outside of the contract period.

C) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost	R 16 996 962.19	R 11 186 278.85
TOTALS (Incl. Vat)	R 18 907 069.16	R 10 626 874.16

Project Details

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

Project Scope

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

Current Status Overall Construction progress 76%: Site Establishment 100%, Site clearance 40%, Demolition of existing pavement 85%, Demolition of an existing building 100% and Construction of the new 100.70m² Office Block 15%, Earthworks 40%, Construction of the new

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146m² Mechanical workshop 55%, Construction of the new canteen 95%, Extension of the existing storage rooms by 114m² 50%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 0%, Construction of new pavement around the site 0%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%

Challenges: The contractor is behind the programme. The contractor has submitted a second extension of time application which is pending approval ending August 2024.

D) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82
Construction Cost	R 2 416 562.65	R 1 898 809.65
TOTALS (Incl. Vat)	R 3 116 065.28	R 2 176 216.47

Project Details

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

Project Scope:

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

Current Status Overall Construction progress 60%: The construction on the project currently sits at 60%, all 52 poles have been planted. Awaiting delivery of electrical control boxes and energization.

Challenges: None

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

Projects under Construction

a) Dendethu Phase2/Wetane - 108+38 Connections

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R541 761.49	R 290 962.51
Construction Cost	R2 034 054.94	R 2 014 748.60
TOTAL (excl vat)	R2 575 816.43	R 2 305 711.11

Project Details

Name of Consultant: Veritas
Name of Contractor: Afriletrical
Project Commencement Date: 07 October 2022
Completion Date: 07 December 2022
Revised Completion Date: April 2023

Current Status: Overall Construction progress is 100%. All 146 households have been energized. PCS file submitted to Eskom. Normalisation and removal of illegal connections is currently underway by the new appointed service provider. Scope of work to be completed by the 30th of July 2024.

b) Emhlangeni Electrification Project - 100 HH

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 407 183.93	R 463 817.67

Construction Cost	R 2 908 456.61	R 2 394 374.91
TOTAL (excl. vat)	R 3 315 640.54	R 2 858 192.58

Project Details

Name of Consultant: PSMT Consulting Engineers

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: May 2023

Completion Date: July 2023

Revised Completion Date: 30 April 2024

Current Status: Overall Construction progress is 95% complete. There are 100 dry connections that have been achieved. Outage booking is currently in progress for energizing the dry connection. Transformers will be installed upon the confirmation of the outage. Outage pre-planning meeting to take place on the 9th of July 2024.

Challenges: The project has a dependency as per Eskom's Network Planning Report, which is a line upgrade from MV Oak line to MV Chickadee line. This upgrade calls for break-and-build in the same servitude because of space constraints. The break-and-build requires the line to be dead, this then necessitates the booking of outages from the commencement of the project to do the upgrade as there are no connections to be added in the network before the line has been upgraded. Municipality to meet with DMRE head office on the 7th of March to discuss the project and the way forward. Municipality have met with DMRE and change control application have been done. Outage booking with Eskom underway for energizing the 100 dry connections.

c) Okhovothe Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R210 983.83	R128 424.94
Construction Cost	R 899 998.72	R 498 874.33
TOTAL	R1 363 717.39	R 627 299.27

Project Details

Name of Consultant: BVI Engineers

Name of Contractor: Onombuthu (Pty) Ltd

Project Commencement Date: May 2023

Completion Date: August 2023

Revised Completion Date: June 2024

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

Challenges: poor performance from the appointed consultant and contractor.

d) Mandeni Substation Project

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

Project Details

Name of Consultant: ZLM Engineers

Name of Contractor: N/A

Project Commencement Date: 12 May 2023

Completion Date: TBC

Revised Completion Date: Nil

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

Challenges: Application has not been made to Eskom for approval of the project design. Draft design document submitted to DMRE for comments.

5.4. Projects under Massification Grant

e) Khenana Phase 5 Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 0.00	R 0.00

Construction Cost	R 1 783 633.26	R 1 414 425,3
TOTAL	R1 783 633.26	R 1 414 425,3

Project Details

Name of Consultant: Veritas Engineers
Name of Contractor: Godide Engineering Services (Pty) Ltd
Project Commencement Date: July 2023
Completion Date: September 2023
Revised Completion Date: 30 March 2024

Current Status: Project completed and energized. Handover signed.

Challenges: None

f) Mantshangula Mhlubulweni Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 716 075,63	R 575 005.68
Construction Cost	R 3 906 727.96	R 3 159 164.57
TOTAL	R 4 622 803,59	R 3 734 170.25

Project Details

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

Current Status: Project is 95% complete. 78 households have been energised.

Challenges: The project was stopped as of 17 November 2023 by Macambini Traditional Council, project resumed on the 8th of December 2023.

5.5 Projects under Disaster Recovery Grant

a) Gravelling of Novas Farm 2 (Ward 04)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 631 643.21	R 539 184.27
Construction Cost	R 3 665 502.91	R 3 653 992.03
TOTAL	R 4 297 146.12	R 4 193 176.30

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Msebe Contracting and Trading cc
Project Commencement Date: December 2023
Contractual Completion Date: February 2024
Revised Completion date: 28 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Gravel wearing coarse: Preparation and process G5 material
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Cutting of trees and bushes, where required 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel

selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 90%,

Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project is behind the planned contract period. The contractor has submitted the application for extension of time ending 28 March 2024.

b) The Rehabilitation of D2022 Road (Ward 14)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 443 870.98	R 315 297.83
Construction Cost	R 2 657 657.41	R 2 653 390.85
TOTAL	R 3 101 528.39	R 2 968 688.68

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Musa and Sons Trading Enterprise Pty Ltd
Project Commencement Date: December 2023
Contractual Completion Date: February 2024
Revised Completion date: 15 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Chemical stabilization: Preparation and process

- Installation of kerbing and channelling
- Crushed Stone Base: Preparation and process G2 material
- Prime Coat: preparation and application.
- 40mm Asphalt Wearing coarse
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Road Marking
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Establishment on site 100%, Clearing & grubbing 100%, Hauling of gravel selected layer material from commercial source 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed 100% and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Chemical stabilization: Preparation and process 100%, Installation of kerbing and channelling 100%, Crushed Stone Base: Preparation and process G2 material 100%, Prime Coat: preparation and application 100%, 40mm Asphalt Wearing coarse 100%, Prefabricated Culverts: Laying of prefabricated culverts 100%, with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Road Marking 100%, Installation of signages 100% and Cleaning of road reserve 100%.

The contractor has completed the works, the defect liability period has started.

Challenges: None

c) Gravelling of Efaletu Road (Ward 3)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 699 015.99	R 630 862.48
Construction Cost	R 3 905 945.04	R 3 879 690.23
TOTAL	R 4 604 961.03	R 4 510 552.71

Project Details

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Humble Frank Multi Service
Project Commencement Date: December 2023
Contractual Completion Date: February 2024
Revised Completion date: 28 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Purchase of G5 Material: from the Commercial Source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Gravel Wearing coarse: Preparation and process G5 material
- Installation of Gabions
- Excavation and preparation of side drains
- Installation of subsoil
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 100%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Side Drainage: Excavation and preparation of side drains 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project has reached the practical completion, and the contractor is attending to the snag.

d) Gravelling of D1293 Road (Ward 12)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 788 939.30	R 741 097.28
Construction Cost	R 4 653 370.55	R 4 645 979.54
TOTAL	R 5 442 309.85	R 5 387 076.82

Project Details

Name of Consultant: Libeko (Pty) Ltd
Name of Contractor: Sukoluhle Trading Enterprise
Project Commencement Date: December 2023
Contractual Completion Date: February 2024
Revised Completion date: 15 March

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel Wearing Coarse: Preparation and process G5 material.
- Gravel Subbase Coarse: Preparation and process G7 material
- Side Drainage: Excavation and preparation of side drains.
- Construction of stone pitching.
- Installation of gabion wall and mattresses on stormwater inlet/outlet infrastructure
- Cross drains: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material

100%, Gravel wearing coarse: Preparation and process G5 material 100%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Side Drainage: Excavation and preparation of side drains 100%, Construction of stone pitching 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project is behind the planned contract period because of experiencing some challenges and delays due to illegal water connections, underground surface water which required additional laying for subsoil drainage and re-routing stormwater due to obstructions. The contractor has achieved practical completion on the Friday, 15th March 2024. Project has reached completion. Defects Liability period has commenced.

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									%	
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		223 519	244 496	244 803	-	244 946	184 205	60 741	33.0%	241 943
EPWP Incentive	-	2 435	2 553	2 410	-	2 553	2 410	143	5.9%	-
Finance Management	-	1 850	1 850	1 850	-	1 850	1 388	463	33.3%	1 850
Integrated National Electrification Pro	-	6 416	7 384	7 384	-	7 384	5 538	1 846		7 384
Local Government Equitable Share	-	212 818	230 823	230 823	-	230 823	173 117	57 706		230 823
Municipal Infrastructure Grant	-	-	1 886	2 336	-	2 336	1 752	584		1 886
	3							-		
Provincial Government:		53 711	3 873	14 414	-	14 414	7 218	7 196	99.7%	7 218
KwaZulu-Natal_Infrastructure_Infrast	-	50 633	-	4 761	-	4 761	3 571	1 190	33.3%	3 571
				990		990	743	248	33.3%	743
				-				-		-
	4			4 790		4 790		-		-
		3 078	3 873	3 873		3 873	2 905	968	33.3%	2 905
Other transfers and grants [insert description]								-		
Total Operating Transfers and Grants	5	277 231	248 369	259 217	-	259 360	191 423	67 937	35.5%	249 161
Capital Transfers and Grants										
National Government:		42 232	47 831	59 612	-	59 612	46 006	11 014	23.9%	50 384
Municipal Infrastructure Grant (MIG)	-	42 232	47 831	44 056	-	44 056	33 042	11 014	33.3%	47 831
Integrated National Electrification Pro	-	-	-	-	-	-	-			2 553
Municipal Disaster Recovery Grant	-	-	-	15 556	-	15 556	12 963			-
Other capital transfers [insert description]								-		
Provincial Government:		4 972	550	550	-	550	413	138	33.3%	5 413
KwaZulu-Natal_Capacity Building an	-	4 972	550	550	-	550	413	138	33.3%	5 413
Total Capital Transfers and Grants	5	47 204	48 381	60 162	-	60 162	46 418	11 151	24.0%	55 797
TOTAL RECEIPTS OF TRANSFERS &	5	324 435	296 750	319 379	-	319 522	237 841	79 089	33.3%	304 958

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		223 519	244 496	244 946	756	244 810	85 726	136 445	159.2%	11 120
Expanded Public Works Progra	—	2 435	2 553	2 553	—	2 553	107	2 446	2280.4%	—
Local Government Financial Ma	—	1 850	1 850	1 850	63	1 850	5 538	4 010	-72.4%	7 384
Integrated National Electrificatio	—	6 416	7 384	7 384	435	7 384	1 388	2 902	209.2%	1 850
EQUITABLE SHARE	—	212 818	230 823	230 823	—	230 823	76 941	126 931	165.0%	—
Municipal Infrastructure Grant	—	—	1 886	2 336	259	2 200	1 752	157	-8.9%	1 886
0								—		
Other transfers and grants [insert description]								—		
Provincial Government:		53 711	3 873	14 414	640	10 138	11 609	2 100	18.1%	—
MASSIFICATION		50 633	—	4 761	1	4 761	3 571	1 091	30.6%	
KwaZulu-Natal	—			990	—	966	743	743	-100.0%	—
0				4 790	372	897	4 391	—		
0				—				—		
Other transfers and grants [insert de		3 078	3 873	3 873	267	3 515	2 905	266	-9.2%	
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
Other grant providers:		—	—	—	—	—	—	—		—
Other Transfers Public Corpor	—	—						—		
[insert description]								—		
Total operating expenditure of Trans		277 231	248 369	259 360	1 397	254 948	97 334	138 545	142.3%	11 120
Capital expenditure of Transfers and Grants										
National Government:		40 583	47 831	59 612	11 666	54 855	59 612	7 860	13.2%	50 384
Integrated National Electrificatio	—	—	—	—	—	—	—	—		2 553
Municipal Disaster Recovery G	—	—	—	15 556	—	15 556	15 556	505	-4.3%	—
Municipal Infrastructure Grant	—	40 583	47 831	44 056	11 666	39 299	44 056	7 356	-22.3%	47 831
0								—		
0								—		
Other capital transfers [insert description]								—		
Provincial Government:		3 064	550	550	132	712	550	3 955	719.1%	5 413
KwaZulu-Natal	—	3 064	550	550	132	712	550	3 955	-97.4%	5 413
0								—		
District Municipality:		—	—	—	—	—	—	—		—
0								—		
Other grant providers:		—	—	—	—	—	—	—		—
0								—		
Total capital expenditure of Transfer		43 647	48 381	60 162	11 798	55 567	60 162	11 815	19.6%	55 797
TOTAL EXPENDITURE OF TRANSFE		320 878	296 750	319 522	13 194	310 515	157 497	150 360	95.5%	66 917

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June													
Description		Budget Year 2023/24											
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from	1300	6 277	(0)	152	99	93	100	438	2 481	9 639	3 211	–	–
Receivables from Non-exchange	1400	1 127	(9)	1 550	2 590	2 428	4 068	15 673	77 182	104 609	101 941	–	–
Receivables from Exchange Tran	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Tran	1600	1 872	(18)	912	907	892	865	4 894	56 527	66 851	64 085	–	–
Receivables from Exchange Tran	1700	12	–	4	4	4	4	20	284	333	317	–	–
Interest on Arrear Debtor Account	1810	645	–	370	364	239	252	2 683	31 144	35 698	34 682	–	–
Recoverable unauthorised, irregu	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	15	–	–	–	–	–	–	5 688	5 703	5 688	–	–
Total By Income Source	2000	9 948	(28)	2 988	3 965	3 656	5 289	23 708	173 307	222 833	209 925	–	–
2022/23 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(178)	(0)	225	294	267	518	764	23 328	25 219	25 172	–	–
Commercial	2300	5 899	(5)	694	783	713	772	10 021	19 195	38 072	31 484	–	–
Households	2400	3 969	(22)	1 948	2 764	2 557	2 405	12 209	127 748	153 577	147 683	–	–
Other	2500	257	(0)	121	124	119	1 594	714	3 035	5 965	5 587	–	–
Total By Customer Group	2600	9 948	(28)	2 988	3 965	3 656	5 289	23 708	173 307	222 833	209 925	–	–

The total Consumer debtors outstanding as 30th June 2024 is **R 227,3 million**

- Debt book indicates 13% increase from to 1st July 2022 to 30th JUNE 2024, the debt book is very high.
- Debtors collection rate at June 2024 is 76%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since appointed three Debt Collectors to follow up on outstanding debtors, Debt collectors are operating Debt pack while telephoning Debtors, printing section 29 and Final demands, we will soon be moving to legal in order to further our collection measured on consumers that are resistant to pay nor respond to our Debt collectors.
- Our Debt collectors have embarked on an exercise where different households are being visited in order to assess the state affordability of each household, this exercise is aimed at assisting the Municipality to classify its debt book in terms of collectability or non-collectability of the debt, the program is ongoing.
- There is a challenge of high level of debt that calls for reassessments of the debtors, impairments.

- It is quite a challenge to collect satisfactory revenue from Sundumbili since we do not have any leverage to restrict in order to encourage regular payments from consumers thereon. I.e. Eskom is licensed to supply electricity.
- The high debt is mainly due to non-payment by Household in Sundumbili.
- Interventions have been made which are expected that they will change the current status, as the municipality is placing every effort in ensuring that we collect and recover the outstanding debt.
- We are currently undergoing the process of categorizing our book per various customers so that we know which ones to chase once our debt management system is up and running.
- We have also initiated a meter audit exercise, through Conlog, in order to ensure that we receive all the funds due for electricity supplied without any household tampering with our meter and steal electricity, the program is currently o
- Debt collection measures have been improved after the policy review by issuing summons with the intention to attach movable property. This initiative is however a slow process because of sheriff's involvement. They cannot cope with the number of summons to be served, upon attachment of movable properties for sale in execution, the sheriff returns with "nulla bona" which defeats the entire process. Property owners are not regular domiciles of properties indebted to council and have since left with no possible trace, legal proceedings cannot be extended further since courts are reluctant in granting intended judgement (section 66 declaring properties especially executable) as the said properties are primary residents to the latte's relatives or dependents.

Auditor General's matter of emphasis

- It should be noted that the issue of Material impairments to debtors is one of the factors that affected our audit opinion
- It was also noted that we are having a challenge in identifying and eliminating indigent cheaters
- The audit Further identified the billing discrepancies relating to interest charged for outstanding debt and property rates
- It should be noted if things were to carry on this way this institution is going to lose 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.

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
009910401	MANDINI	7	SHONGWE	RATES/REFUSE	50256.24
001000100	MANDINI	1	MR NZUZA	RATES/REFUSE	82098.14
001002100	SUNDUMBILI A	21	MS ZULU	REFUSE/RATES	96293.40
001002242	SUNDUMBILI A	224	MR XULU	REFUSE	45093.30
001002400	SUNDUMBILI A	24	MR ZULU	RATES/REFUSE	59244.69
001001742	SUNDUMBILI A	174	MR MTHETHWA	REFUSE	42816.10
001019000	SUNDUMBILI A	190	MS MKHWANAZI	RATES/REFUSE	44822.68
001001400	SUNDUMBILI A	14	MR MASONDO	RATES/REFUSE	18453.49
001001372	SUNDUMBILI A	137	MR NGEMA	REFUSE	35758.43
001063100	SUNDUMBILI A	631	MR MADELA	RATES/REFUSE	75545.70
003960751	MANDINI	43	MS GAZU	RATES/REFUSE	112230.50
001065000	SUNDUMBILI A	650	MS NTSHANGASE	RATES/REFUSE	60485.27
0010656	SUNDUMBILI A	656	MR MANQELE	RATES/REFUSE	35703.34
001069300	SUNDUMBILI A	693	MR WILLIAMSON	RATES/REFUSE	19149.77
002256900	MANDINI	2569	MR ZONDO	RATES/REFUSE	39599.03
001071300	SUNDUMBILI A	713	MR SANGWENI	RATES/REFUSE	14299.12
001070800	SUNDUMBILI A	708	MR BELE	RATES/REFUSE	29444.65
001071200	SUNDUMBILI A	712	KKLK PROPERTY INV. T	RATES/REFUSE	58192.60
002257600	SUNDUMBILI A	2576	MR ZIANE	RATES/REFUSE	104678.07
001073600	SUNDUMBILI A	736	MR SIBIYA	RATES/REFUSE	20866.74
TOTAL					1045031.26

DISCONNECTIONS

004001952	MANDINI	744 EXT. 005	BASIC BEST PROP	ELECTRICITY	17386.97
008800681	MANDINI	98	MR GETKATE	RATES/ELEC	10698.75
002400241	MANDINI	444 EXT. 002	M3 HOLDINGS	RATES/ELEC	133549.65
003000102	MANDINI	307	MR MBUYISA	RATES/ELEC	15564.76
008000421	MANDINI	805 EXT. 005	MR BUTHELEZI	RATES/ELEC	5345.80
008903411	MANDINI	469 EXT. 002	MR RADEBE L P	RATES/ELEC	77841.63
002900232	MANDINI	911 EXT. 006	MR RADEBE	RATES/ELEC	70177.62
004001932	MANDINI	916 EXT. 006	MR KANNI	RATES/ELEC	17386.97
002701091	MANDINI	405 EXT. 002	MS HORSLEY-DALIL	RATES/ELEC	25113.60
009300771	MANDINI	786/02 FLAT	MR FOURIE	RATES/ELEC	3502.99
009903581	MANDINI	358	MR BHOWANIBHIK	RATES/ELEC	42534.94
009000821	MANDINI	8	MPHILI	RATES/ELEC	R7354.21
009700731	MANDINI	37	DLAMINI	RATES/ELEC	20988.52
009600111	MANDINI	10	KANNING	RATES/ELEC	119003.21
009900691	MANDINI	1	MPHILI	RATES/ELEC	23597.04
008802121	MANDINI	11	DD DUBE	RATES/ELEC	24142.79
009600111	MANDINI	10	B.P DUNN	RATES/ELEC	119003.21
009801702	MANDINI	34	ZULU	RATES/ELEC	19147.50
008800021	MANDINI	11	PANDARUM	RATES/ELEC	7565.48

009907442	MANDINI	4	HIRAMAN	RATES/ELEC	85639.38
009501772	MANDINI	4	MTHEMBU	RATES/ELEC	56496.23
008600081	MANDINI	83	GINGINDLOVU LODGE	RATES/ELEC	116196.24
008701011	MANDINI	64	MHLONGO	RATES/ELEC	18314.45
009903001	MANDINI	17	DUBE	RATES/ELEC	18663.79
002701091	MANDINI	30	HORSLEY-DALIL	RATES/ELEC	24907.82
002700821	MANDINI	20	SIBIYA	RATES/ELEC	147841.48
TOTAL					1102219.97

Figure 9

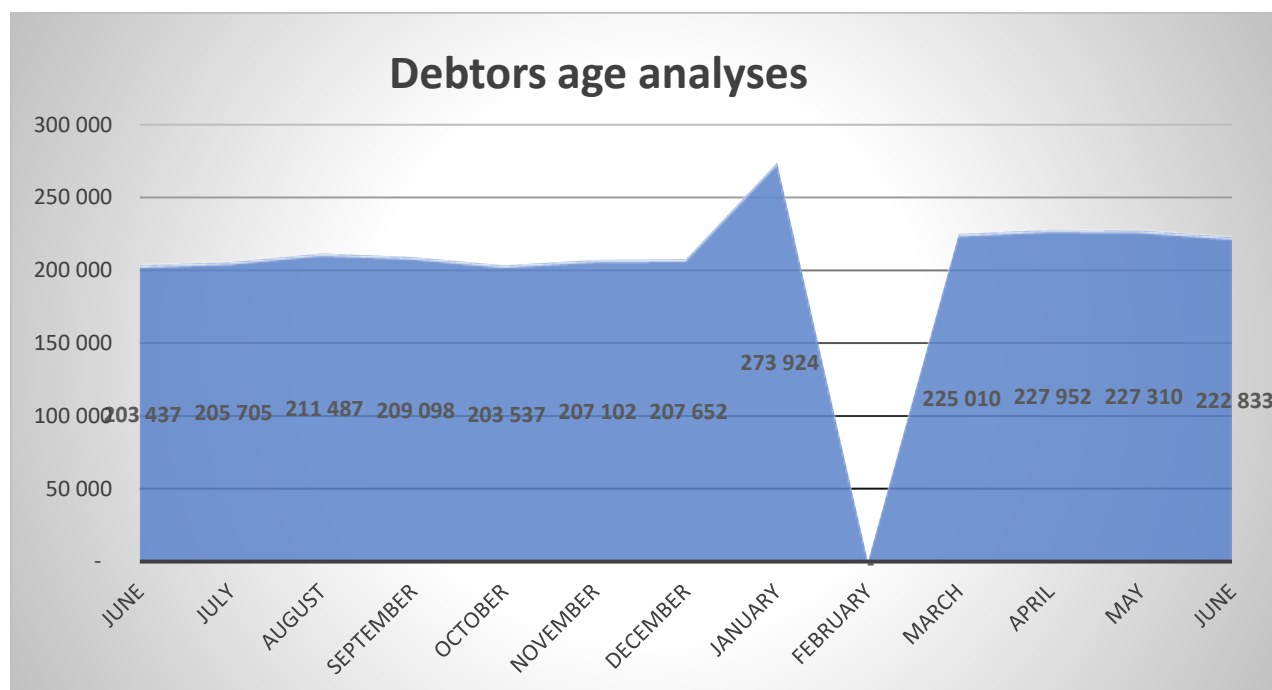
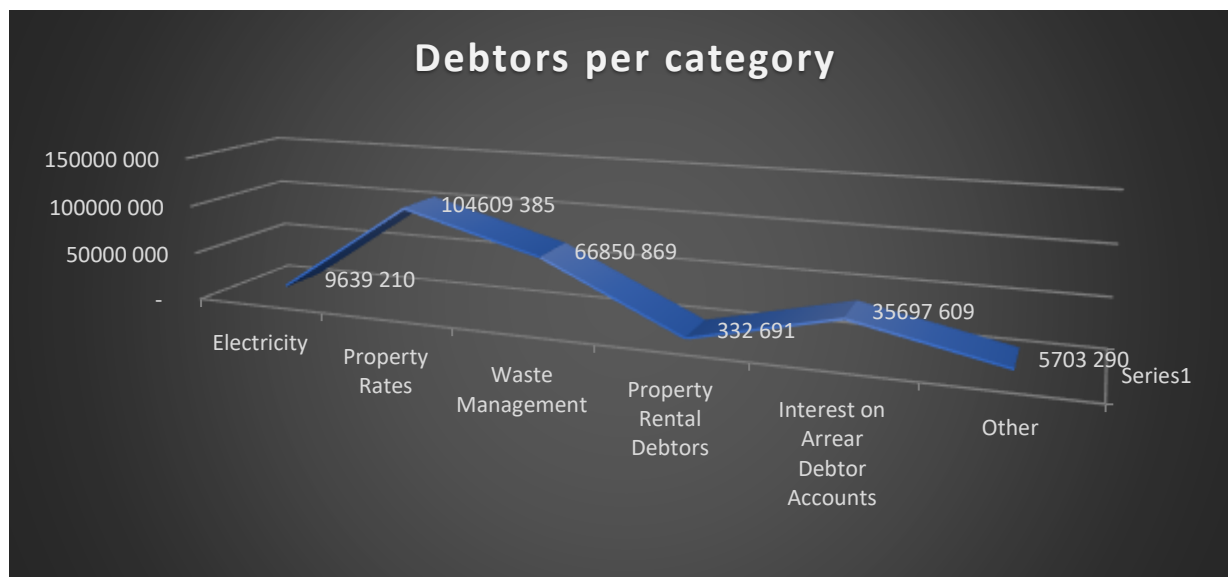
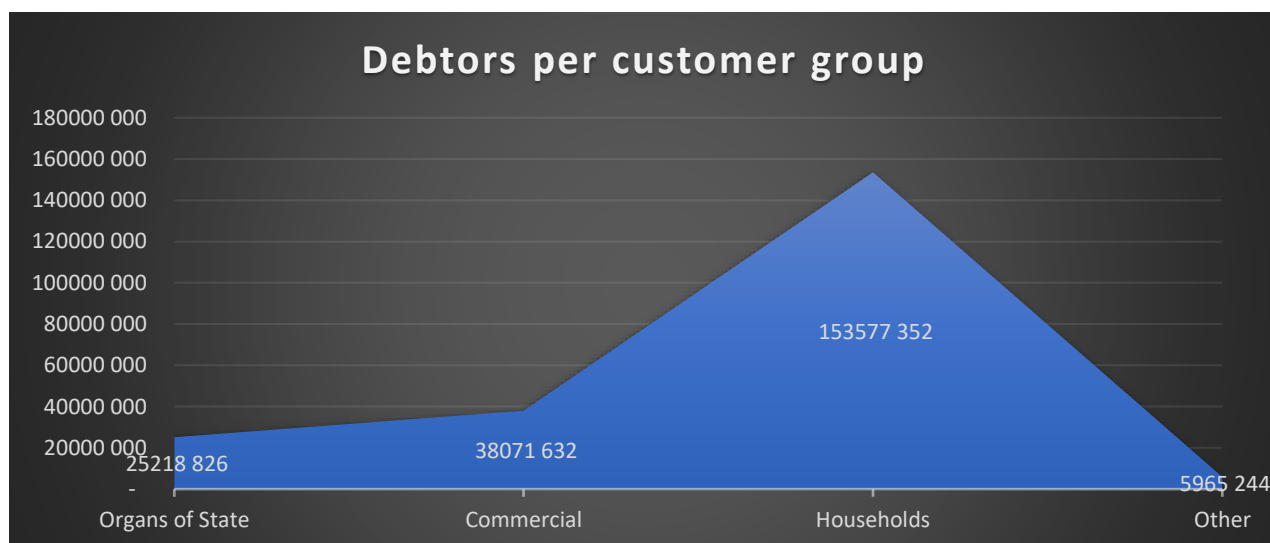


Figure 10



The municipal debtors have increased from R205.7 million to R227.3 million that is from July until 30th JUNE 2024. 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 – June 2024**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at June 2024 is R 245,731.82
- Staff Accounts in arrears as at June 2024 is R 60,270.07

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 - M12 June											Prior year totals for chart (same period)
Description	NT Code	Budget Year 2023/24									
R thousands		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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	814	—	—	—	—	—	—	—	814	—
Bulk Water	0200	—	—	—	—	—	—	—	—	—	—
PAYE deductions	0300	—	—	—	—	—	—	—	—	—	—
VAT (output less input)	0400	—	—	—	—	—	—	—	—	—	—
Pensions / Retirement deductions	0500	—	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	14 145	—	—	—	—	—	—	—	14 145	—
Auditor General	0800	—	—	—	—	—	—	—	—	—	—
Other	0900	7 248	—	—	—	—	—	—	—	7 248	—
Total By Customer Type	1000	22 207	—	—	—	—	—	—	—	22 207	—

- Creditors aging is R22.2million as of 30th June 2024.
- 95% of the creditors are on current as per our age analysis, we ensure that creditors are paid within 30 days as stipulated by the MFMA.

Top 10 Creditors:

Top 10 Creditors (JUNE 2024)

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 30th JUNE 2024

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M12 June						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		254 613	116 789	159 488	208 868	116 789
Trade and other receivables from exchange		53 845	8 376	40 554	69 918	8 376
Receivables from non-exchange transactions		(67 991)	21 324	32 780	3 460	21 324
Current portion of non-current receivables		—	—	—	—	—
Inventory		42 752	739	43 267	42 983	739
VAT		5 511	30 621	36 207	7 939	30 621
Other current assets		225	—	—	225	—
Total current assets		288 955	177 849	312 297	333 392	177 849
Non current assets						
Investments		—	—	—	—	—
Investment property		60 544	88 164	60 544	60 544	88 164
Property, plant and equipment		541 873	652 214	644 060	642 103	652 214
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	—	—	—	—
Intangible assets		331	423	154	283	423
Trade and other receivables from exchange		—	—	—	—	—
Non-current receivables from non-exchange		—	—	—	—	—
Other non-current assets		—	—	—	—	—
Total non current assets		602 748	740 801	704 758	702 929	740 801
TOTAL ASSETS		891 703	918 651	1 017 054	1 036 321	918 651
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		4 762	—	—	3 546	—
Consumer deposits		216	245	216	172	245
Trade and other payables from exchange tra		41 741	35 888	52 916	42 310	35 888
Trade and other payables from non-exchang		25 789	20 275	—	14 461	20 275
Provision		3 815	4 872	3 547	3 815	4 872
VAT		1 970	9 818	11 406	4 376	9 818
Other current liabilities		—	—	—	—	—
Total current liabilities		78 294	71 097	68 086	68 681	71 097
Non current liabilities						
Financial liabilities		—	—	—	—	—
Provision		—	—	—	—	—
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		17 730	22 795	21 693	17 730	22 795
Total non current liabilities		17 730	22 795	21 693	17 730	22 795
TOTAL LIABILITIES		96 024	93 892	89 779	86 411	93 892
NET ASSETS	2	795 679	824 758	927 276	949 910	824 758
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		593 006	822 568	862 196	747 238	822 568
Reserves and funds		202 672	2 191	65 080	202 672	2 191
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUI	2	795 679	824 758	927 276	949 910	824 758

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are 5 (five) times that of current liabilities.
4.85:0.20

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 4.85 is favorable as it is above the norm of 1:1 normally set for municipalities. This indicates that there is sufficient cash to meet creditor obligations.

Liquidity ratio: The cash and cash equivalents are the current liabilities. 4.98

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

Creditor's payment: it takes the municipality 33 days to pay its creditors.

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

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

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

Debtors collection rate: as at first quarter is 76 %

	6 Month
Cash and cash equivalents	7 302 535
Unspent Conditional Grants	9 064 685
Overdraft	-
Short Term Investments	202 307 689
Total Annual Operational Expenditure	402 378 915

	4.85
Current Assets	333 392 070
Current Liabilities	68 681 196

	33 days
Trade Creditors	22 206 610
Contracted Services	85 622 252
Repairs and Maintenance	21 258 790
General expenses	64 686 446
Bulk Purchases	51 852 013
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	22 406 064

	35%
Employee/personnel related cost	126 552 678
Councillors Remuneration	14 563 808
Total Operating Expenditure	402 378 915
Taxation Expense	-

	21%
Contracted Services	85 622 252
Total Operating Expenditure	402 378 915
Taxation Expense	

	99%
Cash and cash Equivalents	7 302 535
Bank Overdraft	-
Short Term Investment	202 307 689
Long Term Investment	-
Unspent Grants	9 064 685
Net Assets	949 910 439
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	747 238 108

	75.98
Gross Debtors closing balance	228 487 249.84
Gross Debtors opening balance	203 310 844.63
Bad debts written Off	5 142 595.11
Billed Revenue	126 220 812.25

	0.09
Consumer Debtors Bad debts written off	5 142 595.11
Consumer Debtors Current bad debt Provision	55 001 168.10

	501.68
Gross debtors	228 487 249.84
Bad debts Provision	55 001 168.10
Billed Revenue	126 220 812.25

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 30th JUNE 2024

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(39 539)	26 698	37 902	3 187	70 168	37 902	32 266	85%	26 698
Service charges		(53 312)	62 465	71 633	4 166	78 269	71 633	6 636	9%	62 465
Other revenue		12 199	18 972	20 931	4 978	47 119	20 931	26 188	125%	18 972
Transfers and Subsidies - Operational		467 908	249 359	249 679	(3 094)	233 715	249 679	(15 964)	-6%	249 359
Transfers and Subsidies - Capital		(104 009)	48 381	60 292	-	46 942	60 292	(13 350)	-22%	48 381
Interest		23 867	10 500	23 500	1 822	31 127	23 500	7 627	32%	10 500
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(22 044)	(697 798)	(699 110)	(41 733)	(402 379)	(707 228)	(304 849)	43%	(697 798)
Finance charges		-	(100)	(3 300)	-	(137)	(3 300)	(3 163)	96%	(100)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		285 069	(281 522)	(238 474)	(30 673)	104 824	(246 592)	(351 416)	143%	(281 522)
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		(432 612)	190 367	160 666	(28 537)	(150 481)	184 766	335 247	181%	190 367
NET CASH FROM/(USED) INVESTING ACTIVITIES		(432 612)	190 367	160 666	(28 537)	(150 481)	184 766	335 247	181%	190 367
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(147 542)	(91 156)	(77 808)	(59 209)	(45 657)	(61 826)			-
Cash/cash equivalents at beginning:		82 988	207 979	254 525	-	254 525	254 525			254 525
Cash/cash equivalents at month/year end:		(64 555)	116 823	176 717		208 868	192 699			-

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 30th June 2024 is R208.9million.

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

Revenue -Receipts

- The property rates collection rate to date is 86% or R59.3million of the billed revenue as at June 2024. 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 87% or R72.8million of billed revenue as at June 2024, over collection of 12% is from the refuse vote, where a supplementary valuation has


been implemented with new refuse collection sites, and electricity collection is at expected rate. And 1% over collection from Service - charges electricity.

- Other Revenue collected to date is R47.1million, 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 May for R29.0million.
- Government Operating received to date as at June 2024 is R259.4million of grants received as published in DORA
- Government Capital: Total received to date is R59.6 million for and MIG of R46,4million, and R15,6million for the rolled over grant for Disaster grant and R550thousand for Library capex.
- Interest earned on external investments amounts to R26.7 million in comparison with the year-to-date budget of R23.5 million. Variance is due to interest generated from invested funds.

Payments

- Suppliers and employees for cash outflows of R-402.4 million does not corresponds 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 R4.3 million as we adhere to GRAP 109 as the municipality serves as an agent.
- Finance charges reflect an under performance by 96 percent or R3.0million against YTD actual of R0 thousand, this line item was adjusted to R3.3million, as the Municipality has included for post-retirement cost.
- Capital Assets of R130.9 million for the month of June 2024 whilst a YTD budget of R139.8 million gives an under-performance by R8.9million or 6%.

6.1. BANK RECONCILIATION STATEMENT AS AT JUNE 2024

 Mandeni Municipality			
BANK RECONCILIATION STATEMENT FOR MAY 2024			
Main Account :52940480587			
Opening FNB Bank Balance as on 1 MAY 2024	2 326 369.02	2 326 369.02	
PLUS: Deposits Banked	12 849 104.27		
PLUS: Interest received	10 653.93		
PLUS: Transfers In	46 912 828.19		
PLUS:Interest received From Call 1	70 742.33		
PLUS:Unpaid	29 604.60		
PLUS: MATURED INVESTMENTS	-		
PLUS: SARS REFUND	2 164 276.15		
PLUS: GRANTS RECEIVED	-		
Total Deposits	62 037 209.47	62 037 209.47	
Less:Total payments	- 58 472 165.49	- 58 472 165.49	
LESS: EFT Payments	- 57 729 337.73		
LESS: Bank Charges	- 21 264.99		
LESS: Cheques Paid Out	-		
LESS: Transfers Out	-		
LESS: NEW INVESTMENTS	-		
LESS: Debit Orders	- 721 562.77		
Closing FNB Bank Balance as on 31 MAY 2024		5 891 413.00	
Cashbook Reconciliation for 31 MAY 2024			
Cashbook Balance as on 1 MAY 2024-D0001/IA09567/F0001/X049/R0099/001/FIN	1 911 087 855.20		
Cashbook Balance as on 1 MAY 2024-D0001/IA02105/F0041/X049/R0099/001/CONTRA	96 176 000.00		
Less:Cashbook Balance as on 1 MAY 2024-D0001/IA09850/F0001/X049/R0099/001/FIN	- 2 004 222 374.78		
Corrections to be made (JNL DR)	-		
PLUS: Deposits Banked for MAY 2024	12 849 104.27		
LESS: EFT Payments for MAY 2024	- 57 871 051.16		
Plus :APRIL 2024 outstanding (reconciled)	55 035.20		
Less: Bank Charges to date	- 1 358 471.92		
PLUS: Grant received	-		
Less : New investment	-		
Less: Payments not yet paid during MAY 2024	-		
PLUS: Interest received to date	577 763.06		
PLUS:Interest received From Call 1-MAY 2024	70 742.33		
PLUS MATURED INVESTMENT	-		
PLUS :SARS REFUND	2 164 276.15		
PLUS :TRANSFER IN	46 912 828.19		
LESS:TRANSFER OUT	-		
LESS: Debit Orders for MAY 2024	- 721 562.77		
Closing Cashbook Balance as on 31 MAY 2024	5 720 143.77	5 720 143.77	
		171 318.02	
Reconciling Items	Amount		
ADD: Journal Debits - on Cashbook not on Bank Statement	171 318.02		
ADJUSTED MONTH END CASHBOOK BALANCE- 31 MAY 2024		5 891 461.79	
MONTH END BALANCE PER BANK STATEMENT- 31 MAY 2024		5 891 413.00	
DIFFERENCE		48.79	

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 30th JUNE 2024

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June									
Investments by maturity Name of institution & investment ID	Re f	Period of Investment	Type of Investment	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investm ent Top Up	Closing Balance
R thousands		Yrs/Months							
Municipality									
call 1-internal grant		12 MONTHS	CALL ACCOUNT	7.2	1 310	4 059	(36 753)	181 571	150 188
Call account 2 -HOUSING		13 MONTHS	CALL ACCOUNT	7.2	2 120	147		2 133	4 400
Call account 3-MIG		14 MONTHS	CALL ACCOUNT	7.2	1 675	1 181	(12 068)	7 676	(1 537)
Call account 5-TMT		15 MONTHS	CALL ACCOUNT	7.2	495	33	(30)	473	971
Call account 6-INEP		16 MONTHS	CALL ACCOUNT	7.2	14	117	(14)	(0)	117
Call account 7-AR		17 MONTHS	CALL ACCOUNT	7.2	451	126	(486)	5 272	5 363
Call account 8- Title Deed		18 MONTHS	CALL ACCOUNT	7.2	3 400	402	(257)	5 172	8 717
Call account 9-Disaster Recovery		19 MONTHS	CALL ACCOUNT	7.2	2 198	825	(2 198)	11	837
NEDBANK		20 MONTHS	CALL ACCOUNT	10.27	100 000	9 454	(100 000)	-	9 454
NEDBANK		21 MONTHS	CALL ACCOUNT	9.8	50 000	4 457	(50 000)	-	4 457
NEDBANK		22 MONTHS	CALL ACCOUNT	9.15	65 000	2 086	(65 000)	-	2 086
NEDBANK		23 MONTHS	CALL ACCOUNT	5.5	-	305	-	-	305
NEDBANK		24 MONTHS	CALL ACCOUNT	8.8	65 000	2 837	(65 000)	-	2 837
NEDBANK		25 MONTHS	CALL ACCOUNT	9	73 620	581	(73 620)	-	581
FNB		26 MONTHS	CALL ACCOUNT			286			286
									-
									-
									-
Municipality sub-total					365 283	26 895	(405 425)	202 308	189 061
TOTAL INVESTMENTS AND INTE	2				365 283	26 895	(405 425)	202 308	189 061

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June										
Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 098	12 989	12 989	948	12 378	12 989	(610)	-5%	12 989
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		543	636	636	43	528	636	(109)	-17%	636
Cellphone Allowance		1 502	1 591	1 591	209	1 491	1 591	(100)	-6%	1 591
Housing Allowances		182	244	244	13	167	244	(77)	-32%	244
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		14 325	15 460	15 460	1 214	14 564	15 460	(896)	-6%	15 460
% increase	4		7.9%	7.9%						7.9%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4 204	5 602	5 602	373	3 865	5 602	(1 736)	-31%	5 602
Pension and UIF Contributions		1	11	11	—	1	11	(10)	-95%	11
Medical Aid Contributions		—	—	45	21	163	45	118	263%	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		583	476	476	—	380	476	(96)	-20%	476
Motor Vehicle Allowance		645	773	833	60	716	833	(117)	-14%	773
Cellphone Allowance		182	186	186	29	272	186	86	46%	186
Housing Allowances		256	265	265	14	114	265	(151)	-57%	265
Other benefits and allowances		1	1	321	40	347	321	26	8%	1
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligation	2	1 443	—	1 474	—	—	1 474	(1 474)	-100%	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		7 316	7 314	9 213	536	5 858	9 213	(3 355)	-36%	7 314
% increase	4		0.0%	25.9%						0.0%
Other Municipal Staff										
Basic Salaries and Wages		74 961	89 913	90 591	7 474	83 417	90 591	(7 174)	-8%	89 913
Pension and UIF Contributions		12 303	14 704	15 193	1 186	13 566	15 193	(1 627)	-11%	14 704
Medical Aid Contributions		5 426	5 886	5 886	571	6 332	5 886	445	8%	5 886
Overtime		2 388	1 716	2 356	320	3 361	2 356	1 004	43%	1 716
Performance Bonus		6 078	6 209	6 209	484	6 075	6 209	(134)	-2%	6 209
Motor Vehicle Allowance		4 672	5 239	5 239	400	4 751	5 239	(488)	-9%	5 239
Cellphone Allowance		530	526	576	52	617	576	42	7%	526
Housing Allowances		306	345	345	27	315	345	(29)	-8%	345
Other benefits and allowances		828	765	845	87	983	845	138	16%	765
Payments in lieu of leave		2 636	2 591	2 591	237	921	2 591	(1 670)	-64%	2 591
Long service awards		962	1 341	1 341	17	355	1 341	(986)	-74%	1 341
Post-retirement benefit obligation	2	(1 651)	4 872	1 178	—	—	1 178	(1 178)	-100%	4 872
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		109 438	134 106	132 350	10 854	120 694	132 350	(11 656)	-9%	134 106
% increase	4		22.5%	20.9%						22.5%
Total Parent Municipality		131 079	156 880	157 023	12 603	141 116	157 023	(15 907)	-10%	156 880
			19.7%	19.8%						19.7%
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—	—	—
% increase	4									
Total Municipal Entities		—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS		131 079	156 880	157 023	12 603	141 116	157 023	(15 907)	-10%	156 880
% increase	4		19.7%	19.8%						19.7%
TOTAL MANAGERS AND STAFF		116 754	141 420	141 563	11 390	126 553	141 563	(15 010)	-11%	141 420

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24		
			Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.1%	8.9%	8.8%	3.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		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%	8.0%	9.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	1	369.1%	250.2%	458.7%	250.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		325.2%	164.3%	234.2%	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%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		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%	33.8%	37.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.9%	4.3%	4.8%	4.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.2%	9.3%	9.3%	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					

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QUALITY CERTIFICATE

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

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

▪ **Monthly Budget Statements**

for the month of **June 2024** 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 July 2024**