

# **MANDENI MUNICIPALITY**

**KZN291**



## **BUDGET & TREASURY DEPARTMENT**

### **MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED MAY 2024/25 FINANCIAL YEAR**

## **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2024/25**

### **BUDGET FOR THE PERIOD ENDING 31 MAY 2025.**

#### **1. PURPOSE**

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2024/25 Budget of the Mandeni Municipality for the period ending 31 MAY 2025 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

#### **2. AUTHORITY**

Mayor

#### **3. LEGAL / STATUTORY REQUIREMENTS**

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

#### **4. BACKGROUND**

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

#### **5. EXECUTIVE SUMMARY**

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ending 31 MAY is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Capital Expenditure
- 5.3 DORA Receipts
- 5.4 DORA Grants Expenditure
- 5.5 Debtors Age Analysis
- 5.6 Employee Costs and Councilors' Remuneration
- 5.7 Investment Portfolio
- 5.8 Long-term Borrowing
- 5.9 Performance Indicators
- 6. Creditor's Age Analysis
- 6.1 Bank Reconciliation Statement
- 7. Supporting Tables
- 8. Municipal Managers quality certificate

## 1.1 FINANCIAL PERFORMANCE

### BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M11 May									
Description	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								%	
<b>Financial Performance</b>									
Total Revenue (excluding capital	422 701	447 101	442 150	15 094	415 371	405 305	10 067	2%	447 101
Total Expenditure	397 367	443 031	461 700	19 966	371 423	435 272	(63 848)	-15%	443 031
Surplus/(Deficit)	25 334	4 070	(19 550)	(4 872)	43 948	(29 967)	73 915	-247%	4 070
Transfers and subsidies - capital (monetary	55 093	39 760	47 421	4 277	33 996	43 470	(9 474)	-22%	39 760
Surplus/(Deficit) after capital transfers & contributions	80 427	43 830	27 872	(595)	77 944	13 502	64 442	477%	43 830
Surplus/ (Deficit) for the year	80 427	43 830	27 872	(595)	77 944	13 502	64 442	477%	43 830
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	139 662	127 600	135 814	6 224	98 426	124 497	(26 071)	-21%	127 600
Capital transfers recognise	51 789	34 702	41 319	4 069	31 473	37 876	(6 402)	-17%	34 702
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	87 873	92 898	94 496	2 155	66 953	86 621	(19 668)	-23%	92 898
Total sources of capital fu	139 662	127 600	135 814	6 224	98 426	124 497	(26 071)	-21%	127 600
TOTAL BUDGET	537 029	570 631	597 514	26 190	469 849	559 769	(89 919)	(0)	570 631

As can be seen from the table above, Actual surplus for the period ended 31<sup>st</sup> May 2025 is Significantly more than the Budgeted Surplus by- 100%. Monthly budget statement summary (Table C1), for the period ending 31<sup>st</sup> May 2025 (year to date actual), shows a surplus of R77.9million against YTD budget of R13.5million which reflects variance of more than 100%.

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

**Table 1**  
**Table C1 below provides a summary of the overall performance of the municipality.**

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M11 May									
Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	58 321	62 237	62 237	3 396	64 010	57 050	6 960	12%	62 237
Service charges	73 544	86 448	86 448	5 805	70 170	79 244	(9 073)	-11%	86 448
Investment revenue	26 748	–	–	–	–	–	–	–	–
Transfers and subsidies - Operating	26 748	28 000	28 000	3 679	18 961	25 667	(6 706)	-26%	28 000
Other own revenue	237 340	270 416	265 466	2 213	262 230	243 344	18 886	8%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422 701</b>	<b>447 101</b>	<b>442 150</b>	<b>15 094</b>	<b>415 371</b>	<b>405 305</b>	<b>10 067</b>	<b>2%</b>	<b>447 101</b>
Employee costs	133 709	152 543	152 543	13 223	137 319	139 831	(2 512)	-2%	152 543
Remuneration of Councillors	14 564	16 388	16 388	1 246	13 959	15 022	(1 063)	-7%	16 388
Depreciation and amortisation	33 728	37 856	37 856	3 058	32 390	34 701	(2 311)	-7%	37 856
Interest	137	3 300	3 300	–	0	3 025	(3 025)	-100%	3 300
Inventory consumed and bulk purchase	56 309	62 398	63 500	6 282	54 872	58 777	(3 905)	-7%	62 398
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	158 921	170 546	188 114	(3 843)	132 884	183 916	(51 032)	-28%	170 546
<b>Total Expenditure</b>	<b>397 367</b>	<b>443 031</b>	<b>461 700</b>	<b>19 966</b>	<b>371 423</b>	<b>435 272</b>	<b>(63 848)</b>	<b>-15%</b>	<b>443 031</b>
<b>Surplus/(Deficit)</b>	<b>25 334</b>	<b>4 070</b>	<b>(19 550)</b>	<b>(4 872)</b>	<b>43 948</b>	<b>(29 967)</b>	<b>73 915</b>	<b>-247%</b>	<b>4 070</b>
Transfers and subsidies - capital (monetary allocations)	55 093	39 760	47 421	4 277	33 996	43 470	(9 474)	-22%	39 760
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(595)</b>	<b>77 944</b>	<b>13 502</b>	<b>64 442</b>	<b>477%</b>	<b>43 830</b>
<b>Surplus/ (Deficit) for the year</b>	<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(595)</b>	<b>77 944</b>	<b>13 502</b>	<b>64 442</b>	<b>477%</b>	<b>43 830</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	139 662	127 600	135 814	6 224	98 426	124 497	(26 071)	-21%	127 600
Capital transfers recognised	51 789	34 702	41 319	4 069	31 473	37 876	(6 402)	-17%	34 702
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	87 873	92 898	94 496	2 155	66 953	86 621	(19 668)	-23%	92 898
<b>Total sources of capital funds</b>	<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>6 224</b>	<b>98 426</b>	<b>124 497</b>	<b>(26 071)</b>	<b>-21%</b>	<b>127 600</b>
<b>TOTAL BUDGET</b>	<b>537 029</b>	<b>570 631</b>	<b>597 514</b>	<b>26 190</b>	<b>469 849</b>	<b>559 769</b>	<b>(89 919)</b>	<b>(0)</b>	<b>570 631</b>

### 1.1.1 Table 2

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11										
Description	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	1								%	
Revenue - Functional										
Governance and adminis		323 455	340 236	340 968	7 508	333 049	312 554	20 496	7%	340 236
Executive and council		—	8 038	8 038	—	—	7 368	(7 368)	-100%	8 038
Finance and administrative	323 455	332 198	332 930	7 508	333 049	305 186	27 864	9%	332 198	
Internal audit		—	—	—	—	—	—	—	—	—
Community and public s		4 710	5 464	5 764	434	4 677	5 284	(607)	-11%	5 464
Community and social ser	4 710	5 073	5 373	432	4 661	4 925	(264)	-5%	5 073	
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	391	391	2	16	359	(343)	-96%	391
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environm		63 161	45 527	53 388	5 389	39 472	48 939	(9 467)	-19%	45 527
Planning and developmer	42 536	41 542	47 120	4 466	35 969	43 193	(7 224)	-17%	41 542	
Road transport	20 625	3 985	6 268	923	3 503	5 746	(2 243)	-39%	3 985	
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		86 468	95 634	89 452	6 040	72 169	81 997	(9 829)	-12%	95 634
Energy sources	72 748	80 675	74 024	4 774	58 424	67 855	(9 432)	-14%	80 675	
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management	13 720	14 958	15 428	1 266	13 745	14 142	(397)	-3%	14 958	
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Fun	2	477 794	486 861	489 572	19 371	449 367	448 774	593	0%	486 861
Expenditure - Functional										
Governance and adminis		193 804	217 123	237 648	15 254	176 186	218 137	(41 952)	-19%	217 123
Executive and council	61 619	66 001	72 502	4 662	60 858	66 754	(5 896)	-9%	66 001	
Finance and administrative	132 185	151 121	165 146	10 592	115 327	151 384	(36 056)	-24%	151 121	
Internal audit		—	—	—	—	—	—	—	—	—
Community and public s		46 599	42 761	46 183	4 839	50 736	42 334	8 402	20%	42 761
Community and social ser	33 291	30 811	30 453	3 609	37 345	27 915	9 430	34%	30 811	
Sport and recreation	12 862	10 030	13 714	1 214	12 356	12 571	(215)	-2%	10 030	
Public safety	418	1 890	1 747	—	944	1 601	(657)	-41%	1 890	
Housing	29	30	269	16	91	247	(156)	-63%	30	
Health		—	—	—	—	—	—	—	—	—
Economic and environm		69 233	83 202	83 136	7 019	72 726	76 208	(3 482)	-5%	83 202
Planning and developmer	18 934	25 716	24 359	2 596	21 221	22 329	(1 108)	-5%	25 716	
Road transport	46 605	53 423	54 653	4 035	47 407	50 099	(2 692)	-5%	53 423	
Environmental protection	3 694	4 063	4 124	388	4 098	3 780	317	8%	4 063	
Trading services		88 370	99 070	94 057	(7 202)	71 503	97 972	(26 469)	-27%	99 070
Energy sources	77 057	76 143	69 955	6 269	59 782	68 386	(8 604)	-13%	76 143	
Water management		—	—	—	—	—	—	—	—	—
Waste water management	2 543	2 802	2 802	245	2 650	2 569	81	3%	2 802	
Waste management	8 770	20 124	21 299	(13 716)	9 072	27 017	(17 945)	-66%	20 124	
Other		—	876	676	56	272	620	(348)	-56%	876
Total Expenditure - F	3	398 006	443 031	461 700	19 966	371 423	435 272	(63 848)	-15%	443 031
Surplus/ (Deficit) for the y		79 788	43 830	27 872	(595)	77 944	13 502	64 442	477%	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) - M11 May											
Vote Description		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										%	
Revenue by Vote		1									
Vote 1 - Executive and council			—	8 038	8 038	—	—	7 368	(7 368)	-100.0%	8 038
Vote 2 - Finance and administration			323 455	332 198	332 930	7 508	333 049	305 186	27 864	9.1%	332 198
Vote 3 - Internal audit			—	—	—	—	—	—	—	—	—
Vote 4 - Community and social service			4 710	5 464	5 764	434	4 677	5 284	(607)	-11.5%	5 464
Vote 5 - Sport and Recreation			—	—	—	—	—	—	—	—	—
Vote 6 - Public safety			—	—	—	—	—	—	—	—	—
Vote 7 - Housing			—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development			42 536	41 542	47 120	4 466	35 969	43 193	(7 224)	-16.7%	41 542
Vote 9 - Road transport			20 625	3 985	6 268	923	3 503	5 746	(2 243)	-39.0%	3 985
Vote 10 - Energy sources			72 748	80 675	74 024	4 774	58 424	67 855	(9 432)	-13.9%	80 675
Vote 11 - Waste Management			13 720	14 958	15 428	1 266	13 745	14 142	(397)	-2.8%	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	477 794	486 861	489 572	19 371	449 367	448 774	593	0.1%	486 861
Expenditure by Vote		1									
Vote 1 - Executive and council			61 619	66 001	72 502	4 662	60 858	66 754	(5 896)	-8.8%	66 001
Vote 2 - Finance and administration			132 185	151 121	165 146	10 592	115 327	151 384	(36 056)	-23.8%	151 121
Vote 3 - Internal audit			—	—	—	—	—	—	—	—	—
Vote 4 - Community and social service			33 291	30 811	30 453	3 609	37 345	27 915	9 430	33.8%	30 811
Vote 5 - Sport and Recreation			12 862	10 030	13 714	1 214	12 356	12 571	(215)	-1.7%	10 030
Vote 6 - Public safety			418	1 890	1 747	—	944	1 601	(657)	-41.1%	1 890
Vote 7 - Housing			29	30	269	16	91	247	(156)	-63.1%	30
Vote 8 - Planning and Development			18 934	26 592	25 035	2 652	21 493	22 949	(1 456)	-6.3%	26 592
Vote 9 - Road transport			49 148	56 225	57 456	4 281	50 057	52 668	(2 611)	-5.0%	56 225
Vote 10 - Energy sources			77 057	76 143	69 955	6 269	59 782	68 386	(8 604)	-12.6%	76 143
Vote 11 - Waste Management			8 770	20 124	21 299	(13 716)	9 072	27 017	(17 945)	-66.4%	20 124
Vote 12 - Environmental Protection			3 694	4 063	4 124	388	4 098	3 780	317	8.4%	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	398 006	443 031	461 700	19 966	371 423	435 272	(63 848)	-14.7%	443 031
Surplus/ (Deficit) for the year		2	79 788	43 830	27 872	(595)	77 944	13 502	64 442	477.3%	43 830

**Table 4** provides information on the planned revenue and operational expenditures against the actual results for the period ending 31<sup>ST</sup> MAY 2025.

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) - M11 May										
Description	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										
Revenue									%	
Exchange Revenue										
Service charges - Electricity		61 164	72 341	72 341	4 766	58 247	66 313	(8 066)	-12%	72 341
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Ma		—	—	—	—	—	—	—	—	—
Service charges - Waste managem		12 380	14 106	14 106	1 039	11 924	12 931	(1 007)	-8%	14 106
Sale of Goods and Rendering of Se		11 818	9 474	2 755	109	814	2 526	(1 712)	-68%	9 474
Agency services		—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		919	963	1 500	131	1 361	1 375	(14)	-1%	963
Interest from Current and Non Curr		26 748	28 000	28 000	3 679	18 961	25 667	(6 706)	-26%	28 000
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		294	374	724	41	544	664	(120)	-18%	374
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		1 507	1 200	1 750	25	2 131	1 604	527	33%	1 200
Non-Exchange Revenue		—	—	—	—	—	—	—	—	—
Property rates		58 321	62 237	62 237	3 396	64 010	57 050	6 960	12%	62 237
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 584	1 310	1 310	860	931	1 201	(270)	-22%	1 310
Licence and permits		985	957	957	68	900	877	23	3%	957
Transfers and subsidies - Operatio		241 981	253 163	253 163	669	252 286	232 066	20 220	9%	253 163
Interest		3 460	2 976	3 308	311	3 263	3 032	231	—	2 976
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		1 541	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and		422 701	447 101	442 150	15 094	415 371	405 305	10 067	2%	447 101
Expenditure By Type										
Employee related costs		133 709	152 543	152 543	13 223	137 319	139 831	(2 512)	-2%	152 543
Remuneration of councillors		14 564	16 388	16 388	1 246	13 959	15 022	(1 063)	-7%	16 388
Bulk purchases - electricity		52 475	57 866	57 866	5 271	49 749	53 043	(3 295)	-6%	57 866
Inventory consumed		3 835	4 533	5 634	1 011	5 123	5 733	(610)	-11%	4 533
Debt impairment		6 048	30 261	30 261	(15 130)	—	39 217	(39 217)	-100%	30 261
Depreciation and amortisation		33 728	37 856	37 856	3 058	32 390	34 701	(2 311)	-7%	37 856
Interest		137	3 300	3 300	—	0	3 025	(3 025)	-100%	3 300
Contracted services		85 801	79 270	84 257	8 929	69 123	77 236	(8 113)	-11%	79 270
Transfers and subsidies		—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		3 750	6 261	6 261	(3 130)	—	5 739	(5 739)	-100%	6 261
Operational costs		62 365	54 755	66 735	5 489	63 769	61 174	2 595	4%	54 755
Losses on Disposal of Assets		501	—	600	—	—	550	(550)	-100%	—
Other Losses		456	—	—	—	(8)	—	(8)	—	—
Total Expenditure		397 367	443 034	461 700	19 966	371 423	435 272	(63 848)	-15%	443 031

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

Figure 1

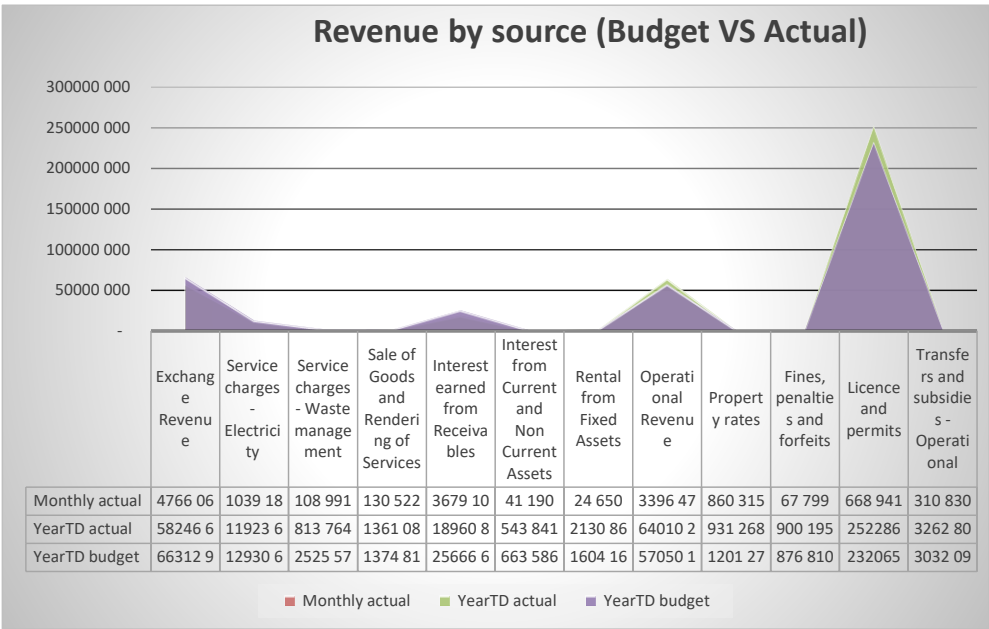
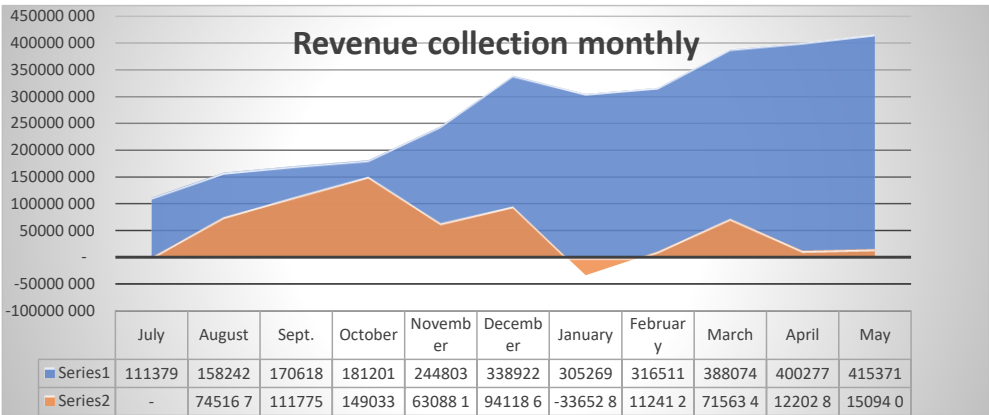


Figure 2





**Revenue:**

- The Year to Date (YTD) total revenue earned is R415.4million for the period ending 31<sup>st</sup> May 2025 excluding capital conditional grant income. The YTD Budget is R405.3million; therefore, this reflects an over performance against the revenue projected by 2%, 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 R58.2million over a budget YTD of R66.3 million which is an under-performance by 12%, The variance is primarily due to the presence of additional rental houses that have not yet been occupied.
- The actual cash collected is R 4.6million for the month ended May 2025.

**Service Charges: Refuse**

- The actual revenue from Service Charges Refuse as at 31<sup>st</sup> May 2025 is R11.9 million against the budgeted income of R12.9million which under performance by 8%. Certain commercial properties were closed, contributing to the variance, which is considered immaterial.
- The actual cash collected is R 287thousand for the month of May 2025.

**Sale of Goods and rendering services**

- Sale of Goods and services amounts to R814 thousand in comparison with the year-to-date budget of R2.5million, thus indicating an under performance by R1.7million or -68%, The variance is due to the fact that most of the items under this vote are difficult to measure in terms of performance, as they include revenues from sources such as tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees.

**Interest earned from receivables.**

- Interest earned from receivables amounts to R1.4million in comparison with the year-to-date budget of R1.4million. There is no variance under this vote; the budget has been achieved as planned.

**Interest from Current and Non-Current assets**

- Interest earned on external investments amounts to R19 million in comparison with the year-to-date budget of R25.7 million, thus indicating an under performance by R6.7million or 25 percent, The variance arises from the majority of the investment maturing at the end of the financial year.

### **Rental from fixed assets**

- Revenue from rental of facilities recognised amounts to R 544thousand in comparison with the year-to-date budget of R664thousand thus indicating an under performance of R544thousand or 18%. The decline, when compared to previous months, is attributed to several staff houses remaining vacant since February.

### **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 R2.1million which is less than anticipated YTD budget of R1.6million, thus indicating an over performance of R527thousand or 33%. The variance can be attributed to "insurance claims paid, collection charges and handling charges.

### **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 is R64.0million over a YTD budget of R57.1million which is a over - collection by R7million or 12%. The variance in this vote is due to realisation of Properties which were not linked in the Municipal Billing.
- The actual cash collected being R2million for the month ended 31 May 2025.

#### **Fines, Penalties and forfeits**

- Fines for the month of May is underperformed by 22%, amounting to R270 thousand below the pro-rata budget of R1.2 million. Year-to-date (YTD) actual fines collected as at the end of May 2025 total R860 thousand. The underperformance is primarily attributed to a prevailing culture of non-payment and adverse economic conditions. It is important to note that revenue reported to date is on a cash basis, as the municipality accounts for fines in accordance with iGRAP 1 at year-end. This vote also includes library fine fees for overdue books.

#### **Licences and permits.**

- Licences and permits have over-performed by 3% or R23 thousand with an actual amount of R900thousand as compared to pro-rata budget of R877thousand, variance is immaterial.

#### **Transfers & subsidies**

- Transfers and subsidies recognised operational amounts to R252.3million YTD Actual in comparison with the YTD budget of R232.1million, thus indicating an over performance by R20.2million or 9 percent. The variance is mainly attributable to the Municipality receiving the

third tranche of the Equitable Share amounting to R60.9 million, which brings the total received in line with the planned Equitable Share allocation.

- Transfers and subsidies capital amounts to R34million in comparison with the YTD budget of R43.5 million, thus indicating an under performance by R9.5 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

**Interest earned from receivables.**

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R3.3million in comparison with the year-to-date budget of R3.0million, thus indicating an over performance by R231thousand or 8percent. The variance arises from customers failing to adhere to their agreed-upon payment arrangements

Operating Expenditure from May 2025

The table below reflects trend of expenditure for the period ended 31<sup>st</sup> May 2025

Figure 3

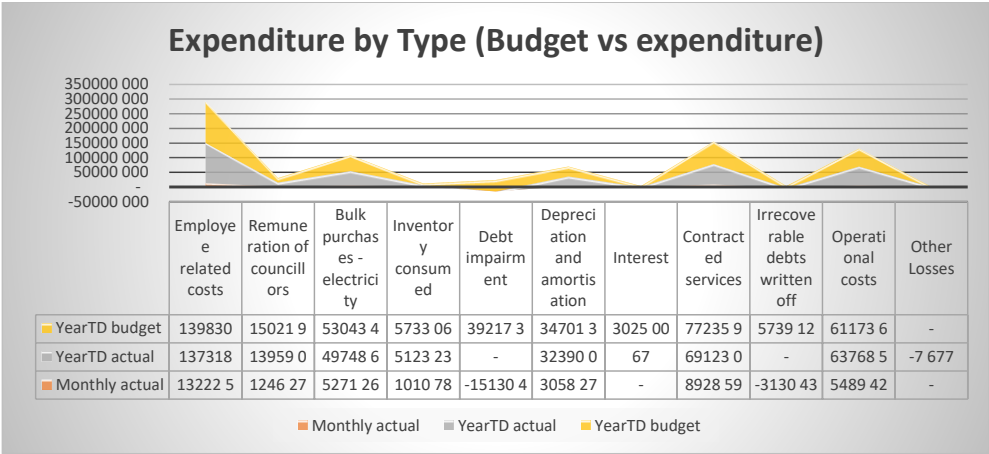
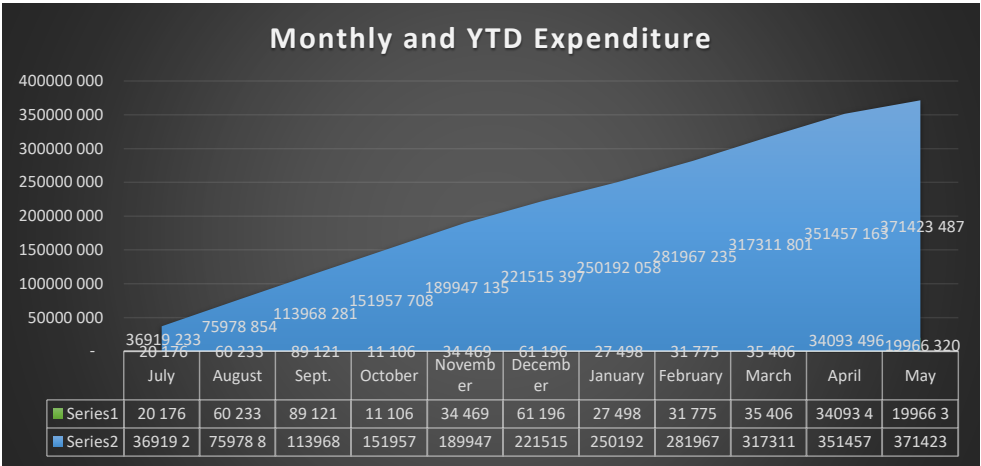


Figure 4



### **Operating Expenditure:**

- The total operational expenditure YTD Actual for the period ending 31<sup>st</sup> May 2025 amounted to R371.4million against the planned target of R435.3million. As at the end of May the operational expenditure budget has been under spent by -15% or -R63.8million. *Detailed expenditure analysis is below:*

### **Employee Related Costs**

- Employee related costs YTD expenditure for the period ending 31 May 2025 amounted to R2.5million while the YTD budget was R137.3million with an underspending of R2.5million or - 2%. All previously vacant positions have now been filled, with a notable focus on the Finance Department.
- 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 31<sup>st</sup> May 2025 was under spent by R1.1million The YTD Remuneration of Councilor's budget is R15.0million whilst the actual expenditure of R13.9million incurred results in under-spending of -7% 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 R49.7million which is an under performance when compared to YTD pro-rata budget of R53.0million. The variance of R3.3million or -6% under projected budget is caused by the period variances in Eskom invoices.

### **Inventory Consumed**

- Inventory Consumed are reflecting an underperformance by 11% or R610thousand, when compared to YTD budget of R5.7million against the YTD Actual amount of R5.1million 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, when compared to YTD Actual amount of R15.1million against a YTD budget of R39.2million. A journal at year end will be processed.
- When the provision for debt impairment is calculated, the following assumptions must be taken 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 underperformance by 7percent or R2.3million, when compared to pro-rata budget of R34.7million. The variance of R2.3million is because some of the capex items are still under work-in-progress.

### **Interest**

- Finance charges reflect an underperformance by -100percent, the first invoice has not received and for allocation.
- 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 11percent or R8.1million, from YTD budget of R77.2million against the YTD actual of R69.1million. This item included all the contracted and outsourced services by the municipality. It includes services for catering, transport, etc.

### **Irrecoverable debts written off**

- Irrecoverable debts written off has underperformed by 100% when compared to pro-rata budget of R5.7million. An amount of R3.1million which was reported in April has been reversed. 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 this month by 4% or R2.6million when compared to YTD budget of R61.2million. The variance is considered immaterial.

### **Loss on disposal of assets**

- The vote shows a 100% under-expenditure, primarily because disposal transactions are typically recorded at the end of the financial year.

Other losses is reported for R8thousand in losses.

## 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)										
- M11 May										
Vote Description	Ref	Budget Year 2024/25								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>	1								%	
<b>Multi-Year expenditure appropriation</b>	2									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		1 932	5 870	11 431	—	10 039	10 479	(439)	-4%	5 870
Vote 2 - Finance and administration		14 562	8 557	13 616	1 344	10 059	12 481	(2 422)	-19%	8 557
Vote 3 - Internal audit		—	—	—	—	—	—	—	—	—
Vote 4 - Community and social services		772	4 457	4 107	281	2 062	3 765	(1 703)	-45%	4 457
Vote 5 - Sport and Recreation		5 512	10 127	13 426	869	5 542	12 307	(6 765)	-55%	10 127
Vote 6 - Public safety		—	939	852	—	44	781	(737)	-94%	939
Vote 7 - Housing		—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development		19 023	12 191	11 215	524	4 450	10 280	(5 830)	-57%	12 191
Vote 9 - Road transport		89 974	79 535	76 856	3 207	63 806	70 451	(6 645)	-9%	79 535
Vote 10 - Energy sources		2 154	3 752	2 178	—	863	1 996	(1 133)	-57%	3 752
Vote 11 - Waste Management		5 734	2 174	2 134	—	1 560	1 956	(396)	-20%	2 174
Vote 12 - Environmental Protection		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
<b>Total Capital single-year expenditure</b>	4	139 662	127 600	135 814	6 224	98 426	124 497	(26 071)	-21%	127 600
<b>Total Capital Expenditure</b>		139 662	127 600	135 814	6 224	98 426	124 497	(26 071)	-21%	127 600
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		16 494	14 426	25 047	1 344	20 098	22 960	(2 862)	-12%	14 426
Executive and council		1 932	5 870	11 431	—	10 039	10 479	(439)	-4%	5 870
Finance and administration		14 562	8 557	13 616	1 344	10 059	12 481	(2 422)	-19%	8 557
Internal audit		—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		6 284	15 522	18 385	1 149	7 648	16 853	(9 205)	-55%	15 522
Community and social services		772	4 457	4 107	281	2 062	3 765	(1 703)	-45%	4 457
Sport and recreation		5 512	10 127	13 426	869	5 542	12 307	(6 765)	-55%	10 127
Public safety		—	939	852	—	44	781	(737)	-94%	939
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		108 996	91 726	88 071	3 730	68 257	80 732	(12 475)	-15%	91 726
Planning and development		19 023	12 191	11 215	524	4 450	10 280	(5 830)	-57%	12 191
Road transport		89 974	79 535	76 856	3 207	63 806	70 451	(6 645)	-9%	79 535
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		7 888	5 926	4 312	—	2 423	3 952	(1 530)	-39%	5 926
Energy sources		2 154	3 752	2 178	—	863	1 996	(1 133)	-57%	3 752
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		5 734	2 174	2 134	—	1 560	1 956	(396)	-20%	2 174
<b>Other</b>		—	—	—	—	—	—	—	—	—
<b>Total Capital Expenditure - Functional</b>	3	139 662	127 600	135 814	6 224	98 426	124 497	(26 071)	-21%	127 600
<b>Funded by:</b>										
National Government		51 072	33 963	40 614	4 062	31 050	37 230	(6 180)	-17%	33 963
Provincial Government		717	739	705	7	424	646	(222)	-34%	739
District Municipality		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>		51 789	34 702	41 319	4 069	31 473	37 876	(6 402)	-17%	34 702
<b>Borrowing</b>	6	—	—	—	—	—	—	—	—	—
<b>Internally generated funds</b>		87 873	92 898	94 496	2 155	66 953	86 621	(19 668)	-23%	92 898
<b>Total Capital Funding</b>		139 662	127 600	135 814	6 224	98 426	124 497	(26 071)	-21%	127 600

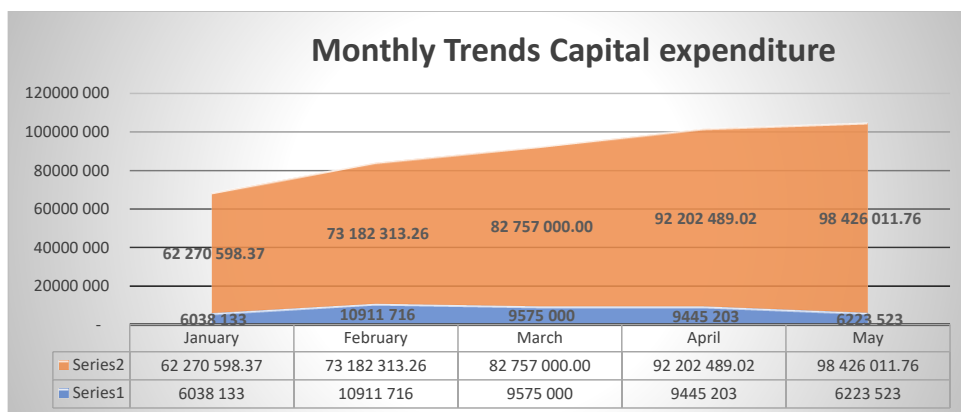


### Capital Expenditure of May 2025:

The YTD capital expenditure budget is R124.5million against YTD actual Capital expenditure amounted to R98.4million resulting in an under performance of (21%) on capital expenditure. The 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 May 2025



- Capital grants funded by National Government are actual for R31.1million versus YTD Budget of R37.2million, expenditure reported has been underspent by (17%).
- Capital grants funded by Provincial Government YTD actual is R424thousand over YTD budget of R646thousand, which gives an under-performance by 34%.
- Capital grants funded Internally actual is R67million versus YTD Budget of R86.6million variance of 23% reflects and under expenditure on this item



## 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 - M11 May										
Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure	1	10 904	15 113	14 678	376	9 414	13 455	4 041	30.0%	15 113
Roads Infrastructure		6 397	8 548	8 548	495	4 711	7 836	3 125	39.9%	8 548
Roads		6 397	7 939	7 939	423	4 527	7 278	2 750	37.8%	7 939
Road Structures		-	435	435	34	146	399	253	63.4%	435
Road Furniture		-	174	174	37	37	159	122	76.5%	174
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1 017	2 870	2 870	(508)	1 944	2 630	687	26.1%	2 870
Drainage Collection		1 017	2 870	2 870	(508)	1 944	2 630	687	26.1%	2 870
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 518	3 000	2 565	233	1 726	2 351	625	26.6%	3 000
Power Plants		-	43	43	-	40	40	0	0.9%	43
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		521	739	739	-	-	678	678	100.0%	739
MV Substations		77	43	43	0	25	40	15	36.9%	43
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		47	130	130	-	131	120	(11)	-9.5%	130
LV Networks		784	739	739	35	876	678	(199)	-29.3%	739
Capital Spares		1 089	1 304	870	197	655	797	142	17.9%	1 304
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticalation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		972	696	696	157	1 033	638	(396)	-62.0%	696
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		972	696	696	157	1 033	638	(396)	-62.0%	696
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



<b>Community Assets</b>	<b>1 843</b>	<b>2 148</b>	<b>2 197</b>	<b>62</b>	<b>1 806</b>	<b>2 014</b>	<b>209</b>	<b>10.4%</b>	<b>2 148</b>
Community Facilities	207	174	43	40	47	40	(7)	-17.6%	174
Halls	107	—	—	—	—	—	—	—	—
Centres	—	—	—	—	—	—	—	—	—
Crèches	—	—	—	—	—	—	—	—	—
Childs/Care Centres	—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations	—	—	—	—	—	—	—	—	—
Testing Stations	—	—	—	—	—	—	—	—	—
Museums	—	—	—	—	—	—	—	—	—
Galleries	—	—	—	—	—	—	—	—	—
Theatres	—	—	—	—	—	—	—	—	—
Libraries	—	—	—	39	46	—	(46)	#DIV/0!	—
Cemeteries/Crematoria	—	—	—	—	—	—	—	—	—
Police	—	—	—	—	—	—	—	—	—
Ports	101	174	43	1	1	40	39	97.9%	174
Public Open Space	—	—	—	—	—	—	—	—	—
Nature Reserves	—	—	—	—	—	—	—	—	—
Public Abolition Facilities	—	—	—	—	—	—	—	—	—
Markets	—	—	—	—	—	—	—	—	—
Stalls	—	—	—	—	—	—	—	—	—
Abattoirs	—	—	—	—	—	—	—	—	—
Airports	—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals	—	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities	1 635	1 974	2 154	22	1 759	1 974	216	10.9%	1 974
Indoor Facilities	—	—	—	—	—	—	—	—	—
Outdoor Facilities	1 635	1 974	2 154	22	1 759	1 974	216	10.9%	1 974
Capital Spares	—	—	—	—	—	—	—	—	—
<b>Heritage assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Monuments	—	—	—	—	—	—	—	—	—
Historic Buildings	—	—	—	—	—	—	—	—	—
Works of Art	—	—	—	—	—	—	—	—	—
Conservation Areas	—	—	—	—	—	—	—	—	—
Other Heritage	—	—	—	—	—	—	—	—	—
<b>Investment properties</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Revenue Generating	—	—	—	—	—	—	—	—	—
Improved Property	—	—	—	—	—	—	—	—	—
Unimproved Property	—	—	—	—	—	—	—	—	—
Non-revenue Generating	—	—	—	—	—	—	—	—	—
Improved Property	—	—	—	—	—	—	—	—	—
Unimproved Property	—	—	—	—	—	—	—	—	—
<b>Other assets</b>	<b>30</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Operational Buildings	30	—	—	—	—	—	—	—	—
Municipal Offices	30	—	—	—	—	—	—	—	—
Pay/Inquiry Points	—	—	—	—	—	—	—	—	—
Building Plan Offices	—	—	—	—	—	—	—	—	—
Workshops	—	—	—	—	—	—	—	—	—
Yards	—	—	—	—	—	—	—	—	—
Stores	—	—	—	—	—	—	—	—	—
Laboratories	—	—	—	—	—	—	—	—	—
Training Centres	—	—	—	—	—	—	—	—	—
Manufacturing Plant	—	—	—	—	—	—	—	—	—
Depots	—	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—	—
Housing	—	—	—	—	—	—	—	—	—
Staff Housing	—	—	—	—	—	—	—	—	—
Social Housing	—	—	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—	—	—
<b>Biological or Cultivated Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Biological or Cultivated Assets	—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Servitudes	—	—	—	—	—	—	—	—	—
Licences and Rights	—	—	—	—	—	—	—	—	—
Water Rights	—	—	—	—	—	—	—	—	—
Effluent Licences	—	—	—	—	—	—	—	—	—
Solid Waste Licences	—	—	—	—	—	—	—	—	—
Computer Software and Applications	—	—	—	—	—	—	—	—	—
Load Settlement Software Applications	—	—	—	—	—	—	—	—	—
Unspecified	—	—	—	—	—	—	—	—	—
<b>Computer Equipment</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Computer Equipment	—	—	—	—	—	—	—	—	—
<b>Furniture and Office Equipment</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Furniture and Office Equipment	—	—	—	—	—	—	—	—	—
<b>Machinery and Equipment</b>	<b>5 289</b>	<b>6 348</b>	<b>7 432</b>	<b>1 719</b>	<b>7 951</b>	<b>6 813</b>	<b>(1 139)</b>	<b>-16.7%</b>	<b>6 348</b>
Machinery and Equipment	5 289	6 348	7 432	1 719	7 951	6 813	(1 139)	-16.7%	6 348
<b>Transport Assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Transport Assets	—	—	—	—	—	—	—	—	—
<b>Land</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Land	—	—	—	—	—	—	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—	—	—
<b>Living resources</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Mature	—	—	—	—	—	—	—	—	—
Poisoning and Protection	—	—	—	—	—	—	—	—	—
Zoological plants and animals	—	—	—	—	—	—	—	—	—
Immature	—	—	—	—	—	—	—	—	—
Poisoning and Protection	—	—	—	—	—	—	—	—	—
Zoological plants and animals	—	—	—	—	—	—	—	—	—
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>18 065</b>	<b>23 609</b>	<b>2 197</b>	<b>19 171</b>	<b>22 282</b>	<b>3 111</b>	<b>14.0%</b>	<b>23 609</b>

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



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

#### 1.1 Projects under The Municipal Infrastructure Grant (MIG) Funding:

2024/25 Financial Year MIG Allocation	<b>R46 473 000</b>
<b>Less:</b> Total Expenditure (incl. Retention)	R 40 679 822.07
Balance	R 5 793 177.93
Expenditure of as a %	<b>87%</b>

#### Projects under Construction Stage

- Construction of a Sportsfield in Hlomendlini
- 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).
- Nyoni Taxi Route Phase 4
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 Phase 2
- Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10

#### Projects that are in the planning stage with MIG

- Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- Construction of a Sportsfield in Ward 2, Mandeni
- Construction of a Sportsfield in Ward 1, Mandeni



#### Projects that are in planning stage and registered with MIG

- Construction of Community Hall in Ward 8 (Intention to award suitable contractor awarded on the 26<sup>th</sup> May 2025.)
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section. (advertisement of bid closed on the 9<sup>th</sup> of June 2025)

#### **4.2. Projects under Municipal Internal Funding**

##### Projects under Construction

- Repair and Renovation of Civic Centre Roof in Mandeni (completed)
- New Protection Services Centre DLTC (Completed, under defects)
- Extension of Mechanical Workshop and Construction of New Offices
- P415-459 Ward 3 Streetlights
- Extension of Portion of Kingfisher Road in Ward 3, Mandeni
- Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

##### Projects under planning

- Establishment of new office building at the Municipality's Main Office (Bid advertisement closing on the 2<sup>nd</sup> of June 2025)
- Extension of Mechanical / Technical Services Building Phase 2 and Fencing of Technical Services Depot (To be presented at BSC on the 4<sup>th</sup> of June 2025)
- Construction of a Community Hall in Ward 6- Site identified, PTO has been obtained. Preliminary report submitted to the Municipality)
- Construction of a Community Hall in Ward 12 - (PTO was obtained. Preliminary report submitted to the municipality)
- Construction of community hall in Ward 16 - (identified site unsuitable for development. New site has been identified awaiting PTO)
- Construction of community hall in Ward 11 - (PTO was obtained. Preliminary report submitted to the municipality)



- Construction of community hall in Ward 9 - (PTO was obtained. preliminary report has been reviewed with comments)
- Construction of community hall in Ward 10 - (Site has been identified, awaiting PTO)
- Establishment of new emergency centre – (presentation of the inception to the stakeholders was conducted on the 28<sup>th</sup> of May 2025 for comments and inputs)

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

2023/24 and 2024/25 Financial Year Allocation	<b>R 16 611 000</b>
<b>Less:</b> Total Expenditure (Incl. VAT)	R 7 420 632
Balance	R 9 190 368
Expenditure as a %	<b>44.6%</b>

#### Projects under Planning Stage

- Mandeni Sub-station – Bulk

#### 4.4 Municipal Disaster Response Grant

2024/25 Financial Year MIG Allocation	<b>R5 180 500</b>
<b>Less:</b> Total Expenditure (incl. Retention)	R 224 887.61
Balance	R 4 955 612.39
Expenditure of as a %	<b>4.2%</b>

#### Projects under Planning Stage

- Re-gravelling Road from Thengela to Nazareth church in ward 8(Intention to award suitable contractor awarded on the 26<sup>th</sup> of May 2025)



- Re-gravelling of Thulas to emathekethseni road in ward 12 (Intention to award suitable contractor awarded on the 26<sup>th</sup> of May 2025)

## 2. PROGRESS ON PROJECTS AND EXPENDITURE

### 2.1 Municipal Infrastructure Grant

#### 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. Quotation for the supply points from Eskom has been received and to be processed by Municipality.

**Challenges:** The reference number pertaining to this project was unavailable, this means metering points could not be provided by Eskom. A new application process has been initiated, and a new reference number has been issued by Eskom. This subsequently allows Eskom to register the project and provide metering points.

Duration for the works required for the meter supply points will take 3 months to be completed

**Construction of a Hlomendlini Sportfield - Ward 4**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 4 598 092.71
Internal Funding (Professional and construction Fees)	R1 547 441.12	R1 067 254.69
TOTALS (Incl Vat)	R 10 832 585.91	R 6 998 557.86

**Project Details**

**Name of Consultant:** Siyazenzela Consulting  
**Name of Contractor:** Sihawusethu Trading (Pty) Ltd  
**Project Commencement Date:** January 2025  
**Contractual Completion Date:** 5 May 2025  
**Revised Completion date:** N/A





### Project Scope

- Site Establishment and Setting out of works.
- Bulk earthworks to the various elements of infrastructure on site.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).
- Construction of an ablution facility (10 toilet units), with change rooms (3 toilet units), public toilets (2 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 of Construction Progress 30% (Overall Progress 80%):** Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 90%, Subsoil 90%, Bulk Earthworks (Combo Court, Ablution & Guardhouse) 85%, Layerworks to Sportsfield 65%, Layerworks to Combo Court 10%, Access Road & Parking 20%, Grandstand 15%. Penalties have been imposed on the project for poor performance.

**Challenges:** Poor performance of the Contractor due to poor workmanship caused by lack of supervision on site was noted in the previous months. It is further noted that the Contractor has not shown any adequate signs of improvement in the recent non-performance, poor quality of works and non-compliance towards their contractual obligations. This has resulted in issuing further notices of default as the Contractor has failed to comply contractually and perform adequately on-site.

**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).**

CATEGORY	APPROVED BUDGET	EXPENDITURE
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<b>Professional Fees</b>	R 2 352 795.17	R 2 256 723.50
<b>Construction Cost (incl. Retention)</b>	R 16 257 859.82	R 16 126 099.66
<b>Internal Funding (Professional/construction Fees)</b>	R 400 352.92	R 400 352.92
<b>TOTALS (Incl Vat)</b>	R 19 011 007.91	R 18 783 176.08

#### **Project Details**

<b>Name of Consultant:</b>	Singh Govender & Associates cc
<b>Name of Contractor:</b>	MVI-SSSS Trading Enterprise cc
<b>Project Commencement Date:</b>	August 2023
<b>Contractual Completion Date:</b>	April 2024
<b>Revised Practical Completion date:</b>	September 2024
<b>Final Termination of Contract:</b>	February 2025

#### **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 layerwork



- 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 99%:** Site establishment 90%, Setting Out of works is 100%, Traffic Accommodation 100%, Site Clearance 100% and Roadbed Preparation 100%, Stormwater Installation 100%, Manhole Construction 97%, 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 85%, Speed Humps 100%, Guardrails 100%, Kerbing and Channel 97.5%, Gabion Retaining Wall 60%.

Practical Completion was achieved on the **12<sup>th</sup> of September 2024** with Final Completion still outstanding as a result of the Contractor's Poor Performance in completing the identified snag list. Subsequent to the Contractor's failure to complete the project and an Intention to Terminate the Contract a Final Termination to the Contractor has since been served data



**Friday, 21<sup>st</sup> February 2025.** Bid document for completion of outstanding works has been issued to SCM for procurement of new contractor.

**Completion of the “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 1 531 961.32
Construction Cost (incl. Retention)	R 12 148 430.66	R 12 148 430.66
Internal Funds	R 667 565.79	R 0.00
<b>TOTALS (Incl. Vat)</b>	<b>R 14 348 595.28</b>	<b>R 13 680 391.98</b>

#### **Project Details**

<b>Name of Consultant:</b>	DLV Project Managers and Engineers
<b>Termination Previous Contractor</b>	22 August 2024
<b>Name of Contractor:</b>	BIG O Trading 298 CC
<b>Project Commencement Date:</b>	October 2024
<b>Contractual Completion Date:</b>	<b>13 March 2025</b>
<b>Revised Completion date:</b>	<b>16 May 2025</b>

#### **Project Scope**

- Site establishment
- Site clearance
- Completion of Mass Earthworks
- Roadbed Preparation
- Clearing Existing Stormwater Infrastructure
- Completion of New Stormwater Infrastructure



- New Pavement Layerworks
- Road Surfacing
- Kerbs and Channels
- Road Restraint Systems
- Road Signs
- Road Marking
- Finishing

**Current Status Overall Construction progress 92%:** Site establishment - 100%, Setting Out - 100%, Mass Earthworks - 100%, Roadbed Preparation - 100%, C4 stabilized layer - 99%, Stormwater - 75%, Subsoil drainage - 80%, Priming 100%, Asphalt Surfacing - 100%, Kerbs - 96%, Kerb & Channel - 100%, Finishing the road reserve 75%, Setting up the pipe route by surveyor - 95%, Setting up the road by the surveyor - 100%. Contractors' performance has improved and Municipality to consider EOT submitted.

**Challenges:** Previous Contractor was terminated as a result of Non-Compliance to the contract. Recent inclement weather conditions causing delays to the scope of works. Contractor's slow progress has also been noted and a correspondence has been issued to the Contractor. Unsatisfaction of community with some of the reinstatement works that have been carried out by the contractor.

**b) Rehabilitation of Bumbanani Road in Sundumbili - Ward 13, 14 & 15 Phase 1**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 2 243 764.93
Construction Cost (incl. Retention)	R 10 679 964.34	R 10 679 964.34
Internal Funds(Professional/construction fees)	R 4 629 230.16	R 1 562 012.76
<b>TOTALS (Incl. Vat)</b>	<b>R 17 553 032.15</b>	<b>R 14 485 742.03</b>



### **Project Details**

**Name of Consultant:** Kukhanya Projects (Pty) Ltd

**Name of Contractor:** Iqhawe Elihle Trading

**Project Commencement Date:** May 2024

**Contractual Completion Date:** 10 February 2025

**Revised Completion date:** 12 May 2025

### **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 62%:** Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 56% Road Construction Works 56%, Stormwater 92%, Kerb & Channel Works 38%, Sidewalk Construction 0% and Asphalt Laying 0%. EOT to be considered by the Municipality.

**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. Contractor has been issued with a Notice of slow progress because of the rate of construction works, poor planning and inadequate resource allocation. Discovery



of existing water and sewer main pipeline which intersect / running parallel with the proposed stormwater has delayed works around the affected area. Inadequate resources and workmanship of appointed local subcontractors.

**c) Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 - Phase 2**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG)	R 2 743 191.52	R 2 696 436.49
Construction Cost (MIG)	R 17 536 070.12	R 6 202 059.46
Internal Funds Professional/construct ion fees)	R 3 932 538.28	R 0.00
<b>TOTALS (Incl. Vat)</b>	<b>R 24 211 799.92</b>	<b>R 8 898 495.95</b>

**Name of Consultant:** Urbanru (Pty) LTD  
**Name of Contractor:** Silo Construction  
**Project Commencement Date:** September 2024  
**Contractual Completion Date:** 26 June 2025  
**Revised Completion date:** 4 July 2025

**Project Scope**

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Demolish existing culverts.
- Construction of stormwater infrastructure.
- Construction of sidewalks.
- Construction of layer works



- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures.
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

**Current Status Overall Construction progress 30%:** Contractor has established on site 100%. Contractor has planned alternate routes for traffic accommodation 100%. Clear and grub 100%. Removal of existing asphalt 100%. Earthworks 100%. Demolishing of existing concrete culverts at Ch 3+050 and Ch 3+500 100%. Culvert at 3+050 earthworks 100%. . Some road sections require removal of unsuitable material, that activity is ongoing. Construction of dump rock layer is being done as and when there is a need. Importing of fill material to formation 60%. Concrete culverts at Ch 3+050, setting out, dump rock construction, levelling and blinding construction are complete, contractor is busy with steel fixing. Concrete culvert at Ch 3+500 setting out, levelling is complete, and they have commenced with the installation of concrete pipe culverts.

**Challenges:** The contractor had experienced the issues with the key personnel; they have appointed the new construction manager. The contractor is behind the programme by 30 days and is experiencing rain and breakdown of plant delays. Unsuitable in-situ material discovered and could not be used as subgrade material as planned.

**g) Construction of a Sportsfield and Combo Court in Khenana : Ward 10 - Phases 1 & 2**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 441 758.19	R 846 060.67
Construction Cost (incl. Retention & Surety)	R 10 600 230.99	R 2 586 597.25





<b>TOTALS (Incl. Vat)</b>	<b>R 12 041 989.18</b>	<b>R 3 432 657.92</b>
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#### **Project Details**

<b>Name of Consultant:</b>	Impumelelo Consulting Engineers
<b>Name of Contractor:</b>	Nikeresa Construction
<b>Project Commencement Date:</b>	January 2025
<b>Contractual Completion Date:</b>	31 March 2026
<b>Revised Completion date:</b>	N/A

#### **Project Scope**

- Site establishment
- Site clearance
- Bulk earthworks / civils works
- Install Clear View Fencing Complete including gates
- Construction of a Guardhouse and Ablution Facility
- Construction of a Soccer Field
- Construction of a Open Brickwork and Concrete Grandstands
- Construction of a Outdoor Gym inclusive of gym equipment
- Construction of a Combo Court
- Stormwater Control Measures
- Installation of Highmast

**Current Status Overall Construction progress 24%:** Site Handover / Technical Meeting - 100%, Contractual Submissions 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 60%, Bulk Earthworks - 50%, Civil Works - 12%, Fencing 70%.

**Challenges: N/A**



## 5.2. Municipal Internal Funding:

### Projects under Construction Stage

#### a) **Repair and Renovation of Civic Centre Roof in Mandeni**

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

#### Project Details

<b>Name of Consultant:</b>	LZM Africa Holdings
<b>Name of Contractor:</b>	Uhlanga Trading Enterprise
<b>Project Commencement Date:</b>	October 2022
<b>Contractual Completion Date:</b>	July 2023
<b>Revised Practical Completion date:</b>	30 June 2024
<b>Actual Completion Date:</b>	February 2025

#### **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:** n/a

**b) 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
<b>TOTALS (Incl. Vat)</b>	<b>R 17 639 915.27</b>	<b>R 16 215 549.34</b>

**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:** 31 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 100%:** 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) 100%, Stormwater Drainage Works 100%, Portable water pipeline supply will be connected on the district Municipality main water pipeline 100%, Yard Marking 100%, Fencing 100% and installation of Vehicular Gates 100%, Finishes 100%. Landscaping 100%, Cleaning, removal of building rubble and reinstatement of lawns 100%.

**Additional Scope:**

- Installation of a steel tank - 100%
- Installation of burglar guards - 100%



- Construction of a steep hill - 100%

**Challenges:** N/a

**c) Extension of Mechanical Workshop and Construction of New Offices**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost (Incl Ret.)	R 16 996 962.19	R 15 103 608.53
<b>TOTALS (Incl. Vat)</b>	<b>R 18 907 069.16</b>	<b>R 16 878 260.41</b>

**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 2024  
**Revised Completion Date:** 24 February 2025

**Project Scope**

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m<sup>2</sup> Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m<sup>2</sup> Office Block



- Construction of the new canteen
- Extension of the existing storage rooms by 114m<sup>2</sup>
- 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 92%:** Site Establishment 100%, Site Clearance 95%, Demolition of existing pavement 95%, Demolition of an existing building 100% and Construction of the new Office Block 96%, Earthworks 50%, Construction of the new 146m<sup>2</sup> Mechanical workshop 75%, Construction of the new canteen 95%, Extension of the existing storage rooms 65%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 45%, Construction of new pavement around the site 30%, 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 submitted a revised Extension of Time No.4 application which has been approved for a Revised Practical Completion date being noted for 24<sup>th</sup> of February 2025, penalties to be imposed should the Contractor not achieve the Revised Completion Date. The Contractor has shown some sense of improvements with regards to the rate of construction works but the recovery of the project to meet the revised completion date has been failed to be achieved as a result of poor planning, inadequate resource allocations and production levels along with inclement weather conditions.

On the 17<sup>th</sup> of April 2025, the Contractor was issued with a Letter of Termination of the project as a result of Non-compliance towards their contract and failure to bring the project to a final completion.



d) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82
Construction Cost Incl. (Retention)	R 3 056 951.76	R 2 478 588.5
TOTALS (Incl. Vat)	R 3 350 071.12	R 3 169 394.62

**Project Details**

**Name of Consultant:** AM Consulting Engineers  
**Name of Contractor:** R Busisiwe (Pty) Ltd  
**Project Commencement Date:** May 2024  
**Contractual Completion Date:** 30 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 100%:** All 52 lights have been energized. The project have been completed and closed off.



Challenges: N/A.

e) Portion of extension of Kingfisher Road in Ward 3 of Mandeni Municipality

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 310 913.91	R 152 069.50
Construction Cost Incl. (Retention)	R 1 962 640.62	R 1 180 363.75
<b>TOTALS (Incl. Vat)</b>	<b>R 2 273 54.53</b>	<b>R 1 332 433.25</b>

**Project Details**

**Name of Consultant:** Brimstohn Consulting JV  
**Name of Contractor:** Khumbusi Projects  
**Project Commencement Date:** January 2025  
**Contractual Completion Date:** 30 April 2025  
**Revised Completion date:** n/a

**Project Scope:**

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Construction of stormwater infrastructure.
- Construction of sidewalks
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures and streetlights





- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

**Current Status Overall Construction progress 97%:** Site Establishment 100%. Setting out 100%. Clearing and grubbing 100%. Earthworks 100%. Stormwater Pipes 100% and manholes 100%. Road formation 100%. G7 layer 100%. G5 layer 100%. G2 layer 100%, Asphalt 100%, Kerbing and channel 100%, Finishing off road reserve 70%

The contractor has been issued with the instruction to do the additional work, which is to clear, level and import G7 gravel material for the DLTC public parking. EOT to be considered by the municipality for the identified additional works and of rain delays.

**Challenges:** The project experienced lots of rain and subsequent rain days which caused delays in the progress.

**f) Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 585 113.19	R 541 421.85
Construction Cost Incl. (Retention)	R 3 798 772.18	R 3 229 642.50
<b>TOTALS (Incl. Vat)</b>	<b>R 4 383 885.37</b>	<b>R 3 771 064.35</b>

**Project Details**

**Name of Consultant:** Ngeja Consulting Engineers  
**Name of Contractor:** Humble Frank Multi Service  
**Project Commencement Date:** January 2025  
**Contractual Completion Date:** 5 April 2025



**Revised Completion date:** n/a

**Project Scope:**

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Milling and ripping of asphalt pavement layer works.
- Construction of 0.426 km of pavement layer.
- Installation of 600,750 & 900mm dia. concrete pipe
- Construction of manhole structures
- Surface seal 0.426 km of road with a 30mm Continuously graded Asphalt seal.
- Construct kerbs and channels.
- Clean out, repair existing and improve stormwater drainage structures/systems.
- Gabions and Pitching.
- Construct interlock sidewalk 1,5m wide over 0.3 km length.
- Removal and reinstatement of electrical poles.
- Ancillary works (traffic calming, guardrails, and road signage).
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

**Current Status Overall Construction progress 84%:** Site Establishment 95%. Traffic accommodation (ongoing). Clearing and grubbing 100%. Milling and ripping of asphalt pavement layerworks 100%. Removal and reinstatement of electrical poles 100%. Boxing of road 100%. Installation of stormwater pipe culverts 98%. Roadbed preparation 100%, G5 layer 100%. G2 layer 95%, Kerbing and channelling 80%, sidewalk base stabilization 25%. The contractor has submitted extension of time claim for rain delays and additional works identified.

**Additional scope:**

- Backfilling behind kerbs and slope – 100%



- Gabions and mattress installation – 96%
- Guardrails installation – 0%

**Challenges:** Adverse weather conditions and subsequent rain days which caused delays in the progress. The contractor has submitted extension of time claim for rain delays and additional works identified. There is an indication that the local labour is not performing to their optimum level. They are dragging the work instructed to perform, the contractor with the help of the CLO is attending to this issue.

**g) Establishment of new cemeteries, phase 1 in Hlomendlini**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	n/a	n/a
Construction Cost Incl. (Retention)	R2 199 829.68	R0
<b>TOTALS (Incl. Vat)</b>	<b>R2 199 829.68</b>	<b>R 0</b>

**Project Details**

**Name of Consultant:** N/A  
**Name of Contractor:** Mdlangeni Trading cc  
**Project Commencement Date:** 15 April 2025  
**Contractual Completion Date:** 30 June 2025  
**Revised Completion date:** n/a

**Project Scope:**

- Site Establishment
- Supply and installation of a 1 500 m concrete palisade fencing including gates to the Hlomendlini Cemetery as specified in the Bill of quantities.
- Construction of a guardhouse.



**Current Status Overall Construction progress 0%:** Contractor has been granted access to site.

**Challenge:** Project has been brought to halt by community. contractor is off site until matter is resolved.

#### Projects under Planning Stage

##### **h) Main Offices Master Plan and Building of the New Office Block**

CATEGORY	APPROVED BUDGET	EXPENDITURE
<b>Professional Fees</b>	R 10 000 000(R5 000 000-adjustment budget)	R 13 409 689.08
<b>Construction Cost Incl. (Retention)</b>	TBC	TBC
<b>TOTALS (Incl. Vat)</b>	R 10 000 000	R 13 409 689.08

#### Project Details

**Name of Consultant:** DLV engineers and project managers  
**Name of Contractor:** TBC  
**Project Commencement Date:** TBC  
**Contractual Completion Date:** TBC Revised  
**Completion date:** N/A

#### **Project Scope:**

- Assessment of the current conditions of the proposed site;
- Determine the accommodation schedule requirements from Mandeni Local Municipality.
- Architectural design proposals for approval from Mandeni Local Municipality;
- Engineering survey of the site;



- A geotechnical investigation to establish the current roads centreline materials investigations;
- Detailed architectural design;
- Detailed bulk earthworks, civil infrastructure, electrical, parking areas, stormwater and roads designs;
- Cost analysis, schedule of quantities and quantity surveying activities;
- Compilation of Tender Documents;
- Tender process and evaluation;
- Construction implementation and supervision;
- Project Completion.

**Current Status Overall Construction progress:** Project advertised on the 29<sup>th</sup> of April 2025 with Tenders due to close on Monday, 2<sup>nd</sup> June 2025.

**Challenges:** N/A

**i) Extension of Mechanical/ Technical Services Building Phase 2 and Fencing of Technical Services Depot**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 375 853.79	R 378 334.76
Construction Cost Incl. (Retention)	TBC	TBC
<b>TOTALS (Incl. Vat)</b>	<b>R 1 375 853.79</b>	<b>R 378 334.76</b>

**Project Details**

**Name of Consultant:** Mabalengwe Engineers  
**Name of Contractor:** TBC



**Project Commencement Date:** TBC

**Contractual Completion Date:** TBC Revised

**Completion date:** N/A

**Project Scope:**

- Bulk Earthworks (Platforms)
- 5,5m Wide Croton Place Road
- 7m Wide Cul-de-sac
- Yellow Plant Parking Lots
- Walkways
- Road Kerbs
- Retaining Walls
- Balustrading
- Ramps
- Storm water reticulation
- Water reticulation Item
- 2,5m High Brickwall Fencing
- 3m High Clear-vu Fencing
- Landscaping

**Current Status Overall Construction progress:** Inception 100%, Concept and Viability 100% and Project on planning stage. Bid document has been presented at BSC on the 29<sup>th</sup> of April and approved for advertisement.

**Challenges:** Due to budget limitations, other items have been removed from this phase of the project and are to be implemented in the outer years. Bid went out to tender on the 5<sup>th</sup> of May 2025, but was cancelled on the 6<sup>th</sup> of May 2026 due to the incorrect CIDB grading. The document is scheduled to be presented again at the ad hoc BSC on the 4<sup>th</sup> of June 2025.



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

#### Projects under Construction

##### a) Emhlangeni Electrification Project - 110 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:** Project is complete. All outages done. The contractor is commissioning the last 10 customers. Project to be handed over to Eskom.

**Challenges:** None.

##### 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
<b>TOTAL (Excl. Vat)</b>	<b>R1 363 717.39</b>	<b>R 814 698.63</b>

#### **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%.

**Challenges:** Project energization is currently on hold due unavailability of a design approval letter. Eskom clerk of works is conducting site inspection for the design and technical standard of the project to be approved. The Eskom clerk of works is not always available to conduct the inspections; this is delaying the completion of the inspection and energization of the project. The inspection has been carried out and completed, awaiting Eskom to approve the project and grant design approval letter. This subsequently will allow for the energization of the customers and the closing-off the project.

#### **c) Mandeni Substation Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 11,826,735.62	R 7 384 000.00





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:** Project is currently at the design stage. Draft design has been submitted for consideration however the final design to be concluded with the approval of Eskom design team.

**Challenges:** Application for a self-build to Eskom has been made. Eskom has provided the municipality with a cost estimate fee for carrying out a feasibility study and provide Network information from where the High Voltage line feeding the substation will be tied in. The municipality has made the payment for the cost estimate fee. This subsequently allows Eskom to commence with their feasibility study and provide necessary network capacity information. Currently awaiting Eskom to present the final design of the feeder line to the substation. The municipality scheduled a meeting with Eskom design review team to discuss supply point alternatives for the project on the 7th of May 2025. The meeting took place as scheduled and Eskom presented their supply options for feeding the new proposed substation. The municipality engaged with the consultant on a meeting that was held on the 27th of May 2025 where it was agreed on the supply option that is best in line with the needs and purpose of the new proposed infrastructure. Feedback has been communicated with Eskom in this regard. A collaborative approach for finalising the design of the substation between Eskom and the consultant was adopted on the meeting,



this was deemed as a technical necessity in order to mitigate risks of protection failures i.e. through faults and voltage dips. This will also prevent disturbances on the operation of the feeder line and customers connected further downstream. A meeting with Eskom has been proposed for the 10<sup>th</sup> of June 2025 where further clarity will be provided to Eskom in relation to the integration of existing networks with new one. From the proposed meeting, Eskom will have to furnish the municipality with a cost estimate for the construction of the feeder line to the substation.

available to conduct the inspections; this is delaying the completion of the inspection and energization of the project. The inspection has been carried out and completed, awaiting Eskom to approve the project and grant design approval letter. This subsequently will allow for the energization of the customers and the closing-off the project.



### 5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

Description	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									%	
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		244 680	258 621	256 594	–	250 894	193 965	56 929	29.3%	249 394
EPWP Incentive	–	4 807	1 815	1 815	–	1 815	1 361	454	33.3%	1 815
Finance Management	–	1 850	1 800	1 800	–	1 800	1 350	450	33.3%	1 800
Integrated National Electrification Pro	–	7 200	9 227	7 200	–	1 500	6 920	(5 420)	-78.3%	–
Local Government Equitable Share	–	230 823	243 588	243 588	–	243 588	182 691	60 897	33.3%	243 588
Municipal Infrastructure Grant	–	–	2 191	2 191	–	2 191	1 643	548	33.4%	2 191
3										
Other transfers and grants [insert description]										
<b>Provincial Government:</b>		4 573	3 769	3 919	–	3 919	1 369	2 550	186.3%	–
KwaZulu-Natal_Infrastructure_Infrastr	–	–	–	–	–	–	–	–		–
EDTEA		150		150		150	113	38	33.3%	
LIBRARY	4	4 423	3 769	3 769	–	3 769	1 256	2 513	200.0%	
Other transfers and grants [insert description]										
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
<b>Total Operating Transfers and Grants</b>	5	249 253	262 390	260 513	–	254 813	195 334	59 479	30.4%	249 394
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		46 392	38 910	49 469	–	44 092	37 534	5 694	15.2%	38 910
Municipal Infrastructure Grant (MIG)	–	46 392	38 910	44 288	–	38 910	33 216	5 694	17.1%	38 910
Municipal Disaster Recovery Grant	–			5 182		5 182	4 318			–
Other capital transfers [insert description]										
<b>Provincial Government:</b>		–	850	850	–	850	1 540	(690)	-44.8%	4 619
KwaZulu-Natal_Capacity Building an	–	–	850	850	–	850	1 540	(690)	-44.8%	4 619
<b>Total Capital Transfers and Grants</b>	5	46 392	39 760	50 319	–	44 942	39 074	5 004	12.8%	43 529
<b>TOTAL RECEIPTS OF TRANSFERS &amp;</b>	5	295 645	302 150	310 832	–	299 755	234 408	64 483	27.5%	292 923



## 5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May										
Description	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									%	
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		244 680	258 621	256 594	36 139	226 886	230 261	(3 374)	-1.5%	5 806
EPWP	—	4 807	1 815	1 815	—	1 815	1 664	151	9.1%	1 815
FMG	—	1 850	1 800	1 800	129	1 475	1 650	(175)	-10.6%	—
INEP	—	7 200	9 227	7 200	—	37	1 650	(1 613)	-97.8%	1 800
EQUITABLE SHARE	—	230 823	243 588	243 588	35 841	221 535	223 289	(1 754)	-0.8%	—
Municipal Infrastructure Grant	—	—	2 191	2 191	169	2 025	2 008	17	0.8%	2 191
0										
Other transfers and grants [insert description]										
Provincial Government:		4 573	3 769	3 919	371	3 232	—	3 232	#DIV/0!	—
KwaZulu-Natal_Infrastructure_Infrast	—	—	—	—	—	—	—	—		—
KwaZulu-Natal	—				—	—	—	—		—
EDTEA	—	150		150		(150)		(150)	#DIV/0!	
LIBRARY	—	4 423	3 769	3 769	371	3 382		3 382	#DIV/0!	
Other transfers and grants [insert description]										
District Municipality:		—	—	—	—	—	—	—		—
[insert description]										
Other grant providers:		—	—	—	—	—	—	—		—
Other Transfers Public Corpo	—	—								
[insert description]										
Total operating expenditure of Trans		249 253	262 390	260 513	36 510	230 119	230 261	(142)	-0.1%	5 806
Capital expenditure of Transfers and Grants										
National Government:		78 743	38 910	—	4 271	33 359	42 690	(9 332)	-21.9%	38 910
Municipal Disaster Recovery G	—	—	—	—	—	—	2 093	(2 093)	-100.0%	—
Municipal Infrastructure Grant	—	78 743	38 910	—	4 271	33 359	40 597	(7 239)	-17.8%	38 910
0										
0										
Other capital transfers [insert description]										
Provincial Government:		—	850	850	7	415	638	(222)	-34.9%	—
LIBRARY			850	850	7	415	638	(222)	-34.9%	
0										
District Municipality:		—	—	—	—	—	—	—		—
0										
Other grant providers:		—	—	—	—	—	—	—		—
0										
Total capital expenditure of Transfe		78 743	39 760	850	4 277	33 774	43 328	(9 554)	-22.1%	38 910
TOTAL EXPENDITURE OF TRANSFE		327 996	302 150	261 363	40 787	263 892	273 589	(9 696)	-3.5%	44 716
References										



### 8. Debtors Age Analysis

**Table SC3 Monthly Budget Statement\_ Debtors Age Analysis**

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May													
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables	1200	—	—	—	—	—	—	—	—	—	—	—	—
Trade and Other Receivables	1300	846	214	119	149	61	106	634	2 638	4 766	3 588	—	—
Receivables from Non-exchange	1400	3 232	1 747	1 594	1 498	1 305	1 310	36 791	93 469	140 946	134 374	—	—
Receivables from Exchange	1500	—	—	—	—	—	—	—	—	—	—	—	—
Receivables from Exchange	1600	1 172	1 031	985	1 918	(15)	954	6 340	61 721	74 106	70 917	—	—
Receivables from Exchange	1700	8	(56)	(39)	7	—	5	23	122	70	157	—	—
Interest on Arrear Debtor	1810	441	437	437	861	—	425	2 661	34 396	39 658	38 343	—	—
Recoverable unauthorised	1820	—	—	—	—	—	—	—	—	—	—	—	—
Other	1900	3 548	(3)	0	0	—	—	—	5 630	9 176	5 631	—	—
Total By Income Source	2000	9 247	3 370	3 096	4 433	1 351	2 800	46 450	197 976	268 723	253 009	—	—
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	556	269	282	430	102	262	22 016	25 250	49 166	48 059	—	—
Commercial	2300	5 380	778	621	737	388	501	11 266	23 256	42 926	36 148	—	—
Households	2400	3 161	2 191	2 061	3 006	859	1 907	11 311	144 566	169 062	161 649	—	—
Other	2500	150	133	133	261	2	130	1 857	4 904	7 569	7 154	—	—
Total By Customer Group	2600	9 247	3 370	3 096	4 433	1 351	2 800	46 450	197 976	268 723	253 009	—	—

The total Consumer debtors outstanding as 31<sup>st</sup> May 2025 is **R 268,7 million**

- Debt book indicates 4% increase from to 1<sup>st</sup> July 2024 to May 2025, within a month the debt book has accumulated a 4% increase.
- Debtors collection rate at May 2025 is 73%
- 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 on. 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 late'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;

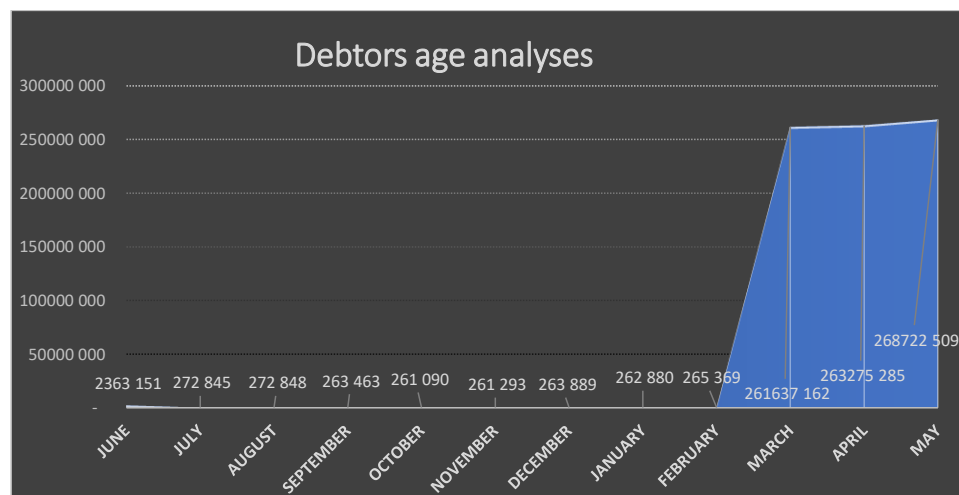
In the event that they still default on payments, these debtors are written final demand letters and if no positive response is received, a process of effecting service disconnections ensues in line with our credit control policy.

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT					
ACC. NO.	address	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
002006400	SUNDUMBILI B	64	MKHIZE	RATES/REFUSE	R72 474.92
002007100	SUNDUMBILI B	71	MTHEMBU	RATES/REFUSE	R88 590.14
002008200	SUNDUMBILI B	82	MANQELE	RATES/REFUSE	R30 885.56
002008400	SUNDUMBILI B	84	MBUTHO	RATES/REFUSE	R59 581.07
002009700	SUNDUMBILI B	97	MDIALOSE	REFUSE/RATES	R30 826.40
002009800	SUNDUMBILI B	98	NGCOBO	RATES/REFUSE	R41 737.08
002010400	SUNDUMBILI B	104	NTOMBELA	RATES/REFUSE	R25 021.85
002010500	SUNDUMBILI B	105	NDLOVU	RATES/REFUSE	R89 696.63
002010700	SUNDUMBILI B	107	MTHEMBU	RATES/REFUSE	R79 041.40
002010900	SUNDUMBILI B	109	KHUZWAYO	RATES/REFUSE	R75 480.83
002011100	SUNDUMBILI B	111	MCHUNU	RATES/REFUSE	R107 894.84
002011200	SUNDUMBILI B	112	ZIKHALI	RATES/REFUSE	R97 819.56
002011300	SUNDUMBILI B	113	MZIMELA	RATES/REFUSE	R70 594.09
002013000	SUNDUMBILI B	130	MYEZA	RATES/REFUSE	R69 064.74
002013200	SUNDUMBILI B	132	SISHI	RATES/REFUSE	R83 728.56
002013300	SUNDUMBILI B	133	NGEMA	RATES/REFUSE	R91 144.83
002013700	SUNDUMBILI B	137	ZUMA	RATES/REFUSE	R29 831.92
002013800	SUNDUMBILI B	138	ZULU	RATES/REFUSE	R42 063.69
002006600	SUNDUMBILI B	66	NYANDENI	RATES/REFUSE	R44 867.89
002009400	SUNDUMBILI B	94	MPANZA	RATES/REFUSE	R42 432.46
<b>TOTAL</b>					<b>R1 272 778.46</b>



DISCONNECTIONS MAY 2025						
NO	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	009401621	MANDENI	8 RICHARDS CIRCLE	DLAMINI	RATES/ELECTRICITY	R23 020.00
2	008006136	MANDENI	6 KARAMI FLATS	PONNUSAMY	RATES/ELECTRICITY	R13 447.32
3	007900391	MANDENI	5 KUDU ROAD	MLABA	RATES/ELECTRICITY	R17 206.81
4	009601221	MANDENI	48 KUDU ROAD	MTHETHWA	RATES/ELECTRICITY	R36 073.37
5	009700161	MANDENI	31 PATRYS ROAD	KUBHEKA	RATES/ELECTRICITY	R18 806.45
6	009501721	MANDENI	3 ORIBI ROAD	MTHEMBU	RATES/ELECTRICITY	R11 595.43
7	009907542	MANDENI	3 GAZELLE PLACE	SOMTSEWU	RATES/ELECTRICITY	R30 617.12
8	009901371	MANDENI	27 FARROW ROAD	YEKANI	RATES/ELECTRICITY	R10 983.24
9	009701331	MANDENI	22 KUDU ROAD	THABETHE	RATES/ELECTRICITY	R23 328.01
10	009900371	MANDENI	20 OHARA ROAD	MKWANAZI	RATES/ELECTRICITY	R9 981.27
11	009901251	MANDENI	18 FARROW ROAD	GASA	RATES/ELECTRICITY	R32 568.36
12	009800882	MANDENI	17 INYALA ROAD	HARDING	RATES/ELECTRICITY	R20 430.83
13	009904261	MANDENI	14 TEKWANE CRESCENT	ZONDI	RATES/ELECTRICITY	R13 426.64
14	009903151	MANDENI	14 JOHNSTON ROAD	NTULI	RATES/ELECTRICITY	R25 920.51
15	009900201	MANDENI	133 ANDERSON ROAD	THE MPHILE FAMILY TRUST	RATES/ELECTRICITY	R36 509.53
16	009905201	MANDENI	12 SANDPIPER ROAD	NHLUMAYO	RATES/ELECTRICITY	R14 514.23
17	009401722	MANDENI	11 PLOVER CRESCENT	VAN DER WALT	RATES/ELECTRICITY	R7 982.61
18	009980881	MANDENI	11 ORIBI ROAD	PADAYACHEE	RATES/ELECTRICITY	R7 738.65
19	009904491	MANDENI	11 PATRYS ROAD	MTHEMBU	RATES/ELECTRICITY	R23 377.06
20	009200251	MANDENI	8 DUICKER ROAD	MSWELI/MECOM	RATES/ELECTRICITY	R30 473.69
21	009600501	MANDENI	7 INYALA ROAD	EUSHEN	RATES/ELECTRICITY	R162 766.10
22	009600241	MANDENI	7 IMPUNZI ROAD	BRITS	RATES/ELECTRICITY	R103 761.90
23	008701011	MANDENI	63 GREIG ROAD	MHLONGO	RATES/ELECTRICITY	R24 234.71
24	009701611	MANDENI	6 ORIBI ROAD	LIN'XUE	RATES/ELECTRICITY	R52 606.46
25	008801781	MANDENI	57 GREIG ROAD	VAN RENSBURG	RATES/ELECTRICITY	R103 746.40
26	008907042	MANDENI	5 DUBE ROAD	RADEBE	RATES/ELECTRICITY	R140 858.20
27	009400951	MANDENI	6 DUICKER ROAD	PATEL	RATES/ELECTRICITY	R17 374.14
28	008802121	MANDENI	11 JOHNSTON ROAD	DUBE	RATES/ELECTRICITY	R34 432.07
						<b>R1 047 781.11</b>

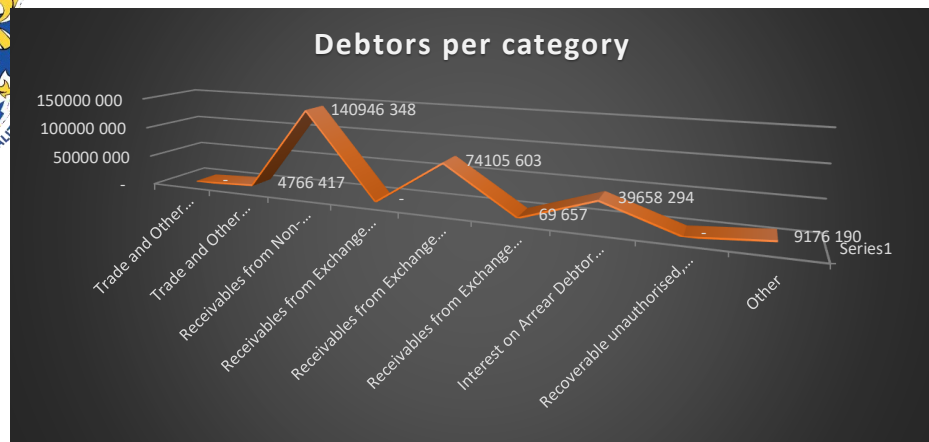
Figure 5







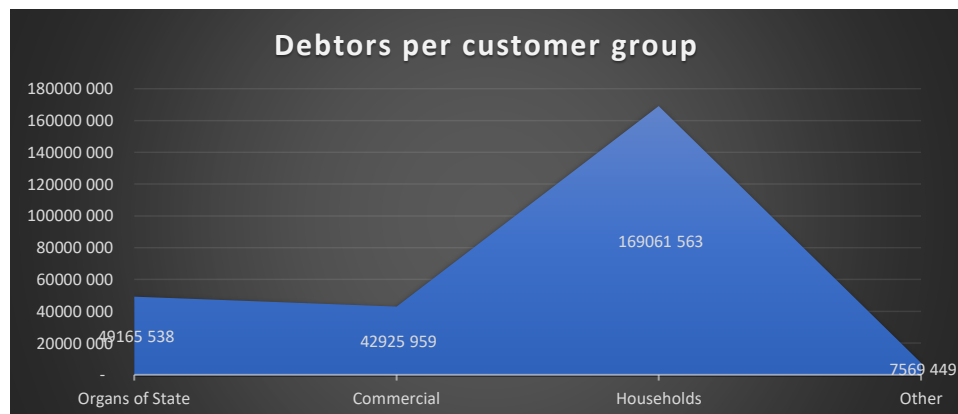
**Figure 6**



The municipal debtors have reduced from R263,5 million to R261,6 million that is from July 2024 until 30<sup>th</sup> April 2025. 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 May 2025**

**Figure 7**



**Councillors and Employees in Arrear**

- Debt outstanding on Staff as at May is R68,499.57
- Councillors Accounts in arrears as at May is R241,133.57

Commented [SZ1]: On the FPC report, it's the other way around. Please check this



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

#### 4. CREDITOR'S AGE ANALYSIS

**Table SC4 Monthly Budget Statement\_ Creditors Age Analysis**

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May											Prior year totals for chart (same period)
Description	NT Code	Budget Year 2024/25								Total	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	—	—	—	—	—	—	—	—	—	—
Bulk Water	0200	—	—	—	—	—	—	—	—	—	—
PAYE deductions	0300	—	—	—	—	—	—	—	—	—	—
VAT (output less input)	0400	—	—	—	—	—	—	—	—	—	—
Pensions / Retirement d	0500	—	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	—	—	—	—	—	—	—	—	—	—
Auditor General	0800	—	—	—	—	—	—	—	—	—	—
Other	0900	7	14	—	—	—	—	—	—	21	21
Total By Customer Type	1000	7	14	—	—	—	—	—	—	21	21

- Creditors aged is R21thousand as of 31<sup>st</sup> May 2025. (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 (MAY 2025)

Name	Amount
ESKOM HOLDING	R 6 424 228.31
EMALANGENI	R 875 205.25
DCLM	R 330 743.68
BAMBHANANI ENTERPRISE	R 180 527.71
MALUTHULI TRADING	R 156 980.00
EZAMALUNQA	R 1 683 698.37
NJOMISA BOEDERY	R 44 903.91
CITY OF CHOICE	R 798 797.09
ILEMBE MUNICIPALITY	R 90 028.10
MBD CONSULTING	R 234 854.84



## 5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 31<sup>st</sup> May 2025

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M11 May						
Description	Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25 YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		212 922	78 954	95 107	168 434	78 954
Trade and other receivables from exchange transactions		57 057	33 169	32 945	61 102	33 169
Receivables from non-exchange transactions		13 127	36 042	58 081	47 719	36 042
Current portion of non-current receivables		—	—	—	—	—
Inventory		42 734	38 984	41 490	42 780	38 984
VAT		3 592	53 465	42 217	4 221	53 465
Other current assets		225	—	—	225	—
<b>Total current assets</b>		<b>329 657</b>	<b>240 614</b>	<b>269 840</b>	<b>324 482</b>	<b>240 614</b>
<b>Non current assets</b>						
Investments		—	—	—	—	—
Investment property		41 913	60 544	41 913	41 913	60 544
Property, plant and equipment		669 291	631 390	767 014	735 403	631 390
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	—	—	—	—
Intangible assets		2 372	298	2 008	2 296	298
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
<b>Total non current assets</b>		<b>713 576</b>	<b>692 232</b>	<b>810 934</b>	<b>779 612</b>	<b>692 232</b>
<b>TOTAL ASSETS</b>		<b>1 043 233</b>	<b>932 846</b>	<b>1 080 774</b>	<b>1 104 094</b>	<b>932 846</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Financial liabilities		6 043	—	—	5 673	—
Consumer deposits		170	216	(162)	183	216
Trade and other payables from exchange transactions		54 641	23 220	(48 056)	24 491	23 220
Trade and other payables from non-exchange transactions		9 028	8 284	(8 334)	20 953	8 284
Provision		4 572	8 677	(8 908)	4 572	8 677
VAT		6 698	14 759	(20 562)	8 198	14 759
Other current liabilities		—	—	—	—	—
<b>Total current liabilities</b>		<b>81 153</b>	<b>55 157</b>	<b>(86 022)</b>	<b>64 070</b>	<b>55 157</b>
<b>Non current liabilities</b>						
Financial liabilities		—	—	—	—	—
Provision		—	—	—	—	—
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		21 070	22 993	25 770	21 070	22 993
<b>Total non current liabilities</b>		<b>21 070</b>	<b>22 993</b>	<b>25 770</b>	<b>21 070</b>	<b>22 993</b>
<b>TOTAL LIABILITIES</b>		<b>102 223</b>	<b>78 150</b>	<b>(60 252)</b>	<b>85 140</b>	<b>78 150</b>
<b>NET ASSETS</b>	2	<b>941 010</b>	<b>854 696</b>	<b>1 141 026</b>	<b>1 018 954</b>	<b>854 696</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		738 338	852 610	938 978	816 281	852 610
Reserves and funds		202 672	2 086	2 133	202 672	2 086
Other		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>941 010</b>	<b>854 696</b>	<b>941 111</b>	<b>1 018 954</b>	<b>854 696</b>



## RATIOS FOR THE MONTH

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

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 5.06:0.20c 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, R5.06c

**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 73%.

**Collection days:** 769days it takes the municipality to collect outstanding debt.

**Cost coverage:** on average the municipality has sustained its existence for the period of 5 months without any grant funding.

**Debtors collection rate:** as at the 10th month is 73%

	5 Month
Cash and cash equivalents	8 498 156
Unspent Conditional Grants	20 965 694
Overdraft	-
Short Term Investments	160 175 662
Total Annual Operational Expenditure	371 423 487

	5.06
Current Assets	324 481 695
Current Liabilities	64 069 577

	73%
Gross Debtors closing balance	268 923 777
Gross Debtors opening balance	236 985 481
Bad debts written Off	
Billed Revenue	120 425 951

	0%
Consumer Debtors Bad debts written off	
Consumer Debtors Current bad debt Provision	15 130 435



	769 days
Gross debtors	268 923 777
Bad debts Provision	15 130 435
Billed Revenue	120 425 951

	73%
Cash and cash Equivalents	8 498 156
Bank Overdraft	-
Short Term Investment	160 175 662
Long Term Investment	-
Unspent Grants	20 965 694
Net Assets	1 018 953 716
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	816 281 393



## 6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31<sup>st</sup> May 2025

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M11 May

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M11 May											
Description	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	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		(40 986)	31 118	31 118	2 563	46 226	28 525	17 701	62%		31 118
Service charges		(61 159)	75 777	75 777	5 110	62 438	69 463	(7 024)	-10%		75 777
Other revenue		16 188	4 674	24 811	1 103	5 320	23 472	(18 152)	-77%		4 674
Transfers and Subsidies - Operational		457 666	262 390	254 663	-	254 813	236 191	18 622	8%		262 390
Transfers and Subsidies - Capital		102 800	39 760	50 319	-	44 942	46 126	(1 185)	-3%		39 760
Interest		31 127	28 000	28 000	4 120	23 585	25 667	(2 082)	-8%		28 000
Dividends		-	-	-	-	-	-	-			-
Payments											
Suppliers and employees		(463 749)	(392 386)	(418 734)	(34 225)	(364 508)	(353 794)	10 714	-3%		(392 386)
Finance charges		-	(3 300)	(3 300)	-	-	(3 025)	(3 025)	100%		(3 300)
Transfers and Subsidies		-	-	-	-	-	-	-			-
NET CASH FROM/(USED) OPERATING ACTIVITIES											
		41 887	46 034	42 655	(21 328)	72 816	72 625	(191)	0%		46 034
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		535 861	(146 740)	(156 184)	(7 157)	(113 190)	(143 171)	(29 981)	21%		(146 740)
NET CASH FROM/(USED) INVESTING ACTIVITIES											
		535 861	(146 740)	(156 184)	(7 157)	(113 190)	(143 171)	(29 981)	21%		(146 740)
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											
		577 749	(100 705)	(113 529)	(28 485)	(40 374)	(70 547)				-
Cash/cash equivalents at beginning:		(132 013)	(183 424)	(208 808)	-	208 808	(208 808)				208 808
Cash/cash equivalents at month/year end:		445 736	(284 129)	(322 337)	-	168 434	(279 355)				-

As per the pre-audited Annual Financial Statements (AFS), the cash and cash equivalents at the beginning of the 2023/24 financial year amounted to R208.8 million. As of 31 May 2025, this balance has decreased to R168.4 million, reflecting a net decrease of -R40.4million. This outcome is unexpected, as the municipality typically experiences a net increase in cash flows.

Table C7 provides a projection of the anticipated cash inflows and outflows, illustrating the cash flow patterns likely to result from the implementation of the approved budget.



## Revenue -Receipts

The property collection rate to date is 112% or R64.0million of the billed revenue as at May 2025. More sites have been discovered and subsequently linked to the supplementary valuation roll to ensure accurate property assessments.

Service Charges: Electricity and Refuse is 20% or R70.2million billed revenue as at April 2025.


- Other Revenue collected to date is R6.8million over a Budget of R7.8million which gives a collection of 87% 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 May totals R2.0million.
- Government grants received YTD total of R44.9million as at 31<sup>st</sup> May 2025
- Interest earned on external investments amounts to R19million in comparison with the year-to-date budget of R25.7million which is an under performance of 26%.

## Payments

- Suppliers and employees for cash outflows of R364.5million. 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 100 percent or R3.0million against YTD actual of R0. Usually, this votes interest is allocated in January and at year end.
- Capital Assets of R 6.2million for the month of May 2025 shows an under-performance of 21% as at May 2025.



## 6.1. BANK RECONCILIATION STATEMENT AS AT MAY 2025

 <b>Mandeni Municipality</b>			
<b>BANK RECONCILIATION STATEMENT FOR MAY 2025</b>			
<b>Main Account :52940480587</b>			
<b>Opening FNB Bank Balance as on MAY 2025</b>	<b>4 317 569.12</b>	<b>4 317 569.12</b>	
PLUS: Deposits Banked	8 802 934.62		
PLUS: Interest received	17 240.35		
PLUS: Transfers In	40 794 304.27		
PLUS:Interest received From Call 1	140 966.62		
PLUS:Unpaid	-		
PLUS: MATURED INVESTMENTS	-		
PLUS: SARS REFUND	2 042 198.61		
PLUS: GRANTS RECEIVED	-		
<b>Total Deposits</b>	<b>51 797 644.47</b>	<b>51 797 644.47</b>	
<b>Less:Total payments</b>	<b>- 47 617 057.20</b>	<b>- 47 617 057.20</b>	
LESS: EFT Payments	- 46 739 172.33		
LESS: Bank Charges	- 22 945.83		
LESS: Transfers Out	- 132 669.54		
LESS: NEW INVESTMENTS	-		
LESS: Debit Orders	- 722 269.50		
<b>Closing FNB Bank Balance as on 31 MAY 2025</b>		<b>8 498 156.39</b>	
<b>Cashbook Reconciliation for 31 MAY 2025</b>			
OPENING BALANCE 1/07/2024	2 026 213 166.77		
OPENING BALANCE 1/07/2024	96 176 000.00		
OPENING BALANCE 1/07/2024	- 2 112 252 018.86		
OPENING BALANCE 1/07/2024-INTEREST	593 200.30		
OPENING BALANCE-1/7/2024 -BANK CHARGES	- 1 380 300.52		
<b>TOTAL OPENING BALANCE 1/07/2024</b>	<b>9 350 047.69</b>		
Cashbook Balance as on 1 MAY 2025-D0001/IA09567/F0001/X049/R0099/001/FIN	673 980 927.35		
Less:Cashbook Balance as on 1 MAY 2025-D0001/IA09850/F0001/X049/R0099/001/FIN	- 679 155 822.93		
Corrections to be made (JNL CR)	-		
Corrections to be made (JNL DR)	-		
PLUS: Deposits Banked for MAY 2025	8 802 934.62		
LESS: EFT Payments for MAY 2025	- 47 174 123.39		
Plus APRIL 2025 outstanding (reconciled )	-		
Less: Bank Charges to date	- 257 543.59		
PLUS: Grant received	-		
Less : New investment	-		
Less: Payments not yet paid during MAY 2025	-		
PLUS: Interest received to date	394 275.29		
PLUS:Interest received From Call 1-MAY 2025	140 966.62		
PLUS MATURED INVESTMENT	-		
PLUS :SARS REFUND	2 042 198.61		
PLUS :TRANSFER IN	40 794 304.27		
LESS:TRANSFER OUT	- 132 669.54		
LESS: Debit Orders for -MAY 2025	- 722 269.50		
<b>Closing Cashbook Balance as on 31 MAY 2025</b>	<b>8 063 225.51</b>	<b>8 063 225.51</b>	
		<b>434 951.06</b>	
<b>Reconciling Items</b>	<b>Amount</b>		
ADD: Journal Debits - on Cashbook not on Bank Statement	434 951.06		
<b>ADJUSTED MONTH END CASHBOOK BALANCE- 31 MAY 2025</b>		<b>8 498 176.57</b>	
<b>MONTH END BALANCE PER BANK STATEMENT- 31 MAY 2025</b>		<b>8 498 156.39</b>	
<b>DIFFERENCE</b>		<b>20.18</b>	

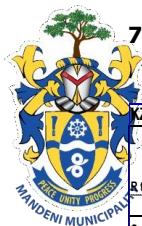




## 6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 31 MAY 2025

INVESTMENT REGISTER FOR MAY 2025									
Name of grant	Bank account number	INTEREST RATES	Opening Balance as at	Re-Investments	Expenditure	Interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
			2025/05/01					2025/05/31	
		%	R	R	R	R	R	R	R
call 1-internal grant	61294217372	7.20	36 127 458.99	-	35 840 966.62	140 966.62	-	427 458.99	2 764 924.86
Call account 2 - HOUSING	62028673219	7.20	2 205 529.44	-		11 692.32	-	2 217 221.76	135 556.83
Call account 3-MIG	62812286400	7.20	17 009 725.66	-	4 001 042.15	88 148.23		13 096 831.74	964 329.34
Call account 5-TMT	62113325882	7.20	530 015.06	5 210.00	-	2 814.57	65.60	537 974.03	31 356.27
Call account 6-INEP	62527527462	7.20	1 511 623.20		-	8 013.68	-	1 519 636.88	83 344.58
Call account 7-AR	62538203449	7.20	4 464 159.86		682 344.41	22 510.78	-	3 804 326.23	313 633.15
Call account 8-Title Deed	62812286963	7.20	3 932 887.79		410 917.71	20 261.99	-	3 542 232.07	279 095.44
Call account 9-Disaster Recovery	63048438097	7.20	4 870 650.71	132 669.54	-	26 660.18	-	5 029 980.43	62 086.50
ABSA BANK	208168-2978	9.78	100 000 000.00			589 479.45		100 000 000.00	8 788 602.73
ABSA BANK	208168-3128	9.70	-		-	-		-	2 431 643.84
ABSA BANK	208168-3152	9.30	-	-	-	-		-	1 172 054.79
ABSA BANK	208168-3152	8.13	-	-	-	-		-	364 737.58
ABSA BANK	20-8187-5210	8.52	-		-	-		-	763 298.63
ABSA BANK	20-8187-5210	8.09	-	30 000 000.00		146 284.93		30 000 000.00	432 205.47
FNB-MAIN BANK	52940480587					17 240.35			394 275.29
TOTAL			170 652 050.71	30 137 879.54	(40 935 270.89)	1 074 073.10	(65.60)	160 175 662.13	18 981 145.30



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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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		1	A	B	C					D	
<b>Councillors (Political Office Bearers plus Other)</b>											
Basic Salaries and Wages			12 378	13 768	13 768	1 072	12 064	12 621	(557)	-4%	13 768
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			528	675	675	37	412	618	(206)	-33%	675
Cellphone Allowance			1 491	1 687	1 687	126	1 367	1 546	(179)	-12%	1 687
Housing Allowances			167	258	258	11	116	237	(121)	-51%	258
Other benefits and allowances			-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>			<b>14 564</b>	<b>16 388</b>	<b>16 388</b>	<b>1 246</b>	<b>13 959</b>	<b>15 022</b>	<b>(1 063)</b>	<b>-7%</b>	<b>16 388</b>
<b>% increase</b>	4			<b>12.5%</b>	<b>12.5%</b>						<b>12.5%</b>
<b>Senior Managers of the Municipality</b>	3										
Basic Salaries and Wages			3 865	5 876	5 555	479	4 430	5 092	(662)	-13%	5 876
Pension and UIF Contributions			1	11	10	-	-	9	(9)	-100%	11
Medical Aid Contributions			163	42	145	23	245	133	112	84%	42
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			380	499	380	-	570	349	222	64%	499
Motor Vehicle Allowance			716	871	866	60	656	793	(137)	-17%	871
Cellphone Allowance			272	195	268	29	314	245	68	28%	195
Housing Allowances			114	278	278	14	156	255	(99)	-39%	278
Other benefits and allowances			347	286	440	40	442	403	39	10%	286
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations			5 131	3 736	3 736	-	-	3 424	(3 424)	-100%	3 736
Entertainment			-	-	-	-	-	-	-	-	-
Scarcity			-	-	-	-	-	-	-	-	-
Acting and post related allowance			-	-	-	-	-	-	-	-	-
In kind benefits			-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>			<b>10 989</b>	<b>11 794</b>	<b>11 677</b>	<b>644</b>	<b>6 813</b>	<b>10 704</b>	<b>(3 891)</b>	<b>-36%</b>	<b>11 794</b>
<b>% increase</b>	4			<b>7.3%</b>	<b>6.3%</b>						<b>7.3%</b>
<b>Other Municipal Staff</b>											
Basic Salaries and Wages			83 417	94 130	93 544	8 449	90 550	85 749	4 801	6%	94 130
Pension and UIF Contributions			13 566	15 938	16 131	1 355	14 458	14 787	(329)	-2%	15 938
Medical Aid Contributions			6 332	6 180	6 801	691	7 059	6 235	825	13%	6 180
Overtime			3 361	2 469	2 996	502	3 674	2 746	928	34%	2 469
Performance Bonus			6 601	6 513	5 362	784	6 564	4 915	1 649	34%	6 513
Motor Vehicle Allowance			4 751	5 495	5 798	428	4 582	5 315	(733)	-14%	5 495
Cellphone Allowance			617	604	784	66	693	719	(26)	-4%	604
Housing Allowances			315	362	380	28	312	348	(36)	-10%	362
Other benefits and allowances			983	887	988	224	1 956	905	1 051	116%	887
Payments in lieu of leave			3 462	2 718	2 627	34	220	2 408	(2 187)	-91%	2 718
Long service awards			355	1 407	1 407	16	436	1 290	(854)	-66%	1 407
Post-retirement benefit obligations			(1 041)	4 047	4 047	-	-	3 709	(3 709)	-100%	4 047
Entertainment			-	-	-	-	-	-	-	-	-
Scarcity			-	-	-	-	-	-	-	-	-
Acting and post related allowance			-	-	-	-	-	-	-	-	-
In kind benefits			-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>			<b>122 720</b>	<b>140 748</b>	<b>140 866</b>	<b>12 578</b>	<b>130 506</b>	<b>129 127</b>	<b>1 379</b>	<b>1%</b>	<b>140 748</b>
<b>% increase</b>	4			<b>14.7%</b>	<b>14.8%</b>						<b>14.7%</b>
<b>Total Parent Municipality</b>			<b>148 273</b>	<b>168 930</b>	<b>168 930</b>	<b>14 469</b>	<b>151 278</b>	<b>154 853</b>	<b>(3 575)</b>	<b>-2%</b>	<b>168 930</b>



## 8. External Loan

NONE

## 9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M11 May						
Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25		
			Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>Borrowing Management</b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	9.3%	8.9%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.6%	6.4%	-3.3%	6.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>						
Current Ratio	Current assets/current liabilities	1	406.2%	436.2%	-313.7%	436.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		262.4%	143.1%	-110.6%	143.1%
<b>Revenue Management</b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		16.7%	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%
<b>Creditors Management</b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
<b>Funding of Provisions</b>						
Percentage Of Provisions Not Funded	Untunded Provisions/Total Provisions					
<b>Other Indicators</b>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2				
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2				
Employee costs	Employee costs/Total Revenue - capital revenue		31.6%	34.1%	34.5%	34.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.3%	5.3%	5.5%	5.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.0%	9.2%	9.3%	4.4%
<b>IDP regulation financial viability indicators</b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)					
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure					



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### **QUALITY CERTIFICATE**

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

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

- **Monthly Budget Statements**

for the month of **May 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature\_\_\_\_\_

Date **19 June 2025**