

12966

MID-YEAR BUDGET REVIEW AS AT 31 DECEMBER 2018

This report served before the Financial Services Portfolio Committee on 24 January 2019. The recommendations were supported.

PURPOSE

To submit to Council the interim financial position of the uMhlathuze Municipality for the quarter ended 31 December 2018, as required in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003). The monthly and quarterly requirements in terms of Section 71 and Section 52(d) respectively are also included in this report.

IDP STRATEGY AND OBJECTIVES

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
5.1 Sound Financial and Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliance
		5.1.1.2 mSCOA compliant
		5.1.1.3 Review of all financial related policies
		5.1.1.4 Compliance with all MFMA and related local government financial legislation
	5.2.1 Sustainable Financial and supply chain Management	5.2.1.1 Provide continuous Internal Communication on Budget and Financial Management matters
		5.2.1.2 Asset Accounting Management
		5.2.1.3 Accurate and timeous billing and receipting of revenue
		5.2.1.4 Apply Adequate Internal controls
		5.2.1.5 Demand and acquisition management
		5.2.1.6 Contracts and Logistics management
		5.2.1.7 Apply adequate financial management methodologies

BACKGROUND

The Mid-year report, although framed principally in terms of Section 72 of the Municipal Finance Management Act, also simultaneously addresses the Section 71 reporting as allowed in terms of Section 72(2).

In addition, the quarterly reporting as required by the Mayor in terms of Section 52(d) as well as the additional monthly reporting as required by Council is also included herein.

A. SECTION 72 - MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

“(1) The accounting officer of a municipality must by 25 January of each year

- (a) *assess the performance of the municipality during the first half of the financial year, taking into account-*
 - (i) *the monthly statements referred to in section 71 for the first half of the financial year;*

- (ii) *the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;*
 - (iii) *the past year's annual report, and progress on resolving problems identified in the annual report; and*
 - (iv) *the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and*
- (b) *submit a report on such assessment to-*
- (i) *the mayor of the municipality;*
 - (ii) *the National Treasury; and*
 - (iii) *the relevant provincial treasury."*

In the discussion that follows, the sections of this report will be divided in order of the prescriptions above.

B. Section 66 of the Municipal Finance Management Act further prescribes that all expenditure incurred by the Municipality on staff salaries, allowances and benefits be reported upon in a format and for the prescribed period. It is considered appropriate to report on this section of the Act on a monthly basis, to coincide with the reporting requirements of Section 71(1) of the Act.

Section 52 (d) of the Municipal Finance Management Act prescribes that the Mayor of a Municipality must within 30 days of the end of each quarter submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality.

The additional monthly reporting as required by Council is also included herein. The MFMA requires that the reporting of the budget (Annual, monthly, mid-year and adjustment) be in terms of a prescribed format.

As mentioned above, the MFMA Section 71 (1) refers to a prescribed format according to which the annual budget is required to be prepared. National Treasury has issued MFMA Circular No 51 (**DMS 633560**) in which this prescribed format has been set out.

Furthermore, National Treasury has issued Municipal Budget and Reporting Regulations in terms of Government Gazette Number 32141 dated 17 April 2009. These regulations set out the manner in which Municipalities are required to prepare the 2010/2011 Budget as well as the in-year reporting effective from July 2010.

The objectives of the budget formats reforms in terms of these regulations are:

- ❖ To ensure that the municipal budget and financial reporting formats support the other financial management reforms introduced by the Municipal Finance Management Act (MFMA).
- ❖ To formalise the norms and standards governing municipal budget and financial reporting formats, so as to improve the credibility, sustainability, transparency, accuracy and reliability of budgets and in-year reports of Municipalities.

- ❖ To improve Council's ability to deliver basic services to all by addressing issues of financial sustainability.
- ❖ To facilitate informed policy choices by Council and medium term planning of service delivery by aligning targets to achieve backlog elimination.

Section 1 of the MFMA defines the Service Delivery and Budget Implementation Plan (SDBIP) as:

"A detailed plan approved by the mayor of a municipality in terms of section 53(l)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate:

- (a) Projections for each month of:

 - (i) Revenue to be collected, by source; and*
 - (ii) Operational and capital expenditure, by vote.**
- (b) service delivery targets and performance indicators for each quarter."*

The Service Delivery and Budget Implementation Plan (SDBIP) have been segmented into five components. These are:

- ❑ Component 1: Monthly projections of revenue (including capital grants) to be collected for each source **Annexure Z (DMS 1308528)**;
- ❑ Component 2: Monthly projections of expenditure (operating and capital) and revenue for each vote **Annexure AA (DMS 1308528)**;
- ❑ Component 3: Quarterly projections of service delivery targets and performance indicators for each vote **Annexure AB - AH (DMS 1308528)**;
- ❑ Component 4: Ward information for expenditure and service delivery **Annexure AI and AJ (DMS 1308528)**; and
- ❑ Component 5: Detailed capital works plan broken down by ward over three years **Annexure AK (DMS 1308528)**.

DISCUSSION

This report and the supporting schedules will be forwarded to National and Provincial Treasury as required in terms of Section 71 and Section 74 of the MFMA in both printed and electronic formats.

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PART 1 – MID-YEAR REVIEW

1. MAYORAL REPORT FOR THE MONTH OF DECEMBER 2018

In terms of the Budget Regulations, Part 1 in-year reporting, the December is required to provide a report / comments on:

- “(a) **a summary of whether the Municipality’s budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;**

The Mayor has considered the Section 71 report for the month of December 2018, and the performance of the Municipality against its budget is in line with the adopted budget that was approved by Council in May 2018. A detail of all the points highlighted by the Mayor is included in the report.

Operational Budget

The monthly budget statement summary (Table C1) for the month of December 2018 (year to date actual) shows a surplus of R 140,1 million. This is R40,2 million below the Pro-rata target R180,3 million, which is a concern. The anticipated surplus for the month is mainly as a result of the higher electricity tariff charged during the winter months; the annual rates that is levied for government debtor’s months billing as well as the second portion of equitable share of R103 million. The performance in this area is **Acceptable but with concern.**

Capital Budget

Council is at the end of the second quarter of the financial year and capital expenditure is fairly low at R201,2 million (34,83%). This is based on the Adopted Capital Budget of R525 million plus Roll-overs of R52 million (R577 million for Draft Adjustments Budget). Expenditure is expected to rise as the year progresses. The performance in this area although is not **Acceptable proportionately, it is expected at this stage of the New Year.** The Project steering Committee is monitoring the capital projects to ensure that any issues are resolved promptly.

Cash Flow

In terms of Council’s Adopted Working Capital Policy the objective is for Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,54:1 (344 881/217 827). Therefore, the Municipality has a positive bank balance to defray its expenses. The performance in this area is although **not acceptable as it is below the policy target of 2:1, is as a result of a strategic reason in that the Chief Financial Officer has as yet not taken up the R310m borrowing for this year. As a result the R94m capex spent from borrowings is (see page 9 – source of capex funding) effectively coming out of working capital.**

2. RESOLUTIONS

Refer to the recommendations contained in this report.

3. EXECUTIVE SUMMARY

This section deals with the financial status of the Municipality at executive level and highlights matters that are of particular importance from the Chief Financial Officer’s perspective.

3.1 Operating Budget

The following table represents an executive summary for the financial period ended 31 December 2018:

DESCRIPTION	ADOPTED BUDGET 2018/2019	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2018 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Revenue (Excluding Capital Grants)	3,054,873,500	1,616,468,000	1,608,099,981	99.48%
Expenditure	3,016,496,500	1,436,179,900	1,466,407,447	102.10%
Surplus/(Deficit) (Excluding Capital Grants)	38,377,000	180,288,100	141,692,534	

3.2 Cash Flow Situation

Council's Working Capital Policy:

In terms of Council's Adopted Working Capital Policy the objective is for Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,54:1 (344 881/217 827). The Chief Financial Officer has as yet not taken up the R310 million borrowing for this year. As a result the R94 million capex spent from borrowings is effectively coming out of working capital. The tender for the borrowing process will be finalised before 30 June 2019.

3.3 Grants Balances

DESCRIPTION OF GRANT	AMOUNT GAZETTED FOR JULY 2018	AMOUNT GAZETTED FOR AUGUST 2018	AMOUNT GAZETTED FOR SEPTEMBER 2018	AMOUNT GAZETTED FOR OCTOBER 2018	AMOUNT GAZETTED FOR NOVEMBER 2018	AMOUNT GAZETTED FOR DECEMBER 2018	TOTAL TO BE RECEIVED AS AT 30/06/2019	AMOUNT RECEIVED AS AT 31/12/2018	DIFFERENCE	ACTUAL EXPENDITURE AS AT 31/12/2018	% SPENT	COMMENTS
NATIONAL TREASURY												
Equitable Share	135,940,000		-	-	-	108,752,000	326,255,000	244,692,000	81,563,000	163,127,500.00	50%	In terms of the Constitution, this allocation is to provide for an equitable sharing of National Revenue. It is primarily for the provision of Basic Services
Municipal Infrastructure Grant	30,000,000		-	-	-	45,000,000	104,604,000	70,000,000	34,604,000	42,256,754	40%	This expenditure is as per claims submitted to COGTA
Financial Management Grant	-	2,650,000	-	-	-	-	2,650,000	2,650,000	-	513,751	19%	Spending is in accordance with the support plan submitted to National Treasury for the grant
Municipal Water Infrastructure Grant-WSIG			-	6,000,000	-	-	16,000,000	-	16,000,000	4,540,694	28%	Spending is in accordance with the support plan submitted to National Treasury for the grant
Extended Public Works Programme		1,298,000	-	-	2,335,000	-	5,189,000	3,633,000	1,556,000	3,406,834	66%	The grant is for the operational expenditure for EPWP
Infrastructure Skills Development Grant	2,300,000		-	-	-	-	5,000,000	2,300,000	2,700,000	2,531,804	51%	Spending is in accordance with the support plan submitted to National Treasury for the grant
Energy Efficiency and Demand Side management Grant	2,000,000		-	2,000,000	-	-	6,000,000	4,000,000	2,000,000	4,629,119	77%	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency
TOTAL NATIONAL TREASURY GRANTS	170,240,000	3,948,000	-	8,000,000	2,335,000	153,752,000	465,698,000	327,275,000	138,423,000	221,006,455	47%	

DESCRIPTION OF GRANT	AMOUNT GAZETTED FOR JULY 2018	AMOUNT GAZETTED FOR AUGUST 2018	AMOUNT GAZETTED FOR SEPTEMBER 2018	AMOUNT GAZETTED FOR OCTOBER 2018	AMOUNT GAZETTED FOR NOVEMBER 2018	AMOUNT GAZETTED FOR DECEMBER 2018	TOTAL TO BE RECEIVED AS AT 30/06/2019	AMOUNT RECEIVED AS AT 31/12/2018	DIFFERENCE	ACTUAL EXPENDITURE AS AT 31/12/2018	% SPENT	COMMENTS
PROVINCIAL TREASURY												
Provincialisation of Libraries	-	-	8,275,000	-	-	-	8,275,000	8,275,000	-	11,894,094	144%	Expenditure shown is the total operating cost of the Libraries for the period. The Gazetted amount was received in November and we will therefore show it on the November Financial report.
Community Library Services Grant (Cyber cadets)	-	-	1,576,000	-	-	-	1,576,000	1,576,000	-	576,300	37%	Expenditure shown is the total operating cost of the Cybercadets for the period. The Gazetted amount was received in November and we will therefore show it on the November Financial report.
Housing Operating Account	-	-	2,213,000	-	-	-	2,213,000	896,166	1,316,834	6,262,158	283%	Expenditure shown is the total operating cost of the Human Settlements Section excluding Hostel Operating costs.
Museum Subsidy	-	-	192,000	-	-	-	192,000	192,000	-	2,278,296	1187%	Expenditure shown is the total operating cost of the Museum.
Sports and Recreation-Operational	-	-	58,000				58,000	-	58,000	-	0%	Sports and Recreation - Operational
Sports and Recreation-Capital	-	-	7,850,000				7,850,000	2,616,500	5,233,500	1,399,385	18%	Sports and Recreation - Provincial Allocation for Construction of Fitness Centre at Esikhaleni
TOTAL PROVINCIAL TREASURY GRANTS	-	-	20,164,000	-	-	-	20,164,000	13,555,666	6,608,334	22,410,233	111%	
TOTAL GRANTS AND SUBSIDIES	170,240,000	3,948,000	20,164,000	8,000,000	2,335,000	153,752,000	485,862,000	340,830,666	145,031,334	243,416,688	50%	

3.4 Capital Budget Summary

The table below represents Capital Expenditure incurred as at 31 December 2018:

FUNCTION	ADOPTED BUDGET 2018/2019	ROLL-OVERS 2017/2018	VIREMENTS	DRAFT ADJUSTED BUDGET	ACTUAL DECEMBER 2018 (YTD)	% OF ADOPTED BUDGET SPENT
	R	R	R	R	R	%
Finance and Administration	102,236,000	21,607,800	(4,462,400)	119,381,400	28,751,435	24.08%
Community and Social Services	54,821,300	7,125,900	(3,805,700)	58,141,500	17,527,482	30.15%
Energy Sources	85,472,000	10,640,500	(100,000)	96,012,500	32,115,806	33.45%
Environmental Protection	200,000	38,500	-	238,500	173,855	72.90%
Planning and Development	3,952,500	1,242,200	(356,700)	4,838,000	244,591	5.06%
Public Safety	559,000	-	(60,000)	499,000	213,815	42.85%
Road Transport	133,723,200	4,444,200	9,829,700	147,997,100	51,210,586	34.60%
Sport and Recreation	25,600,400	1,916,600	(14,900)	27,502,100	3,006,414	10.93%
Waste Management	1,700,000	1,325,200	(10,000)	3,015,200	1,168,598	38.76%
Waste Water Management	48,123,200	1,292,000	(200,000)	49,215,200	36,911,003	75.00%
Water	68,773,200	2,756,800	(820,000)	70,710,000	29,861,977	42.23%
	525,160,800	52,389,700	-	577,550,500	201,185,562	34.83%

The total adopted Capital Budget funding structure is as follows:

SOURCE OF FUNDING	ADOPTED BUDGET 2018/2019	ROLL-OVERS 2017/2018	DRAFT ADJUSTED BUDGET	ACTUAL DECEMBER 2018 (YTD)	% OF ADOPTED BUDGET SPENT
	R	R	R	R	%
Borrowing	310,000,000	-	310,000,000	94,298,386	30.42%
Capital Replacement Reserve	85,937,000	52,389,700	138,326,700	53,390,405	38.60%
MIG	99,373,800	-	99,373,800	44,326,958	44.61%
Government Grants - National	22,000,000	-	22,000,000	9,169,813	41.68%
Government Grants - Provincial	7,850,000	-	7,850,000	-	0.00%
TOTAL	525,160,800	52,389,700	577,550,500	201,185,562	34.83%

3.5 Expenditure per Category

EXPENDITURE BY TYPE	ADOPTED BUDGET 2018/2019	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2018 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Employee related costs	812,123,200	398,964,300	374,197,313	93.79%
Remuneration of Councillors	31,880,800	14,508,000	14,614,123	100.73%
Debt Impairment	26,512,500	13,256,400	13,256,400	100.00%
Depreciation and asset impairment	376,066,000	188,041,200	188,039,002	100.00%
Finance Charges	67,884,000	33,942,000	33,942,000	100.00%
Bulk Purchases - Electricity	897,363,700	457,253,400	453,595,976	99.20%
Bulk Purchases - Water	103,581,500	50,720,000	59,649,293	117.61%
Other Materials	114,232,700	47,835,000	59,953,771	125.33%
Contracted Services	312,731,000	121,412,900	155,676,142	128.22%
Transfers and grants	12,533,600	6,119,200	9,406,845	153.73%
Other Expenditure	261,587,500	104,127,500	104,076,582	99.95%
TOTAL	3,016,496,500	1,436,179,900	1,466,407,447	102.10%

Pro-rata adopted budget

The figures shown in the table above for the Pro-Rata Adopted Budget have been extracted from the 2018/19 Adopted Budget Tables – Table SA25 - Budgeted monthly revenue and expenditure.

This table sets out Council's projected monthly revenue and expenditure and has been based on actual revenue and expenditure from previous years. It forms a more accurate comparison than the budget divided by 12 months.

Employee related costs

The Salary and wage collective agreement for the period 1 July 2018 to 30 June 2021 has been finalized. The salary increases and respective back pay has been calculated and is included in actual expenditure.

Bulk Purchases - Electricity

Electricity purchases are higher in July and August due to the increased tariff charged by Eskom in the winter months.

Bulk Purchases – Water

It is important to note that Council budgeted for a 5.5% increase in Water Purchases, however the actual increase as per Mhlathuze Water is as follows:

- Potable water = 8.14%
- Raw water = 7.42%
- Clarified water = 12.11%

Other Materials

Included under Other Materials are the following items that have exceeded the pro-rata budget:

	ADOPTED BUDGET 2018/2019	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2018 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT	% ADOPTED BUDGET SPENT
	R	R	R	%	%
Materials for Fleet Maintenance	8,225,100	3,454,500	5,895,441	170.66%	71.68%
Materials for Maintenance on Rural Roads	18,419,400	7,736,100	13,655,540	176.52%	74.14%

It is important to note that if the current spending pattern continues the respective departments will exhaust their 2018/19 Adopted Budget allocations before the end of the financial year. Each department will then need to identify savings from other items and prepare the necessary virements.

Contracted Services

Included under Contracted Services are the following items that have exceeded the pro-rata budget:

	ADOPTED BUDGET 2018/2019	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2018 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT	% ADOPTED BUDGET SPENT
	R	R	R	%	%
Outsourced Services:Sewerage Services	87,353,800	34,068,000	45,360,804	133.15%	51.93%
Outsourced Services: Internal Auditors	3,652,200	1,424,400	4,553,754	319.70%	124.69%
Contractors: Safeguard and Security	30,887,100	12,046,000	26,198,118	217.48%	84.82%
Consultants and Professional Services: Business and Advisory: Project Management - ERP Project Managers	5,200,000	2,028,000	9,369,875	462.03%	180.19%
Contractors: Maintenance of Buildings and Facilities - Telemetry	6,523,500	2,544,200	4,146,157	162.97%	63.56%

It is important to note that if the current spending pattern continues the respective departments will exhaust their 2018/19 Adopted Budget allocations before the end of the financial year. Each department will then need to identify savings from other items and prepare the necessary virements.

However, with regards to internal audit and the ERP Project Manager, additional funding has been requested by the user department and this funding will need to be sourced during the adjustment budget process.

Transfers and Grants

Transfers and grants have been over-spent by 53% on the pro-rata budget. However, the expenditure as at December 2018 is still within the total annual budget. Below is a breakdown of the detail expenditure by function and programmes:

FX CODE	FX DESCRIPTION	PROJECT DESCRIPTION	Adopted Budget 2018/19	Virements	Revised Budget 2018/19	Actual December 2018 YTD
FX005001009	Marketing Customer Relations Publicity and Media Co-ordination	SPCA	420,700	(420,700)	-	-
FX005001009	Marketing Customer Relations Publicity and Media Co-ordination	SCHOOLS AND UNTHUNGULU COMMUNITY FOUNDATION	415,900		415,900	-
	Marketing Customer Relations Publicity and Media Co-ordination Total		836,600	(420,700)	415,900	-
FX005001012	Security Services	SPCA	-	420,700	420,700	420,000.00
	Security Services Total		-	420,700	420,700	420,000.00
FX001002008	Disaster Management	DISASTER MANAGEMENT	726,700	(220,000)	506,700	136,907.00
	Disaster Management Total		726,700	(220,000)	506,700	136,907.00
FX013002004001	Sport Development and Sportfields	RICHARDS BAY COUNTRY/BOWLING CLUB - MAINTENANCE	-		-	-
FX013002004001	Sport Development and Sportfields	SOCCER MADNESS TOURNAMENT	-		-	-
FX013002004001	Sport Development and Sportfields	RICHARDS BAY FOOTBALL CLUB	2,500,000		2,500,000	2,500,000.00
FX013002004001	Sport Development and Sportfields	THANDA ROYAL	-		-	-
FX013002004001	Sport Development and Sportfields	UMHLATHUZE FOOTBALL ASSOCIATION	120,000		120,000	-
FX013002004001	Sport Development and Sportfields	AEROBICS (WOMEN'S DAY CELEBRATION)	100,000		100,000	100,000.00
FX013002004001	Sport Development and Sportfields	AEROBICS MARATHON	100,000		100,000	100,000.00
FX013002004001	Sport Development and Sportfields	NKOSI MTHIYANE SCHOOLS TOURNAMENT	100,000		100,000	-
FX013002004001	Sport Development and Sportfields	UMHLATHUZE ATHLETICS ASSOCIATIONS	100,000		100,000	-
FX013002004001	Sport Development and Sportfields	FEDERATIONS - NETBALL	50,000		50,000	-
FX013002004001	Sport Development and Sportfields	FEDERATIONS - RUGBY	107,000		107,000	-
FX013002004001	Sport Development and Sportfields	FEDERATIONS - BASKETBALL	50,000		50,000	-
FX013002004001	Sport Development and Sportfields	FEDERATIONS - BOXING	50,000		50,000	-
FX013002004001	Sport Development and Sportfields	JUNIOR FOOTBALL ASSOCIATION	50,000		50,000	25,024.00
	Sport Development and Sportfields Total		3,327,000	-	3,327,000	2,725,024.00
FX004001001001	Mayor and Council	YOUTH GATHERING	400,000		400,000	51,706.00
FX004001001001	Mayor and Council	WOMEN SUMMIT	170,000		170,000	62,344.00
FX004001001001	Mayor and Council	POLICY FORMULATION	113,500		113,500	1,000.00
FX004001001001	Mayor and Council	SENIOR CITIZENS	433,500		433,500	400,011.00
FX004001001001	Mayor and Council	WORLD AIDS DAY	120,000		120,000	-
FX004001001001	Mayor and Council	CHILDREN	175,500		175,500	91,063.00
FX004001001001	Mayor and Council	MANDELA DAY CELEBRATIONS	37,500	(34,800)	2,700	2,649.92
FX004001001001	Mayor and Council	MENS SUMMIT	114,400		114,400	-
FX004001001001	Mayor and Council	16 DAYS ACTIVISM	197,500		197,500	-
FX004001001001	Mayor and Council	FREEDOM DAY AND HUMAN RIGHTS DAY	111,600		111,600	-
FX004001001001	Mayor and Council	COMMUNITY OUTREACH - MAYOR	400,000	(33,200)	366,800	85,000.00
FX004001001001	Mayor and Council	RELIGIOUS SECTOR	45,000	28,400	73,400	73,344.00
FX004001001001	Mayor and Council	OPERATION SUKUMA SAKHE PROGRAMMES	200,000		200,000	106,784.70
FX004001001001	Mayor and Council	DISABILITY SECTOR	156,500		156,500	93,920.65
FX004001001001	Mayor and Council	UNIVERSITY REGISTRATIONS	500,000	(28,400)	471,600	-
FX004001001001	Mayor and Council	PROFILING OF PEOPLE WITH DISABILITIES	25,000	34,800	59,800	-
FX004001001001	Mayor and Council	LUWAMBA STEERING COMMITTEE	-	6,500	6,500	6,450.00
FX004001001001	Mayor and Council	FUNERAL FOR FORMER ACTING CHIEF OF KWADUBE TRIBAL AUTHORITY	-	26,700	26,700	26,618.21
FX004001001001	Mayor and Council	BUSARIES (NON-EMPLOYEES)	1,050,000	-	1,050,000	103,430.00
	Mayor and Council Total		4,250,000	-	4,250,000	1,104,321.48

FX CODE	FX DESCRIPTION	PROJECT DESCRIPTION	Adopted Budget 2018/19	Virements	Revised Budget 2018/19	Actual December 2018 YTD
FX010001005	Economic Development and Planning	BLACK CUBANS CONSULTING		260,900	260,900	260,869.57
FX010001005	Economic Development and Planning	DOWNSTREAM ALUMINIUM CENTRE FOR TECHNOLOGY	150,000	38,000	188,000	188,000.00
FX010001005	Economic Development and Planning	UMHLATHUZE TOURISM ORGANISATION	487,000	(298,900)	188,100	116,945.68
FX010001005	Economic Development and Planning	AGRICULTURAL CO-OPERATIVES		464,500	464,500	-
	Economic Development and Planning Total		637,000	464,500	1,101,500	565,815.25
FX015001002003	Sewerage - Sewerage Network	HOUSE PROJECT AT ESIKHALENI DAMAGED BY SEWER LINE		400,000	400,000	-
	Sewerage-Sewerage Network Total		-	400,000	400,000	-
FX001002007	Cultural Matters	CULTURAL MATTERS	2,756,300	501,000	3,757,300	-
FX001002007	Cultural Matters	SOUL AND JAZZ EXPERIENCE			-	1,555,000.00
FX001002007	Cultural Matters	MADIBA JIVE			-	250,000.00
FX001002007	Cultural Matters	SPONSORSHIP OF FACE OF MZANZI FINALIST 2018			-	6,000.00
FX001002007	Cultural Matters	CATERING FOR 1300 MAIDENS			-	203,050.00
FX001002007	Cultural Matters	OPERATION SIYAYA EMHLANGENI			-	197,677.06
FX001002007	Cultural Matters	GOD'S POWER GOSPEL CELEBRATION TOUR			-	30,000.00
FX001002007	Cultural Matters	JABULANI SHANDU EMATSHANE PRODUCTION			-	30,000.00
FX001002007	Cultural Matters	4TH ANNUAL SPRING TOUR MUSIC FESTIVAL			-	300,000.00
FX001002007	Cultural Matters	CEBILE LIVE MUSIC CONCEPT			-	15,000.00
FX001002007	Cultural Matters	POSTERS FOR POET AND COMEDY SHOW			-	10,800.00
FX001002007	Cultural Matters	UMHLATHUZE MUSIC FESTIVAL			-	100,000.00
FX001002007	Cultural Matters	DIWALI FESTIVAL			-	-
FX001002007	Cultural Matters	SISTERS HELP DESK CORNER			-	500,000.00
FX001002007	Cultural Matters	DOLOSFEES			-	200,000.00
FX001002007	Cultural Matters	JABULANI SHANDU EMATSHANE PRODUCTIONS - ASSISTANCE			-	20,000.00
FX001002007	Cultural Matters	LAST DANCE FESTIVAL			1,000,000	1,000,000.00
FX001002007	Cultural Matters	ALL WARDS-INGOMA COMPETITION			-	37,250.00
	Cultural Matters Total		2,756,300	501,000	4,757,300	4,454,777.06
	Grand Total		12,533,600	1,145,500	14,179,100	9,406,844.79

3.6 Revenue per Category

The source of funding for the above comprises the following revenue categories:

REVENUE BY SOURCE	ADOPTED BUDGET 2018/2019	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2018 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Rates	474 453 400	258 295 600	259 336 073	100.40%
Service Charges – Electricity revenue	1 579 530 100	788 130 200	740 024 833	93.90%
Service Charges – Water revenue	337 842 300	163 576 000	207 535 098	126.87%
Service Charges – Refuse revenue	80 371 500	40 471 700	53 250 389	131.57%
Service Charges – Sanitation revenue	99 625 200	48 135 600	50 331 464	104.56%
Rental of facilities and equipment	8 448 800	4 169 000	3 980 946	95.49%
Interest earned – external investments	55 000 000	12 477 700	20 113 390	161.19%
Interest earned – outstanding debtors	3 397 900	49 303	65 380	132.61%
Fines	4 087 300	3 429 097	4 726 379	137.83%
Licences and permits	3 807 500	1 699 000	1 614 043	95.00%
Agency services	7 796 500	3 882 700	2 758 977	71.06%
Operating Grants and Subsidies	356 638 300	268 006 200	257 370 799	96.03%
Gains on Disposal of PPE	-	-	1 547 990	0.00%
Other Revenue	43 874 700	24 145 900	5 444 219	22.55%
TOTAL REVENUE (EXCLUDING CAPITAL GRANTS)	3 054 873 500	1 616 468 000	1 608 099 980	99.48%

The above table represents operating revenue per category as at 31 December 2018.

Pro-rata adopted budget

The figures shown in the table above for the Pro-Rata Adopted Budget have been extracted from the 2018/19 Adopted Budget Tables – Table SA25 - Budgeted monthly revenue and expenditure.

This table sets out Council's projected monthly revenue and expenditure and has been based on actual revenue and expenditure from previous years. It forms a more accurate comparison than the budget divided by 12 months.

Rates - Includes annual rates billing from annual rate payers i.e. government accounts.

Service Charges - Electricity Revenue - Electricity revenue is higher in July and August due to high demand tariffs.

Rental of facilities and equipment – Decreased due to cancellation of Penda Petroleum's lease agreement.

Agency services – varies as it is dependent on the service rendered to the community and Council earns 8% commission from the revenue raised.

Operating Grants and Subsidies - the pro-rata budget used is as per payment schedule provided by National Treasury. An amount of R239,7 million (75% of the total equitable share) was received as at December 2018.

3.7 Surplus and Deficit by Service Category

SERVICES	ADOPTED BUDGET 2018/2019			ACTUAL AS AT 31 DECEMBER 2018		
	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)
	R'000	R'000	R'000	R'000	R'000	R'000
Rates and General Services						
Executive and Council	191	21,843	(21,652)	87	2,231	(2,144)
Finance and Administration	549,274	39,114	510,160	287,309	12,836	274,473
Community and Social Services	20,302	92,392	(72,090)	10,685	47,353	(36,668)
Sport and Recreation	20,464	161,009	(140,545)	1,984	73,741	(71,757)
Public Safety	1,102	71,238	(70,136)	339	38,022	(37,683)
Housing	3,804	17,810	(14,006)	816	9,141	(8,325)
Environmental Protection	1,009	11,050	(10,041)	-	4,567	(4,567)
Planning and Development	18,676	91,739	(73,063)	6,970	43,776	(36,806)
Internal Audit	-	44	(44)	-	2,599	(2,599)
Road Transport	31,850	280,003	(248,153)	5,700	135,970	(130,270)
Waste Water Management (Sanitation) (Portion of PMU funded by Rates & General Services)	-	48,469	(48,469)	-	24,695	(24,695)
Other	8,700	5,966	2,734	2	2,583	(2,581)
Total Rates and General Services	655,372	840,677	(185,305)	313,892	397,514	(83,622)
Airport	736	115	621	-	23	(23)
Trading Services						
Electricity	1,596,982	1,292,648	304,334	746,393	636,236	110,157
Water	491,501	462,737	28,764	276,576	229,891	46,685
Clarified Water	27,219	15,216	12,003	17,070	10,695	6,375
Sewerage	275,326	240,597	34,729	150,848	118,282	32,566
Refuse Removal	145,652	164,506	(18,854)	103,320	73,768	29,552
Total Trading Services	2,536,680	2,175,704	360,976	1,294,207	1,068,872	225,335
Total Service Category	3,192,788	3,016,496	176,292	1,608,099	1,466,409	141,690

NOTES:

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The table above sets out the surplus and deficit for each service category. It is important to note that trading services namely Electricity, Water, Clarified Water, Sewerage and Refuse Removal are expected to be profitable and they are yielding surpluses. **Water is yielding a profit based on inflated drought tariffs and 75% of equitable share have been received to date.**

As part of Council's Revenue Enhancement Policy approved in August 2013, a considerable effort needs to be made to improve the surplus for the remaining trading services by reducing expenditure and increasing revenue. For Rates, the primary solution is to reduce expenditures in specific areas that are Rates dependant.

From a sustainability perspective, it is of particular concern that all functions funded by Rates and General Income are not breaking even.

Taking into cognisance the above mentioned points, a revenue diversification project is at planning stage and the document has been prepared under **DMS 1277516** to enable council to enhance existing revenue streams and to attract investments in the city that will provide revenue growth in the city and lessen the catastrophic risk of high reliance with revenue from electricity service charge.

3.8 Debtors Age Analysis

➤ Debtors Age Analysis by Category

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Government	8,983,748	139,542	201,351	11,974,015	21,298,656
Business	237,475,268	14,340,602	17,311,422	57,671,837	326,799,129
Households	54,824,292	6,399,649	5,053,210	113,813,337	180,090,488
Other	3,450,529	350,858	266,420	7,533,864	11,601,671
Total	304,733,837	21,230,651	22,832,403	190,993,053	539,789,944
%	56.45%	3.93%	4.23%	35.38%	

FINANCIAL REPORTING ON INCOME / DEBT

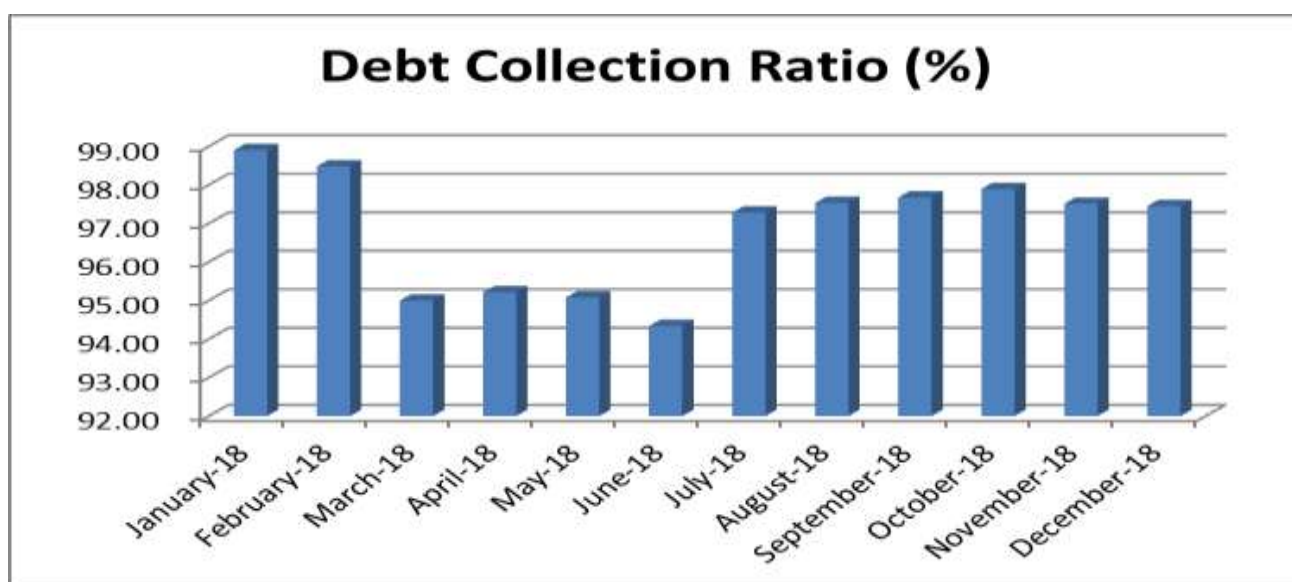
Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National Treasury determined the formulas for every financial ratio in terms of Circular 71. These formulas will therefore be used in the reporting.

➤ **Debt Collection Rate**

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The following formula and norm is included in the circular:

Formula (As per circular 71)	Norm
Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	The norm is 95%

Month	Debt Collection Ratio (%)
December-18	97.45
November-18	97.51
October-18	97.89
September-18	97.67
August-18	97.53
July-18	97.28
June-18	94.34
May-18	95.08
April-18	95.21
March-18	95.00
February-18	98.48
January-18	98.90



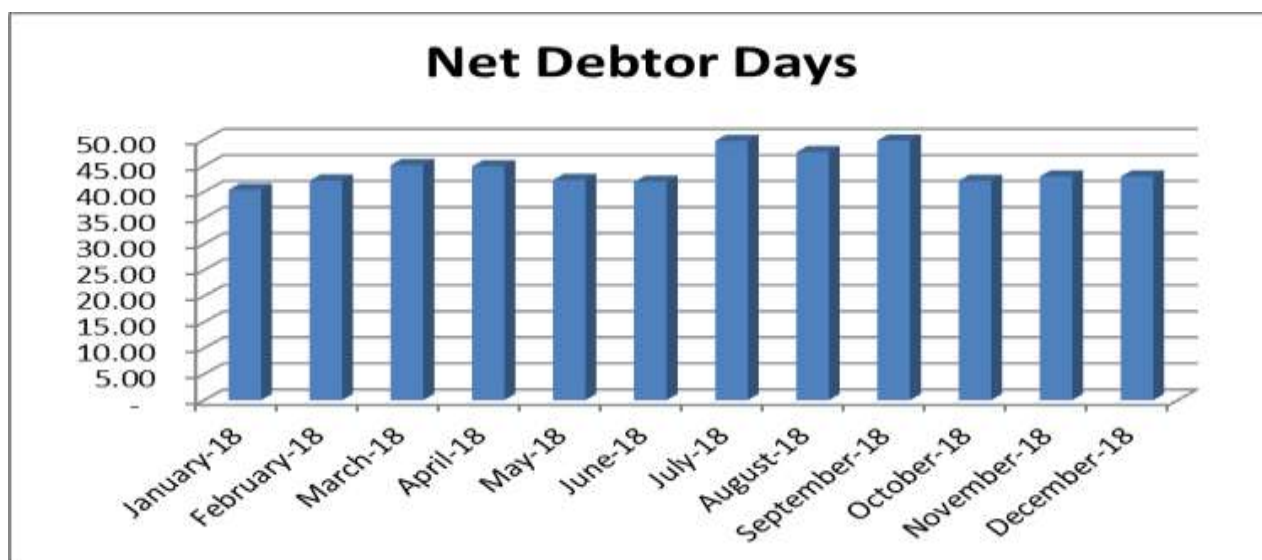
➤ **Net Debtors Days**

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful Debts.

Formula (As per circular 71)	Norm
$((\text{Gross Debtors} - \text{Bad Debt Provision}) / \text{Billed Revenue}) \times 365$	The norm is 30 Days

Month	Net Debtor Days
December-18	42.95
November-18	42.95
October-18	42.12
September-18	49.86
August-18	47.63
July-18	49.79
June-18	41.92
May-18	42.30
April-18	44.89
March-18	45.17
February-18	42.17
January-18	40.40



➤ **Top Ten Business Debts**

Summary of Top 10 Debtors			
Debtor No	Name	91 Days +	Total
1854904	BASFOUR 3721 (PTY) LTD	22 377 589.88	22 377 589.88
2289941	PANDA PETROLEUMS	4 998 503.04	5 002 839.06
2247701	BEST CUT MEAT (PTY) LTD	3 067 308.20	3 618 661.07
416383	RIVER ROCK INVEST (PTY) LTD	2 382 005.19	2 634 634.91
2386134	RICHARDS BAY ALLOYS (PTY) LTD	1 642 933.08	12 254 119.70
392020	RIVER ROCK INVEST (PTY) LTD	1 317 885.85	2 173 156.46
568393	FOSKOR (PTY) LTD	1 235 639.17	10 155 691.10
2368872	CADRE PROPERTIES PTY LTD	791 678.57	937 273.49
1592230	CALANDRA TRADING 592 CC	617 204.71	861 700.53
1632348	KING CETSWAYO DISTRICT MUNICIPALITY	553 886.16	2 109 118.20
		38 984 633.85	62 124 784.40

1. BASFOUR 3721 (PTY) LTD

The administration around this legal process is managed by the Finance Department. Basfour 3721 (Pty) Ltd / Indlovu Dev Trust Trustees is the account for the commission in respect of the 40% on sales above the agreed threshold in respect of the Golf Estate. The developer disputed the account. The dispute is of a contractual nature. The account was handed over to Council's attorneys. Summons was issued and the case was defended.

The setting down of the court date by the Registrar of the High Court for the claim is still awaited. The advocate has provided a summary of the pre-trial processes that must now be completed. It includes several consultations with the relevant officials and witnesses.

Update: December 2018

There is no further progress to report and the matter is ongoing.

2. PANDA PETROLEUMS

This debt is in respect of rental of town land in respect of the proposed truck stop in Alton. The debtor's failure to adhere to the agreement was reported to the Deputy Municipal Manager: City Development, Property Division to give the debtor notice in terms of the agreement. The debtor's account was handed over to Council's attorneys for collection but the file was pended under request from the legal section who advised that they will be dealing with the matter. Legal Services (Litigation sub-section) advised that it is their view that collection proceedings should proceed.

It was confirmed that the agreement between Council and Panda Petroleum was terminated on 12 October 2017 (**DMS 1234550**). Subsequent to the termination, Panda Petroleum requested Council to consider amendment of the lease agreement. This request was considered to be out of time.

The legal process to collect the debt is ongoing.

Update: December 2018

There is no further progress as the legal process is continuing.

3. BEST CUT MEAT (PTY) LTD

The account relates to an electricity & water account for the Best Cut Factory in Empangeni. The debtor advised that the full account will be paid as a transaction is pending that will enable them to do so. The payment arrangement was concluded and substantial first payment was received.

The debtor did not honour the payment arrangement and the electricity to the factory was disconnected. The account was also handed over to Council's attorneys for further collection. There is a guarantee noted on the account and the guarantee was also called up.

The electricity is still off. The legal process has now been placed on hold as the company went into Business Rescue. Council's debt remains secured against the property and will be paid in due course. The Business Rescue Practitioner has now provided his Business Rescue Plan. There is a process where the plan must now be considered by the creditors and this is scheduled for the second week of July 2018.

The business rescue plan was adopted by the majority creditors. In terms of the business rescue plan, Council will receive the full outstanding amount on the account. The process is expected to be completed within 3-6 months.

The property was sold by the Business Rescue Practitioner (BRP) on a public auction for R2.5 million subject to confirmation. On request by the BRP, the Chief Financial Officer after consultation with the Municipal Manager indicated that Council would accept an amount of R2 million rand in settlement. This is due to the lengthy process that will follow if the sale does not go through and the company are then obliged to go into liquidation.

The matter is still ongoing.

Update: December 2018

The business rescue practitioner is now proceeding with the processes for the approval of the sale transaction.

4. RIVER ROCK INVESTMENTS (PTY) LTD (2 Accounts)

The two (2) accounts for River Rock Investments accounts relates to:

- An account for rates that are levied in respect of the Caravan Park while the contract provides that the rental includes the rates.
- An account for rental in respect of the area being used by Imvubu Lodge. They are paying a portion on the rental and have declared a dispute in terms of the provisions of the contract several years back and requested that the matter referred for arbitration. River Rock are paying their monthly charges, excluding the disputed charge.

Additional dispute relates to the cancellation of their lease agreement.

Legal Services advised that on 9 January 2018 that River Rock Investments served the municipality with a summons wherein they are disputing that the lease expired on 31 May 2017 and the lease is on a month-to-month period until such time that the lease is allocated to another party. The contract made provision that the contract must be renewed at least 12 calendar months prior to the termination date and River Rock failed to exercise that option:

Update: December 2018

There is no progress to report.

5. RICHARDS BAY ALLOYS (PTY) LTD

The account is in respect of basic charges for electricity. Richards Bay Alloys is currently not operating their plant.

The payment of the basic charges was deferred for a period of 3 months by the Chief Financial Officer.

6. FOSKOR (PTY) LTD

The account is in respect of water charges that were back-charged due to the incorrect application of the tariffs. Foskor is paying the account off in instalments.

7. CADRE PROPERTIES

This debt is in respect of the rates for a property in Ntambanana. The debtor had to be traced due to lack of debtor information available. Officials are currently in discussion with the debtor to arrange payment.

The debtor disputed the charges in respect of the rates. They advised that under Ntambanana they were paying approximately R5 000,00 per month and are now expected to pay R33 000,00 per month. They undertook to raise the matter with the valuations department as it might be related to the manner in which the usage has been depicted on the valuation roll.

Update: December 2018

There is no further progress as the valuation department is currently considering their submission.

8. CALANDRA TRADING 592 CC

This debt is in respect of rates and services for a property in Alton. The matter was handed over to Council's attorneys for collection.

Update: December 2018

The legal process is ongoing.

9. KING CETSWHAYO DISTRICT MUNICIPALITY (KCDM)

The account relates to a dispute lodged by KCDM regarding the drought water tariff being charged.

Update: December 2018

The matter is ongoing.

Government Debt

Government Departments - Summary of ALL Debt									
Government Department	0-30 Days	31-60 Days	61-90 Days	91 - 120 Days	121 - 150 Days	151 -180 Days	181 Days-1 Year	Over 1 Year	Total
National	3 127 140	3 993	21 918	1 757 698	5 846	9 982	64 667	1 940 661	6 931 906
Provincial	5 484 070	265 875	498 184	3 849 226	175 068	152 434	855 502	4 336 122	15 616 480
Totals	8 611 210	269 868	520 102	5 606 924	180 914	162 416	920 169	6 276 783	22 548 386
National Departments	0-30 Days	31-60 Days	61-90 Days	91 - 120 Days	121 - 150 Days	151 -180 Days	181 Days-1 Year	Over 1 Year	Total
Public Works	3 127 111	3 993	21 918	797 230	5 846	5 396	26 809	1 487 913	5 476 218
Rural Development & land Re	28			960 468		4 586	37 858	452 748	1 455 688
Totals	3 127 140	3 993	21 918	1 757 698	5 846	9 982	64 667	1 940 661	6 931 906
Provincial Departments	0-30 Days	31-60 Days	61-90 Days	91 - 120 Days	121 - 150 Days	151 -180 Days	181 Days-1 Year	Over 1 Year	Total
Public Works	82 652	36 370	87 328	2 705 887	40 579	35 515	214 968	2 100 081	5 303 380
Education	1 301 567	32 896	393 161	850 036	38 810	100 131	-25 033	846 757	3 538 325
Human Settlement	68 141	25 132	7 325	203 618	6 244	6 701	110 142	883 759	1 311 062
Department of Transport	52 951	130 947					-		183 897
Department of Health	3 866 923	40 531	10 370	89 673	89 435	10 087	555 425	505 525	5 167 968
COGTA	-								-
Department of Social Welfare	108 441						-		108 441
Department of Agriculture	3 395			11			-		3 407
SANRAL	-		-	-			-	-	-

Comments regarding Government Debts

The high level meetings were held in Durban between all the relevant government departments and uMhlathuze Municipality Officials. The relevant government departments are very eager to resolve all the arrear accounts and progress has been made to resolve some of the problematic accounts. Government officials advised that they currently have budget constraints and cannot pay until the new budget is approved.

Update December 2018

The process is ongoing.

WRITING OFF OF INDIGENT DEBTS

Background: Indigent Management Policy

The Indigent Policy is now a separate Policy (**DMS 1158109**). Previously, provision was made for the Indigent in the Credit Control and Debt Collection Policy. Customers can apply at any of the offices of Council's Finance Department. Officials from the Finance Department, Customer Relations Section will assist with the completion of the document where necessary.

The application must be supported by the following:

- Copy of Municipal account
- Copy of ID
- Confirmation of Pension status – if applicable
- Copy of Proof of Income
- Affidavit in support of any matter above where needed
- Copy of Death Certificate, if owner is deceased
- Letter of Authority for Beneficiary appointed to deal with estate

Council's Indigent Management Policy (**DMS 1158109**) provides as follows in clause 10:

10.4 Arrears of indigent household

Directly after the registration of the household qualifying as indigent, the debt collection actions to recover the total outstanding amount will be suspended.

If the indigent customer is unable to pay the required amounts in respect of tampering and/or services consumed illegally, a minimum period of 1 year without electricity will apply for each transgression.

This total outstanding to Council in respect of the indigent household's municipal account will then immediately be written off for successful applicants and reported on to Council on a quarterly basis.

The total debt of **R1 372 786,74** in respect of Indigent households were written off during the last quarter as detailed below:

Account no.	Name of Debtor	Amount	Account no.	Name of Debtor	Amount
116982	K&S MOOPEN	14 417.64	215528	ESTATE LATE MD MNYANDU	802.69
127744	ESTATE LATE CHILI KC&CJM	22 952.70	215581	ESTATE LATE ST MAHLANGU	1 604.21
130994	R&H NAIDOO	14 757.23	215648	ESTATE LATE MANQELE DK	14 508.21
135015	V&R ARUMUGAM	1 384.64	215775	Ms E Komo	9 849.83
189701	ESTATE LATE MSOMI ME	5 426.72	215856	MR MA MKHWANAZI	13 368.51
189853	MR SJ MNYANDU	1 251.12	216747	MR ME KHUMALO	523.09
190111	ESTATE LATE SHANDU GT	864.74	216994	Ms NA MASANGO	2 402.80
190217	Mrs NC XABA	6 557.92	217268	MR J NYAWO	1 972.76
190249	Mrs BG HLONGWANE	10 891.53	217331	Miss ZP GUMEDE	12 667.28
190538	ESTATE LATE DLAMINI H	14 919.78	218504	LATE ESTATE MCUNU M	8 575.54

Account no.	Name of Debtor	Amount	Account no.	Name of Debtor	Amount
190721	MR B BUTHELEZI	7 119.19	219032	MR ESTATE LATE MANGAZI BT	1 870.08
190792	ESTATE LATE NXUMALO MW	13 290.53	219402	Ms SA GUMEDE	1 938.66
191267	MR T NTOMBELA	1 685.39	220302	MR Z CHILI	21 833.49
191299	MN&SM MSIBI	15 270.47	221602	MR BP ZULU	10 308.46
191355	MR MM NYAWO	13 522.11	221987	MR T MANQELE	13 732.17
192736	Mrs NB ZULU	6 805.64	223166	Ms ESTATE LATE NTULI XE	2 055.06
192817	ESTATE LATE SHOZI S	6 758.18	223663	MR JEM MSOMI	21 820.89
192824	Mrs A BIYELA	632.74	223688	Ms HN DUBE	2 554.03
193465	ESTATE LATE MDABE N	10 170.92	223938	Mrs BB LUTHULI	1 726.84
193578	MR MP NKWANYANA	2 089.78	225325	ESTATE LATE THUNGO ME	2 596.23
195470	ESTATE LATE NHIENYAMA M	846.77	225815	ESTATE LATE NKOSI SP	18 194.08
197332	ESTATE LATE MDUNGE MN	941.23	228781	ESTATE LATE MDLETSHE FF	18 882.01
198953	J NGUBANE	466.97	232347	ESTATE LATE KHULU L	2 048.56
199121	B SIKHAKHANE	976.55	232509	MR H MUZI	64 685.21
199562	Mrs SE DLANGAMANDLA	473.47	234658	MR BW DLAMINI	19 548.55
199570	ESTATE LATE MTHEHWA VA	270.8	234739	MR PT CINDI	28 669.03
200056	MR TT SIMELANE	1 180.72	238878	ESTATE LATE NDLOVU TC	17 610.52
201324	MR MP MATHABA	8 211.83	244871	MR NSM LUTHULI	894.22
201966	MR M GCABASHE	895.73	247463	MR MP NKOSI	11 270.32
202529	ESTATE LATE KHUMALO M	840.27	247985	Mr/s VA&NG NGEMA	15 920.80
204212	ESTATE LATE MBA THA M	226.41	248097	ESTATE LATE BIYELA GM	1 728.11
204318	Mrs SM GUMEDE	10 295.53	248107	Mrs HM NZIMANDE	11 411.10
204572	MR G BUTHELEZI	1 057.85	250064	MR PT KHUMALO	9 743.48
204653	ESTATE LATE MDLULI WS	7 929.52	250339	GS NGCOBO	5 205.08
204861	BJ&FP SIBIYA	8 621.34	251798	MR MC GCWENSA	6 771.73
209838	MJ NXUMALO	12 755.46	252086	ESTATE LATE CELE GM	1 325.75
210174	MR AL MABASO	14 806.32	252505	Ms F NGUBANE	13 203.35
210181	ESTATE LATE TSHEZI TE	12 187.08	252512	MR JE SIBIYA	11 066.84
210223	J&NS LANGA	15 125.13	254439	ESTATE LATE MHLANZI S	10 194.24
211570	MR ESTATE LATE NDLAMLENZE J	2 457.05	257550	MR NKM NDLOVANA	2 128.45
211636	Ms JH MABASO	1 890.70	258271	MR ESTATE LATE NZUZA HN	19 796.04
211675	Mr/s A&E BUTHELEZI	815.75	258465	ESTATE LATE NDLOVU NE	2 083.09
211724	MR TJ NGUBANE	2 122.93	259116	Mrs BH HADEBE	15 115.29
212527	ESTATE LATE MNYANDU GH	13 294.63	259613	ESTATE LATE DLADLA ME	16 379.83
212848	Mrs SB SIBIYA	14 711.52	259902	ESTATE LATE ZULU NG	4 175.81
213070	Mrs GD KUNENE	11 263.87	260129	ESTATE LATE MPANZA TM	1 553.68
213471	ESTATE LATE NGUBANE GR	1 566.95	260231	MR SG ZULU	2 305.11
213841	MR Z PHIRI (DBS)	1 030.12	261147	MR NVZ DLAMINI	1 847.28
214203	MR BR MKHWANAZI	1 405.33	261884	Mr/s CZ&VICALANE	2 033.96
215172	Mr/s TJ&GM ZULU	1 577.29	274989	MR J SITHOLE	46 516.35
267220	Mrs TA GISHI	1 517.07	275118	MR MA DLAMINI	11 397.98
267950	MR MJ NDLOVU	1 508.56	275132	ESTATE LATE BUTHELEZI VB	15 635.65
268512	S&NC NTOMBELA	2 775.15	275164	MR SL ZULU	44 119.55

Account no.	Name of Debtor	Amount	Account no.	Name of Debtor	Amount
269763	MR F GWALA	18 490.30	275407	ESTATE LATE MKIZE Z	13 118.44
270600	MR JM MBOKAZI	945.5	279553	ESTATE LATE NTONGANA MT	20 593.15
271554	ESTATE LATE MATABA JM	1 572.63	279786	Miss HC SIKHAKHANE	11 676.56
271811	MCS FLARRE	1 997.78	282436	ESTATE LATE VILAKAZI M	2 078.17
273093	MR ES ZULU	13 456.95	284063	MR DS&SC BIYELA	2 499.13
274146	Mrs M ZUALO	11 125.44	284970	Ms DR NTULI	1 712.98
274347	MR MG MAHLOBO	917.51	285081	Mrs EP MTHEMBU	1 760.29
274509	MD SIKHAKHANE	26 940.60	285229	Mrs L CHONCO	15 367.16
274594	ESTATE LATE MGENCE SM	1 475.33	285268	ESTATE LATE MHLONGO BW&N	1 694.25
285684	MR S NTULI	10 500.76	990598	ESTATE LATE GUMBI DJ	920.63
286014	ESTATE LATE MTHEMBU TZ	17 597.76	990735	Mrs N ZWANE	8 234.66
286293	MR SM ZULU	10 060.14	991217	ESTATE LATE KHUMALO S	1 709.95
314208	ESTATE LATE ZULU SS	19 793.05	991383	ESTATE LATE MHLONGO L	8 101.77
316847	MR ZS SHOZI	20 890.78	991577	MG MKWANAZI	24 830.85
320699	MR LB BIYELA	19 025.37	991834	ESTATE LATE BP NDULI	10 717.13
323298	Mrs KT ZULU	9 516.70	993285	ESTATE LATE GEZA DV	18 078.12
323925	M MTHETHWA	60 295.26	994793	ESTATE LATE NDLOVU GJ	176.32
350608	ESTATE LATE XABA NT	6 936.84	995042	TM NGOBESE	520.63
357378	MR SS MDLETSHI	1 636.74	995324	ESTATE LATE MASHIANE CT	15 348.73
373852	MM&NN NTULI	4 205.66	997385	D MOSEU M&D & MCHUNU NFM	414.07
388217	Mrs BM MGABHI	889.97	997508	A MINGOMEZULU	32 852.74
388457	ESTATE LATE GUMEDE T	15 098.47	998452	ESTATE LATE MTSHALI BF	12 707.23
389098	SN BIYELA	12 697.33	999833	SD BHUTHELEZI	4 059.42
389115	MR PM GUMEDE	16 607.28	1000444	ESTATE LATE NDLOVU L	3 776.86
402951	Mr/s T&N MPUNGOSE	451.38	1000902	NF HLONGWA	1 108.57
410335	Mrs IZ JOBE	1 353.71	1002071	MK ZULU	1 328.56
411586	Mrs GJ LANGA	960.11	1002191	MR SS&NT ZIBANI	6 453.92
417997	ESTATE LATE MZOLO MJ	874.3	1002265	ESTATE LATE TB GUMEDE	751.96
424419	Mr/s NL&BR HLATSHWAYO	2 539.72	1002755	MR AR MTHEMBU	9 719.07
427554	Mrs SM MINGOMEZULU	6 644.09	1002949	VB ZWANE	9 840.02
435442	AB MICHAELS	1 515.39	1006333	NA NYASULA	9 454.22
439038	MJ&GN MDLALOSE	12 205.89	1007841	ESTATE LATE NGCAKU VB	141 958.36
441171	Ms T MBUYAZI	12 778.37	1008884	MR JM MCHUNU	3 477.73
444849	Ms BV MTSHALI	1 256.41	1009052	SC SIKHAKHANE	1 640.92
446388	Mr/s MS&CP MDLETSHI	5 232.31	1009327	ESTATE LATE MKIZE GN	1 351.75
473134	MR MS MATHONSI	19 224.39	1009398	MR PG MCHUNU	2 285.66
492546	ESTATE LATE MDLULI TP	56 715.02	1009687	B GUMEDE	2 230.88
500469	Mr/s CS&AN ZULU	2 531.11	1012055	MB MLONDO	4 789.01
500959	ESTATE LATE MATHENUWA BD	11 059.93	1012601	ESTATE LATE MKIZE RT	28 487.66
511559	Ms LJ DLAMINI	37 376.57	1014574	V ESTATE LATE KHUMALO V	464.82
514616	ESTATE LATE ZUMA PM	3 858.80	1015232	ESTATE LATE MANZINI A	15 385.57
520666	MR M MKHWANAZI	10 224.61	1016821	VT NGOBESE	9 147.73
525865	MR D BIYELA	34 120.99	1018071	MR ML KHUMALO	16 689.33
525921	Ms HT MTHETHWA	2 126.36	1018378	Mrs FD MLONDO	11 398.60
526019	LM MBUYISA	15 480.04	1043617	ESTATE LATE DLUDLA S	289.7

Account no.	Name of Debtor	Amount	Account no.	Name of Debtor	Amount
526178	VN NYAWUZA	8 497.98	1076683	Mr/s CZ&NG MSEZANE	16 703.18
526435	MR M ZIKHALI (DBS)	36 522.55	1080312	VV&TF HLATSHWAYO	1 051.88
534309	MR M MANQELE	9 221.97	1082278	LB MTSHALI	25 533.58
560563	ESTATE LATE MTHEMBU BJ	42 175.71	1096785	MR ZE MNGOMA	1 502.61
560926	MR MG ZIQUBU	1 551.33	1107910	MR EP GUMEDE	11 881.04
588664	Miss TN LEMBETHE	5 117.55	1126341	TM SHANGE	19 844.91
608712	AB&RT MTHEMBU	3 983.06	1137030	SC SIMELANE	1 258.35
612109	Mrs B NGOBESE	17 274.99	1156427	M&JN GOVENDER	3 091.00
887304	ESTATE LATE ZITHA NJ	11 039.09	1158826	MR BT HLONGWANE	1 829.38
887978	NC MNGUNI	12 643.69	1166016	MR AA MAGUBANE	1 397.14
888442	TD JIYANE	2 627.56	1167517	MR BJ MKHIZE	33 840.72
888562	GT NXUMALO	13 206.99	1179382	ESTATE LATE BUTHELEZI PM	23 028.28
889164	SM MAFAMBANA	988.34	1219846	ZL MNGADI	1 637.20
889485	GW NCUBE	93.82	1220295	ESTATE LATE MTETWA MV	22 518.14
889848	NH MPANZA	17 817.89	1222535	SR SIKHAKHANE	2 334.87
983054	ESTATE LATE NDLOVU NM	4 996.76	1227893	Ms F LINDA	208.59
985414	ESTATE LATE MTHETHWA ND	21 058.18	1234185	VS MSWELI	1 773.82
985492	DM MLITHWA	2 572.56	1263789	Ms AN GUMEDE	30 685.07
985929	K THWALA	287.07	1265747	MR JL MUTHWA	23 343.44
987002	EB NYAWO	44 128.93	1325058	MR JN GUMEDE	5 656.52
987651	Mr/s BR&NE ZUNGU	25 152.86	1424115	KM GOVENDER	26 110.67
987884	ESTATE LATE SIBIYA BT	1 171.99	1438943	Miss NA ZONDI	1 071.83
989225	ESTATE LATE BIYELA GO	993.61	1448148	ESTATE LATE MASINGA DC	14 400.10
989881	SA MAVIMBELA	3 351.30	1454663	SIBIYA PB & NXUMALO GB	1 001.44
989987	MA BLOSE	770.56	1478142	Mr/s LW&FF MTHIYANE	838.86
990446	ESTATE LATE MKHWANAZI M	1 329.49	1557429	Ms N MHLONGO	550.65
990534	ESTATE LATE BENGU MM	2 777.39	1562130	Ms A NKWANYANA	72 639.22
990541	ESTATE LATE NTULI AC	11 001.99	1592712	SA BIYELA	6 293.18
1607359	AN MCHUNU	256.19	1890349	Miss N MDLULI	65 087.18
1607824	NI MBUTHU	1 701.97	1890613	Mrs KS MAKHOBHA	1 224.18
1607937	TC MANANDI	11 041.39	1907546	ESTATE LATE MSHENGU DP	344.06
1609081	TM MBATHA	14 873.42	1936988	Ms TG MBATHA	15 470.46
1609099	C MHLONGO	19 053.64	1937967	Ms O MORELA	494.01
1610577	C&J GOVENDER	1 548.36	1940832	EZ MFEKA	1 349.07
1621755	SM MYENI	341.25	1942847	LS NGIDI	448.96
1670640	CN NYAWO	464.48	1950189	S MPYAKHE	1 146.83
1769575	NM MORENGWA	20 745.46	1996842	S SIKHOSANA	6 434.52
1776903	RG ZUNGU	18 378.99	2063895	MR AM KUBHERA	17 727.40
1777022	GM MNCUBE	2 091.63	2066416	MR MM SHANDU	3 272.05
1781773	TP&GR DHLAMINI	19 389.96	2081238	MR B MGWABA	9 553.26
1794229	DM DLAMINI	69.99	2081301	MR PB SHANDU	1 319.00
1810713	AM SITHOLE	29 308.39	2081365	Miss TS MKHWANAZI	9 673.62
2081453	Ms ZP MTHETHWA	13 306.39	2408571	MR PJ MLAMBO	1,489.41
2119153	MR GW MTHETHWA	1 388.18	2412850	MR TI MDLETSHI	6,609.96
2225306	NGWANE NQ,SN & SC	1 122.82	2413878	CB DLUDLA	2,516.72
2260117	MR MD NTSHANGASE	5 191.22	2418259	TZ BIYELA	522.42
2326872	Ms KH GUMEDE	4 952.06	2426595	LV MTHETHWA	6,510.81
2343451	MP MNGUNI	16 457.38	2430489	Mrs S MLONDO	316.57
2382588	Miss NL SHANGE	2 763.95	TOTAL		1,372,786.74

3.9 Employee Debt / Councillor Debt

At a previous Financial Services Portfolio Committee meeting, Councillors requested that Official's and Councillor's debt be submitted to Council.

Employee debt amounts to R371 175,24 as per **Annexure AL - DMS 1308528**.

Councillor's debt amounts to R886,50 as per **Annexure AM - DMS 1308528**.

3.10 Outstanding Creditors

At a previous Financial Services Portfolio Committee meeting, Councillors requested that creditors greater than R100 000 outstanding for 90 days and longer are submitted to Council:

None

4. EXCEPTION REPORTING ON OPERATING EXPENSES – FOR ENTIRE MUNICIPALITY

The Chief Financial Officer will highlight the important observations on the operating expenditure in this Section, whereafter Departments will provide specific comment on their own Sections.

It is very important for Council and the Administration to understand that although the liquidity situation is improving and there is a surplus on the current figures, expenditure has to take place in accordance with the approved budget. **If not, the objective of attempting to create internal reserves for future Capital Expenditure from accumulated cash reserves is not going to materialise.**

4.1 Employee related costs

The total employee related expenditure including overtime is within budgetary limits. A concerted effort has been made by the Municipal Manager and the Deputy Municipal Managers to reduce overtime expenditure.

4.1.1 Employee Related Costs – Overtime

Below is a table indicating overtime expenditure at the request of Council, which allows this expenditure to be monitored and managed on a monthly basis:

EXPENDITURE PER CATEGORY	ADOPTED BUDGET 2018/2019	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2018 (YTD)	(OVER)/ UNDER EXPENDITURE	% OF PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	R	%
Overtime - Non-structured	31,516,500	15,758,250	13,025,694	2,732,556	83%
Overtime - Structured	22,729,300	11,364,650	6,956,294	4,408,356	61%
Shift Additional Remuneration	585,800	292,900	1,463,549	(1,170,649)	500%
TOTAL	54,831,600	27,415,800	21,445,538	5,970,262	78%

The overtime as per the table above has not exceeded 10% and no further comments are required.

In terms of the New Divisional Conditions of Services that are applicable to all municipalities in KZN with effect from 1 November 2018.

This agreement will result in higher payments in respect to the following allowances:

- Standby allowances;
- Night allowances;
- Acting allowances; and
- Shift Allowance.

As a result of the amendments to the calculations of the Shift allowance, the expenditure incurred exceeds the adopted budget figure. Additional funding will be provided for on the 2018/19 Adjusted Budget that will be approved by Council in February 2019.

The Department: Corporate Services – Human Resources is in the process of preparing a report to Council that will outline the amendments to the conditions of service and the financial impact of these amendments to Council.

In terms of Council Resolution 10542 dated 1 December 2015, Council resolved that:

“2. *the overtime paid as compensation for officials that were required to perform overtime work be condoned by Council.*”

During the period December 2018, employees in the following functions worked overtime of more than 10 hours per week which is the maximum that November be allowed in terms of Council’s revised overtime policy (**DMS 854249**).

The following tables sets out the applicable information:

EMP NO	FUNCTION	FUNCTION DESCRIPTION	SALARY SCALE	OCCUPATION	BASIC	HOURLY RATE	OVERTIME AMOUNT	1.5 OVERTIME - ACTUAL HOURS WORKED - NON-STRUCTURED	2 OVERTIME - ACTUAL HOURS WORKED - NON-STRUCTURED	TOTAL HRS - NON-STRUCTURED	MAXIMUM HRS ALLOWED PER MONTH	DIFFERENCE	NOTES
2012120	FX015001002003	Sewerage - Sewerage Network	5	ARTISAN ASSISTANT GR I	14 227.88	85.71	11 806.81	19.50	22.00	41.50	40.00	1.50	a
2007105	FX015001002003	Sewerage - Sewerage Network	6	OPERATOR GR I	17 335.27	104.43	8 511.21	33.00	8.00	41.00	40.00	1.00	b
2017040	FX002001001004	Electricity: Distribution	2	GENERAL WORKER GR II	8 944.46	53.88	3 731.19	35.50	8.00	43.50	40.00	3.50	c
47001	FX015001002003	Sewerage - Sewerage Network	4	HANDYMAN	12 268.64	73.91	5 063.01	35.00	8.00	43.00	40.00	3.00	d
2005062	FX015001002003	Sewerage - Sewerage Network	3	GENERAL WORKER GR I	9 823.86	59.18	4 053.83	35.00	8.00	43.00	40.00	3.00	e
2006031	FX015001002003	Sewerage - Sewerage Network	9	PLUMBER/SENIOR	24 494.30	147.56	10 107.86	35.00	8.00	43.00	40.00	3.00	f
2008010	FX015001002003	Sewerage - Sewerage Network	3	GENERAL WORKER GR I	9 823.86	59.18	4 053.83	35.00	8.00	43.00	40.00	3.00	g
2016067	FX015001002003	Sewerage - Sewerage Network	3	GENERAL WORKER GR I	9 122.41	54.95	3 764.25	35.00	8.00	43.00	40.00	3.00	h
NOTES:													
a	Employee 2012120 worked 6 hrs x 1 Sunday + 14 hrs x 1 Sunday = 20 hours but Sunday time is rounded up to 8 hrs therefore 2 hrs x 1 Sunday = 22 hours plus 19.5 hours at 1.5 = 41.5 hours paid BUT only 39.5												
b	Employee 2007105 worked 7 hrs x 1 Sunday = 7 hours but Sunday time is rounded up to 8 hrs therefore 1 hrs x 1 Sunday = 8 hours plus 33 hours at 1.5 = 41 hours paid BUT only 40 hours worked												
c	Employee 2017040 worked 2 hrs x 1 Sunday + 2 hrs x 1 Sunday = 4 hours but Sunday time is rounded up to 8 hrs therefore 2 hrs x 2 Sunday = 8 hours plus 35.5 hours at 1.5 = 43.5 hours paid BUT only 39.5 hours												
d	Employee 47001 worked 5 hrs x 1 Sunday = 5 hours but Sunday time is rounded up to 8 hrs therefore 3 hrs x 1 Sunday = 8 hours plus 35 hours at 1.5 = 43 hours paid BUT only 40 hours worked												
e	Employee 2005062 worked 5 hrs x 1 Sunday = 5 hours but Sunday time is rounded up to 8 hrs therefore 3 hrs x 1 Sunday = 8 hours plus 35 hours at 1.5 = 43 hours paid BUT only 40 hours worked												
f	Employee 2006031 worked 5 hrs x 1 Sunday = 5 hours but Sunday time is rounded up to 8 hrs therefore 3 hrs x 1 Sunday = 8 hours plus 35 hours at 1.5 = 43 hours paid BUT only 40 hours worked												
g	Employee 2008010 worked 5 hrs x 1 Sunday = 5 hours but Sunday time is rounded up to 8 hrs therefore 3 hrs x 1 Sunday = 8 hours plus 35 hours at 1.5 = 43 hours paid BUT only 40 hours worked												
h	Employee 2016067 worked 5 hrs x 1 Sunday = 5 hours but Sunday time is rounded up to 8 hrs therefore 3 hrs x 1 Sunday = 8 hours plus 35 hours at 1.5 = 43 hours paid BUT only 40 hours worked												

4.2 Volume of Virements

Department	Dec-18			Total Volume Of Virements	Total Volume Of Virements	Total Value of Virements
	Capital	Operating	Value	Capital	Operating	R
City Development	-	7	272,000	3	29	2,645,900
Community and Social Services	1	5	265,300	13	42	13,444,700
Corporate Services	-	4	17,200	10	46	18,606,600
Financial Services	-	1	3,400	4	13	4,476,700
Electrical and Energy Supply Services	-	3	1,016,000	5	18	7,535,500
Engineering Support Services	-	-	-	-	8	1,239,400
Roads and Stormwater	-	-	-	1	4	4,517,600
Water and Sanitation Services	-	3	765,000	4	20	52,874,400
Office of The Municipal Manager	-	1	45,000	-	12	431,400
Total	1	24	2,383,900	40	192	105,772,200

The table indicated above shows the virements received by Financial Services in November 2018 from the various departments.

4.3 Over-expenditure of line items

In terms of Council Resolution 8260 dated 4 December 2012, Council requested that:

- “4. *a Municipal Manager submits to Council, on a quarterly basis, a comprehensive report on all over expenditure incurred within the organisation.*”

In order to provide financial information to Council, the finance department has prepared a table showing over-expenditure of certain line items. In order to provide relevant information only line items with an over-expenditure of the budget **exceeding 10%** has been shown. Line items for which an annual expense is paid in a lump sum as a once-off payment, for example SALGA annual levies, have also not been included.

The Chief Financial Officer will not comment on the specific reasons for over expenditures as this will be provided by the Departments themselves. However, with regards to line items highlighted in bold the Chief Financial Officer is able to provide comments. Departments will be expected to provide comments relating to other over expenditure line items.

The table below indicates the line items that are overspent:

SHORT CODE	EXPENDITURE TYPE	ADOPTED BUDGET 2018/2019	SYSTEM BUDGET (INCLUDES VIREMENTS)	PRO-RATA SYSTEM BUDGET (YTD)	ACTUAL SPENT DEC (YTD)	% OVER PRO-RATA SYSTEM BUDGET
010_0	Uniform and Protective Clothing	5,468,700	5,972,100	2,986,050	3,431,540	115%
010_1	Corporate Clothing - Frontline Officials	-	185,000	92,500	129,520	140%
028_2	Fleet and Other Credit/Debit Cards	3,809,200	3,809,200	1,904,600	2,662,375	140%
036_0	Cleaning Services	3,316,000	3,316,000	1,658,000	1,832,206	111%
040_14	Qualification Verification	31,800	31,800	15,900	21,848	137%
040_5	Business and Financial Management	175,000	175,000	87,500	174,300	199%
040_8	Human Resources	359,000	1,613,700	806,850	1,096,321	136%
044_21	Internal Auditors	3,652,200	3,652,200	1,826,100	4,553,754	249%
044_32	Recon. Discon. and New Con.: Electricity	223,500	223,500	111,750	209,043	187%

SHORT CODE	EXPENDITURE TYPE	ADOPTED BUDGET 2018/2019	SYSTEM BUDGET (INCLUDES VIREMENTS)	PRO-RATA SYSTEM BUDGET (YTD)	ACTUAL SPENT DEC (YTD)	% OVER PRO-RATA SYSTEM BUDGET
044_4	Burial Services	680,000	680,000	340,000	462,592	136%
044_51	Catering Services	510,900	510,900	255,450	473,216	185%
044_57	Contracted Services - Contractors Event	553,900	429,800	214,900	278,702	130%
044_59	Fire Protection	351,900	351,900	175,950	196,004	111%
044_85	Sports and Recreation	428,100	308,100	154,050	296,759	193%
044_86	Stage and Sound Crew	435,500	372,300	186,150	215,676	116%
044_9	Occupational Health and Safety	541,200	541,200	270,600	324,444	120%
053_0	Audit Cost: External	5,624,600	5,624,600	2,812,300	3,411,719	121%
060_3	Entertainment: Senior Management	105,400	110,400	55,200	96,491	175%
060_5	Entertainment: POB: Speaker	-	23,000	11,500	22,119	192%
074_66	Social Assistance: Grant In Aid	11,067,700	13,713,200	6,856,600	9,303,415	136%
079_2	Communication: SMS Bulk Message Service	1,845,300	1,845,300	922,650	1,247,780	135%
090_4	Licences: Motor Vehicle Licence and Registrations	2,534,900	2,999,900	1,499,950	1,880,641	125%
104_0	Inventory - Water	103,581,500	103,581,500	51,790,750	59,649,293	115%
122_3	Communication: Rent Private Bag and Postal Box	3,700	3,700	1,850	4,425	239%
138_16	Transport Assets	5,075,800	4,987,900	2,493,950	3,535,239	142%
150_3	Safeguard and Security	29,369,200	4,987,900	2,493,950	26,198,118	1050%
153_1	Dumping Fees (District Council)	6,343,100	6,343,100	3,171,550	4,707,506	148%
155_1	Achievements and Awards	242,400	302,400	151,200	192,283	127%
155_2	Service Related Benefits: Long Service Award	156,100	156,100	78,050	149,102	191%
164_1	Accommodation Domestic	1,626,100	2,073,000	1,036,500	1,296,035	125%
164_12	Accommodation International	-	141,200	70,600	108,585	154%
170_0	Telephone	2,037,700	2,142,800	1,071,400	1,461,310	136%
196_B4	Building Equipment Electrical - Unplanned Maintenance - Contracted Services	465,000	465,000	232,500	403,866	174%
196_B2	Building Equipment Electrical - Unplanned Maintenance - Material	535,200	495,200	247,600	296,686	120%
204_A2	Distribution Mains - Planned Maintenance - Material	383,200	383,200	191,600	284,076	148%
204_B2	Distribution Mains - Unplanned Maintenance - Material	71,600	71,600	35,800	61,422	172%
204_B6	Distribution Mains - Unplanned Maintenance - Hire Of Plant And Equipment	47,100	47,100	23,550	35,600	151%
210_A4	Fixed Equipment Buildings - Planned Maintenance - Contracted Services	1,723,300	1,723,300	861,650	1,698,170	197%
210_B2	Fixed Equipment Buildings - Unplanned Maintenance - Material	1,583,100	1,583,100	791,550	1,491,245	188%
260_B2	Fixed Equipment Buildings - Unplanned Maintenance - Contracted Services	740,100	740,100	370,050	531,350	144%
216_A4	Grounds And Fencing - Planned Maintenance - Contracted Services	26,700	26,700	13,350	18,296	137%
224_A2	Meters - Planned Maintenance - Material	3,898,600	3,898,600	1,949,300	2,746,720	141%
224_A4	Meters - Planned Maintenance - Contracted Services	695,700	695,700	347,850	574,476	165%
224_B2	Meters - Unplanned Maintenance - Material	737,300	737,300	368,650	664,608	180%
227_B4	Network Infrastructure - Repairs - Unplanned Maintenance - Contracted Services	3,114,700	3,114,700	1,557,350	2,257,629	145%
234_A4	Railway Sidings - Planned Maintenance - Contracted Services	1,175,400	1,175,400	587,700	751,527	128%
238_15A2	Retic. Maintenance - Planned Maintenance - Material Retic West	1,007,800	1,007,800	503,900	759,646	151%
238_15B2	Retic. Maintenance - Unplanned Maintenance - Material Retic West	1,022,000	1,022,000	511,000	1,665,374	326%
238_15B4	Retic. Maintenance - Unplanned Maintenance - Contracted Services Retic West	1,190,200	1,190,200	595,100	773,072	130%
238_20A2	Retic. Maintenance - Planned Maintenance - Material East	807,400	807,400	403,700	805,763	200%
238_3B2	Retic. Maintenance - Unplanned Maintenance - Material Retic North	1,795,600	1,795,600	897,800	997,607	111%
238_3B4	Retic. Maintenance - Unplanned Maintenance - Contracted Services Retic North	172,400	172,400	86,200	124,640	145%
238_A2	Retic. Maintenance - Planned Maintenance - Material	3,752,200	3,752,200	1,876,100	2,819,572	150%

SHORT CODE	EXPENDITURE TYPE	ADOPTED BUDGET 2018/2019	SYSTEM BUDGET (INCLUDES VIREMENTS)	PRO-RATA SYSTEM BUDGET (YTD)	ACTUAL SPENT DEC (YTD)	% OVER PRO-RATA SYSTEM BUDGET
238_A6	Retic. Maintenance - Planned Maintenance - Hire Of Plant And Equipment	33,800	33,800	16,900	18,600	110%
238_B2	Retic. Maintenance - Unplanned Maintenance - Material	8,247,000	8,247,000	4,123,500	5,063,041	123%
242_A6	S.W.N. (All P/Lines) - Planned Maintenance - Hire Of Plant And Equipment	561,200	561,200	280,600	404,228	144%
244_A2	S.W.N.(Int.D/Ditches) - Planned Maintenance - Material	222,600	222,600	111,300	147,800	133%
244_A4	S.W.N.(Int.D/Ditches) - Planned Maintenance - Contracted Services	3,800,200	3,800,200	1,900,100	2,536,267	133%
244_B4	S.W.N.(Int.D/Ditches) - Unplanned Maintenance - Contracted Services	416,900	416,900	208,450	380,796	183%
246_A4	S.W.N.(Other S/Drain) - Planned Maintenance - Contracted Services	3,800,300	3,800,300	1,900,150	3,572,055	188%
247_A2	Rural Roads - Planned Maintenance - Material	18,419,400	17,419,400	8,709,700	13,655,540	157%
247_B6	Rural Roads - Unplanned Maintenance - Hire Of Plant And Equipment	567,800	567,800	283,900	554,300	195%
254_A2	Streets And Parking - Planned Maintenance - Material	1,800,000	1,800,000	900,000	1,172,505	130%
254_A4	Streets And Parking - Planned Maintenance - Contracted Services	1,285,400	1,285,400	642,700	1,224,745	191%
254_B2	Streets And Parking - Unplanned Maintenance - Material	211,000	211,000	105,500	162,000	154%
254_B6	Streets And Parking - Unplanned Maintenance - Hire Of Plant And Equipment	222,600	222,600	111,300	193,666	174%
257_A4	Telemetry - Planned Maintenance - Contracted Services	9,817,300	8,217,300	4,108,650	5,594,454	136%
257_A9	Telemetry-Planned Maintenance-Contracted Services	3,152,900	3,152,900	1,576,450	2,428,807	154%
258_A4	Traffic Signs And Road Markings - Planned Maintenance - Contracted Services	590,800	590,800	295,400	334,380	113%
260_B2	Vehicles - Unplanned Maintenance - Material	1,602,000	2,102,000	1,051,000	2,241,208	213%
260_B4	Vehicles - Unplanned Maintenance - Contracted Services	302,200	302,200	151,100	255,069	169%

Security - The table below indicates the pro-rata budget and actual expenditure for the line item. It is clearly evident that the expenditure is increasing at an alarming rate over the years:

	2015/2016	2016/2017	2017/2018	2018/2019	
LINE ITEM	YEAR ACTUAL	ACTUAL YTD	INTERIM ACTUAL YTD	PRO-RATA ADOPTED BUDGET	ACTUAL YTD 31/12/2018
	R	R		R	R
SAFEGUARD AND SECURITY	37,924,078	46,469,620	49,720,555	15,443,550	26,634,154

The spending patterns per department are as follows:

DEPARTMENT	ADOPTED BUDGET 2018/2019	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2018 (YTD)	% OF ADOPTED BUDGET OVERSPENT
	R	R	R	R
CITY DEVELOPMENT	1,540,400	770,200	1,244,956	162%
COMMUNITY SERVICES	11,756,500	5,878,250	9,740,816	166%
CORPORATE SERVICES	3,577,600	1,788,800	4,762,636	266%
FINANCIAL SERVICES	2,526,100	1,263,050	1,357,174	107%
ENERGY AND ELECTRICAL SOURCES	5,994,900	2,997,450	2,117,857	71%
INFRASTRUCTURE SERVICES	5,491,600	2,745,800	7,410,715	270%
TOTAL	30,887,100	15,443,550	26,634,154	172%

5. PROPOSED ADJUSTED BUDGET FOR CONSIDERATION IN FEBRUARY 2019

5.1 Proposed Capital Budget

The table below represents Proposed 2018/19 Capital budget:

FUNCTION	ADOPTED BUDGET 2018/2019	DRAFT ADJUSTED BUDGET 2018/2019	INCREASE / (DECREASE)	% INCREASE/ (DECREASE) ON ADOPTED BUDGET
	R	R	R	%
Finance and Administration	102,236,000	122,060,700	19,824,700	19%
Community and Social Services	54,821,300	60,773,500	5,952,200	11%
Energy Sources	85,472,000	96,012,500	10,540,500	12%
Executive and Council	-	388,700	388,700	100%
Environmental Protection	200,000	238,500	38,500	19%
Planning and Development	3,952,500	4,838,000	885,500	22%
Public Safety	559,000	499,000	(60,000)	-11%
Road Transport	133,723,200	142,297,100	8,573,900	6%
Sport and Recreation	25,600,400	27,502,100	1,901,700	7%
Waste Management	1,700,000	3,015,200	1,315,200	77%
Waste Water Management	48,123,200	49,215,200	1,092,000	2%
Water	68,773,200	70,710,000	1,936,800	3%
	525,160,800	577,550,500	52,389,700	10%

The increase in the capital budget from R525,1 million to R577,6 million is the roll-over of 2017/18 capital projects. These are projects that were awarded in the 2017/18 financial year through Supply Chain Management processes but due to various time constraints could not be finalised.

The details of these projects will be included in the 2018/19 Adjusted Budget that will be submitted to Council in February 2019.

The total proposed 2018/19 Adjusted Capital budget funding structure is as follows:

SOURCE OF FUNDING	ADOPTED BUDGET 2018/2019	DRAFT ADJUSTED BUDGET 2018/2019	INCREASE / (DECREASE)	% INCREASE/ (DECREASE) ON ADOPTED BUDGET
	R	R	R	%
Borrowing	310,000,000	310,000,000	-	0%
Capital Replacement Reserve	85,937,000	138,326,700	52,389,700	61%
MIG	99,373,800	99,373,800	-	0%
Government Grants - National	22,000,000	22,000,000	-	0%
Government Grants - Provincial	7,850,000	7,850,000	-	0%
TOTAL	525,160,800	577,550,500	52,389,700	10%

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5.2 Proposed Operating Budget

The Proposed Adjustment Budget 2018/19 Operating Expenditure figures are indicated below:

EXPENDITURE BY TYPE	ADOPTED BUDGET 2018/2019	PROPOSED ADJUSTMENT BUDGET 2018/2019	INCREASE/ (DECREASE)
	R	R	R
Employee related costs	812,123,200	812,047,800	(75,400)
Remuneration of Councillors	31,880,800	31,487,700	(393,100)
Debt Impairment	26,512,500	29,729,500	3,217,000
Depreciation and asset impairment	376,066,000	376,066,000	-
Finance Charges	67,884,000	59,358,500	(8,525,500)
Bulk Purchases - Electricity	897,363,700	871,144,200	(26,219,500)
Bulk Purchases - Water	103,581,500	103,581,500	-
Other Materials	114,232,700	121,228,000	6,995,300
Contracted Services	312,731,000	364,494,700	51,763,700
Transfers and grants	12,533,600	15,179,100	2,645,500
Other Expenditure	261,587,500	258,566,200	(3,021,300)
TOTAL OPERATING EXPENDITURE	3,016,496,500	3,042,883,200	26,386,700

Below are explanations for major increase/ decreases in expenditure:

- ❖ Included in employee related costs which has **decreased** by **R75 400** as a result of various funded vacant posts that will only be filled in the later part of the financial year.
- ❖ A New Divisional Conditions of Services was concluded in October 2018. This agreement is applicable to all municipalities in KZN with effect from 1 November 2018.

This agreement will result in higher payments in respect to the following allowances:

- Standby allowances;
- Night allowances;
- Acting allowances; and
- Shift Allowance.

As a result of the amendments to the calculations of the Standby allowance, night allowance and shift allowance, the following additional budget allocations were provided:

- Standby allowances – **increase of R6,2 million;**
- Night allowances – **increase of R1,1 million; and**
- Shift Allowance – **increase of R1,8 million.**

- ❖ Remuneration of Councillors has **decreased** by **R393 100**. Council approved the upper limits of salaries, allowances and benefits on a Grade 5 Municipality as determined by the Minister for Cooperative Governance and Traditional Affairs in terms of Government Notice 1426 (Government Gazette Number 42134 dated 21 December 2018) be made payable to Councillors of the uMhlathuze Municipality with effect from 1 July 2018.
- ❖ Provision for Bulk Electricity Purchases has **decreased** by **R26 million**. This is as a result of the reduction in electricity revenue from Richards Bay Alloy.
- ❖ Contracted, consultancy and Professional fees **increased** as follows:
 - Contracted Services – Security = **R23 million**;
 - Consultants and Professional Services – Human Resources = **R1,2 million (for Mentors for Infrastructure Skills Grant Graduates)**;
 - Consultants and Professional Services – Project Management = **R11 million (for ERP Project managers)**;
 - Consultants and Professional Services – Internal Audit = **R 6,2 million (for ERP Internal Audit due diligence)**;
 - Consultants and Professional Services – Connections/Dis-connections = **R5 million**;
 - Insurance Premiums = **R2,1 million**; and
 - Vehicle Tracking = **R1,6 million**.

The Proposed Adjustment Budget 2018/2019 Operating Revenue figures are indicated below:

REVENUE BY SOURCE	ADOPTED BUDGET 2018/2019	PROPOSED ADJUSTMENT BUDGET	INCREASE/(DE CREASE)
	R	R	R
Rates	474,453,400	495,732,400	21,279,000
Service Charges – Electricity revenue	1,579,530,100	1,443,738,600	(135,791,500)
Service Charges – Water revenue	337,842,300	366,611,700	28,769,400
Service Charges – Refuse revenue	80,371,500	84,371,500	4,000,000
Service Charges – Sanitation revenue	99,625,200	123,455,200	23,830,000
Rental of facilities and equipment	8,448,800	8,598,600	149,800
Interest earned – external investments	55,000,000	55,000,000	-
Interest earned – outstanding debtors	3,397,900	85,700	(3,312,200)
Fines	4,087,300	7,698,200	3,610,900
Licences and permits	3,807,500	3,307,500	(500,000)
Agency services	7,796,500	5,796,500	(2,000,000)
Operating Grants and Subsidies	356,638,300	357,693,300	1,055,000
Capital Grants and Subsidies	129,223,800	129,223,800	-
Gains on Disposal of PPE	-	759,300	759,300
Other Revenue	43,874,700	40,290,400	(3,584,300)
TOTAL REVENUE	3,184,097,300	3,122,362,700	(61,734,600)
Less: Capital Revenue			
Capital Grants and Subsidies	(129,223,800)	(129,223,800)	-
Gains on Disposal of PPE	-	(759,300)	(759,300)
TOTAL OPERATING REVENUE	3,054,873,500	2,992,379,600	(62,493,900)

Below are explanations for major increase/ decreases in revenue:

- ❖ Property Rates is expected to **increase** by **R21 million** from the Adopted MTREF for 2018/19 due to various Supplementary Valuations received.
- ❖ Revenue from sale of electricity is expected to **decrease** by **R136 million** from the Adopted 2018/19 to the Proposed Adjustment Budget 2018/19. Richards Bay Alloys have stopped production due to various operational issues that they have not discussed with Administration. A subsequent decrease in Electricity Purchases has also been included under 5.2 – Expenditure above.
- ❖ Service Charges Refuse removal revenue is expected to **increase** by **R4 million**.
- ❖ Service Charges Water and Service Charges Sanitation is expected to **increase** by **R29 million and R24 million respectively**.

- ❖ Revenue from fines is expected to **increase** by **R3,6 million**.

A summary of the above proposed adjustment operating budget is as follows:

DESCRIPTION	ADOPTED BUDGET 2018/2019	PROPOSED ADJUSTMENT BUDGET 2018/2019	INCREASE/(DE CREASE)
	R	R	R
Revenue (excluding capital grants)	3,054,873,500	2,992,379,600	(62,493,900)
Expenditure	3,016,496,500	3,042,883,200	26,386,700
Surplus/(Deficit)	38,377,000	(50,503,600)	(88,880,600)

The table below depicts further decreases and increases in revenue and expenditure:

Increases/Decreases In Revenue and Expenditure		
	Revenue	Expenditure
	R	R
Adopted 2018/2019 Budget (Excluding Capital Grants)	3,054,873,500	3,016,496,500
Property Rates	21,279,000	
Sale of Electricity	(135,791,500)	
Sale of Water	28,769,400	
Sanitation Fees	23,830,000	
Refuse Removal Fees	4,000,000	
Transfers Recognised - Operational	1,055,000	
Fines	3,610,900	
Other Net Effect of Increases and (Decreases) In Revenue	(9,246,700)	
Employee Related Costs		(75,400)
Remuneration of Councillors		(393,100)
Bulk Purchases - Electricity		(26,219,500)
Grants In Aid		2,645,500
Finance Charges		(8,525,500)
Debt Impairment		3,217,000
Consultants and Professional Services: Legal Cost		538,500
Contracted Services - Security		22,924,400
Consultants and Professional Services: Business and Advisory - Human Resources		1,257,700
Consultants and Professional Services: Business and Advisory - Project Management		10,883,100
Contracted Services - Internal Auditors		6,177,900
Communication: SMS Bulk Message Service		1,000,000
Insurance Premiums		2,066,500
Vehicle Tracking		1,600,000
Municipal Services		2,252,000
Uniforms		428,400
Other Net Effect of Increases and (Decreases)		6,609,200
Proposed Draft 2018/2019 Adjustment Budget	2,992,379,600	3,042,883,200

6. IN-YEAR BUDGET STATEMENT TABLES

The following monthly budget statement tables (**DMS 1320329**) respectively have been prepared in accordance with the Municipal Budgeting and Reporting Regulations:

TABLE NUMBER	DESCRIPTION	ANNEX
Table C1	Monthly Budget Statement Summary	A
Table C2	Monthly Budget Financial Performance (Standard Classification)	B
Table C2C	Monthly Budget Financial Performance (Detail) (Standard Classification)	C
Table C3	Monthly Budget Financial Performance (Revenue and Expenditure by Municipal Vote)	D
Table C3C	Monthly Budget Financial Performance (Detail) (Revenue and Expenditure by Municipal Vote)	E
Table C4	Monthly Budget Financial Performance (Revenue by source and Expenditure by Item)	F
Table C5	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	G
Table C5C	Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding	H
Table C6	Monthly Budgeted Financial Position	I
Table C7	Monthly Budgeted Cash Flows	J
Table SC1	Material variance explanations	K
Table SC2	Monthly Performance indicators	L
Table SC3	Aged Debtors	M
Table SC4	Aged Creditors	N
Table SC5	Investment Portfolio	O
Table SC6	Transfers and grant receipts	P
Table SC7(1)	Transfers and grant expenditure	Q
Table SC7(2)	Expenditure Against Approved Rollovers	R
Table SC8	Councillor and Staff Benefits	S
Table SC9	Monthly actuals and revised targets for cash receipts (cash flow)	T
Table SC12	Monthly capital expenditure trend	U
Table SC13a	Monthly capital expenditure on new assets by asset class	V
Table SC13b	Monthly capital expenditure on the renewal of existing assets by asset class	W
Table SC13c	Monthly repairs and maintenance expenditure by asset class	X
Table SC13d	Monthly depreciation by asset class	Y

PART 2 - SUPPORTING DOCUMENTATION

7. DEBTORS ANALYSIS

Refer to supporting table SC3 - Aged Debtors (**Annexure M**) for the month ended 31 December 2018.

8. CREDITORS ANALYSIS

Refer to supporting table SC4 - Aged Creditors (**Annexure N**) for the month ended 31 December 2018.

9. INVESTMENT PORTFOLIO ANALYSIS

Refer to supporting table SC5 - Investment portfolio (**Annexure O**) for the month ended 31 December 2018.

10. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Refer to supporting table SC6 - Transfers and grant receipts (**Annexure P**) and supporting table SC7 - transfers and grant expenditure (**Annexure Q**) for the month ended 31 December 2018.

11. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R**) for the month ended 31 December 2018.

12. MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP COMPONENT 5 SUMMARISED)

The first quarter progress on the quarterly projections of Service Delivery Targets and performance indicators is indicated on **Annexures AK**.

Although the detailed Component 5 **is attached as Annexure AK**, the tables below depict a summary of the most applicable components thereof.

NB: (Please note when looking at the detailed version of Component 5 **attached as Annexure AK** each vote is illustrated in number order on the extreme left, vote detail of which is illustrated over 3 pages).

DEPARTMENT	ADOPTED BUDGET 2018/2019	2017/18 ROLL OVERS	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2018	PERCENTAGE SPENT OF ADOPTED BUDGET (SYSTEM)
DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT	20,679,500	7,257,800	6,878,200	34,815,500	10,484,829	30%
CITY DEVELOPMENT	20,679,500	7,257,800	6,878,200	34,815,500	10,484,829	30%
DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES	31,931,000	6,292,300	-	38,223,300	7,949,969	21%
COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	8,682,000	1,368,500	-	10,050,500	1,679,418	17%
COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	22,934,000	4,582,600	(196,000)	27,320,600	5,889,174	22%
COMMUNITY SERVICES - PROTECTION SERVICES	315,000	341,200	196,000	852,200	381,377	45%
DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES	27,725,000	4,755,800	(700,000)	31,780,800	4,142,191	13%
CORPORATE SERVICES - ADMINISTRATION	15,167,000	2,725,200	(669,900)	17,222,300	3,431,249	20%
CORPORATE SERVICES - ICT	12,428,000	2,030,600	-	14,458,600	710,943	5%
CORPORATE SERVICES - HUMAN RESOURCES	130,000	-	(30,100)	99,900	-	0%
CHIEF FINANCIAL OFFICER	70,726,000	717,200	(3,778,200)	67,665,000	9,273,239	14%
FINANCIAL SERVICES	70,726,000	717,200	(3,778,200)	67,665,000	9,273,239	14%
DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SERVICES	105,517,000	21,327,300	-	126,844,300	37,036,812	29%
ELECTRICAL SUPPLY SERVICES	105,517,000	21,327,300	-	126,844,300	37,036,812	29%
DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES	268,155,300	12,039,300	(2,400,000)	277,794,600	132,288,231	48%
ENGINEERING SUPPORT SERVICES	99,573,800	8,266,700	-	107,840,500	63,857,688	59%
TRANSPORT, ROADS AND STORMWATER	115,031,500	3,772,600	-	118,804,100	48,502,810	41%
WATER AND SANITATION	53,550,000	-	(2,400,000)	51,150,000	19,927,732	39%
OFFICE OF THE MUNICIPAL MANAGER	427,000	-	-	427,000	10,290	2%
TOTAL OFFICE OF THE MUNICIPAL MANAGER	427,000	-	-	427,000	10,290	2%
TOTAL CAPITAL BUDGET	525,160,800	52,389,700	-	577,550,500	201,185,561	35%

NO	DEPARTMENT (MUNICIPAL STANDARD CLASSIFICATION)	mSCOA FUNCTION (FX)	FUNCTION DESCRIPTION	SHORT CODE	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	INCREMENTAL PROJECT NO.	FUNDING	ADOPTED 2018/19	2017/18 ROLL OVERS	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2018	PERCENTAGE SPENT OF DRAFT ADJ	QUARTER 2 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT														
1	City Development	FX001001005003	Municipal Buildings	632_190	CONSTRUCTION OF SMME RETAIL PARKS (RICHARDS BAY AND ESIKHALENI)	00025	BORROWING	10,000,000	-	(9,977,000)	23,000	22,076	96%	Project in progress
2	City Development	FX001001005003	Municipal Buildings	632_168	MUNICIPAL HOUSING	00146	BORROWING	-	-	4,478,200	4,478,200	1,974,262	44%	The contractor is onsite with an overall progress of 58% and is currently behind programme and has submitted an extension of time claim till the 16th of April 2019 as a new practical completion.
3	City Development	FX001001005003	Municipal Buildings	532_246	DESIGN AND CONSTRUCTION OF SMME RETAIL PARKS (ESIKHALENI) - PHASE 1	00173	CAPITAL REPLACEMENT RESERVES	-	1,294,700	-	1,294,700	165,987	13%	BSC RPT 165223 Item 2079 served on the BSC committee on the 4th of October 2018 and was approved to be advertised on the 18th of October 2018 with the site briefing held on the 25th of October 2018 and the closing date on the 19th of November 2018. The technical pre-evaluation with BEC members was completed on the 12th of December 2018. BEC report RPT165910 commenced on the 17th of December 2018 to be completed and submitted for approval on the 24th of January 2019.
4	City Development	FX001001005003	Municipal Buildings	532_457	INSTALLATION OF BLINDS AT EMPANGENI SMME ONE STOP SHOP	00400	CAPITAL REPLACEMENT RESERVES	-	-	28,000	28,000	27,850	99%	Complete
5	City Development	FX001001005003	Municipal Buildings	532_458	TILING AT EMPANGENI SMME ONE STOP SHOP	00401	CAPITAL REPLACEMENT RESERVES	-	-	120,000	120,000	120,000	100%	Complete
6	City Development	FX005001007	Information Technology	532_459	INSTALLATION OF NETWORK POINTS	00402	CAPITAL REPLACEMENT RESERVES	-	-	95,000	95,000	88,839	94%	Project is 100% completed. Savings requested to purchase a fridge for the Empangeni SMME One Stop Shop. A virement will be prepared in January 2019.
7	City Development	FX005001007	Information Technology	536_480	SUPPLY AND INSTALLATION OF VISUAL AND AUDIO EQUIPMENT	00403	CAPITAL REPLACEMENT RESERVES	-	-	39,300	39,300	895	2%	Project is 100% completed. Awaiting final invoice.
8	City Development	FX005001007	Information Technology	536_458	LAPTOPS - CITY DEVELOPMENT	00405	CAPITAL REPLACEMENT RESERVES	-	-	74,400	74,400	61,181	82%	Project is 100% completed. Savings will be utilised to replace faulty air conditioner of Empangeni LUMS Office.
9	City Development	FX010001005	Economic Development/Planning	532_241	CONSTRUCTION OF MARKET STALLS (NSELENI, MADLANKALA & EMPANGENI)	00016	CAPITAL REPLACEMENT RESERVES	1,192,000	-	(340,000)	852,000	118,263	14%	Service provider to provide designs will be appointment upon conclusion of the panel of consultants tender.
10	City Development	FX010001005	Economic Development/Planning	532_247	CONSTRUCTION OF 20 INFORMAL KIOSKS EMPANGENI BYRNE STREET & CONSTRUCTION OF 35 INFORMAL KIOSKS EMPANGENI MAXWELL AND COMMERCIAL STREET	00169	CAPITAL REPLACEMENT RESERVES	-	96,100	-	96,100	-	0%	Service provider to provide designs will be appointment upon conclusion of the panel of consultants tender.

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NO	DEPARTMENT (MUNICIPAL STANDARD CLASSIFICATION)	mSCOA FUNCTION (FX)	FUNCTION DESCRIPTION	SHORT CODE	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	INCREMENTAL PROJECT NO.	FUNDING	ADOPTED 2018/19	2017/18 ROLL OVERS	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2018	PERCENTAGE SPENT OF DRAFT ADJ	QUARTER 2 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT														
11	City Development	FX010001005	Economic Development/Planning	532_452	ALKANDSTRAND DETAILED PLANNING & DESIGN	00195	CAPITAL REPLACEMENT RESERVES	-	1,000,000	-	1,000,000	-	0%	Project (Tender 8/2/1/UMH446_18/19) served before Bid Spec on 13 December 2018 as per RPT 165199. Tender to be advertised on 17 January 2019 and closing on 1 February 2019.
12	City Development	FX010001005	Economic Development/Planning	632_268	PORT DURNFORD UPGRADE: SUPPLY & MAINTENANCE OF SHARK NETS	00090	BORROWING	2,000,500	-	-	2,000,500	-	0%	The Sharks Board has advised the municipality to request them to do an intensive feasibility study, who will then provide council with a quotation for the studies to be conducted. However this project will be implemented by Community Services with the assistance of City Development.
13	City Development	FX010001005	Economic Development/Planning	544_253	REPLACEMENT OF FURNITURE - CITY DEVELOPMENT	00091	CAPITAL REPLACEMENT RESERVES	133,000	-	(16,700)	116,300	104,940	90%	Project is 100% completed. Balance of funding is savings.
15	City Development	FX012001004002	Roads - Urban Roads	672_200	CONSTRUCTION OF STEEL BRIDGE	00096	BORROWING	7,000,000	-	(2,500,000)	4,500,000	-	0%	Project has been handed over to I&TS: Urban Roads Section as per quarter 1 reporting. I&TS: Urban Roads Section advised that Design Consultant will be appointed from the Consulting Engineering Panel. The final appointment of the panel is imminent.
16	City Development	FX012001005	Taxi Ranks	532_16	NSELENI TAXI RANK	00166	CAPITAL REPLACEMENT RESERVES	-	78,500	-	78,500	-	0%	Service provider has been appointed with one objection. The objection period is being observed.
17	City Development	FX012001005	Taxi Ranks	632_272	NSELENI TAXI RANK	00161	BORROWING	-	-	9,977,000	9,977,000	-	0%	Service provider has been appointed with one objection. The objection period is being observed.
18	City Development	FX012001005	Taxi Ranks	532_227	CONSTRUCTION OF TAXI RANKS (BUILDINGS AND SURROUNDING) - LOT 63, RICHARDS BAY AND A RANK)	00111	CAPITAL REPLACEMENT RESERVES	354,000	739,700	-	1,093,700	752,498	69%	Project is 100% completed with additional works to be done for period of two months.
19	City Development	FX012001005	Taxi Ranks	632_273	CONSTRUCTION OF TAXI RANKS (BUILDINGS AND SURROUNDING) - LOT 63, RICHARDS BAY AND A RANK)	00160	BORROWING	-	-	2,500,000	2,500,000	2,334,370	93%	Project is 100% completed with additional works to be done for period of two months.
20	City Development	FX015001002003	Sewerage - Sewerage Network	532_248	DUMISANI MAKHAYE VILLAGE BULK SERVICES (SANITATION)	00159	CAPITAL REPLACEMENT RESERVES	-	842,600	-	842,600	842,600	100%	A new sub-contractor has been appointed to assist fast tracking progress as the contractor on site has not been progressing very well. Progress is at 60% and a newly revised programme is anticipated from the new sub-contractor in January 2019.
21	City Development	FX015001002003	Sewerage - Sewerage Network	632_248	DUMISANI MAKHAYE VILLAGE BULK SERVICES (SANITATION)	00159	BORROWING	-	-	2,400,000	2,400,000	1,702,082	71%	
22	City Development	FX015001002003	Sewerage - Sewerage Network	532_106	AQUADENE BULK SERVICES (SANITATION)	00167	CAPITAL REPLACEMENT RESERVES	-	449,400	-	449,400	-	0%	Project in progress.
23	City Development	FX016001002002	Water Distribution - Urban Water	584_33	EMPANGENI MEGA HOUSING BULK SERVICES (WATER)	00168	CAPITAL REPLACEMENT RESERVES	-	2,756,800	-	2,756,800	2,168,986	79%	Project is 57% completed.
TOTAL CITY DEVELOPMENT								20,679,500	7,257,800	6,878,200	34,815,500	10,484,829	30%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
COMMUNITY SERVICES, PUBLIC HEALTH AND EMERGENCY SERVICES														
24	Community Services - Health and Public Safety	FX003001003	Pollution Control	536_115	AIR POLLUTION EQUIPMENT	00060	CAPITAL REPLACEMENT RESERVES	200,000	38,500	-	238,500	173,855	73%	Complete. Balance to be redirected towards other projects.
25	Community Services - Health and Public Safety	FX005001005	Fleet Management	650_61	REFUSE TRUCKS	00064	BORROWING	5,000,000	-	-	5,000,000	-	0%	Tender 8/2/1/UMH465-18/19 item for TLB and 2 Transporters was served in Bid Adjudication on 14 December 2018. Order PO49474 for 3 Water Trailers was placed. Estimated amount R97 431.00
27	Community Services - Health and Public Safety	FX005001005	Fleet Management	550_400	4X4 LDV DOUBLE CAB VEHICLE (REFUSE)	00065	CAPITAL REPLACEMENT RESERVES	779,000	-	-	779,000	-	0%	Tender 8/2/1/UMH465-18/19 item was served in Bid Adjudication on 14 December 2018.
28	Community Services - Health and Public Safety	FX005001007	Information Technology	536_187	LAPTOPS - FIRE SERVICES	00152	CAPITAL REPLACEMENT RESERVES	-	-	60,000	60,000	-	0%	Order has been placed and an amount of R49 951 has been committed for this order. Currently awaiting delivery.
29	Community Services - Health and Public Safety	FX005001007	Information Technology	536_190	REPLACEMENT OF BROKEN SCREEN	00209	CAPITAL REPLACEMENT RESERVES	-	-	2,200	2,200	-	0%	Requisition No 53076 was escalated to SCMU for the laptop screen replacement for HOS. Delivery currently awaited.
30	Community Services - Health and Public Safety	FX005001007	Information Technology	536_193	REPLACEMENT OF LAPTOP AND COMPUTER	00218	CAPITAL REPLACEMENT RESERVES	-	4,800	10,000	14,800	-	0%	Order Completed. Requisition 52904 was created and escalated to SCMU. Order was received and allocated to the newly appointed Waste Manager. Awaiting for final invoice.
31	Community Services - Health and Public Safety	FX005001006003	Occupational Clinic	532_229	OCCUPATIONAL HEALTH CLINIC	00068	CAPITAL REPLACEMENT RESERVES	444,000	-	(2,200)	441,800	123,150	28%	Tender 8/2/1/UMH310-17/18: Occupational Clinic Extension. Served at the Bid Evaluation Committee meeting on 13 December 2018 and is expected to serve before the Bid Adjudication Committee during the 3rd Quarter of the current financial year.
32	Community Services - Health and Public Safety	FX011001005	Fire Fighting and Protection	536_471	FIRE FIGHTING EQUIPMENT	00093	CAPITAL REPLACEMENT RESERVES	559,000	-	(60,000)	499,000	213,815	43%	All orders provided for on this project have been placed. 2 Deliveries have been received and expected deliveries in respect of Digital Radios, Skid Units and Fire Hoses during the 1st half of the 3rd quarter.
33	Community Services - Health and Public Safety	FX014001003	Solid Waste Removal	532_251	RENOVATION OF NTAMBANANA TRANSFER STATION	00158	CAPITAL REPLACEMENT RESERVES	-	1,325,200	-	1,325,200	1,168,598	88%	Tender 8/2/1/UMH176-18/19. Construction is ongoing and 95% completed
34	Community Services - Health and Public Safety	FX014001003	Solid Waste Removal	536_112	SKIPS	00128	CAPITAL REPLACEMENT RESERVES	1,700,000	-	(10,000)	1,690,000	-	0%	Tender 8/2/1/UMH417-18/19 was advertised on 16/08/2018, compulsory briefing was on 23/08/2018 and was closed on 17/09/2018 (RPT 164784). Pre-evaluation was on 13/11/2018. Awaiting Bid Evaluation
TOTAL COMMUNITY SERVICES, PUBLIC HEALTH AND EMERGENCY SERVICES								8,682,000	1,368,500	-	10,050,500	1,679,418	17%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
PROTECTION SERVICES														
35	Community Services - Protection Services	FX001001005003	Municipal Buildings	532_105	AIRCONDITIONER AT TRAFFIC EMPANGENI - SUPERVISOR' OFFICE	00148	CAPITAL REPLACEMENT RESERVES	-	-	45,400	45,400	45,127	99%	Project has been completed and final payment has been processed.
36	Community Services - Protection Services	FX005001005	Fleet Management	550_158	MOBILE LIVESTOCK TRAILER	00149	CAPITAL REPLACEMENT RESERVES	-	-	196,000	196,000	163,285	83%	Mobile Livestock trailer was delivered during the 2nd week in December 2018 and final payment has been processed. Remaining balance will be redirected towards the completion of other capital projects.
37	Community Services - Protection Services	FX005001007	Information Technology	536_459	COMPUTER EQUIPMENT FOR TRAFFIC CONTROL AND MANAGEMENT	00404	CAPITAL REPLACEMENT RESERVES	-	-	101,900	101,900	-	0%	An order to the value of R87 748 has been placed and the amount is currently committed against the order. Awaiting delivery.
38	Community Services - Protection Services	FX005001012	Security Services	536_159	PORTABLE DIGITAL RADIO	00184	CAPITAL REPLACEMENT RESERVES	-	27,900	-	27,900	-	0%	Awaiting approval of the Adjustment Budget in order to proceed as quotations received exceeds the available funding.
39	Community Services - Protection Services	FX005001012	Security Services	536_161	METAL DETECTORS	00182	CAPITAL REPLACEMENT RESERVES	-	200,000	-	200,000	172,965	86%	An amount of R 172 965 has been spend and the remaining funds will be redirected for the procurement of furniture and partitioning of offices.
40	Community Services - Protection Services	FX005001012	Security Services	536_27	SECURITY GUARD HOUSES/CUBICLES	00186	CAPITAL REPLACEMENT RESERVES	-	98,400	-	98,400	-	0%	The funding has been redirected during the Adjustment Budget process and approval of the Adjustment Budget is awaited.
41	Community Services - Protection Services	FX012001001	Police Forces, Traffic and Street Parking Control	536_472	EQUIPMENT FOR TRAFFIC	00094	CAPITAL REPLACEMENT RESERVES	215,000	-	(215,000)	-	-		Funds redirected to other projects
42	Community Services - Protection Services	FX012001001	Police Forces, Traffic and Street Parking Control	536_305	BREATH ALCOHOL TESTER	00188	CAPITAL REPLACEMENT RESERVES	-	14,900		14,900	-	0%	Awaiting additional funding to supplement the existing shortage of funding
43	Community Services - Protection Services	FX012002001	Road and Traffic Regulation	544_28	FURNITURE FOR TRAFFIC LICENSING	00112	CAPITAL REPLACEMENT RESERVES		-	167,700	167,700	-	0%	Requisition generated. Awaiting the placement of order by the SCMU
44	Community Services - Protection Services	FX012002001	Road and Traffic Regulation	536_475	EQUIPMENT FOR TRAFFIC LICENSING	00112	CAPITAL REPLACEMENT RESERVES	100,000	-	(100,000)	-	-		Funds were redirected to 544_28 : Furniture for Licensing
TOTAL PROTECTION SERVICES								315,000	341,200	196,000	852,200	381,377	45%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
RECREATION AND ENVIRONMENTAL SERVICES														
45	Community Services - Recreation and Environmental Services	FX001001005002	Halls	532_460	REFURBISHMENT OF HALLS - VARIOUS	00028	CAPITAL REPLACEMENT RESERVES	2,196,000	-	(276,000)	1,920,000	696,512	36%	The Brackenham Hall award was disputed during the objection period. Cancellation of tender advertised during November. (DMS 1314357) Tender to be readvertised." Tender 8/2/1/UMH425-18/19: Replacement of eNseleni Hall Roof and Columns be referred back to the Bid Evaluation Committee for reconsideration. An objection was received in respect of the Aquadene tender award. Currently being attended to by the legal section. (See DMS 1305847)
46	Community Services - Recreation and Environmental Services	FX001001005002	Halls	532_230	ENSELENI HALL - UPGRADE (CONSTRUCT FENCING AND RAMP FOR DISABLED)	00174	CAPITAL REPLACEMENT RESERVES	-	86,200	-	86,200	-	0%	Project completed awaiting final payment.
47	Community Services - Recreation and Environmental Services	FX001001005002	Halls	532_123	MANDLAZINI HALL	00175	CAPITAL REPLACEMENT RESERVES	-	118,200	-	118,200	117,187	99%	Project Completed. Close out Report - DMS 1318532
48	Community Services - Recreation and Environmental Services	FX001001005002	Halls	532_253	REFURBISHMENT OF BRACKENHAM HALL	00176	CAPITAL REPLACEMENT RESERVES	-	894,800	-	894,800	297,191	33%	An objection was received against the award of this tender. The matter is currently being dealt with by Legal Section. (Objection DMS 1308224) Cancellation of tender advertised during November. (DMS 1314357)
49	Community Services - Recreation and Environmental Services	FX001001005002	Halls	532_254	REFURBISHMENT OF AQUADENE HALL	00177	CAPITAL REPLACEMENT RESERVES	-	921,800	-	921,800	304,066	33%	An objection was received in respect of the Aquadene tender award. Currently being attended to by Legal Section. (See DMS 1305847)
50	Community Services - Recreation and Environmental Services	FX001001005003	Municipal Buildings	532_107	CEMETERY - AIRCONDITIONER	00213	CAPITAL REPLACEMENT RESERVES	-	-	10,000	10,000	-	0%	Project Completed. The airconditioner has been procured and installed. Final payment awaited.
51	Community Services - Recreation and Environmental Services	FX001001005003	Municipal Buildings	532_473	REPLACEMENT OF GEYSER - PARKS DEPOT ESIKHALENI	00227	CAPITAL REPLACEMENT RESERVES	-	-	20,000	20,000	-	0%	Funds were transferred for the replacement of the Geyser during December to Corporate Services FX code. Responsible official in charge of maintenance of buildings to proceed with requisition and order for replacement.
52	Community Services - Recreation and Environmental Services	FX001001005003	Municipal Buildings	532_357	REPLACEMENT OF GEYSER - PARKS DEPOT EMPANGENI	00231	CAPITAL REPLACEMENT RESERVES	-	-	14,900	14,900	-	0%	Funds were transferred for the replacement of the Geyser during December to Corporate Services FX code. Responsible official in charge of maintenance of buildings to proceed with requisition and order for replacement.
53	Community Services - Recreation and Environmental Services	FX001001006001	Libraries and Archives	544_251	RICHARDS BAY LIBRARY - FURNITURE	00043	CAPITAL REPLACEMENT RESERVES	250,000	-	-	250,000	-	0%	Requisition 47111 has been processed and delivery is currently awaited.
55	Community Services - Recreation and Environmental Services	FX001001006001	Libraries and Archives	532_126	UPGRADING AND RENOVATION - ALL LIBRARIES	00217	CAPITAL REPLACEMENT RESERVES	-	-	-	-	391,998	100%	Project Completed.
60	Community Services - Recreation and Environmental Services	FX001001006001	Libraries and Archives	532_297	NSELENI LIBRARY ROOF REPLACEMENT	00151	CAPITAL REPLACEMENT RESERVES	-	-	1,000,000	1,000,000	-	0%	8/2/1/UMH418-18/19 TENDER DESCRIPTION: REFURBISHMENT OF RICHARDS BAY LIBRARY is currently at BEC Stage.

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
RECREATION AND ENVIRONMENTAL SERVICES														
55	Community Services - Recreation and Environmental Services	FX001001006001	Libraries and Archives	532_355	AUTOMATIC FRONT DOORS	00039	CAPITAL REPLACEMENT RESERVES	200,000	-	-	200,000	196,000	98%	Project Completed.
56	Community Services - Recreation and Environmental Services	FX001001006001	Libraries and Archives	532_355	NGWELEZANE LIBRARY UPGRADING/RENOVATION	00040	CAPITAL REPLACEMENT RESERVES	1,000,000	-	(1,000,000)	-	-		Funds were redirected toward the replacement of the Nseleni Library Roof
57	Community Services - Recreation and Environmental Services	FX001001006001	Libraries and Archives	532_356	RICHARDS BAY LIBRARY - UPGRADING AND RENOVATION	00041	CAPITAL REPLACEMENT RESERVES	600,000	-	-	600,000	-	0%	TENDER:8/2/1/UMH418 – 18/19 for the Upgrade of Richards Bay Library is still at BEC Stage (See RPT 166001)
58	Community Services - Recreation and Environmental Services	FX001001006001	Libraries and Archives	544_50	ESIKHALENI LIBRARY - FURNITURE	00042	CAPITAL REPLACEMENT RESERVES	400,000	-	-	400,000	81,700	20%	An amount of R81 700 has already been paid in respect of the first delivery. Another amount of R85 931 has been committed towards another order placed against this vote. The remainder of the project is ongoing and final delivery awaited
61	Community Services - Recreation and Environmental Services	FX001001008	Museum & Art Galleries	532_468	REFURBISHMENT OF EMPANGENI MUSEUM	00044	CAPITAL REPLACEMENT RESERVES	245,000	-	-	245,000	-	0%	Site visit to determine scope of work Completed. Currently waiting for appointment of contractor by PMU
62	Community Services - Recreation and Environmental Services	FX005001007	Information Technology	536_154	2 x LAPTOP	00180	CAPITAL REPLACEMENT RESERVES	-	50,000	-	50,000	-	0%	Requisitions 48429 & 48436 generated by IT for the procurement of laptops and escalated to SCMU
63	Community Services - Recreation and Environmental Services	FX005001007	Information Technology	536_465	LAPTOP: CHIEF OFFICER (I MTHIMKHULU)	00080	CAPITAL REPLACEMENT RESERVES	30,000	-	(11,800)	18,200	-	0%	This project has been finalised and final payment is awaited.
64	Community Services - Recreation and Environmental Services	FX005001007	Information Technology	536_466	REPLACEMENT COMPUTERS FOR: A PIETERSE, S SIHLANGU & M KHOZA	00081	CAPITAL REPLACEMENT RESERVES	100,000	-	-	100,000	35,694	36%	Requisition 49738 has been processed by SCMU - awaiting delivery.
65	Community Services - Recreation and Environmental Services	FX005001007	Information Technology	536_467	IT EQUIPMENT - 1 CORDLESS DECT PHONE HEADSET SAVI N1740 (FOR COMPLAINTS DESK AT PARKS DEPOT)	00082	CAPITAL REPLACEMENT RESERVES	10,000	-	-	10,000	-	0%	Confirmed with IT – In process of requesting quotations
66	Community Services - Recreation and Environmental Services	FX005001007	Information Technology	536_468	LAPTOP: CHIEF OFFICER (R MNTAMBO)	00083	CAPITAL REPLACEMENT RESERVES	30,000	-	(11,800)	18,200	-	0%	Project has been completed and the final payment of R18 200 awaited.
67	Community Services - Recreation and Environmental Services	FX005001007	Information Technology	536_191	ICT EQUIPMENT - LAPTOPS - HALLS	00215	CAPITAL REPLACEMENT RESERVES	-	-	80,000	80,000	-	0%	Funding was redirected to this project during December. Currently awaiting finalisation of the order by IT Section and SCMU.
68	Community Services - Recreation and Environmental Services	FX013001001	Beaches and Jetties	532_480	BUILDING & STRUCTURE REPAIR WORK	00113	CAPITAL REPLACEMENT RESERVES	400,000	-	-	400,000	169,985	42%	Project currently ongoing. Estimated completion during the 3rd Quarter of the financial year as per information received from PMU

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
RECREATION AND ENVIRONMENTAL SERVICES														
69	Community Services - Recreation and Environmental Services	FX013001001	Beaches and Jetties	532_481	BOARDWALK & RAMP	00114	CAPITAL REPLACEMENT RESERVES	200,000	-	-	200,000	-	0%	Ongoing. Awaiting further specifications and input from Department Infrastructure who will action this project.
71	Community Services - Recreation and Environmental Services	FX013001001	Beaches and Jetties	536_476	LIFEGUARD EQUIPMENT: 10 x malibu board @ R10000 each,	00115	CAPITAL REPLACEMENT RESERVES	42,000	-	-	42,000	-	0%	Due to problems being experienced in finding potential suppliers this project has been severely delayed. SCMU will readvertise.
72	Community Services - Recreation and Environmental Services	FX013001002	Community Parks (including Nurseries)	532_222	BEAUTIFICATION (ALL AREAS)	00116	CAPITAL REPLACEMENT RESERVES	1,440,000	654,800	-	2,094,800	1,518,035	72%	Ongoing project carried over from the previous financial year. Tender 8/2/1/UMH308_18/19: Palisade fencing of Ngwelezane site : awarded to Deezlo Trading CC. Completed. (Close out report DMS1319691). Tender 8/2/1/UMH309_18/19: Ngwelezane Park Paving: Awarded to Amagwaba Construction – Completed. (Close out Report : 1319696). Tender 8/2/1/UMH401_18/19 in respect of the paving at Esikhaleni Parks was approved at BSC on 5 July 2018 and served at BEC on 4 October 2018. RPT 165188 Umhlathuze Construction has been appointed to complete project. (Appointment letter issued on 19 Nov. DMS 1314656)
75	Community Services - Recreation and Environmental Services	FX013001002	Community Parks (including Nurseries)	536_477	VARIOUS SMALL MACHINERY (HORTICULTURE)	00117	CAPITAL REPLACEMENT RESERVES	200,000	-	(14,900)	185,100	185,027	100%	Project Completed
76	Community Services - Recreation and Environmental Services	FX001001003	Cemeteries, Funeral Parlours and Crematoriums	532_266	NEW CEMETERY DEVELOPMENT	00023	CAPITAL REPLACEMENT RESERVES	591,000	595,000	(41,400)	1,144,600	692,490	61%	This project is ongoing with progress payments made on completion of progress stages.
77	Community Services - Recreation and Environmental Services	FX001001003	Cemeteries, Funeral Parlours and Crematoriums	544_250	FURNITURE FOR CEMETERY	00024	CAPITAL REPLACEMENT RESERVES	50,000	-	35,000	85,000	69,923	82%	Order completed. Remaining funds to be utilised to fund shortages that exists on other capital projects.
78	Community Services - Recreation and Environmental Services	FX013002003003	Recreational Facilities - Swimming Pools	532_483	IMPROVEMENTS / RENOVATIONS TO VARIOUS SWIMMING POOLS	00118	CAPITAL REPLACEMENT RESERVES	900,000	-	-	900,000	106,629	12%	Improvements /renovations to 4 of the 9 pools have been completed. The remaining 5 pools will be attended to during the 3rd quarter.
79	Community Services - Recreation and Environmental Services	FX013002003003	Recreational Facilities - Swimming Pools	536_478	PORTABLE FILTERS X 10	00119	CAPITAL REPLACEMENT RESERVES	200,000	-	-	200,000	155,000	78%	Project has been completed.

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
RECREATION AND ENVIRONMENTAL SERVICES														
80	Community Services - Recreation and Environmental Services	FX013002003003	Recreational Facilities - Swimming Pools	532_15	KWADLANGEZWA SWIMMING POOL	00178	CAPITAL REPLACEMENT RESERVES	-	1,100,000	-	1,100,000	473,139	43%	Ongoing Multi-year project.
81	Community Services - Recreation and Environmental Services	FX013002003003	Recreational Facilities - Swimming Pools	532_268	SWIMMING POOLS - NEW AND RELACEMENT CHLORINATORS	00179	CAPITAL REPLACEMENT RESERVES	-	161,800	-	161,800		0%	These funds will be utilised for the installation of filters at the Nseleni pool and work will commence towards the end of the 3rd quarter when pool closes after the current swimming season.
82	Community Services - Recreation and Environmental Services	FX013002004001	Sport Development and Sportfields	532_221	UPGRADING RURAL SPORTSFIELDS	00124	CAPITAL REPLACEMENT RESERVES	900,000	-	-	900,000	-	0%	Design and specifications to be finalised by PMU before tender process can be embarked on.
83	Community Services - Recreation and Environmental Services	FX013002004001	Sport Development and Sportfields	532_485	INSTALLATION OF OUTDOOR GYM	00120	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-	0%	PMU to finalise design and specification before requesting tenders.
84	Community Services - Recreation and Environmental Services	FX013002004001	Sport Development and Sportfields	532_486	CONSTRUCTION OF KICK-ABOUTS X 2	00121	CAPITAL REPLACEMENT RESERVES	300,000	-	-	300,000	-	0%	A letter of appointment (DMS 1313071) to Mthilo Transport and Consumable Supplies for the Buchananana (Nambanana) kick about was issued on 9 November 2019. Ndabayakhe Kick-about is currently in progress. A risk assessment on tenders received were completed. Appointment of contractor pending.
85	Community Services - Recreation and Environmental Services	FX013002004001	Sport Development and Sportfields	532_487	DESIGN OF SPORT COMPLEX MASTER PLAN	00122	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-	0%	Ongoing
86	Community Services - Recreation and Environmental Services	FX013002004001	Sport Development and Sportfields	536_479	MACHINERY FOR SPORT FACILITIES MAINTENANCE	00125	CAPITAL REPLACEMENT RESERVES	800,000	-	-	800,000	231,199	29%	Purchase Order 43987 was issued to Izinkalo Sustainable Solutions Consulting PTY LTD for 3x tractor drawn slashers. Awaiting delivery. A requisition, RFQ 051517 for 4x Zero Turn Ride-on mowers has been processed
87	Community Services - Recreation and Environmental Services	FX013002004001	Sport Development and Sportfields	532_488	INSTALLATION OF IRRIGATION SYSTEM AT CENTRAL SPORT COMPLEX	00123	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-	0%	Report RPT 165765 to be submitted to the BEC for evaluation of Tender 8/2/1UMH411-18/19. The validity period of the tender has been extended until February 2019. A letter to this effect was sent to all tenderers on 19 December 2018. (See DMS 1319981)
90	Community Services - Recreation and Environmental Services	FX013002004001	Sport Development and Sportfields	832_22	CONSTRUCTION OF INFRASTRUCTURE FOR SPORTS FACILITIES	00145	GOVERNMENT - PROVINCIAL	7,850,000	-	-	7,850,000	-	0%	Final Design and specifications awaited from appointed consultant before tender process can be embarked on.
91	Community Services - Recreation and Environmental Services	FX013002004002	Sports Grounds and Stadiums - Stadium	532_441	UMHLATHUZE STADIUM RENOVATIONS	00126	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	167,400	17%	This project will be completed in-house, ie COMSERV, and includes work i.r.o dugout and Seating. The dugouts have been completed. Waited for PSL approval of specifications. The tender report i.r.o. seating specifications to serve at BSC - RPT 164958).
TOTAL RECREATION AND ENVIRONMENTAL SERVICES								22,934,000	4,582,600	(196,000)	27,320,600	5,889,174	22%	
TOTAL COMMUNITY SERVICES								31,931,000	6,292,300	-	38,223,300	7,949,969	21%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES														
ADMINISTRATION														
92	Corporate Services - Administration	FX001001005003	Municipal Buildings	532_257	FINANCE AND ADMIN (ADMIN) PROJECTS	00034	CAPITAL REPLACEMENT RESERVES	68,000	-	-	68,000	64,198		Reallocation journal to be processed once Adjustment Budget is finalised. Expenditure split between Furniture and replacement of blinds refer to project 106 and 107 below.
93	Corporate Services - Administration	FX001001005003	Municipal Buildings	532_270	RENOVATION OF ESIKHALENI FINANCE SATELLITE OFFICE (H2)	00156	CAPITAL REPLACEMENT RESERVES	-	1,342,500	-	1,342,500	1,882,867	140%	45% work done and additional funds will be sourced in the adjustment budget
94	Corporate Services - Administration	FX001001005003	Municipal Buildings	632_XX	RENOVATION OF ESIKHALENI FINANCE SATELLITE OFFICE (H2)		BORROWING	-	-	-	-	-	0%	
95	Corporate Services - Administration	FX001001005003	Municipal Buildings	532_271	RENOVATION OF HLANGANANI FINANCE OFFICE	00157	CAPITAL REPLACEMENT RESERVES	-	864,000	30,100	894,100	868,905	100%	100% Complete
96	Corporate Services - Administration	FX001001005003	Municipal Buildings	632_297	RENOVATION OF HLANGANANI FINANCE OFFICE	00157	BORROWING	-		300,000	300,000	71,900	25%	100% Complete
97	Corporate Services - Administration	FX001001005003	Municipal Buildings	632_138	RENOVATION OF EMPANGENI FINANCE OFFICE	00210	BORROWING	-		300,000	300,000	-	0%	Awaiting order from SCM
98	Corporate Services - Administration	FX001001005003	Municipal Buildings	532_272	RENOVATION OF VULINDLELA FINANCE OFFICE	00311	CAPITAL REPLACEMENT RESERVES	-	130,000	-	130,000	165,797	107%	Awaiting for adjustment budget to be passed for funds to be redirected
99	Corporate Services - Administration	FX001001005003	Municipal Buildings	532_466	MAYOR AND COUNCIL PROJECTS	00037	CAPITAL REPLACEMENT RESERVES	99,000	-	-	99,000	65,857	67%	Project complete
100	Corporate Services - Administration	FX001001005003	Municipal Buildings	632_263	RENOVATION OF VULINDLELA FINANCE OFFICE	00012	BORROWING	4,000,000	-	(300,000)	3,700,000	-	0%	Still at evaluation
101	Corporate Services - Administration	FX001001005003	Municipal Buildings	632_264	RENOVATIONS - NGWELEZANE FINANCE OFFICE	00018	BORROWING	6,000,000	-	(1,000,000)	5,000,000	-	0%	Still at evaluation
105	Corporate Services - Administration	FX001001005003	Municipal Buildings	632_265	OFFICE RECONFIGURATIONS	00026	BORROWING	5,000,000	-	-	5,000,000	311,725	6%	Awaiting appointment of service providers
106	Corporate Services - Administration	FX005001001	Administrative and Corporate Support	544_XX	ADMINISTRATIVE SUPPORT FURNITURE		CAPITAL REPLACEMENT RESERVES				-	-	0%	Reallocation journal to be processed once Adjustment Budget is finalised. Expenditure split to Furniture refer to project 92 above.
107	Corporate Services - Administration	FX005001001	Administrative and Corporate Support	536_XX	ADMINISTRATIVE SUPPORT BLINDS AND CARPETING		CAPITAL REPLACEMENT RESERVES				-	-	0%	Reallocation journal to be processed once Adjustment Budget is finalised. Expenditure split to replacement of blinds refer to project 92 above.
108	Corporate Services - Administration	FX004001001001	Mayor and Council	544_22	FURNITURE - COUNCILLORS	00172	CAPITAL REPLACEMENT RESERVES	-	388,700	-	388,700	-	0%	Awaiting delivery
TOTAL ADMINISTRATION								15,167,000	2,725,200	(669,900)	17,222,300	3,431,249	20%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES														
HUMAN RESOURCES														
109	Corporate Services - Human Resources	FX001001005003	Municipal Buildings	532_359	FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	00036	CAPITAL REPLACEMENT RESERVES	130,000	-	(130,000)	-	-		Funds redirected to other projects as per below .
110	Corporate Services - Human Resources	FX001001005003	Municipal Buildings	532_472	REPLACEMENT OF AIRCONDITIONER	00225	CAPITAL REPLACEMENT RESERVES	-		15,000	15,000	-	0%	Building and Maintenance to deal with it before end of January
111	Corporate Services - Human Resources	FX005001006001	Human Resources	536_207	OFFICE EQUIPMENT - SHREDDER	00223	CAPITAL REPLACEMENT RESERVES	-		20,000	20,000	-	0%	Expenditure planned for 3rd Quarter
112	Corporate Services - Human Resources	FX005001006001	Human Resources	536_208	OFFICE EQUIPMENT - PROJECTOR SCREEN	00224	CAPITAL REPLACEMENT RESERVES	-		1,500	1,500	-	0%	Expenditure planned for 3rd Quarter
113	Corporate Services - Human Resources	FX005001006001	Human Resources	544_256	FURNITURE - HUMAN RESOURCES	00226	CAPITAL REPLACEMENT RESERVES	-		13,400	13,400	-	0%	Expenditure planned for 3rd Quarter
114	Corporate Services - Human Resources	FX005001007	Information Technology	536_206	LAPTOPS AND DOCKING STATIONS	00222	CAPITAL REPLACEMENT RESERVES	-		50,000	50,000	-	0%	Order placed. Awaiting delivery .
TOTAL HUMAN RESOURCES								130,000	-	(30,100)	99,900	-	0%	-

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES														
INFORMATION, COMMUNICATION AND TECHNOLOGY														
114	Corporate Services - ICT	FX001001005003	Municipal Buildings	532_464	AIR CONDITIONING - ICT SECTION	00032	CAPITAL REPLACEMENT RESERVES	100,000	-	-	100,000	-	0%	Ongoing. Waiting for delivery of units for Server Rooms.
115	Corporate Services - ICT	FX005001007	Information Technology	532_279	ONLINE ELECTRICAL APPLICATION SYSTEM	00086	CAPITAL REPLACEMENT RESERVES	200,000	-	-	200,000	-	0%	Project to be re-evaluated in light of SAP implementation. Online applications to be part of the CRM module for service delivery. Meeting was held with SAP team to investigate matter. Awaiting costing implications.
116	Corporate Services - ICT	FX005001007	Information Technology	532_469	DATA POINTS NEW / ADDITIONAL	00072	CAPITAL REPLACEMENT RESERVES	31,000	-	-	31,000	-	0%	Project not started yet.
118	Corporate Services - ICT	FX005001007	Information Technology	536_1	WATER QUALITY EQUIPMENT (SOFTWARE)	00087	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-	0%	Deviation to be approved.
119	Corporate Services - ICT	FX005001007	Information Technology	536_145	MOBILE GIS DATABASE ENHANCEMENTS AND CAPTURING	00075	CAPITAL REPLACEMENT RESERVES	200,000	-	-	200,000	-	0%	Deviation to be approved.
121	Corporate Services - ICT	FX005001007	Information Technology	636_205	NEW & REPLACEMENT OF IT RELATED EQUIPMENT	00070	BORROWING	4,182,000	-	-	4,182,000	158,821	4%	Tender 8/21/UMH397, tabled at BEC on 19/11/2018, resolved that tender be re-evaluated that is scheduled for 15/01/2019
122	Corporate Services - ICT	FX005001007	Information Technology	536_132	LAPTOP FOR ADMINISTRATION	00077	CAPITAL REPLACEMENT RESERVES	196,000	-	-	196,000	-	0%	Order placed, due to inferior specification needs to be re-advertised
124	Corporate Services - ICT	FX005001007	Information Technology	536_140	NETWORK INFRASTRUCTURE UPGRADE	00073	CAPITAL REPLACEMENT RESERVES	1,500,000	-	-	1,500,000	-	0%	Tender awarded to Luzamo, SLA signing in progress. Contract registration and Purchase Order to be issued.
125	Corporate Services - ICT	FX005001007	Information Technology	536_164	WIRELESS RADIO NETWORK INFRASTRUCTURE INSTALLATION FOR WARD COUNCILLORS	00171	CAPITAL REPLACEMENT RESERVES	-	467,500	-	467,500	213,598	46%	Project continuing as per projected planning.
126	Corporate Services - ICT	FX005001007	Information Technology	532_299	INTERNAL CCTV CAMERAS	00197	CAPITAL REPLACEMENT RESERVES	-	1,000,000	-	1,000,000	-	0%	Tender to serve at Bid Evaluation in January 2019.
127	Corporate Services - ICT	FX005001007	Information Technology	536_410	120 KVA UPS FOR ERP SYSTEM	00190	CAPITAL REPLACEMENT RESERVES	-	456,600	-	456,600	338,524	74%	Project finalisation in progress.
128	Corporate Services - ICT	FX005001007	Information Technology	536_141	PUBLIC WIFI	00191	CAPITAL REPLACEMENT RESERVES	-	106,500	-	106,500	-	0%	RFQ for additional sites to be advertised in January 2019
129	Corporate Services - ICT	FX005001007	Information Technology	636_204	PUBLIC WIFI	00069	BORROWING	2,700,000	-	-	2,700,000	-	0%	BEC to finalise
130	Corporate Services - ICT	FX005001007	Information Technology	536_200	LAPTOP FOR PUBLIC PARTICIPATION AND COUNCILLOR SUPPORT	00079	CAPITAL REPLACEMENT RESERVES	239,000	-	-	239,000	-	0%	Tender 8/21/UMH397, tabled at BEC on 19/11/2018, resolved that tender be re-evaluated that is scheduled for 15/01/2019
131	Corporate Services - ICT	FX005001007	Information Technology	536_202	SERVER INFRASTRUCTURE	00074	CAPITAL REPLACEMENT RESERVES	2,000,000	-	-	2,000,000	-	0%	Awarded to Datacentrix, Awaiting signing of SLA. Contract registration and Purchase Order to be issued.
132	Corporate Services - ICT	FX005001007	Information Technology	536_203	PORTABLE PA SYSTEM X 2	00076	CAPITAL REPLACEMENT RESERVES	80,000	-	-	80,000	-	0%	Updated specification obtained, REQ to be submitted
TOTAL INFORMATION, COMMUNICATION AND TECHNOLOGY								12,428,000	2,030,600	-	14,458,600	710,943	5%	
TOTAL CORPORATE SERVICES								27,725,000	4,755,800	(700,000)	31,780,800	4,142,191	13%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE CHIEF FINANCIAL OFFICER														
133	Financial Services	FX001001005003	Municipal Buildings	632_266	SCM SECOND FLOOR (INCL FURNITURE AND IT EQUIPMENT)	00027	BORROWING	13,000,000	-	1,100,000	14,100,000	3,618,384	26%	Project commenced. In progress. Completion of project expected June 2019.
134	Financial Services	FX001001005003	Municipal Buildings	532_281	SCM SECOND FLOOR (INCL FURNITURE AND IT EQUIPMENT)	00027	CAPITAL REPLACEMENT RESERVES	-	289,300		289,300	243,772	84%	Project commenced. In progress. Completion of project expected June 2019.
135	Financial Services	FX001001005003	Municipal Buildings	632_296	REFURBISHMENT OF WORKSHOP FOR SCM STAFF RELOCATION	00147	BORROWING	-	-	352,100	352,100	-	0%	Project completed and awaiting final invoice
136	Financial Services	FX001001005003	Municipal Buildings	532_296	REFURBISHMENT OF WORKSHOP FOR SCM STAFF RELOCATION	00147	CAPITAL REPLACEMENT RESERVES	-	427,900		427,900	-	0%	Project completed and awaiting final invoice
136	Financial Services	FX001001005003	Municipal Buildings	532_148	FURNITURE FOR RICHARDS BAY FINANCE RATES HALL	00219	CAPITAL REPLACEMENT RESERVES	-	-	50,000	50,000	-	0%	Order placed. Awaiting delivery
137	Financial Services	FX005001003002	Revenue and Expenditure	536_143	REPLACEMENT EQUIPMENT ALL FS SECTIONS	00061	CAPITAL REPLACEMENT RESERVES	174,000	-	(174,000)	-	-		Funds redirected to procure laptops for FS Revenue officials.
138	Financial Services	FX005001003002	Revenue and Expenditure	544_24	REPLACEMENT FURNITURE ALL FS SECTIONS	00062	CAPITAL REPLACEMENT RESERVES	180,000	-	(62,400)	117,600	33,132	28%	Order placed. Awaiting delivery
139	Financial Services	FX005001003002	Revenue and Expenditure	636_177	EQUIPMENT FOR HLANGANANI FINANCE OFFICE	00229	BORROWING	-		200,000	200,000	-	0%	Order placed. Awaiting delivery
140	Financial Services	FX005001003002	Revenue and Expenditure	644_12	FURNITURE FOR HLANGANANI FINANCE OFFICE	00228	BORROWING	-		500,000	500,000	-	0%	Order placed. Awaiting delivery
140	Financial Services	FX005001007	Information Technology	536_189	DOCKING STATION	00201	CAPITAL REPLACEMENT RESERVES	-	-	2,400	2,400		0%	Order placed. Awaiting delivery
141	Financial Services	FX005001007	Information Technology	536_188	PC FOR REVENUE SECTION	00164	CAPITAL REPLACEMENT RESERVES	-	-	184,000	184,000	-	0%	Order placed. Awaiting delivery. Shortage of stock in SA expected delivery is Feb 2019.
142	Financial Services	FX005001007	Information Technology	632_147	FINANCIAL ERP SYSTEM	00071	BORROWING	57,372,000	-	(5,930,300)	51,441,700	5,377,952	10%	Ongoing. Unit Assessment Testing commenced in Nov 2018 and will continue in Jan 2019. Expected Go Live date is March 2019.
TOTAL CHIEF FINANCIAL OFFICER								70,726,000	717,200	(3,778,200)	67,665,000	9,273,239	14%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES														
ELECTRICAL SUPPLY SERVICES														
143	Electrical and Energy Sources	FX001001005003	Municipal Buildings	532_465	LAND AND BUILDING - AIRCONS	00033	CAPITAL REPLACEMENT RESERVES	16,000	-	-	16,000	8,496	53%	Aircon have been delivered and installed.
144	Electrical and Energy Sources	FX002001001001	Marketing and Customer Relations	536_461	TOOLS	00053	CAPITAL REPLACEMENT RESERVES	32,000	-	-	32,000	10,191	32%	Tools have been ordered and delivered
147	Electrical and Energy Sources	FX002001001001	Marketing and Customer Relations	536_462	FURNITURE AND EQUIPMENT	00054	CAPITAL REPLACEMENT RESERVES	13,000	-	-	13,000	2,609	20%	Furniture have been ordered and delivered
148	Electrical and Energy Sources	FX002001001002	Administration	544_252	PURCHASING OF FURNITURE	00055	CAPITAL REPLACEMENT RESERVES	4,000	-	-	4,000	3,507	88%	Furniture have been ordered and delivered
164	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_97	ENERGY SAVING INITIATIVE	00056	CAPITAL REPLACEMENT RESERVES	8,900,000	1,124,600	-	10,024,600	5,514,322	55%	1. Streetlights base line Consumption study is complete, 2. replacing of 400 HPS with LED street lights in eNseleni is complete 3. Base Line Consumption for Empangeni Civic Center, Rates Hall, Library and Clinic is complete
165	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_117	INSTALLATION OF STREET LIGHTING ON MANGOSUTHU TURN-OFF ROAD	00196	CAPITAL REPLACEMENT RESERVES	-	200,000	-	200,000	-	0%	RFQ is now closed, SCM busy with Evaluations
166	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_119	ELECTRIFICATION BRACKENHAM	00181	CAPITAL REPLACEMENT RESERVES	-	449,700	-	449,700	-	0%	Project is complete. Balance to be redirected to other projects
167	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_94	ELECTRIFICATION BRACKENHAM	00163	BORROWING	-	-	751,000	751,000	-	0%	Project is complete. Balance to be redirected to other projects
168	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_123	SCORPIO SUBSTATION 132/11KV 20MVA TRANSFORMER REFURBISHMENT	00206	CAPITAL REPLACEMENT RESERVES	-	1,837,700	-	1,837,700	-	0%	Transformer delivered and installed, Invoices of R 1 572 150.00 and R 665 000 to be paid once all the snag list are attended
171	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_112	NGWELEZANE WATERWORKS 11kV OVERHEAD LINE REPLACEMENT	00045	BORROWING	1,500,000	-	-	1,500,000	276,000	18%	Contractor is appointed, SLA signed, site establishment to be done by 21 January 2019
172	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_113	LV ELECTRICAL NETWORK REFURBISHMENT	00046	BORROWING	3,000,000	-	-	3,000,000	2,258,022	75%	Cygnus - Deneb MV cable installation report to serve at BEC on 21 January 2018
174	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_114	132KV STRUCTURES /PYLONS REFURBISHMENT	00047	BORROWING	5,000,000	-	-	5,000,000	-		Funding reallocated to other projects
175	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_115	MV ELECTRICAL NETWORK REFURBISHMENT	00048	BORROWING	4,089,000	-	-	4,089,000	1,194,390	29%	Contractor is appointed, SLA still to be finalised

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES														
ELECTRICAL SUPPLY SERVICES														
178	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_117	132KV OVERHEAD LINE REFURBISHMENT	00049	BORROWING	5,000,000	-	-	5,000,000	-		Funding reallocated to other projects
179	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_118	11kV FORMALHAULT SWITCHING SWITCHGEAR REPLACEMENT	00050	BORROWING	12,000,000	-	(1,736,400)	10,263,600	1,492,009	30%	Report to serve at BEC on 21 January 2018
180	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_120	11kV FORMALHAULT SWITCHING SWITCHGEAR REPLACEMENT	00050	CAPITAL REPLACEMENT RESERVES	-	249,200	-	249,200	-	0%	Report to serve at BEC on 21 January 2018
181	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_122	NGWELEZANE WATERWORKS 11kV OVERHEAD LINE REPLACEMENT	00183	CAPITAL REPLACEMENT RESERVES	-	173,700	-	173,700	-	0%	Contractor is appointed, SLA signed, site establishment to be done by 21 January 2019
182	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_124	MV ELECTRICAL NETWORK REFUBISHMENT	00185	CAPITAL REPLACEMENT RESERVES	-	558,500	-	558,500	-		Funding reallocated to other projects
183	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_110	132KV OIL FILLED CABLES IN THE SOUTH DUNES BETWEEN HYDRA AND CAPELLA SUBSTATIONS	00187	CAPITAL REPLACEMENT RESERVES	-	497,500	-	497,500	-	0%	Contractor is appointed,SLA still to be finalised
184	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_125	132 kV STATION REFURBISHMENT	00051	BORROWING	8,300,000	-	-	8,300,000	1,490,047	99%	Contractor is appointed, SLA still to be finalised
188	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_204	AQUADENE DEVELOPMENT	00005	BORROWING	15,000,000	-	(2,500,000)	12,500,000	3,680,000	29%	Appointment is pending due to an objection
189	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_205	JOHN ROSS/EMPANGENI MAIN ROAD STREETLIGHTING INSTALLATION	00052	BORROWING	2,000,000	-	-	2,000,000	-	0%	Report to serve at BEC on 21 January 2019
190	Electrical and Energy Sources	FX002001001004	Electricity Distribution	672_215	ELECTRIFICATION OF EMPANGENI MEGA HOUSING - PHASE 1	00420	BORROWING	-	-	3,385,400	3,385,400	3,159,880	93%	Service Provider is appointed
191	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_420	ELECTRIFICATION OF EMPANGENI MEGA HOUSING - PHASE 1	00420	CAPITAL REPLACEMENT RESERVES		2,642,200	-	2,642,200	702,196	27%	Service Provider is appointed
192	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_108	CYGNUS SUBSTATION	00198	CAPITAL REPLACEMENT RESERVES	-	554,400	-	554,400	-	0%	Project is 95% complete
193	Electrical and Energy Sources	FX002001001004	Electricity Distribution	572_XX	A1278 AND A1277 ELECTIFICATION		CAPITAL REPLACEMENT RESERVES	-			-	-	0%	Report for request for funding was approved by Council, Consultant to be appointed by 15 January 2019
194	Electrical and Energy Sources	FX002001001004	Electricity Distribution	872_31	REPLACEMENT OF NON-ENERGY EFFICIENT ELECTRICAL EQUIPMENT	00057	GOVERNMENT - NATIONAL	6,000,000	-	-	6,000,000	4,629,119	77%	Project is complete
195	Electrical and Energy Sources	FX002001002001	Street Lighting	572_165	REPLACEMENT OF 100 ROTTEN POLES	00193	CAPITAL REPLACEMENT RESERVES	-	577,800	-	577,800	-	0%	RFQ to replace rotten poles at eSikhaleni to be out by 31 January 2019

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES														
ELECTRICAL SUPPLY SERVICES														
196	Electrical and Energy Sources	FX002001002001	Street Lighting	576_33	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	00205	CAPITAL REPLACEMENT RESERVES	-	1,775,200	-	1,775,200	-	0%	Services providers appointed and they are currently on site, High Mast Foundations are complete
197	Electrical and Energy Sources	FX002001002001	Street Lighting	676_30	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	00014	BORROWING	12,000,000	-	-	12,000,000	7,193,121	60%	Services providers appointed and they are currently on site, High Mast Foundations are complete
200	Electrical and Energy Sources	FX002001002001	Street Lighting	676_31	INSTALLATION OF STREETLIGHTING IN VARIOUS AREAS	00058	BORROWING	2,000,000	-	-	2,000,000	510,393	26%	Report to serve at BEC on 21 January 2019
203	Electrical and Energy Sources	FX002001002002	Process Control	636_203	INSTALLATION OF APN CONNECTIVITY SYSTEM	00059	BORROWING	634,000	-	-	634,000	-	0%	Specification is completed, to serve at BSC on the 31 January 2019
206	Electrical and Energy Sources	FX005001005	Fleet Management	500_383	REPLACEMENT VEHICLES	00207	CAPITAL REPLACEMENT RESERVES	-	5,446,000	-	5,446,000	4,893,560	90%	Vehicle delivered. Balance of funds to procure further vehicles. Tender 8/2/1/UMH465-18/19 served at BAC on 14/12/2018. Tender held in abeyance, as more urgently needed vehicles had to be added.
207	Electrical and Energy Sources	FX005001005	Fleet Management	500_373	BUSH FIRE FIGHTING TANKER: NTAMBANANA	00199	CAPITAL REPLACEMENT RESERVES	-	4,150,600	-	4,150,600	-	0%	Funding to be transferred to procure Refuse Trucks. Bush Fire truck to be procured from 2019/20 replacement budget.
208	Electrical and Energy Sources	FX005001005	Fleet Management	500_323	VEHICLE FOR ICT SECTION	00200	CAPITAL REPLACEMENT RESERVES	-	480,100	-	480,100	-	0%	Decision was taken to change procurement path and use National Treasury RT 57-16 Transversal Tender. Tender 8/2/1/UMH465-18/19 served at BAC on 14/12/2018. Tender held in abeyance, as more urgently needed vehicles had to be added.
209	Electrical and Energy Sources	FX005001005	Fleet Management	500_379	VEHICLES FOR CUSTOMER SERVICES SECTION	00202	CAPITAL REPLACEMENT RESERVES	-	392,300	-	392,300	-	0%	Decision was taken to change procurement path and use National Treasury RT 57-16 Transversal Tender. Tender 8/2/1/UMH465-18/19 served at BAC on 14/12/2018. Tender held in abeyance, as more urgently needed vehicles had to be added.
210	Electrical and Energy Sources	FX005001005	Fleet Management	500_324	MODIFICATION OF LDV	00203	CAPITAL REPLACEMENT RESERVES	-	180,000	-	180,000	-	0%	Project not proceeding. Department to transfer funds to GL 550_401 Shortfall in funding for vehicles
211	Electrical and Energy Sources	FX005001005	Fleet Management	550_392	MODIFICATION OF BAKKIES (LDV'S) FOR INSTALLATION OF BENCHES AND SEATBELTS TO CARRY PASSENGERS SAFELY (4 X URBAN ROAD DEPOTS)	00204	CAPITAL REPLACEMENT RESERVES	-	37,800	-	37,800	-	0%	Project not proceeding. Department to transfer funds to GL 550_401 Shortfall in funding for vehicles

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES														
ELECTRICAL SUPPLY SERVICES														
212	Electrical and Energy Sources	FX005001005	Fleet Management	650_63	REFURBISHMENT OF REFUSE TRUCKS AND WATER TANKERS	00165	BORROWING	-	-	2,000,000	2,000,000	-	0%	Project not proceeding. Funding to be redirected to 600_205 - Replacement of vehicles to fund shortfall in procurement of urgent vehicles
213	Electrical and Energy Sources	FX005001005	Fleet Management	600_205	REPLACEMENT VEHICLES	00063	BORROWING	20,029,000	-	(2,065,500)	17,963,500	-	0%	Decision was taken to change procurement path and use National Treasury RT 57-16 Transversal Tender. Tender 8/2/1/UMH465-18/19 served at BAC on 14/12/2018. Tender held in abeyance, as more urgently needed vehicles had to be added.
214	Electrical and Energy Sources	FX005001005	Fleet Management	650_45	AIR CONDITIONERS IN BELL TLBS	00214	BORROWING	-		65,500	65,500		0%	Quotations have been obtained, order can only be placed with BELL as the OEM manufacturer. Req 52363 created 19/10/2018. SCM to place the order
215	Electrical and Energy Sources	FX005001007	Information Technology	636_171	LAPTOPS FOR ESS OFFICIALS	00150	BORROWING	-	-	100,000	100,000	18,950	19%	Order placed. Awaiting delivery. Shortage of stock in SA expected delivery is Feb 2019.
TOTAL ELECTRICAL SUPPLY SERVICES								105,517,000	21,327,300	-	126,844,300	37,036,812	29%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
ENGINEERING SUPPORT SERVICES														
216	Infrastructure Services - Engineering Support Services	FX001001005003	Municipal Buildings	832_21	NTAMBANANA PROJECTS - BUILDING & STRUCTURES	00038	MIG	6,276,300	-	-	6,276,300	3,753,312	60%	Mancence Community Hall: The site was handed over on the 4th of July 2018 and the contractor is currently onsite with overall progress of 52%. Bambanani Crèche: The site was handed over on the 4th of July 2018 and the contractor is currently onsite with overall progress of
217	Infrastructure Services - Engineering Support Services	FX010001007002	Project Management Unit - Asset Management	544_25	FURNITURE - PMU ADMIN	00092	CAPITAL REPLACEMENT RESERVES	200,000	146,100	-	346,100	11,098	3%	Order placed and delivery expected in the 3rd quarter.
218	Infrastructure Services - Engineering Support Services	FX005001007	Information Technology	536_114	ASSET MANAGEMENT SOFTWARE	00189	CAPITAL REPLACEMENT RESERVES	-	8,120,600	-	8,120,600	15,782,669	194%	ALMIP Implementation currently in progress. 39% overall project progress completed. Project progress report as at 14 December 2018 is contained in DMS 1321170. Additional funding for this project will need to be sourced by EMCO. Discussion to be held on 14/01/2019 to finalise the adjustment budget. An amount of R 31m is required.
219	Infrastructure Services - Engineering Support Services	FX005001007	Information Technology	636_114	ASSET MANAGEMENT SOFTWARE	00189	BORROWING	-			-	-		
220	Infrastructure Services - Engineering Support Services	FX012001004003	Roads - Rural Roads	872_34	ROADS PROJECTS - PHASE 3 MZINGAZI	00110	MIG	17,782,700	-	-	17,782,700	660,285	4%	Contractor appointed and 8% in progress
221	Infrastructure Services - Engineering Support Services	FX013002004001	Sport Development and Sport fields	832_16	SPORTS PROJECTS	00127	MIG	8,368,400	-	-	8,368,400	-	0%	Re-directing the funding to other projects (e.g. Hlaza Sports Field etc.)
222	Infrastructure Services - Engineering Support Services	FX015001002003	Sewerage - Sewerage Network	532_104	RURAL SANITATION (COUNTER FUNDING)	00212	CAPITAL REPLACEMENT RESERVES	-			-	1,688,493		Expenses that incurred and could not be claimed under the grant as per the conditions of the grant
223	Infrastructure Services - Engineering Support Services	FX015001002003	Sewerage - Sewerage Network	832_17	RURAL SANITATION	00021	MIG	33,473,200	-	-	33,473,200	25,977,319	78%	78% progress as at 31 December 2018
224	Infrastructure Services - Engineering Support Services	FX016001002001	Water Distribution - Rural Water	584_28	RURAL/SEMI-URBAN AREAS (COUNTER FUNDING)	00212	CAPITAL REPLACEMENT RESERVES	-			-	2,048,470		Expenses that incurred and could not be claimed under the grant as per the conditions of the grant
225	Infrastructure Services - Engineering Support Services	FX016001002001	Water Distribution - Rural Water	884_37	RURAL/SEMI-URBAN AREAS	00011	MIG	33,473,200	-	-	33,473,200	13,936,042	42%	Overall progress of project is 42%
TOTAL ENGINEERING SUPPORT SERVICES								99,573,800	8,266,700	-	107,840,500	63,857,688	59%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
TRANSPORT, ROADS AND STORMWATER														
226	Infrastructure Services - Transport, Roads and Stormwater	FX001001005003	Municipal Buildings	532_283	RURAL ROADS OFFICES	00029	CAPITAL REPLACEMENT RESERVES	2,000,000	161,500	-	2,161,500	940,728	20%	8/2/1/UMH387 - 100% complete 8/2/1/UMH 472 (Fencing) currently at BSC stage
227	Infrastructure Services - Transport, Roads and Stormwater	FX001001005003	Municipal Buildings	532_461	ROAD MARKINGS & SIGNAGE STOREROOM	00030	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-	0%	BAC approved award on 16 November 2108. Currently at objection period
228	Infrastructure Services - Transport, Roads and Stormwater	FX001001005003	Municipal Buildings	532_462	AIRCONDITIONING FOR ROADS SECTION	00031	CAPITAL REPLACEMENT RESERVES	100,000	-	-	100,000	98,649	99%	9 Airconditioners have been received. Project completed.
231	Infrastructure Services - Transport, Roads and Stormwater	FX005001005	Fleet Management	550_390	2 X DOUBLE CAB LDV	00066	CAPITAL REPLACEMENT RESERVES	500,000	-	-	500,000	-	0%	Decision was taken to change procurement path and use National Treasury RT 57-16 Transversal Tender. Tender 8/2/1/UMH465-18/19 served at BAC on 14/12/2018. Tender held in abeyance, as more urgently needed vehicles had to be added.
232	Infrastructure Services - Transport, Roads and Stormwater	FX005001005	Fleet Management	550_401	4 X 3 TON PERSONNEL CARRIER TRUCKS 4 X URBAN ROAD DEPOTS)	00067	CAPITAL REPLACEMENT RESERVES	2,760,000	-	-	2,760,000	-	0%	Decision was taken to change procurement path and use National Treasury RT 57-16 Transversal Tender. Tender 8/2/1/UMH465-18/19 served at BAC on 14/12/2018. Tender held in abeyance, as more urgently needed vehicles had to be added.
233	Infrastructure Services - Transport, Roads and Stormwater	FX005001007	Information Technology	536_469	DESKTOPS FOR TRANSPORT & ROADS OFFICIALS	00084	CAPITAL REPLACEMENT RESERVES	200,000	-	-	200,000	-	0%	BEC requested that the tender be re-evaluated. Re-evaluation is scheduled for 15 January 2019
234	Infrastructure Services - Transport, Roads and Stormwater	FX005001007	Information Technology	536_470	LAPTOPS FOR TRANSPORT & ROADS OFFICIALS	00085	CAPITAL REPLACEMENT RESERVES	200,000	-	-	200,000	-	0%	BEC requested that the tender be re-evaluated. Re-evaluation is scheduled for 15 January 2019
235	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_102	TRAFFIC CALMING	00019	CAPITAL REPLACEMENT RESERVES	2,600,000	-	-	2,600,000	871,931	73%	Awaiting pre-evaluation. Evaluation Committee to schedule a date to commence with Evaluation. 4 Tender Documents were received at the closing of the Bid. Bid closed RPT 164442
236	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_111	EMPANGENI "A" TAXI RANK	00022	CAPITAL REPLACEMENT RESERVES	500,000	-	-	500,000	363,000	73%	Consultant busy with updating of Business Plan and MIG Application
237	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_112	ANNUAL KERB REPLACEMENT CONTRACT	00103	CAPITAL REPLACEMENT RESERVES	3,000,000	-	-	3,000,000	-	0%	BEC approved item on 15 November 2018 BAC approved award on 14 December 2018
238	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_113	ANNUAL WALKWAY REHABILITATION	00104	CAPITAL REPLACEMENT RESERVES	3,000,000	-	-	3,000,000	-	0%	BEC approved item on 15 November 2018 BAC approved award on 14 December 2018
239	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_114	UPGRADE & SIGNALISE OF 1 INTERSECTION WITHIN THE CITY OF UMHLATHUZE	00002	CAPITAL REPLACEMENT RESERVES	1,500,000	-	-	1,500,000	-	0%	Tender closed on 14 December 2018 Awaiting evaluation date from BEC committee.
240	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_116	BUS SHELTERS & LAYBYES - ALL AREAS	00020	CAPITAL REPLACEMENT RESERVES	2,250,000	369,300	-	2,619,300	314,530	31%	Project is on hold. Awaiting approval of new shelter design by EMCO. Engineering services busy with design.

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
TRANSPORT, ROADS AND STORMWATER														
241	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_292	DUNE ROAD CAPACITY INCREASE	00001	CAPITAL REPLACEMENT RESERVES	600,000		-	600,000	-	0%	Tender closed on 14 December 2018 Awaiting evaluation date from BEC committee.
242	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_94	ESIKHALENI INTERSECTION	00191	CAPITAL REPLACEMENT RESERVES	-	1,481,300	-	1,481,300	-	0%	Project under Construction 21% Completed DMS 1320062
243	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	672_206	ESIKHALENI INTERSECTION	00013	BORROWING	9,240,000		-	9,240,000	8,768,450	52%	Project under Construction 21% Completed DMS 1320063
245	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_96	UPGRADE ROADS - EMPANGENI & AQUADENE	00194	CAPITAL REPLACEMENT RESERVES	-	1,481,900	-	1,481,900	-	0%	Both projects under construction.
246	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_302	WALKWAYS	00100	CAPITAL REPLACEMENT RESERVES	3,750,000		-	3,750,000	925,280	62%	Tender Closed on 5 November 2018. Currently at BEC for approval RPT 165667
247	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_303	PEDESTRIAN BRIDGES	00101	CAPITAL REPLACEMENT RESERVES	2,000,000	278,600	-	2,278,600	-	0%	2 Emergency bridges to be constructed in wards 1 and 5. 3 Bridges have been completed in wards 1 and 24
248	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	672_98	ROADS RESEALING	00098	BORROWING	38,200,000	-	-	38,200,000	35,099,966	92%	Project under Construction 98% Completed.
249	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	632_269	AQUADENE BULK SERVICES (ROADS & STORMWATER)	00095	BORROWING	18,253,500	-	-	18,253,500	767,357	7%	Project construction phase commenced in November 2019.
250	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	532_470	AQUADENE BULK SERVICES (ROADS & STORMWATER)	00099	CAPITAL REPLACEMENT RESERVES	10,578,000	-	-	10,578,000	197,653	34%	EIA to be concluded in March 2019. Project Tender specs to be finalised. In progress
252	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	672_210	SUSTAINABLE RURAL ROADS	00097	BORROWING	10,000,000	-	-	10,000,000	-	0%	Item submitted to BEC 20 December 2018 for approval.
254	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_307	DOUBLING OF EAST CENTRAL ARTERIAL	00105	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-		Funding to be redirected with 2018/19 Adjustment Budget to other projects
256	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	572_306	ARTERIAL FRAMEWORK PLAN RENEWAL	00102	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-		Funding to be redirected with 2018/19 Adjustment Budget to other projects
257	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	544_254	OFFICE FURNITURE FOR TRANSPORT & ROADS	00108	CAPITAL REPLACEMENT RESERVES	500,000	-	-	500,000	57,800	12%	Supplier received orders. Delivery of furniture in progress
258	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	536_473	FRIDGES, FREEZERS & MICROWAVES FOR ROADS SECTION	00106	CAPITAL REPLACEMENT RESERVES	100,000	-	-	100,000	73,915	74%	4 x Rural Road fridges were delivered. Awaiting delivery of balance.
259	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	544_255	CANTEEN FURNITURE FOR ROADS SECTION	00109	CAPITAL REPLACEMENT RESERVES	100,000	-	-	100,000	-	0%	Requisitions created and submitted to SCMU SCMU processing purchase orders
260	Infrastructure Services - Transport, Roads and Stormwater	FX012001004002	Roads - Urban Roads	536_474	4 X CLOCKING MACHINES FOR ROADS SECTION	00107	CAPITAL REPLACEMENT RESERVES	100,000	-	-	100,000	23,552	24%	100% completed. Delivered: 2 October 2018
TOTAL TRANSPORT, ROADS AND STORMWATER								115,031,500	3,772,600	-	118,804,100	48,502,810	41%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
WATER AND SANITATION														
261	Infrastructure Services - Water and Sanitation Services	FX001001005003	Municipal Buildings	532_285	RENOVATE AND UPGRADE OFFICES FOR ALL DEPOTS:NORTH,SOUTH, WEST, MECHANICAL	00035	CAPITAL REPLACEMENT RESERVES	1,500,000	-	960,000	2,460,000	212,023	9%	Tender served BAC on 13 December 2018 and was referred back to make amendments.
269	Infrastructure Services - Water and Sanitation Services	FX001001005003	Municipal Buildings	632_298	AIRCONDITIONER - WATER AND SANITATION SERVICES	00230	BORROWING	-		60,000	60,000	18,500	31%	Installation at eSikhaleni offices is in progress
270	Infrastructure Services - Water and Sanitation Services	FX005001007	Information Technology	536_1	WATER QUALITY EQUIPMENT (SOFTWARE)	00088	CAPITAL REPLACEMENT RESERVES	1,500,000	-	-	1,500,000	1,288,221	86%	Project Completed. Savings to be utilised to procure additional items.
273	Infrastructure Services - Water and Sanitation Services	FX005001007	Information Technology	536_146	COMPUTER EQUIPMENT FOR WATER AND SANITATION	00078	CAPITAL REPLACEMENT RESERVES	600,000	-	-	600,000	-	0%	Tender 8/2/1/UMH397, tabled at BEC on 19/11/2018, resolved that tender be re-evaluated that is scheduled for 15/01/2019
277	Infrastructure Services - Water and Sanitation Services	FX015001002002	Sewerage - Pumpstations	636_207	UPGRADING OF MS 2 PUMP STATION CAPACITY	00129	BORROWING	2,000,000	-	(1,400,000)	600,000	346,500	58%	Awaiting EIA and WULA Approval.
278	Infrastructure Services - Water and Sanitation Services	FX015001002002	Sewerage - Pumpstations	636_200	UPGRADING OF BIRDSWOOD PUMP STATION CAPACITY	00003	BORROWING	2,000,000	-	(1,000,000)	1,000,000	252,000	25%	Awaiting EIA and WULA Approval.
279	Infrastructure Services - Water and Sanitation Services	FX015001002002	Sewerage - Pumpstations	636_208	UPGRADE OF MS9 PUMP STATION CAPACITY	00130	BORROWING	500,000	-	-	500,000	241,200	48%	Awaiting EIA and WULA Approval.
281	Infrastructure Services - Water and Sanitation Services	FX015001002002	Sewerage - Pumpstations	536_3C	STANDBY PUMPS	00132	CAPITAL REPLACEMENT RESERVES	850,000	-	-	850,000	191,170	22%	In progress. Purchasing of pumps are done as and when required.
283	Infrastructure Services - Water and Sanitation Services	FX015001002003	Sewerage - Sewerage Network	632_262	VELDENVLEI PUMP STATION	00009	BORROWING	2,000,000	-	-	2,000,000	547,020	27%	Awaiting EIA and WULA Approval.
284	Infrastructure Services - Water and Sanitation Services	FX015001002003	Sewerage - Sewerage Network	532_287	UPGRADE - VULINDELA SEWER PIPELINE	00006	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	-	0%	Project on BEC Stage
287	Infrastructure Services - Water and Sanitation Services	FX015001002003	Sewerage - Sewerage Network	632_271	WASTE WATER MANAGEMENT (SANITATION) PROJECTS	00131	BORROWING	5,000,000	-	(200,000)	4,800,000	4,311,773	90%	90% progress as at 31 December 2018
288	Infrastructure Services - Water and Sanitation Services	FX015001002003	Sewerage - Sewerage Network	536_151	HILLVIEW SEWER PUMPLINE UPGRADE (COUNTER FUNDING)	00017	CAPITAL REPLACEMENT RESERVES	1,000,000	-	-	1,000,000	810,847	81%	Counter Funding
290	Infrastructure Services - Water and Sanitation Services	FX015001002003	Sewerage - Sewerage Network	584_35	MEERENSEE - GARRICK RISE SEWER LINE REPLACEMENT 450MM	00008	CAPITAL REPLACEMENT RESERVES	300,000	-	-	300,000	-	0%	Awaiting EIA and WULA Approval.
293	Infrastructure Services - Water and Sanitation Services	FX016001001003	Water Treatment-Scientific Services	636_1	WATER QUALITY EQUIPMENT	00144	BORROWING	300,000	-	140,000	440,000	380,542	86%	Project Completed. Savings to be utilised in adding extra items.
295	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	536_152	9 WATER PUMPS 4INCH	00141	CAPITAL REPLACEMENT RESERVES	1,200,000	-	(400,000)	800,000	66,549	8%	In progress. Pumps are purchased as and when required.
296	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	584_100	WATER LOSS AND DROUGHT RELIEF PROJECT	00139	CAPITAL REPLACEMENT RESERVES	400,000	-	-	400,000	-	0%	Tender was cancelled, funds to be re prioritise.

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NO	DEPARTMENT (MUNICIPAL STANDARD CLASSIFICATION)	mSCOA FUNCTION (FX)	FUNCTION DESCRIPTION	SHORT CODE	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	INCREMENTAL PROJECT NO.	FUNDING	ADOPTED 2018/19	2017/18 ROLL OVERS	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2018	PERCENTAGE SPENT OF DRAFT ADJ BUDGET	QUARTER 2 PROJECT PROGRESS/STATUS
WATER AND SANITATION														
298	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	584_100	WATER LOSS AND DROUGHT RELIEF PROJECT	00139	CAPITAL REPLACEMENT RESERVES	400 000	-	-	400 000	-	0%	Tender was cancelled, funds to be re prioritise.
300	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	584_38	UPGRADING OF VALVES IN BIRDSWOOD	00004	CAPITAL REPLACEMENT RESERVES	200 000	-	-	200 000	-	0%	Contractor on site. Contractor expected to submit invoice before the end of January 2019.
301	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	584_39	REPLACEMENT OF WATER PIPE RETICULATION IN MEERENSEE	00140	CAPITAL REPLACEMENT RESERVES	300 000	-	-	300 000	-	0%	Project will be done through emerging of Contractors project by the end of January 2019.
302	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	684_42	MEERENSEE PIPE REPLACEMENT (WSIG) (PHASE I)	00143	GOVERNMENT - NATIONAL	4 000 000	-	-	4 000 000	-	0%	Tender on Evaluation stage
306	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	636_10	200 JOJO TANKS	00135	BORROWING	600 000	-	-	600 000	562 790	94%	In progress. Jojo tanks are being purchased as and when required.
307	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	684_21	WATER LOSS AND DROUGHT RELIEF PROJECT	00138	BORROWING	500 000	-	-	500 000	320 600	64%	Balance of funding to be utilised for procurement of Water tanker stands in Kwaikhilaza Area. Order has been placed.
309	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	684_32	NTAMBANANA WATER PROJECTS	00134	BORROWING	12 000 000	-	-	12 000 000	5 837 304	49%	Tender document is currently circulated for comments.
310	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	684_25	NSELENI PIPE REPLACEMENT (WSIG) (PHASE II)	00015	GOVERNMENT - NATIONAL	8 000 000	-	-	8 000 000	4 540 684	57%	Funds will be utilized in phase two for eNseleni Pipe replacement project. Project is currently on Evaluation Stage
311	Infrastructure Services - Water and Sanitation Services	FX016001002002	Water Distribution - Urban Water	684_35	REDUCTION OF NON-REVENUE (WSIG)	00007	GOVERNMENT - NATIONAL	4 000 000	-	-	4 000 000	-	0%	Service provider Awarded in December 2018. Awaiting the objection period.
313	Infrastructure Services - Water and Sanitation Services	FX016001002003	Water Distribution - Water Demand Management	584_42	CONSTRUCTION OF A SECOND MEERENSEE RESERVOIR (20M)	00010	CAPITAL REPLACEMENT RESERVES	800 000	-	(560 000)	240 000	-	0%	Service provider Awarded in December 2018. Awaiting the objection period.
316	Infrastructure Services - Water and Sanitation Services	FX016001002003	Water Distribution - Water Demand Management	684_34	CONSTRUCTION OF A FOURTH ESIKHALENI RESERVOIR	00136	BORROWING	800 000	-	-	800 000	-	0%	Service provider Awarded in December 2018. Awaiting the objection period.
317	Infrastructure Services - Water and Sanitation Services	FX016001002003	Water Distribution - Water Demand Management	684_35	EMPEMBENI RESERVOIR	00137	BORROWING	800 000	-	-	800 000	-	0%	Service provider Awarded in December 2018. Awaiting the objection period.
318	Infrastructure Services - Water and Sanitation Services	FX016001002003	Water Distribution - Water Demand Management	584_103	REPLACEMENT OF PRESSURE REDUCING VALVES	00142	CAPITAL REPLACEMENT RESERVES	400 000	-	-	400 000	-	0%	Service provider Awarded in December 2018. Awaiting the objection period.
320	Infrastructure Services - Water and Sanitation Services	FX016001002003	Water Distribution - Water Demand Management	684_1	BULK MASTER PLAN	00138	BORROWING	1 000 000	-	-	1 000 000	-	0%	Multi year project. Project in progress.
TOTAL WATER AND SANITATION								53 550 000	-	(2 400 000)	51 150 000	19 927 732	39%	
TOTAL INFRASTRUCTURE SERVICES								268 155 300	12 039 300	(2 400 000)	277 794 600	132 286 231	48%	
OFFICE OF THE MUNICIPAL MANAGER														
321	Office of the Municipal Manager	FX010001001	Planning and Development/Billboards	532_290	INFRASTRUCTURE TO ASSIST SMME PROJECT WITH OUTDOOR ADVERTISING	00089	CAPITAL REPLACEMENT RESERVES	427 000	-	-	427 000	10 290	2%	RFQ had to be re-advertised due to lack of responses from suppliers. Delivery and installation of the Billboards expected in quarter 3.
TOTAL OFFICE OF THE MUNICIPAL MANAGER								427 000	-	-	427 000	10 290	2%	
TOTAL CAPITAL BUDGET								525 160 800	52 389 700	-	577 550 500	201 185 561	34.83%	

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13. **CAPITAL PROGRAMME PERFORMANCE**

Refer to the following tables for the month ended 31 December 2018:

- Table C5 - Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding (**Annexure G**).
- Table C5C - Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding (**Annexure H**).
- Table SC12 - Monthly capital expenditure trend (**Annexure U**).
- Table SC13A - Monthly capital expenditure on new assets by asset class (**Annexure V**).
- Table SC13B - Monthly capital expenditure on the renewal of existing assets by asset class (**Annexure W**).
- Table SC13C - Monthly repairs and maintenance expenditure by asset class (**Annexure X**).
- Table SC13D - Monthly depreciation by asset class (**Annexure Y**).

Actual capital expenditure which represents payments made during the reporting period, constitutes only 34,83% (R201,2 million) of the Proposed Adjustment budget of R577 million. Refer to 3.5 above for capital budget summary.

14. **MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

Refer to **DMS 1322587 (Annexure AR)**.

PART 3 - OTHER LEGISLATION REQUIREMENTS

15. **WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS**

In accordance with Section 11(4) of the Municipal Finance Management Act 2003 (No 56 of 2003) the Accounting Officer must within 30 days after the end of each quarter table a consolidated report of all withdrawals made in terms of Sub-section (1) (b) to (j) during that quarter and submit a copy of the report to the relevant Provincial Treasury and the Auditor-General. Refer to **Annexure AP (DMS 1308528)** for Form D.

“Withdrawals from municipal bank accounts-

“(b) to defray expenditure authorised in terms of Section 26(4).”

None

“(c) to defray unforeseeable and unavoidable expenditure authorised in terms of Section 29(1).”

Consumer	Consumer Name	Account Code	Account Name	TOTAL EXPENDITURE (YTD) INCL COMMITTED VALUE
FX001001008	Museums and Art Galleries	044_44	Artists and Performers	19,000
FX001001008	Museums and Art Galleries	044_57	Contracted Services - Contractors Event	12,500
FX002001001004	Electricity and Gas Distribution and Planning	124_4	Fuel And Oil	220,741
FX002001001004	Electricity and Gas Distribution and Planning	238_15B2	Retic. Maintenance - Unplanned Maintenance - Material Retic West	643,374
FX004001001001	Mayor and Council	124_4	Fuel And Oil	208,804
FX005001001	Administrative and Corporate Support	170_0	Telephone	55,262
FX005001004	Finance	060_3	Entertainment Senior Management	41,158
FX005001005	Fleet Management	124_4	Fuel And Oil	170,674
FX005001005	Fleet Management	260_B2	Vehicles - Unplanned Maintenance - Material	318,192
FX005001006004	Training and Industrial Relations	124_4	Fuel And Oil	32,173
FX005001007	Information Technology	124_4	Fuel And Oil	15,626
FX005001009	Marketing Customer Relations Publicity and Media Co-ordination	021_0	Printing and Publications	53,100
FX005001013	Supply Chain Management	124_4	Fuel And Oil	26,773
FX007001001	Housing	170_0	Telephone	16,557
FX008001001	Governance Function	044_21	Internal Auditors	901,554
FX010001002	Corporate Wide Strategic Planning (IDPs LEDs)	039_1	Transport Events	21,367
FX010001002	Corporate Wide Strategic Planning (IDPs LEDs)	170_0	Telephone	10,811
FX010001005	Economic Development/Planning	164_12	Accommodation	27,400
FX010001007002	Project Management Unit - Asset Management	170_0	Telephone	15,729
FX010001007004	PMU - Infrastructure Skills Development Grant	072_1	Human Resources	116,435
FX010001007004	PMU - Infrastructure Skills Development Grant	164_1	Accommodation	91,459
FX010001007004	PMU - Infrastructure Skills Development Grant	164_5	Transport without Operator: Car Rental	38,299
FX010001007004	PMU - Infrastructure Skills Development Grant	164_8	Air Transport	50,605

Consumer	Consumer Name	Account Code	Account Name	TOTAL EXPENDITURE (YTD) INCL COMMITTED VALUE
FX011001005	Fire Fighting and Protection	164_6	Transport without Operator: Own Transport	36,661
FX012001001	Parking Garages	170_0	Telephone	16,583
FX012001004003	Roads - Rural Roads	124_4	Fuel And Oil	374,522
FX013001002	Community Parks (including Nurseries)	138_16	Transport Assets	29,000
FX013001002	Community Parks (including Nurseries)	170_0	Telephone	19,747
FX013002003002	Recreational Facilities - Parks Administration	170_0	Telephone	12,772
FX013002004001	Sport Development and Sportfields	044_51	Catering Services	36,507
FX013002004001	Sport Development and Sportfields	124_4	Fuel And Oil	101,813
FX015001002002	Sewerage - Pumpstations	210_B2	Fixed Equipment Buildings - Unplanned Maintenance - Material	78,943
FX015001002003	Sewerage - Sewerage Network	124_4	Fuel And Oil	1,191,131
FX015001002003	Sewerage - Sewerage Network	170_0	Telephone	11,447
FX015001002003	Sewerage - Sewerage Network	238_A2	Retic. Maintenance - Planned Maintenance - Material	19,459
FX015001002003	Sewerage - Sewerage Network	238_A4	Retic. Maintenance - Planned Maintenance - Contracted Services	318,201
FX015001002003	Sewerage - Sewerage Network	238_B2	Retic. Maintenance - Unplanned Maintenance - Material	52,291
FX015001002003	Sewerage - Sewerage Network	238_B6	Retic. Maintenance - Unplanned Maintenance - Hire Of Plant And Equipment	115,985
FX016001002001	Water Distribution - Rural Water	124_4	Fuel And Oil	212,824
FX016001002002	Water Distribution - Urban Water	010_0	Uniform and Protective Clothing	19,961
FX016001002002	Water Distribution - Urban Water	224_A2	Meters - Planned Maintenance - Material	158,923
FX016001002002	Water Distribution - Urban Water	238_A2	Retic. Maintenance - Planned Maintenance - Material	79,893

All operating and capital transfers between votes approved by Council and in terms of Delegated Authority.

In terms of Council's approved Virement Policy (**DMS 1175314**):

“5.12 As Council approves a detailed Capital Budget by individual project no virements are permitted between capital projects unless Council approval is obtained **prior to the commencement of the project subject to the following exception:**

5.12.1 Virements for movable assets up to a value not exceeding R500 000 will be permitted to be actioned prior to obtaining Council's approval after completion of a virement form that has been duly authorised by the respective Deputy Municipal Manager.”

Capital Virements to be condoned by Council:

CAPITAL							
DEPARTMENT	FROM		PROJECT DESCRIPTION	TO		PROJECT DESCRIPTION	AMOUNT
	FUNCTION	GL CODE		FUNCTION	GL CODE		R
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	FX005001006003	532_229	OCCUPATIONAL HEALTH CLINIC	FX005001007	536_190	REPLACEMENT OF BROKEN SCREEN	2,200
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	FX014001003	536_112	SKIPS	FX005001007	536_193	REPLACEMENT OF LAPTOP AND COMPUTER	10,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001003	544_250	FURNITURE FOR CEMETERY	FX001001003	532_107	CEMETERY - AIRCONDITIONER	5,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001003	532_266	NEW CEMETERY DEVELOPMENT	FX001001003	532_107	CEMETERY - AIRCONDITIONER	5,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001003	532_266	NEW CEMETERY DEVELOPMENT	FX001001005003	532_473	REPLACEMENT OF GEYSER - PARKS DEPOT ESIKHALENI	20,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001005002	532_460	REFURBISHMENT OF HALLS - VARIOUS	FX005001007	536_191	ICT EQUIPMENT - LAPTOPS - HALLS	80,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX005001007	536_465	LAPTOP: CHIEF OFFICER (I MTHIMKHULU)	FX001001003	544_250	FURNITURE FOR CEMETERY	40,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013001002	536_477	VARIOUS SMALL MACHINERY (HORTICULTURE)	FX001001005003	532_357	FURNITURE FOR CEMETERY	14,900
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	532_359	FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	FX001001005003	532_271	RENOVATION OF HLANGANANI FINANCE OFFICE	30,100
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	632_263	RENOVATION OF VULINDLELA FINANCE OFFICE	FX001001005003	632_138	RENOVATION OF EMPANGENI FINANCE OFFICE	300,000
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	532_458	TILING AT EMPANGENI SMME ONE STOP SHOP	FX010001005	544_253	REPLACEMENT OF FURNITURE - CITY DEVELOPMENT	30,000
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	532_359	FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	FX005001007	536_206	LAPTOPS AND DOCKING STATIONS	50,000
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	532_359	FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	FX001001005003	532_472	REPLACEMENT OF AIRCONDITIONER	15,000
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	532_359	FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	FX005001006001	544_256	FURNITURE - HUMAN RESOURCES	13,400
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	532_359	FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	FX005001006001	536_207	OFFICE EQUIPMENT - SHREDDER	20,000
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	532_359	FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	FX005001006001	536_208	OFFICE EQUIPMENT - PROJECTOR SCREEN	1,500
CORPORATE SERVICES - ADMINISTRATION	FX001001005003	632_264	RENOVATIONS - NGWELEZANE FINANCE OFFICE	FX005001003002	632_297	RENOVATION OF HLANGANANI FINANCE OFFICE	300,000
CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	FX005001007	536_480	SUPPLY AND INSTALLATION OF VISUAL AND AUDIO EQUIPMENT	FX010001005	544_253	REPLACEMENT OF FURNITURE - CITY DEVELOPMENT	27,700
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	600_205	REPLACEMENT VEHICLES	FX005001005	650_45	AIR CONDITIONERS IN BELL TLBS	65,500
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	536_459	COMPUTER EQUIPMENT FOR TRAFFIC CONTROL AND MANAGEMENT	FX012002001	544_28	FURNITURE FOR TRAFFIC LICENSING	17,000
FINANCIAL SERVICES	FX001001005003	632_264	RENOVATIONS - NGWELEZANE FINANCE OFFICE	FX005001003002	636_177	EQUIPMENT FOR HLANGANANI FINANCE OFFICE	200,000
FINANCIAL SERVICES	FX001001005003	632_264	RENOVATIONS - NGWELEZANE FINANCE OFFICE	FX005001003002	644_12	FURNITURE FOR HLANGANANI FINANCE OFFICE	500,000
FINANCIAL SERVICES	FX005001003002	544_24	REPLACEMENT FURNITURE ALL FS SECTIONS	FX001001005003	532_148	FURNITURE FOR RICHARDS BAY FINANCE RATES HALL	50,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX015001002002	632_271	WASTE WATER MANAGEMENT (SANITATION) PROJECTS	FX001001005003	632_298	AIRCONDITIONER - WATER AND SANITATION SERVICES	60,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX15001002003	632_271	WASTE WATER MANAGEMENT (SANITATION) PROJECTS	FX016001001003	636_1	WATER QUALITY EQUIPMENT	140,000
TOTAL							1,997,300

The table below indicating Virements amounting to **R12,0 million** depicts all **operating** budget transfers from 1 October to 31 December 2018:

OPERATING					
DEPARTMENT	FROM		TO		AMOUNT
	FUNCTION	GL CODE	FUNCTION	GL CODE	R
CITY DEVELOPMENT	FX009002006	022_3	FX010001002	044_16	15,000
CITY DEVELOPMENT	FX009002006	022_3	FX013001001	150_3	57,500
CITY DEVELOPMENT	FX010001002	022_3	FX004001002003	046_2	5,900
CITY DEVELOPMENT	FX010001002	022_3	FX004001002003	164_12	19,300
CITY DEVELOPMENT	FX010001002	022_3	FX004001002003	164_13	12,000
CITY DEVELOPMENT	FX010001002	022_3	FX004001002003	164_15	500
CITY DEVELOPMENT	FX010001002	022_3	FX004001002003	164_18	15,700
CITY DEVELOPMENT	FX010001002	044_31	FX010001005	164_1	3,000
CITY DEVELOPMENT	FX010001002	044_31	FX010001005	164_4	300
CITY DEVELOPMENT	FX010001002	044_31	FX010001005	074_66	200,000
CITY DEVELOPMENT	FX010001002	044_57	FX010001005	074_66	94,100
CITY DEVELOPMENT	FX010001002	044_86	FX010001005	074_66	52,400
CITY DEVELOPMENT	FX010001002	138_15	FX010001005	074_66	35,900
CITY DEVELOPMENT	FX010001002	138_16	FX010001005	074_66	82,100
CITY DEVELOPMENT	FX010001004	022_9	FX010001005	022_3	6,100
CITY DEVELOPMENT	FX010001004	022_9	FX010001004	022_3	8,900
CITY DEVELOPMENT	FX010001004	088_1	FX010001004	022_3	50,000
CITY DEVELOPMENT	FX010001005	040_35	FX009002006	044_12	160,000
CITY DEVELOPMENT	FX010001005	040_35	FX010001002	044_16	90,300
CITY DEVELOPMENT	FX010001005	040_35	FX009002006	044_86	19,200
CITY DEVELOPMENT	FX010001005	040_35	FX010001005	164_1	500
CITY DEVELOPMENT	FX010001005	040_35	FX010001005	164_2	5,900
CITY DEVELOPMENT	FX010001005	040_35	FX010001005	164_4	500
CITY DEVELOPMENT	FX010001005	040_35	FX010001005	164_6	4,400
CITY DEVELOPMENT	FX010001005	040_35	FX010001002	164_1	8,000
CITY DEVELOPMENT	FX010001005	040_35	FX010001002	164_2	1,000
CITY DEVELOPMENT	FX010001005	040_35	FX010001002	164_4	600
CITY DEVELOPMENT	FX010001005	040_35	FX007001001	164_4	1,200
CITY DEVELOPMENT	FX010001005	040_35	FX007001001	164_6	3,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX002001001004	150_3	FX012001004002	150_3	260,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX005001012	150_3	FX011001005	150_3	280,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX005001012	164_5	FX012001001	010_0	16,500
COMMUNITY SERVICES - PROTECTION SERVICES	FX012001001	044_3	FX001002007	074_66	56,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX012001001	088_2	FX012001001	010_0	36,400
COMMUNITY SERVICES - PROTECTION SERVICES	FX012001001	124_1	FX012001001	010_0	20,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX012001001	124_2	FX012001001	010_0	40,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX012001005	150_3	FX005001013	150_3	60,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX012002001	124_1	FX012001001	010_0	30,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX012002001	124_2	FX012001001	010_0	30,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX012002001	150_3	FX004001001001	150_3	1,110,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX013002003003	150_3	FX001001008	150_3	50,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX013002004001	150_3	FX005001006003	150_3	110,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX005001012	150_3	FX001001006001	150_3	235,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX012001005	150_3	FX001001005003	150_3	800,000
COMMUNITY SERVICES - PROTECTION SERVICES	FX002001001004	150_3	FX001001005002	150_3	150,000

OPERATING					
DEPARTMENT	FROM		TO		AMOUNT
	FUNCTION	GL CODE	FUNCTION	GL CODE	R
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	FX001002008	022_7	FX001002008	022_9	7,500
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	FX001002008	164_8	FX001002008	022_9	3,500
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	FX003001003	044_16	FX003001003	119_0	10,000
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	FX014001004	124_2	FX001002007	074_66	20,000
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	FX014001004	124_3	FX001002007	074_66	20,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001005002	124_3	FX001001005002	044_16	7,500
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001005002	164_5	FX001001005002	058_1	20,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001006001	164_1	FX001001006001	164_4	1,500
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001006001	164_1	FX001001006001	044_16	8,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	039_1	FX001002007	074_66	85,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	039_39	FX001002007	074_66	120,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	044_44	FX001002007	074_66	30,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	044_57	FX001002007	074_66	30,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	044_74	FX001002007	074_66	5,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	044_85	FX001002007	074_66	10,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	044_86	FX001002007	074_66	30,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	122_2	FX001002007	074_66	6,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	138_15	FX001002007	074_66	30,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	138_15	FX001002007	074_66	70,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	164_1	FX001002007	074_66	15,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	164_2	FX001002007	074_66	18,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX001001008	164_5	FX001002007	074_66	6,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX004001001001	150_2	FX001001006001	150_2	15,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX005001003002	150_2	FX013002003003	150_2	200,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX009002006	150_2	FX012002001	150_2	60,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX010001007001	150_2	FX001001006001	150_2	15,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013001001	044_70	FX013001001	044_20	56,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013001001	044_70	FX013001001	044_71	33,100
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013001001	044_70	FX013001001	044_16	7,500
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013001001	044_70	FX013002003003	044_16	20,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013002004001	024_3	FX013002004001	124_1	20,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013002004001	039_1	FX013002004001	164_1	35,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013002004001	039_1	FX013002004001	086_0	5,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013002004001	124_3	FX013002004001	164_2	15,000
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	FX013002004001	124_3	FX013002004001	164_6	15,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	022_3	FX004001002008	164_12	20,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	022_3	FX004001002008	164_13	12,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	022_3	FX004001002008	164_17	3,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	022_3	FX004001002008	164_18	22,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	124_2	FX004001001001	164_18	150,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	124_2	FX004001001001	164_12	50,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	124_2	FX004001001001	164_1	60,000
CORPORATE SERVICES - ADMINISTRATION	FX004001001001	124_2	FX004001001001	164_2	40,000
CORPORATE SERVICES - ADMINISTRATION	FX005001001	124_1	FX005001001	164_1	6,500
CORPORATE SERVICES - ADMINISTRATION	FX005001001	124_2	FX005001001	164_1	6,500
CORPORATE SERVICES - ADMINISTRATION	FX005001001	124_3	FX005001001	164_1	6,500
CORPORATE SERVICES - ADMINISTRATION	FX005001001	164_23	FX005001001	164_6	1,000

OPERATING					
DEPARTMENT	FROM		TO		AMOUNT
	FUNCTION	GL CODE	FUNCTION	GL CODE	R
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006001	022_8	FX004001001001	155_1	50,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006001	022_8	FX004001001001	155_1	10,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006001	164_5	FX005001006001	046_2	3,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX005001003002	031_0	1,400
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX005001013	031_0	2,600
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX015001002003	031_0	10,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX005001003002	031_0	10,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX016001001003	031_0	3,100
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX010001005	031_0	1,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX005001001	031_0	1,300
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX001001008	031_0	600
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX005001004	031_0	2,200
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	031_0	FX015001002003	031_0	1,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	040_8	FX005001006004	040_10	4,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	040_8	FX005001006004	164_1	2,000
CORPORATE SERVICES - HUMAN RESOURCES	FX005001006004	040_8	FX005001006004	040_10	7,000
CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	FX005001007	124_1	FX005001007	044_16	5,400
CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	FX005001007	124_1	FX005001007	010_0	4,500
CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	FX005001007	126_2	FX005001007	040_7	350,000
CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	FX005001007	126_2	FX005001007	008_1	305,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001002	058_0	FX002001002001	058_1	500,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001002	164_1	FX002001001002	164_8	10,500
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	022_9	FX005001005	010_0	50,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	022_9	FX005001005	010_0	50,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	039_6	FX002001001004	012_0	2,500
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	040_10	FX002001001004	164_8	2,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	040_10	FX002001001004	164_6	2,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	040_10	FX002001001004	164_5	1,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	040_10	FX002001001004	164_4	1,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	040_10	FX002001001004	164_23	1,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	040_24	FX002001001004	170_0	38,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	044_37	FX002001001004	170_0	50,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	124_1	FX002001001004	044_16	18,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	124_3	FX005001007	126_1	16,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	138_16	FX002001001004	170_0	17,100
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX002001001004	238_1B4	FX002001001004	238_1B2	500,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX005001005	164_4	4,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX005001005	164_2	4,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX002001001004	164_8	9,300
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX002001001004	164_6	2,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX002001001004	164_5	3,700
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX002001001004	164_4	300
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX002001001004	164_23	1,500
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX002001001004	164_1	7,000
ELECTRICAL AND ENERGY SUPPLY SERVICES	FX005001005	164_1	FX002001001004	164_2	1,200

OPERATING					
DEPARTMENT	FROM		TO		AMOUNT
	FUNCTION	GL CODE	FUNCTION	GL CODE	R
FINANCIAL SERVICES	FX005001003001	001_1	FX005001003001	138_15	140,000
FINANCIAL SERVICES	FX005001003002	074_66	FX005001003002	022_3	500,000
FINANCIAL SERVICES	FX005001003002	124_1	FX005001004	164_23	5,000
FINANCIAL SERVICES	FX005001003002	124_1	FX005001004	164_8	25,000
FINANCIAL SERVICES	FX005001003002	124_1	FX005001004	164_1	20,000
FINANCIAL SERVICES	FX005001003002	164_23	FX005001002002	164_7	3,000
FINANCIAL SERVICES	FX005001003002	164_23	FX005001004	164_6	3,000
FINANCIAL SERVICES	FX005001003002	164_23	FX005001003002	164_4	2,000
FINANCIAL SERVICES	FX005001003002	164_23	FX005001003002	164_6	2,000
FINANCIAL SERVICES	FX005001004	164_23	FX005001004	164_7	3,000
FINANCIAL SERVICES	FX005001004	164_8	FX005001004	164_2	1,500
FINANCIAL SERVICES	FX005001004	164_8	FX005001004	164_4	600
FINANCIAL SERVICES	FX005001004	164_8	FX005001004	164_6	1,300
INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	FX010001007002	044_42	FX005001006004	088_1	100,000
INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	FX010001007004	001_0	FX010001007004	040_8	300,000
INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	FX010001007005	044_11	FX010001007005	164_2	20,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX015001004	040_13	FX005001006004	088_1	50,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	062_4	FX005001014	040_16	13,500
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	062_4	FX016001001003	164_5	15,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	062_4	FX015001002003	074_66	400,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	062_4	FX016001001003		480,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	062_4	FX016001001003	072_1	500,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	064_4	FX015001002002	150_3	750,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	124_2	FX016001001003	164_4	5,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	124_3	FX016001001003	164_2	8,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	124_3	FX016001001003	044_16	15,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001001003	124_3	FX016001001003	046_1	11,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001002005	040_12	FX016001002001	010_0	330,000
INFRASTRUCTURE SERVICES - WATER AND SANITATION	FX016001002005	040_12	FX016001002001	010_0	260,000
OFFICE OF THE MUNICIPAL MANAGER	FX004001002002	060_3	FX004001002002	164_4	2,500
OFFICE OF THE MUNICIPAL MANAGER	FX004001002002	060_3	FX004001002002	164_6	2,500
OFFICE OF THE MUNICIPAL MANAGER	FX004001002003	164_1	FX004001002003	164_2	4,100
OFFICE OF THE MUNICIPAL MANAGER	FX004001002003	164_1	FX004001002003	164_4	2,000
OFFICE OF THE MUNICIPAL MANAGER	FX004001002003	164_1	FX004001002003	164_5	10,500
OFFICE OF THE MUNICIPAL MANAGER	FX004001002003	164_1	FX004001002003	164_6	7,300
OFFICE OF THE MUNICIPAL MANAGER	FX004001002003	164_1	FX004001002003	164_8	21,100
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	040_13	FX004001002005	164_5	25,000
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	040_13	FX005001011	001_1	153,300
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	040_13	FX005001011	005_1	4,900
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	040_13	FX005001011	006_1	27,600
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	040_13	FX005001011	007_1	13,800
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	040_13	FX005001011	009_1	800
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	040_13	FX005001011	046_3	100
OFFICE OF THE MUNICIPAL MANAGER	FX004001002005	164_2	FX004001002005	164_9	400
OFFICE OF THE MUNICIPAL MANAGER	FX005001009	040_13	FX004001002008	164_12	20,000
OFFICE OF THE MUNICIPAL MANAGER	FX005001009	040_13	FX004001002008	164_13	12,000
OFFICE OF THE MUNICIPAL MANAGER	FX005001009	040_13	FX004001002008	164_17	3,000
OFFICE OF THE MUNICIPAL MANAGER	FX005001009	040_13	FX004001002008	164_18	22,000
OFFICE OF THE MUNICIPAL MANAGER	FX007001001	164_5	FX004001002003	164_5	2,700
TOTAL OPERATING					12,030,000

“(d) in the case of a bank account opened in terms of Section 12 to make payments from the account in accordance with Sub-section (4) of that section.”

None

“(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state:”

R26 390 572,36 (NPA vehicle licence pay over).

“(f) to refund money incorrectly paid into a bank account.”

Nil

“(g) to refund guarantees sureties and security deposits.”

R1 381 128,03 (Refund of credit balances and deposits debtors accounts).

“(h) for cash management and investment purposes in accordance with Section 13.”

Refer to **Annexure O** and **Annexure S**.

16. SUPPLY CHAIN MANAGEMENT POLICY

LEGISLATIVE FRAMEWORK

- Supply Chain Management Policy.
- Contract Management Policy.
- **Oversight Role of Council**

Clause 6 of the municipal supply chain management policy requires:

“6.3 *The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.*

6.4 *The reports must be made public in accordance with section 21A of the Municipal Systems Act.”*

CONTRACT MANAGEMENT POLICY

- **Statutory reporting and compliance**

Clause 7(4) of contract management policy requires contract management unit to maintain contract register and Provincial Circular No 2 of 2016/2017 in relation to Contract Management also required all municipalities to submit updated Contract Registers by the 7th of every month. As from 7 November 2017, the submission of this report has commenced.

- **Staffing**

Staffing in the Supply Chain Management Unit remains critical. The Supply Chain Management Unit has updated its organogram and submitted for review.

- **Internal Audit**

There was no internal audit in Quarter 2 of 2018/19 financial year.

- **Training and workshops**

The Supply Chain Management Policy, Clause 8, the training of officials involved in implementing the Supply Chain Management Policy should be in accordance with National Treasury guidelines on Supply Chain Management Training.

Trainings attended:

None

- **Supply Chain Management Module - Intenda**

The challenges that have been experienced in the previous quarter have been resolved, only 30% is awaiting feedback from consultants and the system is very slow and that causes delays in purchase order issuing and goods receipting.

DEMAND AND ACQUISITION MANAGEMENT

- **Capturing of vendors on Council's database**

The total number of vendors registered in this quarter is as follows:

MONTH	NUMBER OF VENDORS
Oct-18	31
Nov-18	101
Dec-18	75
	207

- **Reporting of Supply Chain Management awards above R100 000 captured on the National Treasury database**

Sections 74(1) and 104(1)(b) of the Municipal Finance Management Act (MFMA) prescribes the following regarding general reporting obligations:

"The accounting officer of a municipality [and municipal entity] must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required."

Since 1 July 2006, in terms of National Treasury Circular MFMA Circular No 34, municipalities and municipal entities are required to submit a separate report for each contract awarded (and signed) above R100 000, and which must be submitted within 15 days of the end of each month. A backlog still exists with the capturing of data, mainly due to the fact that the database is very slow during working hours.

A list of orders in excess of R100 000 is included under - **Annexure AP (DMS 1305092)**.

- **Reporting on the Supply Chain Management Policy in terms of Section 36 (2) in which any deviation from the Supply Chain Management Policy must be approved by the Municipal Manager**

The Supply Chain Management Policy, prescribes in Clause 36(2) *The accounting officer must record the reasons for any deviations in terms of sub Clauses (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.* The reporting is delegated to the User Department to complete this task.

Below table shows the number of **deviations for the first quarter** and total as at 31 December 2018, details are contained in **Annexure AQ (DMS 1308528)**:

DEVIATIONS - 2018/2019						
DEPARTMENT	QUARTER 1		QUARTER 2		Year to date	Total value
	No	Value	No	Value		
Corporate Services	5	R 3,785,471.00	3	R 232,616.00	8	R 4,018,087.00
Financial Services	3	R 3,645,696.25	1	R 200,445.00	4	R 3,846,141.25
Infrastructure Services	1	R 4,746,092.82	1	R 1,301,946.00	2	R 6,048,038.82
Electrical and Energy Services	1	R 4,475,486.00	2	R 450,447.71	3	R 4,925,933.71
City Development	0	0	0	0	0	R 0.00
Community Services	3	R 1,746,912.75	1	R 187,777.75	4	R 1,934,690.50
Office of the Municipal Manager	0	0	0	0	0	R 0.00
	13	R 18,399,658.82	8	R 2,373,232.46	21	R 20,772,891.28

- **Value of Tenders Awarded**

MONTH	NUMBER OF AWARDS	TOTAL
Oct-18	10	105,915,500
Nov-18	6	13,076,942
Dec-18	2	135,409,898
TOTAL	18	254,402,341

Number of tenders numbers issued to user departments	Number of tenders published	Number of tenders Cancelled	Number of Bid Committees seated and cancelled	
			Seated	Cancelled
14	15	3	BSC - 6	1
			BEC - 18	4
			BAC - 18	2

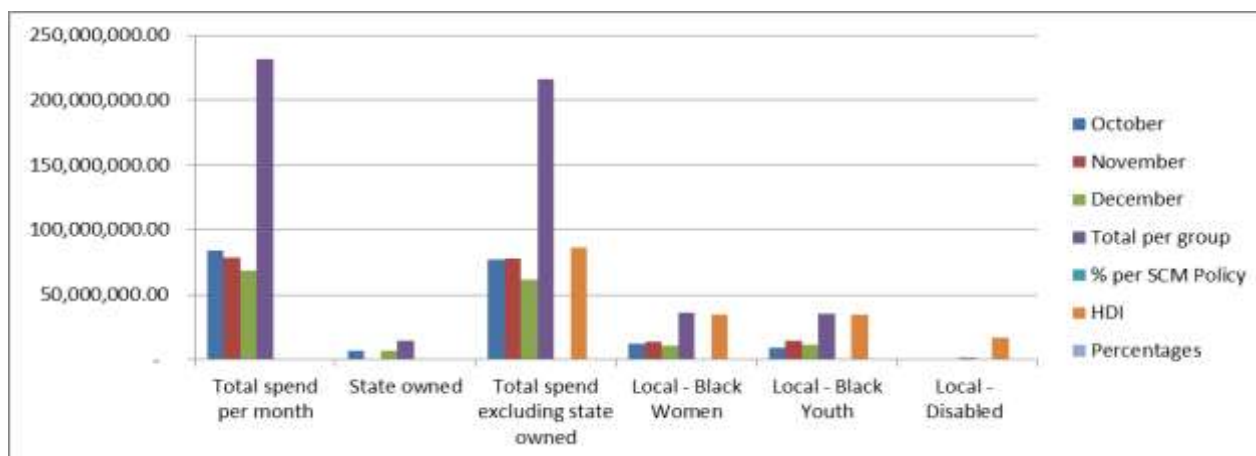
Number of Tenders where Validity Period were extended	
Number	Reasons
1	Due to the tender being referred back from the Committees for various reasons such as lack of supporting documentation and information.

Number of section 32 and value			
Number	The name of the Entity that SCM Regulation 32 was sourced from.	Awarded to	Total value of tenders awarded through SCM Regulation 32.
NONE			

APPROVAL OF TENDERS NOT RECOMMENDED	
	Total
Number of approved Tenders not recommended by Bid Evaluation in terms of supply chain management policy clause 29(7)(a)	0

- **Supply Chain Management spending report reflecting the performance on each category in Quarter 2:**

	October	November	December	Total per group	% per SCM Policy	HDI	Percentages
Total spend per month	84,062,235.30	78,568,210.41	68,572,089.56	231,202,535.26			
State owned	6,971,115.40	896,058.92	6,925,548.97	14,792,723.29			
Total spend excluding state owned	77,091,119.90	77,672,151.48	61,646,540.59	216,409,811.97	40%	86,563,924.79	
Local - Black Women	12,345,481.34	13,596,519.86	10,660,699.22	36,602,700.42	40%	34,625,569.91	95%
Local - Black Youth	9,556,141.57	14,468,409.88	11,221,809.93	35,246,361.38	40%	34,625,569.91	98%
Local - Disabled	459,128.35	348,817.00	550,765	1,358,710.35	20%	17,312,784.96	8%



- **Report on Objections and Complaints**

Refer to Section 1 of this report for a detailed list:

In terms of the Supply Chain Management Policy, Clause 49, *Persons aggrieved by **decisions** or **actions** taken in the implementation of this Supply Chain Management system, may lodge within 14 days of the decision or action:*

- (a) *if the **objection or complain is against the procurement process**, submit a written **objection or complaint against the decision or action** to the accounting officer of the municipality who shall, in turn, within 24 hours refer the written objection or complaint to the dependent and impartial refer the written objection or complaint to the dependent and impartial person referred to in Clause 50 for resolution:*

1 October to 31 December 2018	
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, Clause 49)	
Details of objections or complaints	Letters received during the quarter for tenders: Tender 8/2/1/UMH338-17/18: Supply, Delivery and Offloading of Miniature Substations with enclosure and earth fault indicators (MV Electrical).
Against the procurement process	DMS 1322633 bears reference
Against the decision or action	N/A
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, Clause 49)	
Details of objections or complaints	Letters received during the quarter for tenders: Tender 8/2/1/UMH321-17/18: Upgrading of eNseleni Taxi Rank (Isidingo Trading).
Against the procurement process	DMS 1313228 bears reference
Against the decision or action	N/A
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, Clause 49)	
Details of objections or complaints	Letters received during the quarter for tenders: Tender 8/2/1/UMH340-17/18: Panel of Service Providers for the Provision of Internal Audit for a period of three years (Ernst & Young).
Against the procurement process	DMS 1318600 bears reference
Against the decision or action	N/A

REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, Clause 49)	
Details of objections or complaints	Letters received during the quarter for tenders: Tender 8/2/1/UMH340-17/18: Panel of Service Providers for the Provision of Internal Audit Services for a period of three years (Phumlani Mntambo).
Against the procurement process	DMS 1322673 bears reference
Against the decision or action	N/A
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, Clause 49)	
Details of objections or complaints	Letters received during the quarter for tenders: Tender 8/2/1/UMH340-17/18: Panel of service providers for the provision of internal audit services for a period of three years (DMF).
Against the procurement process	DMS 1322670 bears reference
Against the decision or action	N/A
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, Clause 49)	
Details of objections or complaints	Letters received during the quarter for tenders: Tender 8/2/1/UMH418-18/19: Refurbishment of Richards Bay Library (Nthawani Trading).
Against the procurement process	DMS 1310583 bears reference
Against the decision or action	N/A
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, Clause 49)	
Details of objections or complaints	Letters received during the quarter for tenders: Tender 8/2/1/UMH416-18/19: Request for Municipal Valuer for Preparation of the Valuation Roll and Maintenance and Updating of Valuation Rolls for the period of three years in the City of uMhlathuze (Ndlala Mass Valuers).
Against the procurement process	DMS 1322652 bears reference
Against the decision or action	N/A
RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES (In terms of SCMP, Clause 50)	
Details of decision or action and queries.	None
Taken in the implementation of the procurement process in terms of the supply chain management system.	None
Any matter arising from a contract awarded in the course of the supply chain management system.	None
MUNICIPAL BID APPEALS TRIBUNAL (In terms of SCMP, Clause 50A)	
Case referred by Bidder	Tender 8/2/1/UMH321-17/18: Upgrading eNseleni Taxi Rank (Zalopath).
RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES (In terms of SCMP, Clause 50)	
Details of decision or action and queries.	None
Taken in the implementation of the procurement process in terms of the supply chain management system.	None
Any matter arising from a contract awarded in the course of the supply chain management system.	None
MUNICIPAL BID APPEALS TRIBUNAL (In terms of SCMP, Clause 50A)	
Case referred by Bidder	Tender 8/2/1/UMH386-18/19: Appointment of Contractor to Supply, Deliver and Install new 132/11 kV Transformer Bay including new 30 MVA Power Transformer and Associated Electrical and Civil Works at Phoenix Sub-station to cater for the Aquadene Development: Appeal number UMH06 (Zalopath).

CONTRACT AND LOGISTICS MANAGEMENT

CONTRACT REGISTER – QUARTER 2	
Details	Number
Contracts Expiring in 6 months	52
Total Contracts Carried Over from Quarter 1	109
Total Effective Contracts 2018/19	119
Total Contracts closed in 2018/19	0
Total Captured in Quarter 1	10
Number of Contracts amended using 15% and 20 threshold	0

VIRIATION ORDER AND EXPANSIONS			
Contracts which were amended using the 15% and 20% thresholds contained in MFMA Circular 62			
Number	Tender	Awarded to	Total Variance Order
NONE			

- **Monthly Stock Count**

The stock count results for quarter 2 ending 31 December 2018 are as follows:

STOCK RESULTS AS AT 31 DECEMBER 2018	
DESCRIPTION	AMOUNT
Stock value before stocktake (27/12/2018)	16,879,105.53
Variance - stock shortages	24,085.37
Stock value after stocktake (28/12/2018)	16,903,190.90

Stock surplus resulted from one item that the requisition was not picked during stock count (Item Code 938). The remainder is due to miscalculations from old stock take, miscount on the current stock take.

PART 4 - ADDITIONAL REPORTING REQUESTED BY COUNCIL

17. LOSSES TO COUNCIL'S PROPERTY

The table below represents losses to Council property for the period 1 October to 31 December 2018:

DESCRIPTION	AREA	DEPT/DIVISION	V NUMBER	REGISTRATI ON NUMBER	DAMAGE	EXCESS	COST TO COUNCIL	SHE NO
					R	R	R	
Glass Replacement	John Ross	Safety & Security	V1296	NRB 18256	12,133	3,033	3,033	
Vehicle Damage	Empangeni	CD - Human Settlement	V0298	NRB 77542	29,130	5,000	5,000	913
Vehicle Damage	Empangeni	CD - Human Settlement	V0299	NRB 77543	6,854	1,854	1,854	1120
Vehicle Damage	Richards Bay	I&TS - Electricity Supp	V0289	NRB 70419	6,015	5,000	6,015	945
Public Liability	Esikhaleni	Comms - Parks			1,950	3,000	1,950	1054
Public Liability	Empangeni	Comms - Parks			10,327	3,000	3,000	
Glass Replacement	Empangeni	Comms - Waste	V0483	NRB 30405	3,493	3,500	3,493	1154
Vehicle Damage	Esikhaleni	Public Safety	V1252	NRB 42426	127,248	6,418	6,418	997
Vehicle Damage	Empangeni	Comms - Waste	V0437	NRB 68181	19,215	7,500	7,500	1157
Theft/Damages	Richards Bay	I&TS - Electricity Supp	V0232	NRB 41702	13,231	5,000	5,000	1173
Vehicle Damage	Esikhaleni	Comms - Fire & Rescue	V1333	NRB 49551	21,468	15,000	15,000	1217
Vehicle Damage	Richards Bay	I&TS - Street Lighting	V1122	NRB 21360	12,049	5,000	5,000	1125
Vehicle Damage	Richards Bay	Comms - Traffic	V1263	NRB 48403	1,225	5,000	1,225	1074
Vehicle Damage	Empangeni	Comms - Waste	V0438	NRB 68833	32,527	15,000	15,000	1109
TOTAL					296,865	83,305	79,487	

The table below represents losses to Council's property for the period 1 October to 31 December 2018 – Claims in progress not yet finalised – Theft:

Incident	Claim Ref	Incident Description	Area	HSEC	Department
25/10/2018	222018/61	The copper pipes and wiring were stolen at the Richards Bay Library	Richards Bay	1291	Comms - Library
19/11/2018	222018/64	The copper pipes were stolen at 4 hostels in Esikhaleni - J223,J464,J1083,J1169	Esikhaleni	1298	CD - Human Settlement

The above table represents all accident damages which are not yet finalised by Council's insurer.

The table below represents losses to Council's property for the period 1 October to 31 December 2018 – Claims in progress not yet finalised – Vehicle Damage:

Incident	Claim Ref	Incident Description	Vehicle Reg	Type	Model	Asset	Third Party Information	Area	HSEC	Department
10/12/2018	222018/66	V1374 - Driven by Bheki Mkhize - tyre was damaged when he swerved to avoid a vehicle	V1374 - NRB 89169	Ford Ranger	2018			Richards Bay	1318	I&TS - Revenue Protect
29/10/2018	222018/52	V1268 - Driven by P Mchunu - was damaged when a TP reversed into it	V1268 - NRB 16968	Ford Focus				Empangeni	1090	Comms - Traffic
07/10/2018	222018/36	V1390 - Driven by Justice Mthembu - was damaged when he misjudged and hit the wall	V1390 - NRB 89062	Ford Ranger	2018			Mzingazi	1252	I&TS - Engineering Supp
04/10/2018	222018/37	V1365 - Driven by Willie Mbele - was hit by NRB 87519 - third party	V1365 - NRB 89165	Ford Ranger	2018	36869		R 327	1249	I&TS - Enviromental
14/10/2018	222018/42	V1268 - Driven by P Mchunu - side mirror was damaged by a third party	V1268 - NRB 16968	Ford Focus		35241		Ngwelezane	1266	Comms - Traffic
11/10/2018	222018/43	V1368 - was damaged whilst operated by the operator	V1638	Skid Steer	2018			Esikhaleni	1259	I&TS - Roads & S/Water
10/10/2018	222018/44	V0304 - Driven by Sakhile Nxumalo was damaged when he hit a tree avoiding a cow	V0304 - NRB 81203	Nissan		FT1392		Ntambanana	1254	I&TS - Water & Sanit
14/09/2018	222018/49	V0246 - driven by- N Mthethwa hit into an Avis vehicle reg NRB 60416 - causing damages	V0246 - NRB 73473	Isuzu			Avis - Caroline - 0848835748 /7898255	Richards Bay	1227	I&TS - Electricity Supp
30/10/2018	222018/50	V1270 - Driven by W Dubazana - was hit by a TP NUF 55074 whilst it was stationery	V1270 - NRB 15139	Ford Focus			CN Sibiya - NUF 55074 - Black Polo	Empangeni	1273	Comms - Traffic
05/11/2018	222018/54	V0351 - Driven by P Madlopha was damaged by a TP that reversed into it whilst parked	V0351 - NRB 67551	Ford		40715	Nolen Boetger - NUF 22004 - 0833318336	Empangeni	1278	FS - Income
13/11/2018	222018/57	V1353 - Driven by PJJ Vorster - was damaged when a TP - NRB 73771 hit into it	V1353 - NRB 89174	Ford Ranger		36896	DS Makhanya - NRB 73771 - Tata 813	John Ross	1290	I&TS - Plumbers
14/11/2018	222018/59	V0328 - Driven by Philani P Lushosi - side mirror was damaged when he hit a tree	V0328 - NRB 57846	Water Tanker		37031		Kwadlangezwa	1294	I&TS - Roads & S/Water
22/09/2018	222018/60	V0354 - Driven by Methew Chivambo - went off the road to avoid a head on collision	V0354 - NRB 83588	Mitsubishi				Felixton	1235	Comms - Comms
23/11/2018	222018/70	V1352 - Driven by Grevis Dube - was damaged when the driver reversed into a pillar	V1352 - NRB 89172	Ford Ranger	2018	36883		Richards Bay		I&TS - Road Marking
12/12/2018	222018/71	V0418 - Driven by Buhle Zuma - reversed into V0355 and damaged it on the right side	V0418 - NRB 56453	Nissan Comp	2009	23274	V0355 - NRB 82573 - Nissas UD 70 - 37060	Richards Bay	1316	Comms - Waste
12/12/2018	222018/71	V0418 - Driven by Buhle Zuma - reversed into V0355 and damaged it on the right side	V0355 - NRB82573	Nissan Comp	2009	23274	V0355 - NRB 82573 - Nissas UD 70 - 37060	Richards Bay	1316	Comms - Waste
15/12/2018	222018/72	V1349 - Driven by Skhumbuso Ntaka - was hit from behind by TP - NUF 47152	V1349 - NRB 89186	Ford Ranger	2018		S Magubane - NUF 47152 - 0731462820	Empangeni		I&TS - Water & Sanit
23/08/2018	222018/75	V1228 - Driven by AQ Shandu was damaged by a pole that he did not see in the grass	V1228 - NRB 46610	Nissan						

The above table represents all accident damages which are not yet finalised by Council's insurer.

The table below represents losses to Council's property for the period 1 October to 31 December 2018 – Claims in progress not yet finalised – Glass Replacement:

Incident	Claim Ref	Incident Description	Vehicle Reg	Type	Model	Asset	Area	HSEC	Department
12/10/2018	222018/38	V0803 - Driven by Mthembeni Tembe - glass was damaged when it hit into a tree	V0803 - NRB 35468	Volvo Roller	2009	FX0016	Esikhaleni	1262	I&TS - Roads & S/Water
11/10/2018	222018/39	V1589 - Driven by Mdudzi Ntshangase - glass was damaged by heavy winds	V1589 - NRB 56832	Case 580 LE	2015		Esikhaleni	1261	I&TS - Roads & S/Water
12/10/2018	222018/41	V1353 - stationery at the workshop - stone picked up by grass cutter and shattered glass	V1353 - NRB 89174	Ford Ranger	2018	36896	Richards Bay	1263	I&TS - Plumbers
05/11/2018	222018/53	V1225 - Driven by ZB Myeza - glass was damaged when a stone picked up	V1225 - NRB 46440	Nissan NP300		35278	Esikhaleni	1282	I&TS - Roads & S/Water
12/11/2018	222018/55	V0462 - Driven by Michael Langa - windscreen was damaged with stones thrown at it	V0462 - NRB 31939	Isuzu			Empangeni	1284	Comms - Waste
14/11/2018	222018/56	V1176 - Driven by Buhle Mhlongo - windscreen damaged by a stone that picked up	V1176 - NRB 56439	Nissan		23908	Richards Bay	1286	I&TS - Plumbers
14/11/2018	222018/58	V0250 - Driven by Magiel Horn - windscreen was damaged by a stone that picked up	V0250 - NRB 38438	Mercedes		23957	John Ross	1285	Comms - Fire & Rescue
23/11/2018	222018/62	V1218 - Driven by Jabulani Ntuli - windscreen was damaged by a stone that picked up	V1218 - NRB 76268	BMW X5	2015		Esikhaleni	1302	Comms - Security
02/11/2018	222018/63	V0328 - Driven by Philani P Lushosi - windscreen was damaged when a stone picked up	V0328 - NRB 57846			37031	Richards Bay	1304	I&TS - Roads & S/Water

The above table represents all accident damages which are not yet finalised by Council's insurer.

The table below represents losses to Council's property for the period 1 October to 31 December 2018 – Claims in progress not yet finalised – Property loss and damage:

Incident	Claim Ref	Incident Description	Vehicle Reg	Type	Model	Asset	Area	HSEC	Department
08/12/2018	222018/67	V0432 - Driven by Ntombi Mngomezulu - key was misplaced whilst working	V0432 - NRB 41594	Nissan UD35	2009	23273	Esikhaleni	1314	Comms - Solid Waste
09/10/2018	222018/51	A stone picked up and damaged the window of the Thusong centre in Port Durnford					Port Dum	1234	Comms - Halls
05/12/2018	222018/68	The roof of the building at 10 Betastraal-fitters depot was damaged due to bad weather					Richards Bay	1317	I&TS - Water & Sanit
05/12/2018	222018/73	The electric fence at the Vulindela rates hall was damaged by a branch that fell - wind					Kwadlangezwa	1312	Finance

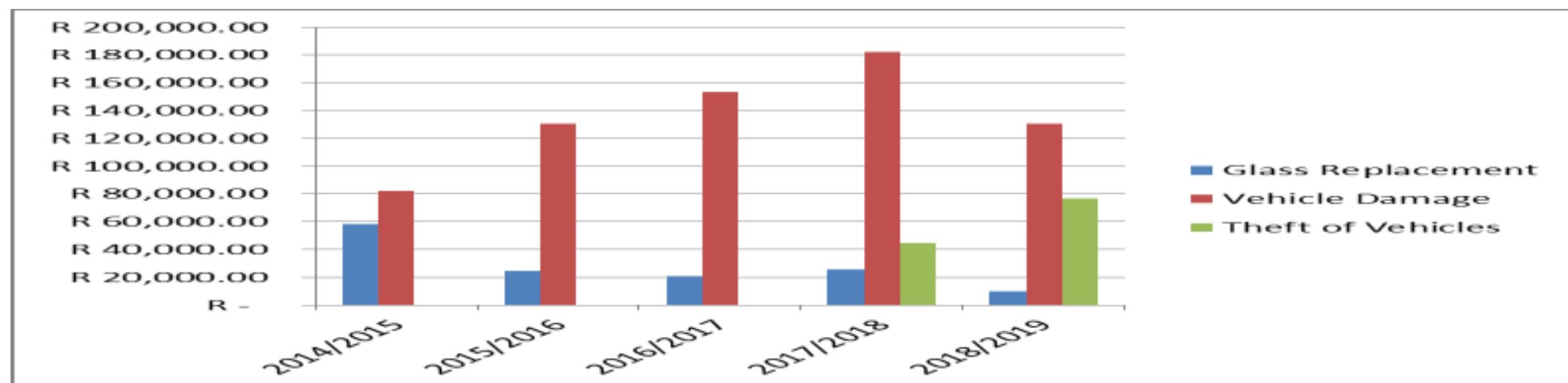
The above table represents all accident damages which are not yet finalised by Council's insurer.

The table below represents losses to Council's property for the period 1 October to 31 December 2018 – Claims in progress not yet finalised – Public Liability:

Incident	Claim Ref	Incident Description	Vehicle Reg	Type	Third Party Information	Area	HSEC	Department
19/07/2018	222018/40	Vusumuzi Dlalokwakhe is claiming for damages to his tyres and rim caused by a pothole				Richards Bay		I&TS - Roads & S/Water
15/09/2018	222018/45	Somadhaven Moodley is claiming for damages to his property caused by a tree that fell			Gorden Moodley - 076 9034 817 - Church Av	Felixton		Comms - Parks
27/08/2018	222018/46	Mzwandile Mataba is claiming for damages to his furniture allegedly damaged by water			Mzwa Mataba - 0785846608 - Kwandaya Res	Esikhaleni		Comms - Fire & Rescue
29/05/2018	222018/47	Munyaradzi Muzamhindi is claiming for damages to his car allegedly caused by a pothole			M Muzamhindo - NRB 66916	Richards Bay		I&TS - Roads & S/Water
11/12/2018	222018/65	V0441 - Driven by Mkhuleko Zikhali hit into a TP vehicle - NRB 86621 whilst reversing	V0441 - NRB 67912	Isuzu		Richards Bay	1313	Comms - Waste
11/10/2018	222018/69	SP Mnqayi is claiming for the theft of her TV and kettle due to an incorrect disconnection			SP Mnqayi	Richards Bay		Finance
27/11/2018	222018/74	Nicholas Nyathikazi is claiming for damages to his vehicle glass caused by grass cutters			Nicholas Nyathikazi	Esikhaleni	1301	

Below is the graphic representation showing the cost to Council and the number of insurance related incidents:

Cost to council					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Glass Replacement	R 57,997.56	24,399.79	20,710.42	25,511.09	10,026.08
Vehicle Damage	R 82,076.87	130,258.98	153,205.29	182,133.78	130,473.25
Theft of Vehicles	0.00	0.00	0.00	44,422.60	76,620.97
Total	R 140,074.43	R 154,658.77	R 173,915.71	R 207,644.87	R 217,120.30

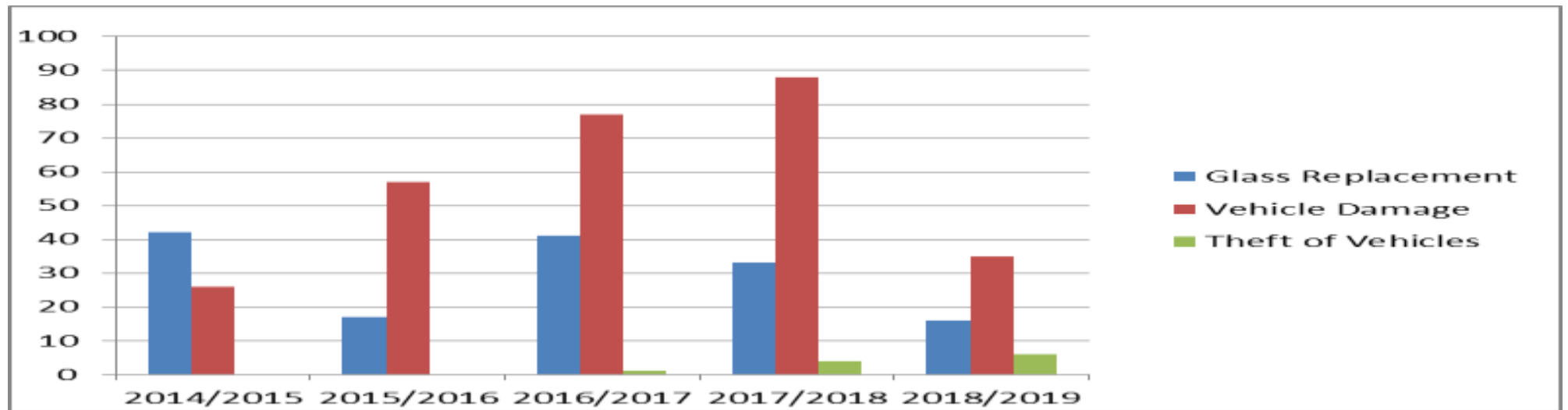


NOTES:

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Number of incidents					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Glass Replacement	42	17	41	33	16
Vehicle Damage	26	57	77	88	35
Theft of Vehicles	0	0	1	4	6
Total	68	74	118	121	57



18. PROCEEDS FROM LAND SALES

As required in terms of the Chief Financial Officer's Performance Plan (**DMS 1308528**), the following progress on land sales that have been prepared by the Department: City Development and approved by Council for sale, the process followed by Financial Services be noted:

Date received	Amount	Erf Number	Details
	R		
06/07/2018	1,800,000.00	Erf 18487	Sold to Lot 7490 Alton (pty) Ltd
	1,800,000.00		

ENVIRONMENTAL IMPLICATIONS

None

FINANCIAL IMPLICATIONS

This has been covered in details throughout the report.

LEGAL IMPLICATIONS

The monthly and quarterly financial report is prepared in terms of Section 71 and Section 72 of the Municipal Finance Management Act, 2003 (MFMA), (Act 56 of 2003).

COMMENTS OF THE CHIEF FINANCIAL OFFICER

Refer to the Executive summary contained in this report for comments.

RECOMMENDED THAT:

1. the Mid-Year Budget Report as at 31 December 2018 be noted;
2. the report be submitted to both the National Treasury and Provincial Treasury as stipulated in Section 72(1)(b) of the Municipal Finance Management Act, 2003 (Act 56 of 2003);
3. as a result of the Mid-Year Budget Report, a report dealing with the Adjustments Budget, in terms of Section 28 of the Municipal Finance Management Act be submitted to Council; and
4. the financial position of the uMhlathuze Municipality as at 31 December 2018, as required in terms of Section 71 and Section 66 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003), and as set out in the monthly budget statement tables (**DMS 1320329**) including the quarterly requirements in terms of Section 52(d), be noted.