

MANDENI MUNICIPALITY (KZN 291)



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

JULY– SEPTEMBER 2024

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1.1 MAYORS' FOREWORD

Attached

1.2 COUNCIL RESOLUTION

Resolution No: C

Refer to the recommendations contained in this report.

1.3 EXECUTIVE SUMMARY**LEGAL REQUIREMENTS**

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

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

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

1.3.2 FINANCIAL PERFORMANCE

BUDGET SUMMARY

The following table represents an executive summary for third quarter of the financial year ended 30th September 2024:

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q1 First Quarter								
Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Total Revenue (excluding capital transfers and contributions)	423 545	447 101	12 376	170 618	111 775	58 843	53%	447 101
Total Expenditure	420 707	443 031	25 618	89 121	113 968	(24 847)	-22%	443 031
Surplus/(Deficit)	2 838	4 070	(13 242)	81 497	(2 193)	83 690	-3816%	4 070
Transfers and subsidies - capital	55 093	39 760	3 151	5 083	9 940	(4 857)	-49%	39 760
Surplus/(Deficit) after capital transfers & contributions	57 931	43 830	(10 091)	86 580	7 747	78 833	1018%	43 830
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	57 931	43 830	(10 091)	86 580	7 747	78 833	1018%	43 830
Capital expenditure & funds sources								
Capital expenditure	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
Capital transfers recognised	51 789	34 702	3 538	5 437	8 675	(3 239)	-37%	34 702
Borrowing	-	-	-	-	-	-		-
Internally generated funds	87 873	92 898	979	1 740	23 225	(21 484)	-93%	92 898
Total sources of capital funds	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600

As can be seen from the table above, Actual surplus for the period ended 30th September 2024 is Significantly more than the Budgeted Surplus by- 100%. Monthly budget statement summary (Table C1), for the period ending 30th September 2024 (year to date actual), shows a surplus of R86,6million against YTD budget of R7,7million which reflects variance of more than 100%.

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

1.4 IN- YEAR BUDGET STATEMENT TABLES

Table 1

Table C1 below provides a summary of the overall performance of the municipality.

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q1 First Quarter								
Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	57 779	62 237	3 304	37 452	15 559	21 893	141%	62 237
Service charges	74 930	86 448	7 317	22 931	21 612	1 319	6%	86 448
Investment revenue	26 748	-	-	-	-	-	-	-
Transfers and subsidies - Operational	26 748	28 000	350	2 921	7 000	(4 079)	-58%	28 000
Other own revenue	237 340	270 416	1 406	107 313	67 604	39 709	59%	-
Total Revenue (excluding capital transfers and contributions)	423 545	447 101	12 376	170 618	111 775	58 843		447 101
							53%	
Employee costs	133 709	152 543	11 296	32 633	38 136	(5 503)	-14%	152 543
Remuneration of Councillors	14 564	16 388	1 228	3 620	4 097	(477)	-12%	16 388
Depreciation and amortisation	33 728	37 856	2 843	8 708	9 464	(756)	-8%	37 856
Interest	137	3 300	18	18	825	(807)	-98%	3 300
Inventory consumed and bulk purchase	56 309	62 398	296	13 530	15 680	(2 149)	-14%	62 398
Transfers and subsidies	-	-	-	-	-	-	-	-
Other expenditure	182 260	170 546	9 937	30 613	45 767	(15 154)	-33%	170 546
Total Expenditure	420 707	443 031	25 618	89 121	113 968	(24 847)	-22%	443 031
Surplus/(Deficit)	2 838	4 070	(13 242)	81 497	(2 193)	83 690	-3816%	4 070
Transfers and subsidies - capital	55 093	39 760	3 151	5 083	9 940	(4 857)	-49%	39 760
Surplus/(Deficit) for the year	57 931	43 830	(10 091)	86 580	7 747	78 833	1018%	43 830
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	57 931	43 830	(10 091)	86 580	7 747	78 833	1018%	43 830
Capital expenditure & funds sources								
Capital expenditure	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
Capital transfers recognised	51 789	34 702	3 538	5 437	8 675	(3 239)	-37%	34 702
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	87 873	92 898	979	1 740	23 225	(21 484)	-93%	92 898
Total sources of capital funds	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
Financial position								
Total current assets	305 776	240 614		369 725				240 614
Total non current assets	713 576	692 232		718 618				692 232
Total current liabilities	79 767	55 157		62 178				55 157
Total non current liabilities	21 070	22 993		21 070				22 993
Community wealth/Equity	918 515	854 696		1 005 094				854 696
Cash flows								
Net cash from (used) operating	(73 304)	(269 456)	(2 851)	53 876	(54 370)	(108 246)	199%	(269 456)
Net cash from (used) investing	(616 240)	168 751	(1 049)	(8 254)	42 188	50 441	120%	168 751
Net cash from (used) financing	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/y	(821 557)	(284 129)	-	254 430	(195 606)	(450 036)	230%	-
Debtors & creditors analysis								
	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	44 218	(104)	1 527	8 315	2 608	27 688	177 483	263 463
Creditors Age Analysis								
Total Creditors	11	-	-	-	-	-	-	11

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Revenue - Functional									
Governance and administration		322 913	340 236	4 021	143 146	85 059	58 087	68%	340 236
Executive and council		-	8 038	-	-	2 009	(2 009)	-100%	8 038
Finance and administration		322 913	332 198	4 021	143 146	83 049	60 097	72%	332 198
Internal audit		-	-	-	-	-	-	-	-
Community and public safety		4 710	5 464	376	1 039	1 366	(327)	-24%	5 464
Community and social services		4 710	5 073	376	1 039	1 268	(230)	-18%	5 073
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		-	391	1	1	98	(97)	-99%	391
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		63 161	45 527	3 627	6 499	11 382	(4 883)	-43%	45 527
Planning and development		42 536	41 542	3 333	5 748	10 386	(4 637)	-45%	41 542
Road transport		20 625	3 985	293	750	996	(246)	-25%	3 985
Environmental protection		-	-	-	-	-	-	-	-
Trading services		87 854	95 634	7 503	25 017	23 908	1 108	5%	95 634
Energy sources		74 134	80 675	6 246	21 177	20 169	1 008	5%	80 675
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		13 720	14 958	1 257	3 840	3 740	101	3%	14 958
Other	4	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	478 638	486 861	15 527	175 701	121 715	53 986	44%	486 861
Expenditure - Functional									
Governance and administration		217 143	217 123	14 152	44 658	54 361	(9 703)	-18%	217 123
Executive and council		61 619	66 001	4 472	15 296	16 580	(1 285)	-8%	66 001
Finance and administration		155 524	151 121	9 680	29 362	37 780	(8 419)	-22%	151 121
Internal audit		-	-	-	-	-	-	-	-
Community and public safety		46 599	42 761	4 103	11 235	10 690	545	5%	42 761
Community and social services		33 291	30 811	3 461	9 547	7 703	1 845	24%	30 811
Sport and recreation		12 862	10 030	642	1 672	2 507	(835)	-33%	10 030
Public safety		418	1 890	-	-	472	(472)	-100%	1 890
Housing		29	30	-	15	8	8	101%	30
Health		-	-	-	-	-	-	-	-
Economic and environmental services		69 233	83 202	5 715	15 184	20 800	(5 617)	-27%	83 202
Planning and development		18 934	25 716	1 449	3 986	6 429	(2 443)	-38%	25 716
Road transport		46 605	53 423	3 919	10 223	13 356	(3 133)	-23%	53 423
Environmental protection		3 694	4 063	347	975	1 016	(41)	-4%	4 063
Trading services		88 370	99 070	1 648	18 045	27 898	(9 853)	-35%	99 070
Energy sources		77 057	76 143	859	15 298	20 123	(4 825)	-24%	76 143
Water management		-	-	-	-	-	-	-	-
Waste water management		2 543	2 802	237	728	701	27	4%	2 802
Waste management		8 770	20 124	552	2 019	7 074	(5 055)	-71%	20 124
Other		-	876	-	-	219	(219)	-100%	876
Total Expenditure - Functional	3	421 345	443 031	25 618	89 121	113 968	(24 847)	-22%	443 031
Surplus/ (Deficit) for the year		57 293	43 830	(10 091)	86 580	7 747	78 833	1018%	43 830

Table 3

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter									
Vote Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote	1								
Vote 1 - Executive and council		-	8 038	-	-	2 009	(2 009)	-100.0%	8 038
Vote 2 - Finance and administration		322 913	332 198	4 021	143 146	83 049	60 097	72.4%	332 198
Vote 3 - Internal audit		-	-	-	-	-	-		-
Vote 4 - Community and social services		4 710	5 464	376	1 039	1 366	(327)	-23.9%	5 464
Vote 5 - Sport and Recreation		-	-	-	-	-	-		-
Vote 6 - Public safety		-	-	-	-	-	-		-
Vote 7 - Housing		-	-	-	-	-	-		-
Vote 8 - Planning and Development		42 536	41 542	3 333	5 748	10 386	(4 637)	-44.7%	41 542
Vote 9 - Road transport		20 625	3 985	293	750	996	(246)	-24.7%	3 985
Vote 10 - Energy sources		74 134	80 675	6 246	21 177	20 169	1 008	5.0%	80 675
Vote 11 - Waste Management		13 720	14 958	1 257	3 840	3 740	101	2.7%	14 958
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	478 638	486 861	15 527	175 701	121 715	53 986	44.4%	486 861
Expenditure by Vote	1								
Vote 1 - Executive and council		61 619	66 001	4 472	15 296	16 580	(1 285)	-7.7%	66 001
Vote 2 - Finance and administration		155 524	151 121	9 680	29 362	37 780	(8 419)	-22.3%	151 121
Vote 3 - Internal audit		-	-	-	-	-	-		-
Vote 4 - Community and social services		33 291	30 811	3 461	9 547	7 703	1 845	23.9%	30 811
Vote 5 - Sport and Recreation		12 862	10 030	642	1 672	2 507	(835)	-33.3%	10 030
Vote 6 - Public safety		418	1 890	-	-	472	(472)	-100.0%	1 890
Vote 7 - Housing		29	30	-	15	8	8	100.7%	30
Vote 8 - Planning and Development		18 934	26 592	1 449	3 986	6 648	(2 662)	-40.0%	26 592
Vote 9 - Road transport		49 148	56 225	4 156	10 951	14 056	(3 106)	-22.1%	56 225
Vote 10 - Energy sources		77 057	76 143	859	15 298	20 123	(4 825)	-24.0%	76 143
Vote 11 - Waste Management		8 770	20 124	552	2 019	7 074	(5 055)	-71.5%	20 124
Vote 12 - Environmental Protection		3 694	4 063	347	975	1 016	(41)	-4.0%	4 063
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-		-
Total Expenditure by Vote	2	421 345	443 031	25 618	89 121	113 968	(24 847)	-21.8%	443 031
Surplus/ (Deficit) for the year	2	57 293	43 830	(10 091)	86 580	7 747	78 833	1017.6%	43 830

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 30th September 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) - Q1 First Quarter									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue									
Exchange Revenue									
Service charges - Electricity		62 550	72 341	6 238	19 657	18 085	1 571	9%	72 341
Service charges - Water		-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-
Service charges - Waste management		12 380	14 106	1 078	3 274	3 527	(252)	-7%	14 106
Sale of Goods and Rendering of Services		11 818	9 474	35	1 725	2 369	(644)	-27%	9 474
Agency services		-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-
Interest earned from Receivables		919	963	119	354	241	113	47%	963
Interest from Current and Non Current Assets		26 748	28 000	350	2 921	7 000	(4 079)	-58%	28 000
Dividends		-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-
Rental from Fixed Assets		294	374	39	141	93	48	51%	374
Licence and permits		-	-	-	-	-	-	-	-
Operational Revenue		1 507	1 200	9	103	300	(197)	-66%	1 200
Non-Exchange Revenue									
Property rates		57 779	62 237	3 304	37 452	15 559	21 893	141%	62 237
Surcharges and Taxes		-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 584	1 310	9	21	328	(306)	-93%	1 310
Licence and permits		985	957	61	191	239	(49)	-20%	957
Transfers and subsidies - Operational		241 981	253 163	876	103 978	63 291	40 687	64%	253 163
Interest		3 460	2 976	257	801	744	57	8%	2 976
Fuel Levy		-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-
Other Gains		1 541	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		423 545	447 101	12 376	170 618	111 775	58 843	53%	447 101
Expenditure By Type									
Employee related costs		133 709	152 543	11 296	32 633	38 136	(5 503)	-14%	152 543
Remuneration of councillors		14 564	16 388	1 228	3 620	4 097	(477)	-12%	16 388
Bulk purchases - electricity		52 475	57 866	(18)	13 013	14 466	(1 453)	-10%	57 866
Inventory consumed		3 835	4 533	314	517	1 213	(696)	-57%	4 533
Debt impairment		29 387	30 261	-	-	10 696	(10 696)	-100%	30 261
Depreciation and amortisation		33 728	37 856	2 843	8 708	9 464	(756)	-8%	37 856
Interest		137	3 300	18	18	825	(807)	-98%	3 300
Contracted services		85 801	79 270	5 083	14 626	19 817	(5 192)	-26%	79 270
Transfers and subsidies		-	-	-	-	-	-	-	-
Irrecoverable debts written off		3 750	6 261	-	-	1 565	(1 565)	-100%	6 261
Operational costs		62 365	54 755	4 854	15 988	13 689	2 299	17%	54 755
Losses on Disposal of Assets		501	-	-	-	-	-	-	-
Other Losses		456	-	-	-	-	-	-	-
Total Expenditure		420 707	443 031	25 618	89 121	113 968	(24 847)	-22%	443 031
Surplus/(Deficit)		2 838	4 070	(13 242)	81 497	(2 193)	83 690	(0)	4 070
Transfers and subsidies - capital (monetary allocations)		55 093	39 760	3 151	5 083	9 940	(4 857)	(0)	39 760
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers		57 931	43 830	(10 091)	86 580	7 747			43 830
Income Tax		-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		57 931	43 830	(10 091)	86 580	7 747			43 830
Surplus/(Deficit) attributable to municipality		57 931	43 830	(10 091)	86 580	7 747			43 830
Surplus/ (Deficit) for the year		57 931	43 830	(10 091)	86 580	7 747			43 830

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

Figure 1

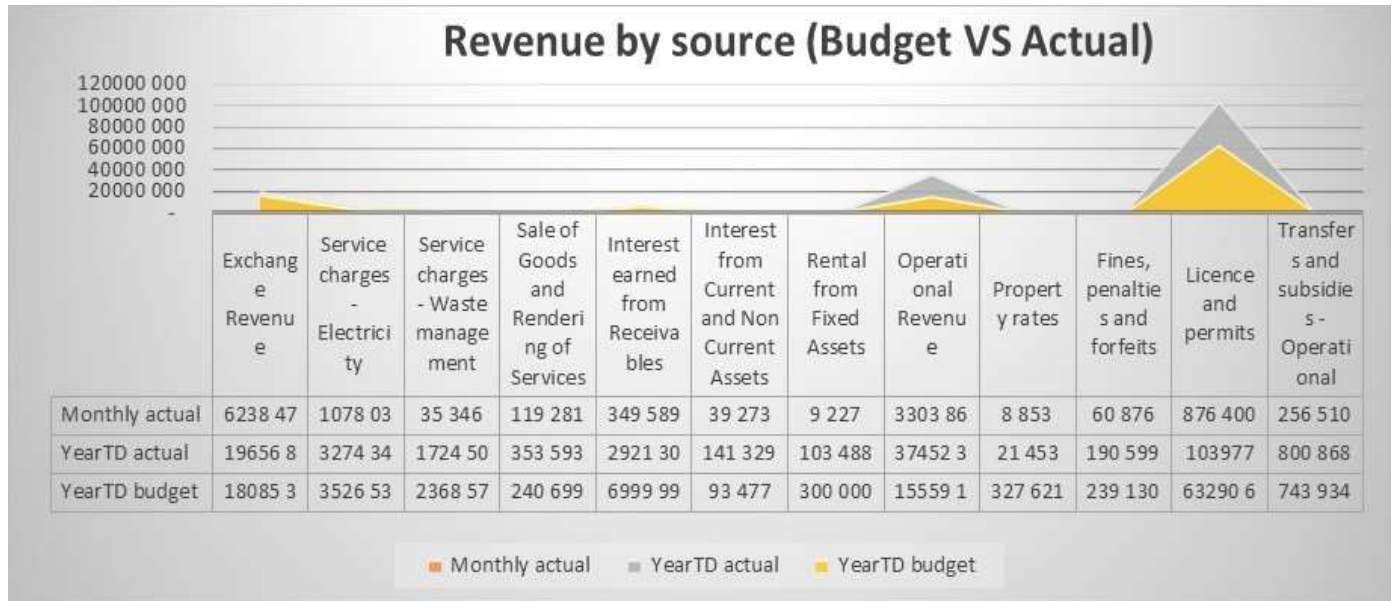
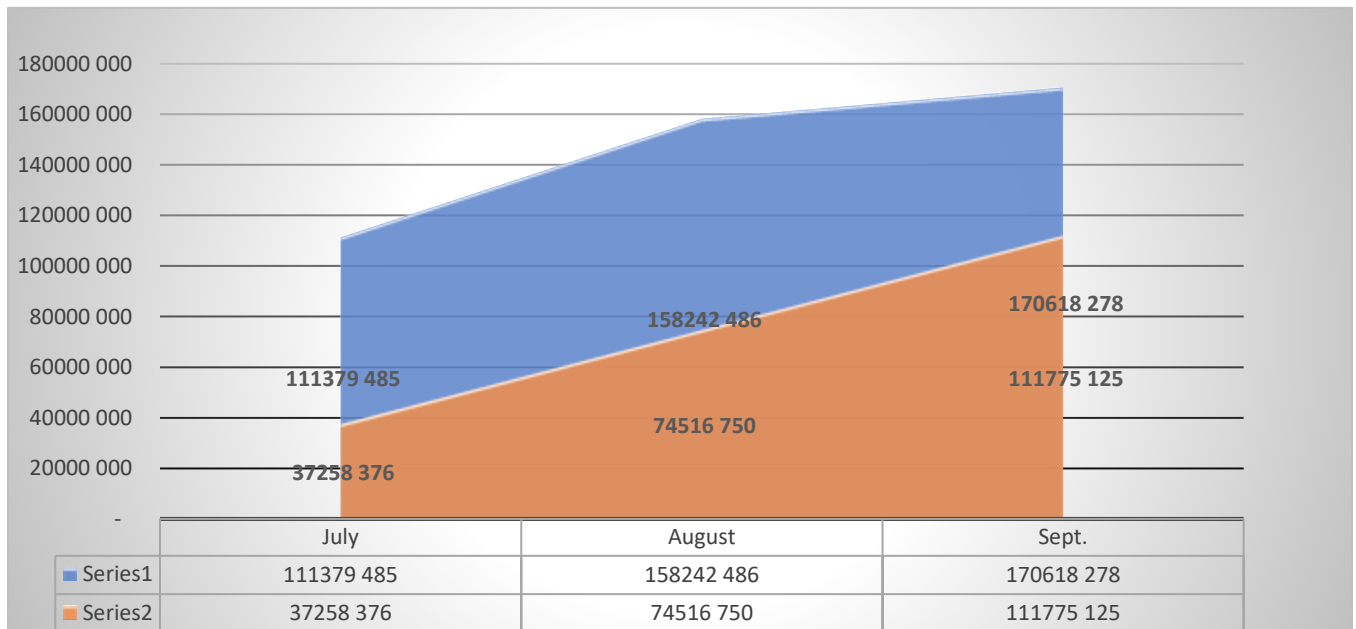


Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R170,6million for the period ending 30th September 2024 excluding capital conditional grant income. The YTD Budget is R111,8million; therefore, this reflects an over performance against the revenue projected by 53%, this is a reflection that the municipality has achieved more of its revenue performance budget.

EXCHANGE REVENUE**Service Charges: Electricity**

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R19,7million over a budget YTD of R18,1 million the target for this item has been over achieved as the variance to this vote is 9%.

The actual cash collected is R 11,8 for the month ended September 2024.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as @ 30th September 2024 is R3,3 million against the budgeted income of R3,5million which under performance by 7%.
- The actual cash collected is R329thousand for the month of September 2024.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R1,7 million in comparison with the year-to-date budget of R2,4 million, thus indicating an under performance by R644 thousand or -27%, variance is due to INEP expenditure which has not been recognised. This vote includes tender documents sales vote and Escort fees vote, which is the person responsible for the patrolling of children who are going to school and Library photocopies.

Interest earned from receivables.

- Interest earned from receivables amounts to R354 thousand in comparison with the year-to-date budget of R241 thousand, thus indicating an over performance by R644 thousand or 47%, variance is based on interest charged on outstanding debt.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R2,9 million in comparison with the year-to-date budget of R7 million, thus indicating an under performance by R4,1million or 58 percent, variance is caused by the fact that there are no matured investment in this quarter.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R141 thousand in comparison with the year-to-date budget amount of R93 thousand thus indicating an over performance of R48thousand or 51%. Variance is due to level of demand in rental of staff rental houses are fully occupied.

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 R103 thousand which is less than anticipated YTD budget of R300 thousand, thus indicating an under performance of R197 thousand or 66%, variance is due to the collection charges not received, as these are paid from customers who are behind with rates and services.

NON-EXCHANGE REVENUE**Property Rates**

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements. The YTD Actual for rates shows over -collection Budget of R37,5million, which is an over collection by 141% or R21,9million. The variance in this vote is due to Annual Billing for the year of R30million and the implementation of SV3.
- The actual cash collected being R8,5million for the month ended 30th September 2024.

Fines, Penalties and forfeits

- Fines for the month of September are underperformed by 93% or R306 thousand, over a pro-rata budget of R328 thousand. This is mainly due to the culture of non-payment and adverse economic conditions Revenue reported to date is on cash basis, as the municipality accounts for fines in terms of iGRAP 1 during year end.
- The traffic fines register is yet to be obtained from all law enforcement officers. The same will need to be receipted using the accrual basis of accounting in order to recognise the income accordingly.

Licences and permits.

- Licences and permits have under-performed by 20% or R49 thousand with an actual amount of R239 thousand as compared to pro-rata budget of R191 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 R104 million YTD Actual in comparison with the YTD budget of R63,3 million, thus indicating an over performance by R40,7 million or 64 percent, variance is mainly attributable to the municipality receiving 1st trench of Equitable share of R101.4million against the Gazette allocation of R 243.6million, which will be received over 3 Trenches.
- Transfers and subsidies capital amounts to R5,1million in comparison with the YTD budget of R9,9 million, thus indicating an under performance by R4,9 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 R801thousand in comparison with the year-to-date budget of R744 thousand, thus indicating an over performance by R57 thousand or 8percent.

Operating Expenditure from September 2024

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

Figure 6

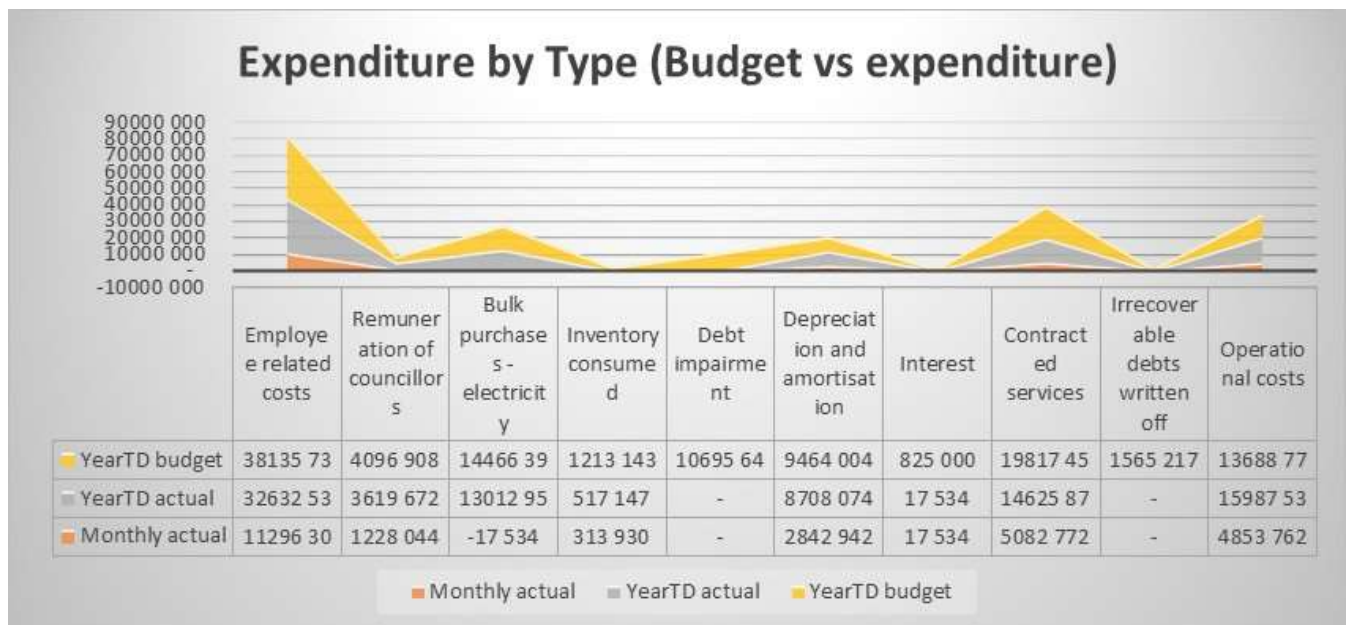
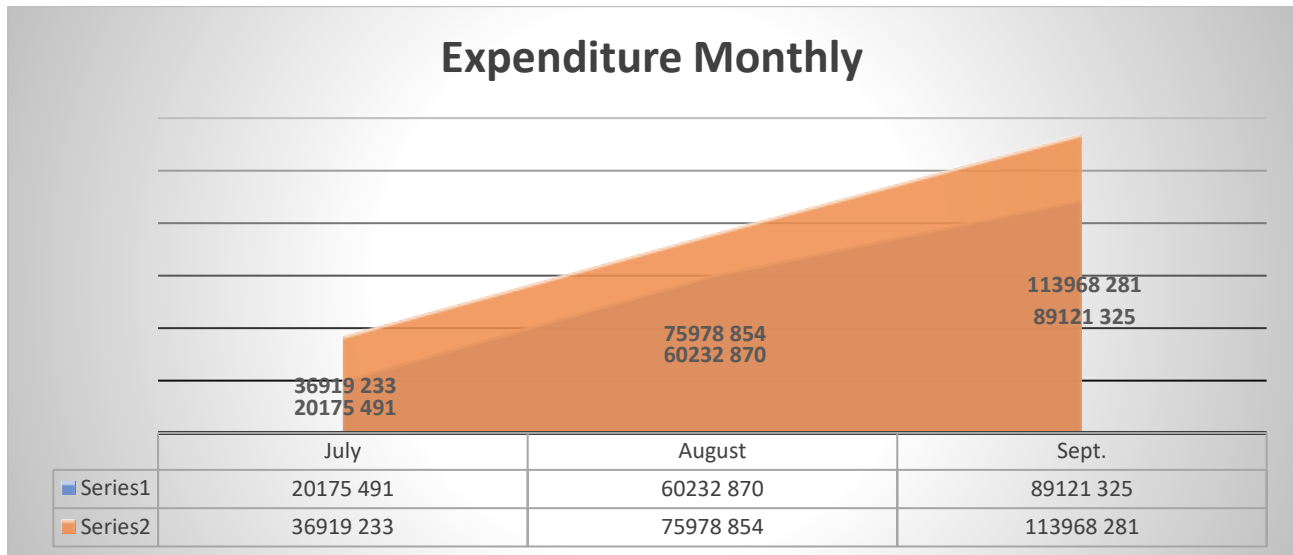


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 30th September 2024 amounted to R 89,1million against the planned target of R 114 million. As at the end of September the operational expenditure budget has been under spent by -22% or -R24,8million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 30th September 2024 amounted to R32,6million while the YTD budget was R38,1million with an underspending of R5,5million or -14%. 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.

Remuneration of Councilors

- Councilors’ allowances pro-rata budget as at 30th September 2024 was under spent by R477thousand. The YTD Remuneration of Councilor’s budget was R4,1million whilst the actual expenditure incurred results in under-spending of -12% YTD expenditure performance.
- Variance is due to Cllrs upper limits which have been approved by COGTA in relation to prior financial year. Back pay will be processed once upper limits have been approved.

Bulk Purchases

- The YTD on Bulk purchases amounts to R13,0million which is an under performance when compared to YTD pro-rata budget of R14,5million. The variance of R1,5million or -12% under projected budget is caused by the period variances in Eskom invoices.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 57 percent or R696thousand, when compared to YTD budget of R1,2million against the YTD Actual amount of R517thousand variance is due to the implementation of procurement plan,
- Budget allocated for this item relates to materials procured by the municipality towards repairs and maintenance which are kept at stores for rendering of services, such as pothole patching materials, workshop stock etc.
- The municipality regularly reviews its repairs and maintenance plan to ensure that the infrastructure of the municipality is regularly monitored for its aging.

Debt Impairment

- The provision for bad debt is reflecting an under performance by 100percent, the debt impairment transaction will be available on January and June as it is prepared bi-annually.
 - When provision for debt impairment is calculated, the following assumptions must take into consideration.
 - Each debtor's account per age analysis must be analyzed.
 - The frequency of payment must be analysed on each debtor.
 - Indigent debtors, debtors with take on balances which cannot be explained, insolvent and debtors under administration of estate should be impaired 100%.
 - The Municipality is guided by a write off policy when the assumptions are determined.
 - Different services must be impaired separately.
 - Different customer must be impaired separately.

Depreciation and Asset Impairment

- The YTD for Depreciation and asset impairment is reflecting an under performance by -8percent or R756thousand, when compared to pro-rata budget of R9,5million. The variance of R756thousand is because some of the capex items are still under work-in-progress.

Interest

- Finance charges reflect an underperformance by -98percent, the first invoice has been received and allocated.
- 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 reflects an underspending of 26percent or R5,2million, from YTD budget of R19,8million against the YTD actual of R14,6million, as IDP public consultations will begin in the month of November. This item included all the contracted and outsourced services by the municipality.

Irrecoverable debts written off

- Irrecoverable debts written off has underperformed by 100% because they will be considered from March, 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 is overspent in this month by 17%or R2,3million when compared to YTD budget of R13,7million. The variance is due to activities that took place in the first quarter of the financial year. Most of the other expenditure items will take place during the second quarter of the year.

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) - M03 September

Vote Description	Ref	Budget Year 2024/25							
		2023/24 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Single Year expenditure appropriation	2								
Vote 1 - Executive and council		1 932	5 870	2 146	3 015	1 467	1 547	105%	5 870
Vote 2 - Finance and administration		14 562	8 557	–	–	2 139	(2 139)	-100%	8 557
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social services		772	4 457	241	241	1 114	(873)	-78%	4 457
Vote 5 - Sport and Recreation		5 512	10 127	–	–	2 532	(2 532)	-100%	10 127
Vote 6 - Public safety		–	939	–	–	235	(235)	-100%	939
Vote 7 - Housing		–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		19 023	12 191	334	334	3 048	(2 714)	-89%	12 191
Vote 9 - Road transport		89 974	79 535	780	2 572	19 884	(17 312)	-87%	79 535
Vote 10 - Energy sources		2 154	3 752	470	470	938	(468)	-50%	3 752
Vote 11 - Waste Management		5 734	2 174	546	546	543	3	0%	2 174
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
Total Capital Expenditure		139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
Capital Expenditure - Functional Classification									
Governance and administration		16 494	14 426	2 146	3 015	3 607	(592)	-16%	14 426
Executive and council		1 932	5 870	2 146	3 015	1 467	1 547	105%	5 870
Finance and administration		14 562	8 557	–	–	2 139	(2 139)	-100%	8 557
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		6 284	15 522	241	241	3 881	(3 640)	-94%	15 522
Community and social services		772	4 457	241	241	1 114	(873)	-78%	4 457
Sport and recreation		5 512	10 127	–	–	2 532	(2 532)	-100%	10 127
Public safety		–	939	–	–	235	(235)	-100%	939
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
Economic and environmental services		108 996	91 726	1 113	2 906	22 931	(20 026)	-87%	91 726
Planning and development		19 023	12 191	334	334	3 048	(2 714)	-89%	12 191
Road transport		89 974	79 535	780	2 572	19 884	(17 312)	-87%	79 535
Environmental protection		–	–	–	–	–	–	–	–
Trading services		7 888	5 926	1 016	1 016	1 481	(466)	-31%	5 926
Energy sources		2 154	3 752	470	470	938	(468)	-50%	3 752
Water management		–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–
Waste management		5 734	2 174	546	546	543	3	0%	2 174
Other		–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Cl	3	139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600
Funded by:									
National Government		51 072	33 963	3 538	5 437	8 491	(3 054)	-36%	33 963
Provincial Government		717	739	–	–	185	(185)	-100%	739
District Municipality		–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–
Transfers recognised - capital		51 789	34 702	3 538	5 437	8 675	(3 239)	-37%	34 702
Borrowing	6	–	–	–	–	–	–	–	–
Internally generated funds		87 873	92 898	979	1 740	23 225	(21 484)	-93%	92 898
Total Capital Funding		139 662	127 600	4 517	7 177	31 900	(24 723)	-78%	127 600

Capital Expenditure from September 2024:

The YTD capital expenditure budget is R7,2million against YTD actual Capital expenditure amounted to R31,9million resulting in an under performance of (78%) 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 September 2024



- Capital grants funded by National Government actual is R5,4million versus YTD Budget of R8,5million, expenditure reported has been underspent by (36%). However, the municipality will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government has no expenditure therefore it has a variance 100%.
- Capital grants funded Internally actual is R1,7 million versus YTD Budget of R23,2 million variance of 93% reflects and under expenditure on this item. Delay in the commencement of works due to community dissatisfaction about labour and CLO recruitment. Heaving section (Road Failure) has been identified on subgrade layer between chainage 20-120, Bumbanani Road. Theft of Survey Pegs being a continuous issue on site

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 - M03 September

Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure		10 904	15 113	654	840	3 778	2 938	77.8%	15 113
Roads Infrastructure		6 397	8 548	330	330	2 137	1 807	84.6%	8 548
Roads		6 397	7 939	330	330	1 985	1 655	83.4%	7 939
Road Structures		–	435	–	–	109	109	100.0%	435
Road Furniture		–	174	–	–	43	43	100.0%	174
Capital Spares		–	–	–	–	–	–		–
Storm water Infrastructure		1 017	2 870	4	4	717	714	99.5%	2 870
Drainage Collection		1 017	2 870	4	4	717	714	99.5%	2 870
Storm water Conveyance		–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–		–
Electrical Infrastructure		2 518	3 000	272	272	750	478	63.7%	3 000
Power Plants		–	43	–	–	11	11	100.0%	43
HV Substations		–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–		–
HV Transmission Conductors		521	739	–	–	185	185	100.0%	739
MV Substations		77	43	5	5	11	6	55.3%	43
MV Switching Stations		–	–	–	–	–	–		–
MV Networks		47	130	–	–	33	33	100.0%	130
LV Networks		784	739	268	268	185	(83)	-44.8%	739
Capital Spares		1 089	1 304	–	–	326	326	100.0%	1 304
Water Supply Infrastructure		–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–		–
Information and Communication Infrastr		972	696	48	234	174	(60)	-34.6%	696
Data Centres		–	–	–	–	–	–		–
Core Layers		972	696	48	234	174	(60)	-34.6%	696
Distribution Layers		–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–		–
Community Assets		1 843	2 148	33	188	537	349	65.0%	2 148
Community Facilities		207	174	–	–	43	43	100.0%	174
Halls		107	–	–	–	–	–		–
Police		–	–	–	–	–	–		–
PurIs		101	174	–	–	43	43	100.0%	174
Public Open Space		–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–		–
Sport and Recreation Facilities		1 635	1 974	33	188	493	306	61.9%	1 974
Indoor Facilities		–	–	–	–	–	–		–
Outdoor Facilities		1 635	1 974	33	188	493	306	61.9%	1 974
Capital Spares		–	–	–	–	–	–		–
Machinery and Equipment		5 289	6 348	839	2 045	1 587	(458)	-28.9%	6 348
Machinery and Equipment		5 289	6 348	839	2 045	1 587	(458)	-28.9%	6 348
<i>Zoological plants and animals</i>		–	–	–	–	–	–		–
Total Repairs and Maintena	1	18 065	23 609	1 526	3 073	5 902	2 829	47.9%	23 609

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

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

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

2024/25 Financial Year MIG Allocation	R43 498 000
Less: Total Expenditure (incl. Retention)	R 3 732 536
Balance	R 39 765 464
Expenditure of as a %	8.6%

Projects under Construction Stage

- a) Construction of a Sportsfield in Hlomendlini
- b) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Mandela).
- c) Nyoni Taxi Route Phase 4
- d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- e) The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase 1
- f) Upgrade of Machibini Link Road in Isithebe in Ward 10 and Ward 12

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

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

4.2. Projects under Municipal Internal Funding

Projects under Construction

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

Projects under planning

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

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

2024/25 Financial Year Allocation	R 9 227 000
Less: Total Expenditure	R 0
Balance	R 9 227 000
Expenditure as a %	0%

Projects under Planning Stage

- a) Mandeni Sub-station - Bulk

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

Projects under Construction Stage

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

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

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

- Supply and install of 6 x 30m high mast lighting.
- Installation and Commissioning of street and high mast lighting.
- Certifying all the installations for compliance.
- Submitting project report, designs/drawings and quality stacks on project handover.

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and light fittings have been installed. The project awaits the approval of the supply and metering points by Eskom, which will subsequently allow for the energization and commissioning of the high masts.

Challenges: Previously approved metering points expired due to delays that were experienced on the light fitting specification which was not correct and had to be redesigned. Upon request for renewal, Eskom indicated that the project was never registered with them since they cannot locate the reference number, which the consultant also never received. The new application process for a self-build has started with the required documentation having been submitted to Eskom. The turnaround time for such application has not been communicated with the municipality. Engagements with Eskom are on-going.

b) Construction of Hlomendlini Sportfield, Ward 4

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

Project Details

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

Project Scope

- Site Establishment. Setting out of works.

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

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

Challenges:

Municipality has terminated contract with appointed service providers. Appointment for new consultant has been concluded for the completion of redesign of outstanding works. New Consultant's appointment date is the 27th March 2024. Consultant is due to submit a draft bid document along with the project cost estimate and outstanding scope of works.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 352 795.17	R 2 256 723.50
Construction Cost (incl. Retention)	R 16 257 859.82	R 15 731 114.64
TOTALS (Incl Vat)	R 18 610 654.99	R 17 987 838.14

Project Details

Name of Consultant: Singh Govender & Associates cc

Name of Contractor: MVI-SSSS Trading Enterprise cc

Project Commencement Date: August 2023

Contractual Completion Date: April 2024

Revised Completion date: TBA

Project Scope

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

Current Status Overall Construction progress 96.5%: Site establishment 90%, Setting Out of works is 100%, Traffic Accommodation 80%, Site Clearance 100% and Roadbed Preparation 100%, Stormwater Installation 100%, Manhole Construction subsoil installation 95%, service crossing ducts 92%, Subsoil Drainage G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 100%, Road Signs & Marking 40%, Speed Humps 81%, Guardrails 100%, Kerbing and Channel 70%, Gabion Retaining Wall 0%.

Contractor in the current month of reporting has unfortunately again been non-compliant with regards to their core staff not being on site full-time along with partially de-establishing the site camp. This has resulted in works being delayed as the expected completion of the project was not achieved as the Contractor is still behind with the Construction Works by 6.5% based on their Construction Programme. Slow construction progress has also been noted as a result of Contractor's poor planning and insufficient resources. The project is not expected to be completed within the month of August 2024.

Challenges: Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 5 479 308.70 incl. vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). Project delays which have been encountered include recent inclement weather conditions, theft of survey pegs, hard rock excavation and existing services such as water and sewer pipe leaks. Furthermore, we have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in subsurface ground water levels. The Contractor's performance for the month of August 2024 was not satisfactory and it was noted to be slow as the practical completion of the 31 August 2024 was not achieved.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 099 409.34
Construction Cost (incl. Retention)	R 12 148 430.66	R 6 810 078.90
Internal Funds	R 667 565.79	R 0.00
TOTALS (Incl. Vat)	R 14 348 595.28	R 7 909 488.24

Project Details

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

Project Scope

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

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

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

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

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

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

Slow progress on site has still been noted for the month of August 2024 as the Contractor has insufficient resources including plant along with poor planning to continue with the construction works adequately. As it stands the Contractor approximately 4 weeks behind their revised acceleration plan. A letter of slow progress and noncompliance was again issued on **Friday, 16th August 2024** where the Contractor failed to acknowledge or respond. Furthermore, the Municipality made the decision of issuing a Final Termination letter dated **Thursday, 22nd August 2024** requesting the Contractor to vacate the site.

Rehabilitation of Bumbanani Road In Sundumbili - Ward 13, 14 & 15 Phase 1

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 1 465 406.79
Construction Cost (incl. Retention)	R 10 679 964.34	R 4 326 420.32
Internal Funds	R 4 629 230.16	R 0.00
TOTALS (Incl. Vat)	R 17 553 032.14	R 5 791 827.11

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd

Name of Contractor: Iqhawe Elihle Trading

Project Commencement Date: May 2024

Contractual Completion Date: February 2025

Revised Completion date: N/A

Project Scope

- Site establishment
- Site clearance
- Finishing Construction of 1km long, 7m width asphalt surface road.
- Construction of Kerb and channel where required.
- Construction of Kerb inlet, headwall and manholes where required.

- Construction of 967m stormwater pipes ranging from 450mm-900mm diameter.
- Construction of 874m long, 2m width asphalt finished sidewalk.
- Construction and preparation of bell mouth to tie in the existing internal access road in the vicinity of the proposed road.
- Milling of existing asphalt (to be stockpiled and re-used by the client) Construction of subsoil drain where required.

Current Status Overall Construction progress 34%: Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 24% Road Construction Works 24%, Stormwater 31%, Kerb & Channel Works 0%, Sidewalk Construction 0% and Asphalt Laying 0%.

Challenges: Heaving section (Road Failure) has been identified on subgrade layer between chainage 20-120, Bumbanani Road. Theft of Survey Pegs being a continuous issue on site and water pipe bursts.

5.2. Municipal Internal Funding:

Projects under Construction Stage

Repair and Renovation of Civic Centre Roof in Mandeni

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 829 510.70	R 1 829 510.71
Construction Cost (Excluding Retention)	R10 993 497.45	R 10 993 497.47
TOTALS (Incl Vat)	R 12 823 008.15	R 12 823 008.18

Project Details

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

Project Scope

The scope of works includes the following activities.

- Replacement of Existing roof
- Replacing existing ceiling

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

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

Challenges: Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered because of a re-design of the Electrical Works along with the IT Services portion. The contractor has experienced further delays around items that are outsourced to be done by specialized services such as the smoke and fire system, inclement weather during the roof installation, delays regarding the carpentry works. Relocation of staff back to main building has commenced. The smoke and fire system was commissioned on **Monday, 26th August 2024** and the contractor is currently attending to all snags with the proposed final inspection with all user departments on **Monday, 9th September 2024**.

A) New Protection Services Centre DLTC

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 114 723.00	R 1 615 369.85
Construction Cost (including variation order)	R 15 525 192.27	R 14 600 179.49
TOTALS (Incl. Vat)	R 17 639 915.27	R 16 215 549.34

Project Details

Name of Consultant: Nzamakhuze Holdings
Name of Contractor: Mlombomvu Projects
Project Commencement Date: January 2023
Contractual Completion Date: July 2023

Revised Completion date: 5 August 2024

Project Scope

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

Additional Scope:

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

Current Status Overall Construction progress 99%: Site Establishment 100%, Excavation for foundation 100%, Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%, Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%, Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%, Building Electrical and Mechanical Works (Fire and HVAC) 98%, Stormwater Drainage Works 100%, Portable water pipeline supply will be
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connected on the district Municipality main water pipeline 100%, Yard Marking 100%, Fencing 100% and installation of Vehicular Gates 100%, Finishes 98%. Landscaping 0%, Cleaning, removal of building rubble and reinstatement of lawns 88%.

Additional Scope:

- Installation of a steel tank - 50%
 - Installation of burglar guards - 100%
 - Construction of a steep hill - 100%

B) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost	R 16 996 962.19	R 13 106 017.17
TOTALS (Incl. Vat)	R 18 907 069.16	R 14 880 669.05

Project Details

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

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m² Mechanical workshop

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

Current Status Overall Construction progress 78%: Site Establishment 100%, Site clearance 40%, Demolition of existing pavement 85%, Demolition of an existing building 100% and Construction of the new 100.70m² Office Block 15%, Earthworks 40%, Construction of the new 146m² Mechanical workshop 55%, Construction of the new canteen 95%, Extension of the existing storage rooms by 114m² 50%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 0%, Construction of new pavement around the site 10%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%

Challenges: The Contractor is still behind the revised construction programme and acceleration plan as a result of poor planning and inadequate resource allocation. The Contractor has submitted a revised Extension of Time No.2 application which has been approved for practical completing being noted for 30 September 2024. The Contractor has had very little improvements with regards to the rate of construction works and resource allocations along with project planning. As a result, the Contractor was issued with a letter of slow progress and noncompliance dated Friday, 29th August 2024 which we are still yet to receive an acknowledgement or response.

C) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82

Construction Cost Incl. (Retention)	R 2 416 562.65	R 1 986 936.21
TOTALS (Incl. Vat)	R 3 116 065.28	R 2 603 994.49

Project Details

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

Project Scope:

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

Current Status Overall Construction progress 77%: The construction on the project currently sits at 77%, 50 out of 52 poles have been planted with light fittings. Awaiting delivery of electrical control boxes and delivery of a cable, finalisation of trenching and cable laying. Trenching is at 80%.

Challenges: Delays in the delivery of electrical control boxes due to a huge backlog being experienced by the supplier. Also, the contractor has been communicating that they are experiencing difficulties in obtaining the specified cable type and size from the suppliers. Delivery of a cable is delayed due to this reason. Consultant to advise on next meeting scheduled for the 6th of September 2024 with regards to possible options regarding this matter.

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

a) Emhlangeni Electrification Project - 100 HH

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 657 761.40	R 657 761.40
Construction Cost Incl. (Retention)	R 3 283 535.71	R 3 283 535.71
TOTAL (excl. vat)	R 3 941 297.11	R 3 941 297.11

Project Details

Name of Consultant:	PSMT Consulting Engineers
Name of Contractor:	R Busisiwe (Pty) Ltd
Project Commencement Date:	May 2023
Completion Date:	July 2023
Revised Completion Date:	30 April 2024

Current Status: Overall Construction progress is 95% complete. There are 110 dry connections that have been achieved. Awaiting Eskom to grant outage date and energize. Eskom has granted outages for the 17th and 19th of September and last outage will be on the 1st of October 2024.

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

b) **Okhovothe Electrification Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R210 983.83	R128 424.94
Construction Cost Incl. (Retention)	R 899 998.72	R 582 773.82

Performance Guarantee Incl. (Vat)		R 103 499.87
TOTAL (Excl. Vat)	R1 363 717.39	R 814 698.63

Project Details

Name of Consultant: BVI Engineers
Name of Contractor: Onombuthu (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: August 2023
Revised Completion Date: June 2024

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

Challenges: Poor performance from the appointed consultant. Project energization is currently on hold due unavailability of a design approval letter. Consultant not responsive on emails when requested for information as required by Eskom for issuing of the approval letter. Project is not approved by Eskom; due processes were not followed by consultant in obtaining approval for the project implementation. Project approval still to be obtained from Eskom once all required information has been gathered and submitted.

c) Mandeni Substation Project

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

Project Details

Name of Consultant: ZLM Engineers
Name of Contractor: N/A

Project Commencement Date: 12 May 2023**Completion Date: TBC****Revised Completion Date: Nil****Current Status:** The project is currently at a detailed design stage.**Challenges:** Application for self-build to Eskom has not been made. Consultant has not provided the municipality with a feasibility study to determine if the proposed project is implementable in terms of Eskom requirements and availability of capacity.**5.4. Projects under Massification Grant****d) Khenana Phase 5 Electrification Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 0.00	R 0.00
Construction Cost Incl. (Retention)	R 1 783 633.26	R 1 685 836.17
TOTAL Excl. (Vat)	R1 783 633.26	R 1 685 836.17

Project Details**Name of Consultant: Veritas Engineers****Name of Contractor: Godide Engineering Services (Pty) Ltd****Project Commencement Date: July 2023****Completion Date: September 2023****Revised Completion Date: 30 March 2024****Current Status:** Project completed and energized. Handover signed.**Challenges:** None**e) Mantshangula Mhlubulweni Electrification Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 716 075,63	R 761 075.63

Construction Cost	R 3 906 727.96	R 3 551 570.88
TOTAL Excl. (Vat)	R 4 622 803,59	R 4 312 646.51

Project Details**Name of Consultant: PSMT Engineers****Name of Contractor: R. Busisiwe (Pty) Ltd****Project Commencement Date: 06 November 2023****Completion Date: 3 June 2024****Revised Completion Date: N/A****Current Status:** Project is 100% complete. Project has been energised.

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		261 703	258 621	-	107 440	22 321	85 119	381.3%	249 394
EPWP Incentive	-	4 807	1 815	-	454	151	303	200.2%	1 815
Finance Management	-	1 850	1 800	-	1 800	150	1 650	1100.0%	1 800
Integrated National Electrification Program	-	7 200	9 227	-	1 500	1 538	(38)	-2.5%	-
Local Government Equitable Share	-	230 823	243 588	-	101 495	20 299	81 196	400.0%	243 588
Municipal Infrastructure Grant	-	17 023	2 191	-	2 191	183	2 008	1100.2%	2 191
	3						-		
							-		
							-		
							-		
Other transfers and grants [insert description]							-		
Provincial Government:		55 896	3 769	-	-	-	-	-	-
KwaZulu-Natal_Infrastructure_Infrastructur	-	50 633	-	-	-	-	-	-	-
EDTEA		840					-		
LIBRARY	4	4 423	2 226				-		
PROVINCIAL OF LIBRARY			1 543				-		
Other transfers and grants [insert description]							-		
							-		
Total Operating Transfers and Grants	5	317 599	262 390	-	107 440	22 321	85 119	381.3%	249 394
Capital Transfers and Grants									
National Government:		56 570	38 910	-	11 410	9 728	1 682	17.3%	38 910
Municipal Infrastructure Grant (MIG)	-	41 014	38 910	-	11 410	9 728	1 682	17.3%	38 910
Integrated National Electrification Program	-	15 556							
Other capital transfers [insert description]							-		
Provincial Government:		9 217	850	-	-	213	(213)	-100.0%	4 619
LIBRARY	-	9 217	850	-	-	213	(385)	-100.0%	4 619
Total Capital Transfers and Grants	5	65 787	39 760	-	11 410	9 940	1 470	14.8%	43 529
TOTAL RECEIPTS OF TRANSFERS & GR	5	383 387	302 150	-	118 850	32 261	86 589	268.4%	292 923

Grant Receipts Analysis

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

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

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

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

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter									
Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		261 703	258 621	14 193	65 719	62 348	3 371	5.4%	987 358
EPWP Incentive	_	4 807	1 815	225	543	454	90	19.8%	1 815
Finance Management	_	1 850	1 800	135	468	450	18	4.0%	7 200
Integrated National Electrification Pro	_	7 200	9 227	-	-	-	-	-	1 800
Local Government Equitable Share	_	230 823	243 588	13 661	64 160	60 897	3 263	5.4%	974 352
Municipal Infrastructure Grant	_	17 023	2 191	172	548	548	0	0.1%	2 191
0									
Other transfers and grants [insert description]									
Provincial Government:		5 263	2 226	344	923	557	366	65.8%	8 904
0									
0	_	-	-	-	-	-	-	-	-
EDTEA		840							
LIBRARY		4 423	2 226	344	923	557	366	65.8%	8 904
Other transfers and grants [insert description]									
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
Other Transfers Public Corporatio	_	-	-	-	-	-	-	-	-
[insert description]									
Total operating expenditure of Transfers and Grants		266 966	260 847	14 537	66 642	62 905	3 737	5.9%	996 262
Capital expenditure of Transfers and Grants									
National Government:		56 570	38 910	3 151	7 021	9 728	(2 707)	-27.8%	155 642
Municipal Infrastructure Grant (MIG)	_	41 014	38 910	3 151	7 021	9 728	(2 707)	-27.8%	155 642
MASSIFICATION GRANT	_	15 556							
0									
0									
Other capital transfers [insert description]									
Provincial Government:		-	850	-	-	-	-	-	-
LIBRARY			850						
0									
District Municipality:		-	-	-	-	-	-	-	-
0									
Other grant providers:		-	-	-	-	-	-	-	-
0									
Total capital expenditure of Transfers and Grants		56 570	39 760	3 151	7 021	9 728	(2 707)	-27.8%	155 642
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		323 536	300 607	17 688	73 663	72 633	1 031	1.4%	1 151 903

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter														
Description	NT Code	Budget Year 2024/25									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Ex	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Ex	1300	7 109	(2)	349	290	140	97	378	2 490	10 850	3 394	-	-	-
Receivables from Non-exchange Traf	1400	34 101	(70)	40	(26)	6 923	1 284	20 510	79 844	142 605	108 535	-	-	-
Receivables from Exchange Transact	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transact	1600	2 194	(32)	944	891	881	863	4 827	56 887	67 455	64 349	-	-	-
Receivables from Exchange Transact	1700	35	-	6	2	2	2	6	121	173	132	-	-	-
Interest on Arrear Debtor Accounts	1810	765	-	389	371	370	364	1 966	32 471	36 695	35 541	-	-	-
Recoverable unauthorised, irregular,	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	15	-	-	-	-	-	-	5 670	5 686	5 670	-	-	-
Total By Income Source	2000	44 218	(104)	1 727	1 527	8 315	2 608	27 688	177 483	263 463	217 621	-	-	-
2023/24 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	17 801	(36)	103	78	5 522	270	3 773	22 528	50 039	32 171	-	-	-
Commercial	2300	18 996	(13)	112	113	438	413	8 319	20 322	48 700	29 604	-	-	-
Households	2400	6 397	(55)	1 387	1 216	1 895	1 806	14 117	131 335	158 098	150 369	-	-	-
Other	2500	1 024	(0)	125	120	461	120	1 478	3 298	6 626	5 477	-	-	-
Total By Customer Group	2600	44 218	(104)	1 727	1 527	8 315	2 608	27 688	177 483	263 463	217 621	-	-	-

The total Consumer debtors outstanding as 30th September 2024 is **R 263,5 million**

- Debt book indicates 4% increase from to 1st July 2024 to September 2024, within a month the debt book has accumulated a 4% increase.
- Debtors collection rate at September 2024 is 55%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since appointed three Debt Collectors to follow up on outstanding debtors, Debt collectors are operating Debt pack while telephoning Debtors, printing section 29 and Final demands, we will soon be moving to legal in order to further our collection measured on consumers that are resistant to pay nor respond to our Debt collectors.
- Our Debt collectors have embarked on an exercise where different households are being visited in order to assess the state affordability of each household, this exercise is aimed at assisting the Municipality to classify its debt book in terms of collectability or non-collectability of the debt, the program is ongoing.
- There is a challenge of high level of debt that calls for reassessments of the debtors, impairments.
- It is quite a challenge to collect satisfactory revenue from Sundumbili since we do not have any leverage to restrict in order to encourage regular payments from consumers thereon. I.e. Eskom is licensed to supply electricity.
- The high debt is mainly due to non-payment by Household in Sundumbili.
- Interventions have been made which are expected that they will change the current status, as the municipality is placing every effort in ensuring that we collect and recover the outstanding debt.
- We are currently undergoing the process of categorizing our book per various customers so that we know which ones to chase once our debt management system is up and running.

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

Auditor General's matter of emphasis

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

2022/23 Debt Collection

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

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

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

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT					
ACC. NO.	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
001100900	MANDINI	1009	NGUBANE	RATES/REFUSE	R109166.93
001100600	MANDINI	1006	MPHILI	RATES/REFUSE	R143638.01
009900411	MANDINI	27	NDLOVU	REFUSE/RATES	R20472.67
008300731	MANDINI	23	MORGAN	RATES/REFUSE	R38511.88
0096613601	MANDINI	1360	MNGADI	RATES/REFUSE	R25645.86
001199900	MANDINI	1999	DLAMINI	RATES/REFUSE	R37983.16
009902761	MANDINI	48	MTSHALI	RATES/REFUSE	R11207.03
008078614	MANDINI	15	HARITATOS	RATES/REFUSE	R113329.81
008061315	MANDINI	15	MSOMI	RATES/REFUSE	R64374.91
001110200	MANDINI	1102	BHENGU	RATES/REFUSE	R44677.18
001110000	MANDINI	1100	NTULI	RATES/REFUSE	R39896.70
002193800	MANDINI	1938	MSIMANGA	RATES/REFUSE	R60150.13
002194100	MANDINI	1941	CELE	RATES/REFUSE	R86059.74
002196200	MANDINI	1962	MAZIBUKO	RATES/REFUSE	R33760.97
009901177	MANDINI	10	MZIMELA GUEST HOUSE	RATES/REFUSE	R491291.95
002196300	MANDINI	1963	MAKHOPA	RATES/REFUSE	R41267.07
002193900	MANDINI	1969	NKABINDE	RATES/REFUSE	R47783.11
002196700	MANDINI	1967	HADEBE	RATES/REFUSE	R88743.11
002197000	MANDINI	1970	DUMISA	RATES/REFUSE	R119101.40
002199300	MANDINI	1993	SIYAZAMA CRECHE	RATES/REFUSE	R139189.23
TOTAL					R2415652.76

DISCONNECTIONS

ACCOUNT	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
008800681	MANDINI	28	GETKATE	RATES/ELEC	R15419.59
002401262	MANDINI	64	KHUMALO	RATES/ELEC	R14081.02
009902161	MANDINI	19	SHANGE	RATES/ELEC	R34460.09
009902561	MANDINI	5	ZUNGU	RATES/ELEC	R13481.28
009903071	MANDINI	31	MBUYISA	RATES/ELEC	R31792.26
009902471	MANDINI	59	GUMEDE	RATES/ELEC	R17329.74
009902701	MANDINI	60	MKHWANAZI	RATES/ELEC	R30511.07
009902731	MANDINI	54	MZIMELA	RATES/ELEC	R19039.51
002500102	MANDINI	20	ROOD	RATES/ELEC	R10104.65
009903711	MANDINI	21	MTHEMBU	RATES/ELEC	R38977.22
009903711	MANDINI	9	MANYEPHISA	RATES/ELEC	R17146.31
009200251	MANDINI	8	MSWELI	RATES/ELEC	R20314.26
008300111	MANDINI	28	FABER	RATES/ELEC	R13827.40
002401202	MANDINI	30	GOVENDER	RATES/ELEC	R45762.54
009801431	MANDINI	22	MASONDO	RATES/ELEC	R12126.65
008900982	MANDINI	21	BODY CORPORATE	RATES/ELEC	R127898.94
009909922	MANDINI	21	WATKINS	RATES/ELEC	R21067.36
008400581	MANDINI	27	GUMEDE	RATES/ELEC	R10153.80
008907151	MANDINI	24	ARANDA	RATES/ELEC	R7243.75
009900371	MANDINI	20	MKHWANAZI	RATES/ELEC	R8802.12
009900411	MANDINI	27	NDLOVU	RATES/ELEC	R19866.79
008001121	MANDINI	28	MZIMELA	RATES/ELEC	R16840.74
009601081	MANDINI	20	KHUMALO	RATES/ELEC	R9328.93
009700821	MANDINI	22	NDLOVU & ZIBANE	RATES/ELEC	R8090.71
009301131	MANDINI	26	PILLAY	RATES/ELEC	R137330.27
002900391	MANDINI	11	MTHEMBU	RATES/ELEC	R26084.09
009910241	MANDINI	3	QHOSHA	RATES/ELEC	R20094.38
002901591	MANDINI	38	KISATASAMY	RATES/ELEC	147841.48
008900571	MANDINI	35	ZUNGU	RATES/ELEC	R7697.64
008802291	MANDINI	4	NAUDE	RATES/ELEC	R8316.92
009501772	MANDINI	4	MTHEMBU	RATES/ELEC	R62260.35
009700161	MANDINI	31	KUBHEKA	RATES/ELEC	R12136.93
009702121	MANDINI	42	NZIMANDE	RATES/ELEC	R16816.08
008061315	MANDINI	15	MSOMI	RATES/ELEC	R64000.06
009600241	MANDINI	7	BRITS	RATES/ELEC	R91849.10
009904701	MANDINI	32	CELE	RATES/ELEC	R33459.38
008802121	MANDINI	11	DUBE	RATES/ELEC	R29706.82
006609661	MANDINI	11	ZULU	RATES/ELEC	R10309.81
002500882	MANDINI	5	OLDHAM PROP	RATES/ELEC	R9730.61
004001281	MANDINI	7	SHABALALA	RATES/ELEC	R7348.58
008006139	MANDINI	9	NENE	RATES/ELEC	R12310.79
008701011	MANDINI	63	MHLONGO	RATES/ELEC	R19102.19
TOTAL					R1020927.71

ARRANGEMENT - SEPTEMBER 2024 REPORT								
NO.	DATE	ACCOUNT HOLDER	REF NUMBER	ADDRESS	ACCOUNT NUMBER	AMOUNT OWING	AMOUNT AGREED	COMMENTS
1	02/09/2024	MTHEMBU	879	SUNDUMBILI B	002087900	R25095.98	R2500.00	PER MONTH
2	20/09/2024	MTHEMBU	29	29 PARTYS ROAD	009904132	R67520.99	R2500.00	PER MONTH
3	04/09/2024	BUSANE	R30	30 GREIG ROAD	002500842	R89037.89	R2800.00	PER MONTH
4	05/09/2024	MCHUNU	42	42 ANDERSON ROAD	009900911	R13630.77	R1200.00	PER MONTH
5	05/09/2024	NTULI	04	04 PHILLIP ROAD	009600971	R49174.21	R2000.00	PER MONTH
6	05/09/2024	MAPHUMULO	12	12 MATHEW ROAD	009902241	R60985.71	R1000.00	PER MONTH
7	05/09/2024	SITHOLE	14	14 KUDU ROAD	009907801	R20615.58	R1000.00	PER MONTH
8	06/09/2024	GWALA	24	24 GREIG ROAD	009902881	R6968.39	R2000.00	PER MONTH
9	09/09/2024	NDLELA	04	04 TROGON ROAD	008803801	R18317.96	R1200.00	PER MONTH
10	10/09/2024	BIYELA	27	27 BEGONIA ROAD	002101521	R24920.74	R3500.00	PER MONTH
11	11/09/2024	NGOBESE	1579	LOT 1579	002157900	R14657.20	R4397.00	PER MONTH
12	11/09/2024	MHLONGO	63	63 GREIG ROAD	008701011	R20119.43	R3500.00	PER MONTH
13	12/09/2024	MZIMELA	10	10 CYCAD PLACE	009901177	R483041.95	R7000.00	PER MONTH
14	12/09/2024	MZIMELA	58	58 KUDU ROAD	009002182	R85918.38	R1500.00	PER MONTH
15	12/09/2024	CHETTY	15	15 SANDPIPER ROAD	009903612	R87965.06	R2000.00	PER MONTH
16	13/09/2024	GASA	18	18 FARROW ROAD	009901251	R32000.69	R1500.00	PER MONTH
17	13/09/2024	DLUDLA	13	13 WHIRMBREL ROAD	009903581	R44098.23	R1500.00	PER MONTH
18	13/09/2024	BIYELA	15	15 MIMOSA PLACE	009981161	R17023.00	R2000.00	PER MONTH
19	16/09/2024	VUYISEKA	225	SUNDUMBILI A	001022500	R15193.42	R1000.00	PER MONTH
20	16/09/2024	TANYA	23	23 DUBE ROAD	009300382	R9895.45	R3000.00	PER MONTH
21	16/09/2024	MKHWANAZI	31	31 O'HARA ROAD	009900431	R15860.25	R1750.00	PER MONTH
22	16/09/2024	MKHWANAZI	20	20 O'HARA ROAD	009900371	R8802.12	R1600.00	PER MONTH
23	17/09/2024	ANGELA	49	49 TROGON ROAD	009905161	R6511.63	R2000.00	PER MONTH
24	18/09/2024	SITHOLE	35	35 O'HARA ROAD	008801111	R6153.23	R2000.00	PER MONTH
25	19/09/2024	ZUNGU	35	35 KUDU ROAD	008900571	R7697.64	R1500.00	PER MONTH
26	19/09/2024	SIKHAHANE	13	13 UMDONI ROAD	009909451	R7516.10	R1500.00	PER MONTH
27	20/09/2024	LABLACHE	05	05 PHILIP ROAD	002500882	R9730.61	R1500.00	PER MONTH
28	20/09/2024	ZUNGU	05	05 WATSON ROAD	00902561	R13481.23	R1800.00	PER MONTH
29	20/09/2024	MTHIYANE	13	13 FARROW ROAD	009901441	R3490.00	R650.00	PER MONTH
30	23/09/2024	MKHWANAZI	60	60 GREIG ROAD	009902701	R30511.07	R2000.00	PER MONTH
31	25/09/2024	NTSHANGASE	424	SUNDUMBILI A	001042400	R24399.45	R1000.00	PER MONTH
32	27/09/2024	KHUMALO	20	20 IMPUNZI ROAD	009601081	R4328.93	R1500.00	PER MONTH
33	27/09/2024	MDLETSHE	27	SUNDUMBILI A	001002700	R49897.60	R500.00	PER MONTH
34	27/09/2024	MASONDO	22	22 READ ROAD	009801431	R8486.65	R2000.00	PER MONTH
35	27/09/2024	MAFANYOLLE	1540	SUNDUMBILI B	002154000	R12562.82	R300.00	PER MONTH
36	02/09/2024	OLUNGAWELWA	643	SUNDUMBILI B	001092200	R12849.19	R1200.00	PER MONTH
37	02/09/2024	DEMEZANE MSUTHU	987	SUNDUMBILI A	001098700	R7087.46	R1000.00	PER MONTH
38	02/09/2024	NXUMALO	922	SUNDUMBILI A	001092200	R17346.06	R1000.00	PER MONTH
39	05/09/2024	NTUSABEZAMILE	66	66 ANDERSON ROAD	009900791	R42558.60	R4000.00	PER MONTH
40	12/09/2024	IXHOSA	804	SUNDUMBILI A	001080400	R34210.17	R600.00	PER MONTH
41	12/09/2024	ASIHLEZI	305	SUNDUMBILI A	001030500	R98557.70	R1500.00	PER MONTH
42	16/09/2024	MKHALIPHI	1210	SUNDUMBILI B	002121000	R29743.64	R1500.00	PER MONTH
43	16/09/2024	NONDWAYISA	1637	SUNDUMBILI B	002163700	R5746.42	R1724.00	PER MONTH
44	17/09/2024	MKHWANAZI	1393	SUNDUMBILI B	002139300	R45858.71	R2700.00	PER MONTH
45	20/09/2024	WAMNQO TRADING	562	SUNDUMBILI B	002056200	R71669.11	R10750.00	PER MONTH
46	20/09/2024	ISIPHULIKISO	249	LOT 249	003962111	R55487.84	R8323.00	PER MONTH
47	23/09/2024	INSIKAYEZWWE	624	SUNDUNDUMBILI B	002062400	R18099.32	R5430.00	PER MONTH
48	25/09/2024	BASINDAZWE	2294	SUNDUMBILI B	002229400	R1707.06	R1707.00	PER MONTH
49	25/09/2024	WISE EXCLUSIVE	561	SUNDUMBILI B	002056100	R7715.73	R2000.00	PER MONTH
50	25/09/2024	NGOMANE	32	32 ACACIA ROAD	009910361	R55806.28	R20000.00	PER MONTH
51	26/09/2024	THABETHE	22	22 KUDU ROAD	009701331	R15234.24	R1500.00	PER MONTH
TOTAL						R1915287.89	R131132.00	

Figure 9

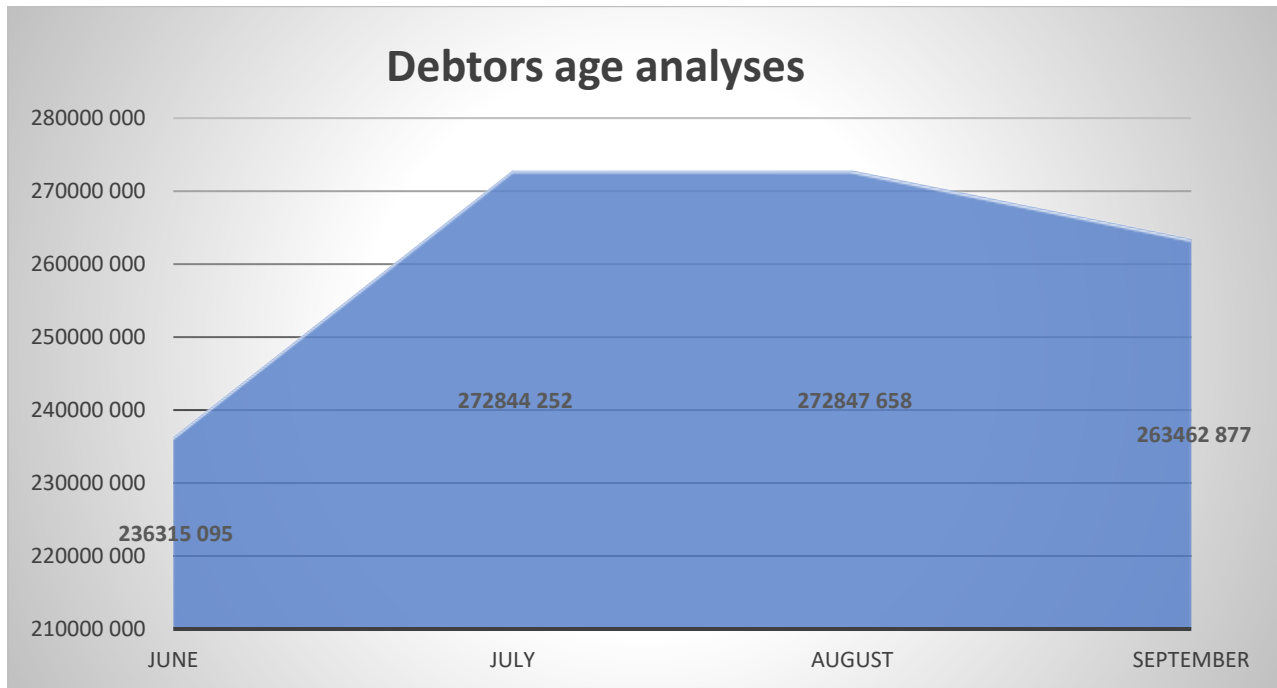
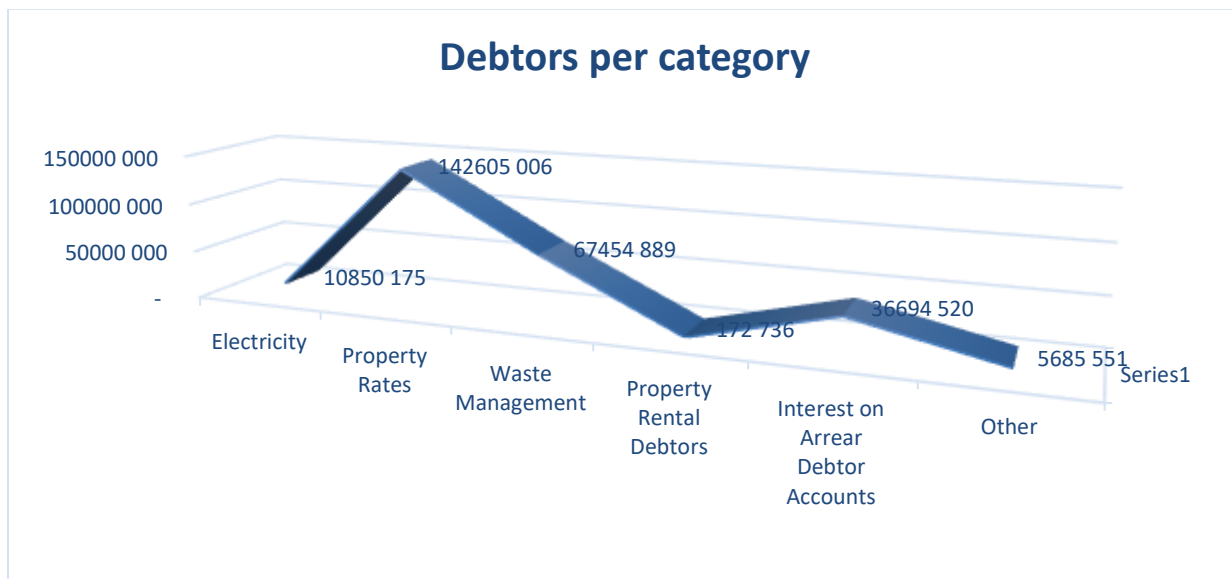
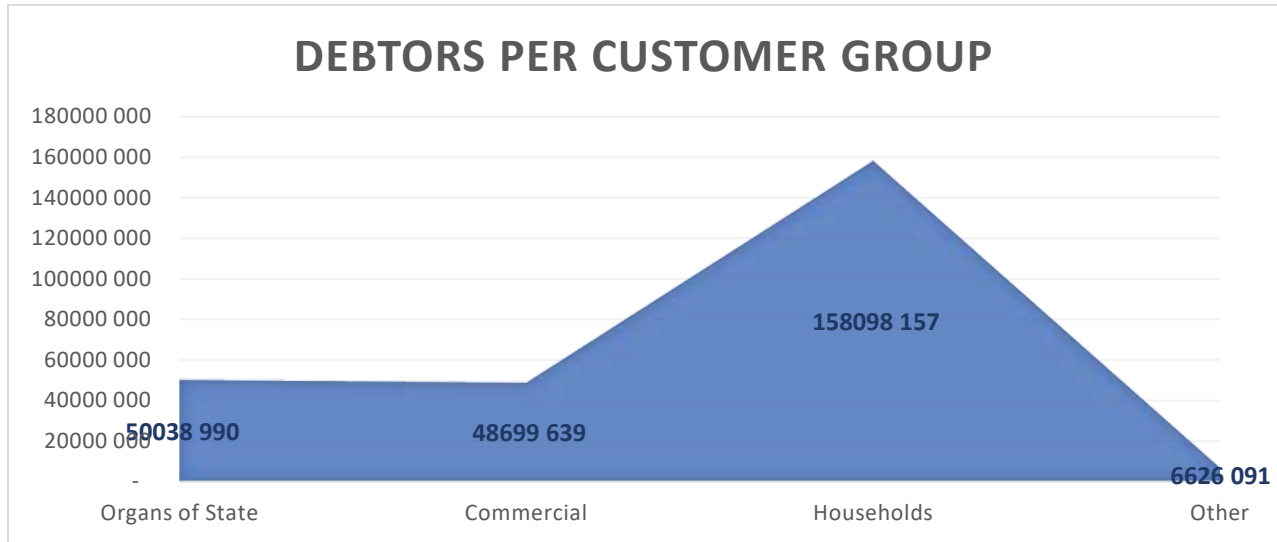


Figure 10



The municipal debtors have increased from R236.3 million to R263,5 million that is from July 2024 until 30th September 2024. This increase is between Household debtors of 65% and it is followed by Organs of State by 17% and Business Commercial is 16% and lastly the other debtors with a percentage of 2%.

▪ **Total Outstanding Debtors from September 2024**



Councillors and Employees in Arrear

- Debt outstanding on Councillors as at September is R179,573.93
- Staff Accounts in arrears as at September 2024 is R 65,073.29

However, it should be noted that both Councillors 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 - Q1 First Quarter

Description	NT Code	Budget Year 2024/25									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductons	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	11	-	-	-	-	-	-	-	-	11	11
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	11	-	-	-	-	-	-	-	-	11	11

- Creditors aging is R11thousand as of 30th September 2024. (Age analysis listing attached)
- 95% of the creditors are on current as per our age analysis, we ensure that creditors are paid within 30 days as stipulated by the MFMA.

Top 10 Creditors:

Top 10 Creditors (SEPTEMBER 2024)

Name	Amount
ESKOM HOLDING	R 212 671.52
EMALANGENI	R 651 091.19
RURAL METRO	R 401 018.60
BAMBHANANI ENTERPRISE	R 51 727.71
MALUTHULI TRADING	R 230 000.00
EZAMALUNQA	R 1 364 246.55
NJOMISA BOEDERY	R 42 765.62
CITY OF CHOICE	R 375 512.67
ILEMBE MUNICIPALITY	
CONLOG	R 323 444.31

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

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

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter					
Description	Ref	2023/24	Budget Year 2024/25		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands	1				
ASSETS					
Current assets					
Cash and cash equivalents		208 837	78 954	254 430	78 954
Trade and other receivables from exchange transac		57 612	33 169	60 419	33 169
Receivables from non-exchange transactions		(11 309)	36 042	9 252	36 042
Current portion of non-current receivables		–	–	–	–
Inventory		42 734	38 984	42 633	38 984
VAT		7 677	53 465	2 990	53 465
Other current assets		225	–	–	–
Total current assets		305 776	240 614	369 725	240 614
Non current assets					
Investments		–	–	–	–
Investment property		41 913	60 544	41 913	60 544
Property, plant and equipment		669 291	631 390	674 354	631 390
Biological assets		–	–	–	–
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		2 372	298	2 351	298
Trade and other receivables from exchange transac		–	–	–	–
Non-current receivables from non-exchange transac		–	–	–	–
Other non-current assets		–	–	–	–
Total non current assets		713 576	692 232	718 618	692 232
TOTAL ASSETS		1 019 352	932 846	1 088 343	932 846
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		6 043	–	5 815	–
Consumer deposits		170	216	204	216
Trade and other payables from exchange transactio		54 641	23 220	27 407	23 220
Trade and other payables from non-exchange trans		9 028	8 284	17 216	8 284
Provision		4 572	8 677	4 572	8 677
VAT		5 312	14 759	6 963	14 759
Other current liabilities		–	–	–	–
Total current liabilities		79 767	55 157	62 178	55 157
Non current liabilities					
Financial liabilities		–	–	–	–
Provision		–	–	–	–
Long term portion of trade payables		–	–	–	–
Other non-current liabilities		21 070	22 993	21 070	22 993
Total non current liabilities		21 070	22 993	21 070	22 993
TOTAL LIABILITIES		100 837	78 150	83 248	78 150
NET ASSETS	2	918 515	854 696	1 005 094	854 696
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		715 842	852 610	802 422	852 610
Reserves and funds		202 672	2 086	202 672	2 086
Other		–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	918 515	854 696	1 005 094	854 696

RATIOS FOR THE MONTH

Current ratio: The municipality’s current assets are (6) times that of current liabilities. 5.95:0.17
 The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 5.95 is favorable as it is above the norm of 1:1 normally set for municipalities. This indicates that there is sufficient cash to meet creditor obligations.

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

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

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

Outstanding debtors: billing far exceeds the collection on outstanding debt at the rate of 55%.

Collection days: 1514 days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at first month is 55 %

	6 Month
Cash and cash equivalents	12 771 600
Unspent Conditional Grants	16 880 282
Overdraft	-
Short Term Investments	242 875 434
Total Annual Operational Expenditure	443 030 793

	5.95
Current Assets	369 724 672
Current Liabilities	62 177 863

	118%
Cash and cash Equivalents	12 771 600
Bank Overdraft	-
Short Term Investment	242 875 434
Long Term Investment	-
Unspent Grants	16 880 282
Net Assets	1 005 094 281
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	802 421 952

	0 days
Trade Creditors	11 000
Contracted Services	14 626 000
Repairs and Maintenance	3 073 248
General expenses	15 988 000
Bulk Purchases	13 030 486
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	885 233

	48%
Employee/personnel related cost	32 632 536
Councillors Remuneration	3 619 672
Total Operating Expenditure	75 978 854
Taxation Expense	-

	16%
Contracted Services	14 625 874
Total Operating Expenditure	89 121 325
Taxation Expense	

	55%
Gross Debtors closing balance	263 462 871
Gross Debtors opening balance	236 985 481
Bad debts written Off	-
Billed Revenue	59 328 785

	15%
Consumer Debtors Bad debts written off	4 388 493
Consumer Debtors Current bad debt Provision	29 387 143

	1 514 days
Gross debtors	275 435 176
Bad debts Provision	29 387 143
Billed Revenue	59 328 785

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 30th September
 KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	Budget Year 2024/25								
		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		(40 514)	31 118	-	7 963	15 684	7 780	7 905	102%	31 118
Service charges		(61 631)	75 777	-	12 380	20 595	18 944	1 651	9%	75 777
Other revenue		16 188	4 674	-	154	12 118	1 356	10 762	794%	4 674
Transfers and Subsidies - Operational		308 943	262 390	-	-	105 249	70 211	35 038	50%	262 390
Transfers and Subsidies - Capital		136 331	39 760	-	-	13 601	9 940	3 661	37%	39 760
Interest		31 127	28 000	-	725	4 076	7 000	(2 924)	-42%	28 000
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(463 749)	(707 876)	-	(24 073)	(117 429)	(168 775)	(51 346)	30%	(707 876)
Finance charges		-	(3 300)	-	-	(18)	(825)	(807)	98%	(3 300)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(73 304)	(269 456)	-	(2 851)	53 876	(54 370)	(108 246)	199%	(269 456)
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		(616 240)	168 751	-	(1 049)	(8 254)	42 188	50 441	120%	168 751
NET CASH FROM/(USED) INVESTING ACTIVITIES		(616 240)	168 751	-	(1 049)	(8 254)	42 188	50 441	120%	168 751
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		(689 545)	(100 705)	-	(3 901)	45 623	(12 182)			-
Cash/cash equivalents at beginning:		(132 013)	(183 424)	-	-	208 808	(183 424)			208 808
Cash/cash equivalents at month/year end:		(821 557)	(284 129)	-	-	254 430	(195 606)			-

Cash and cash equivalent at the beginning of 2023/24 financial year was R208.8 million as per pre-audited AFS and cash and cash equivalent as at 30th September 2024 is R254,4million. The net increase of R45,6million is observed, as the Municipality has a positive trend for the past months which means the municipality has available cash to cover all operating expenses, pay debts if any and reinvest in growth.

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


Revenue -Receipts

- The property rates collection rate to date is 240,7% or R21,9million of the billed revenue as at September 2024. The municipality does not charge rates in the month of July and August as it is part of the collection strategy, as Customers are given a chance to catch up for those who owns rates and a break to those who are up-to date.
- Service Charges: Electricity and Refuse is 106,1% or R1,3million of billed revenue as at September 2024.
- Other Revenue collected to date is R2,2million over a Budget of R3,6million which gives a collection of 61,1% in these votes. A combination of votes from rentals of properties, licenses and permits and other sources of revenue are included. Further to that the additional revenue from VAT refunds received as at September totals to R3,4million.
- Government Operating grants received in the month of September 2024, totals to nil how -ever a total of R118,9million has been received in the first quarter, refer to schedule SC6.
- Government Capital: Total received to date is R13.6 million for MIG in the month of July 2024, there were no Capital grants received other than operational as at September 2024.
- Interest earned on external investments amounts to R2,9 million in comparison with the year-to-date budget of R7 million which is an under performance of 58%.

Payments

- Suppliers and employees for cash outflows of R117,4 million. The total payment for suppliers and employees is noted the same as there are payments from the INEP and Title deed.
- Finance charges reflect under performance by 98 percent or R807thousand against YTD actual of R18 thousand. Usually, this votes interest is allocated in January and at year end.
- Capital Assets of R 7,2million for the month of September 2024 shows an under-performance of 78% as at 30th September 2024.

6.1. BANK RECONCILIATION STATEMENT AS AT SEPTEMBER 2024

	Mandeni Municipality		
BANK RECONCILIATION STATEMENT FOR SEPTEMBER 2024			
Main Account :52940480587			
Opening FNB Bank Balance as on 1 SEPTEMBER 2024	2 213 866.67		2 213 866.67
PLUS: Deposits Banked	21 349 688.77		
PLUS: Interest received	31 145.46		
PLUS: Transfers In	16 651 207.01		
PLUS:Interest received From Call 1	160 600.12		
PLUS:Unpaid	-		
PLUS: MATURED INVESTMENTS	-		
PLUS: SARS REFUND	3 338 954.89		
PLUS: GRANTS RECEIVED	-		
Total Deposits	41 531 596.25		41 531 596.25
Less:Total payments	- 30 973 862.99	- 30 973 862.99	
LESS: EFT Payments	- 30 142 814.89		
LESS: Bank Charges	- 22 965.12		
LESS: Cheques Paid Out	-		
LESS: Transfers Out	-		
LESS: NEW INVESTMENTS	-		
LESS: Debit Orders	- 808 082.98		
Closing FNB Bank Balance as on 30 SEPTEMBER 2024			12 771 599.93
Cashbook Reconciliation for 31 AUGUST 2024			
OPENING BALANCE 1/07/2024	2 026 213 166.77		
OPENING BALANCE 1/07/2024	96 176 000.00		
OPENING BALANCE 1/07/2024	- 2 112 242 032.86		
OPENING BALANCE 1/07/2024-INTEREST	593 200.30		
OPENING BALANCE-1/7/2024 -BANK CHARGES	- 1 380 300.52		
Cashbook Balance as on 1 SEPTEMBER 2024-D0001/IA09567/F0001/X049/R0099/001/FIN	285 318 636.96		
Less:Cashbook Balance as on 1 SEPTEMBER 2024-D0001/IA09850/F0001/X049/R0099/001/FIN	- 292 504 990.75		
Corrections to be made (JNL DR)	-		
PLUS: Deposits Banked for SEPTEMBER 2024	21 349 688.77		
LESS: EFT Payments for SEPTEMBER 2024	- 31 372 288.15		
Plus :AUGUST 2024 outstanding (reconciled)	7 324.07		
Less: Bank Charges to date	- 69 996.62		
PLUS: Grant received	-		
Less : New investment	-		
Less: Payments not yet paid during SEPTEMBER 2024	-		
PLUS: Interest received to date	120 981.01		
PLUS:Interest received From Call 1-SEPTEMBER 2024	160 600.12		
PLUS MATURED INVESTMENT	-		
PLUS :SARS REFUND	3 338 954.89		
PLUS :TRANSFER IN	16 651 207.01		
LESS:TRANSFER OUT	-		
LESS: Debit Orders for SEPTEMBER 2024	- 808 082.98		
Closing Cashbook Balance as on 30 SEPTEMBER 2024	11 552 068.03		11 552 068.03
			1 219 573.06

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

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

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter								
Investments by maturity Name of institution & investment ID	Ref	Variable or Fixed interest rate	Commission Paid (Rands)	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands								
Municipality								
call 1-internal grant		7.2	0	30 066	1 190	13 661	-	16 566
Call account 2 -HOUSING		7.2	0	2 159	40		-	2 172
Call account 3-MIG		7.2		15 144	254	3 151		12 067
Call account 5-TMT		7.2	0	481	9		7	491
Call account 6-INEP		7.2		1 507	17			1 517
Call account 7-AR		7.2		5 336	96			5 368
Call account 8- Title Deed		7.2		4 657	86			4 684
Call account 9-Disaster Recovery		7.2	0	11	0		0	11
ABSA BANK		9.78		100 000	2 197			100 000
ABSA BANK		9.7		50 000	1 090			50 000
ABSA BANK		9.3		50 000	1 045			50 000
FNB-MAIN BANK					62			
Municipality sub-total				259 362	6 084	16 812	7	242 875
TOTAL INVESTMENTS AND INTEREST	2			259 362	6 084	16 812	7	242 875

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

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

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

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

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 378	13 768	-	1 054	3 101	3 442	(341)	-10%	13 768
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		528	675	-	37	112	169	(56)	-33%	675
Cellphone Allowance		1 491	1 687	-	126	374	422	(47)	-11%	1 687
Housing Allowances		167	258	-	11	32	65	(33)	-51%	258
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		14 564	16 388	-	1 228	3 620	4 097	(477)	-12%	16 388
% increase	4		12.5%							12.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 865	5 876	-	388	1 163	1 469	(306)	-21%	5 876
Pension and UIF Contributions		1	11	-	-	-	3	(3)	-100%	11
Medical Aid Contributions		163	42	-	21	62	11	51	485%	42
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		380	499	-	-	-	125	(125)	-100%	499
Motor Vehicle Allowance		716	871	-	60	179	218	(39)	-18%	871
Cellphone Allowance		272	195	-	29	86	49	37	75%	195
Housing Allowances		114	278	-	14	43	69	(27)	-39%	278
Other benefits and allowances		347	286	-	40	120	71	49	69%	286
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5 131	3 736	-	-	-	934	(934)	-100%	3 736
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 989	11 794	-	551	1 653	2 949	(1 296)	-44%	11 794
% increase	4		7.3%							7.3%
Other Municipal Staff										
Basic Salaries and Wages		83 417	94 130	-	7 489	21 462	23 533	(2 071)	-9%	94 130
Pension and UIF Contributions		13 566	15 938	-	1 232	3 622	3 984	(363)	-9%	15 938
Medical Aid Contributions		6 332	6 180	-	598	1 789	1 545	244	16%	6 180
Overtime		3 361	2 469	-	264	695	617	78	13%	2 469
Performance Bonus		6 601	6 513	-	544	1 493	1 628	(135)	-8%	6 513
Motor Vehicle Allowance		4 751	5 495	-	414	1 214	1 374	(160)	-12%	5 495
Cellphone Allowance		617	604	-	67	171	151	20	13%	604
Housing Allowances		315	362	-	27	82	90	(9)	-10%	362
Other benefits and allowances		983	887	-	85	254	222	32	15%	887
Payments in lieu of leave		3 462	2 718	-	16	116	679	(563)	-83%	2 718
Long service awards		355	1 407	-	10	83	352	(269)	-76%	1 407
Post-retirement benefit obligations	2	(1 041)	4 047	-	-	-	1 012	(1 012)	-100%	4 047
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122 720	140 748	-	10 745	30 980	35 187	(4 207)	-12%	140 748
% increase	4		14.7%							14.7%
Total Parent Municipality		148 273	168 930	-	12 524	36 252	42 233	(5 980)	-14%	168 930

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q1 First Quarter

Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	9.3%	0.0%	0.0%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.9%	6.4%	0.0%	7.1%	6.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	383.3%	436.2%	0.0%	594.6%	436.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		261.8%	143.1%	0.0%	409.2%	143.1%
<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		11.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		31.6%	34.1%	0.0%	19.1%	34.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.3%	5.3%	0.0%	1.8%	5.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.0%	9.2%	0.0%	0.0%	4.4%
<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: -

▪ **FIRST QUARTER REPORT S52(d)**

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

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

Municipal Manager of Mandeni Municipal(KZN291)

Signature: _____

Date: **30 SEPTEMBER 2024**