

13720

MID-YEAR BUDGET REVIEW AS AT 31 DECEMBER 2019

PURPOSE

To submit to Council the financial position of the uMhlathuze Municipality for the quarter ended 31 December 2019, 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, 72 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 1372336)**;
- ❑ Component 2: Monthly projections of expenditure (operating and capital) and revenue for each vote **Annexure AA (DMS 1372336)**;
- ❑ Component 3: Quarterly projections of service delivery targets and performance indicators for each vote **Annexure AB - AH (DMS 1372336)**;
- ❑ Component 4: Ward information for expenditure and service delivery **Annexure AI and AJ (DMS 1372336)**; and
- ❑ Component 5: Detailed capital works plan broken down by ward over three years **Annexure AK (DMS 1372336)**.

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 - IN-YEAR REPORTING

1. MAYORAL REPORT FOR THE MONTH OF DECEMBER 2019

In terms of the Budget Regulations, Part 1 in-year reporting, the Mayor 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 2019, and the performance of the Municipality against its budget is in line with the adopted budget that was approved by Council in May 2019. 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 2019 (year to date actual) shows a surplus of R92,7 million. The surplus for the month is mainly as a result of equitable share of R271 million received in July and December 2019. The performance in this area is **Acceptable**.

Capital Budget

Council is at the end of the second quarter of the financial year and capital expenditure is fairly low at R91,2 million (14,61%). This is based on the Adopted Capital Budget plus roll-overs which results in a Proposed Capital Budget of R624,7 million. Expenditure is expected to rise as the year progresses. The performance in this area **is not acceptable**. The Project steering Committee is monitoring the capital projects to ensure that any issues are resolved promptly.

There are a few payments that have not gone through the system, hence for various technical and legal reasons were not put through the ledger. These invoices for Capital Expenditure total R76,8 million. When the amounts are regularized, the revised percentage payment for 31 December 2019 will be 27%.

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 2,65:1 (616 509/232 855). Therefore, the Municipality has a positive bank balance to defray its expenses. The performance in this area is **Acceptable**.

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 2019:

DESCRIPTION	ADOPTED BUDGET 2019/2020	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2019 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Revenue (Excluding Capital Grants)	3 208 768 100	1 751 876 000	1 668 085 740	95,22%
Expenditure	3 234 246 900	1 604 168 000	1 575 377 270	98,21%
Surplus/(Deficit) (Excluding Capital Grants)	(25 478 800)	147 708 000	92 708 469	

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 2,65:1 (616 509/232 855).

3.3 Grants Balances

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2019/20	AMOUNT RECEIVED AS AT 31 DECEMBER 2019	DIFFERENCE	ACTUAL EXPENDITURE AS AT 31/12/2019	% SPENT	COMMENTS
NATIONAL TREASURY						
Equitable Share	362 965 000	272 223 000	90 742 000	181 482 500	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-IUDG	139 988 000	33 662 000	106 326 000	52 415 641	37%	This expenditure is as per claims submitted to COGTA
Financial Management Grant	2 650 000	2 650 000	-	807 236	30%	Spending is in accordance with the support plan submitted to National Treasury for the grant
Municipal Water Infrastructure Grant-WSIG	40 000 000	5 000 000	35 000 000	6 114 418	15%	Spending is in accordance with the support plan submitted to National Treasury for the grant
Extended Public Works Programme	4 492 000	3 145 000	1 347 000	2 005 543	45%	The grant is for the operational expenditure for EPWP
Municipal System Improvement Grant	600 000	-	600 000	-	0%	The grant is to support the Re-demarcated municipalities on transition matters
TOTAL NATIONAL TREASURY GRANTS	550 695 000	316 680 000	234 015 000	242 825 339	44%	

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2019/20	AMOUNT RECEIVED AS AT 31 DECEMBER 2019	DIFFERENCE	ACTUAL EXPENDITURE AS AT 31/12/2019	% SPENT	COMMENTS
PROVINCIAL TREASURY						
Provincialisation of Libraries	8 689 000	8 689 000	8 689 000	9 866 970	114%	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)	2 283 000	1 688 000	2 283 000	593 471	26%	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	2 396 000	-	2 396 000	5 988 210	250%	Expenditure shown is the total operating cost of the Human Settlements Section excluding Hostel Operating costs.
Museum Subsidy	202 000	-	202 000	1 856 349	919%	Expenditure shown is the total operating cost of the Museum incurred to date.
Sports and Recreation-Capital	8 243 000	-	8 243 000	-	0%	Sports and Recreation - Provincial Allocation for Construction of Fitness Centre at Esikhaleni
TOTAL PROVINCIAL TREASURY GRANTS	21 813 000	10 377 000	21 813 000	18 304 999	84%	
TOTAL GRANTS AND SUBSIDIES	572 508 000	327 057 000	255 828 000	261 130 338	46%	

3.4 Capital Budget Summary

The table below represents Capital Expenditure incurred as at 31 December 2019:

FUNCTION	ADOPTED BUDGET 2019/2020	ROLL-OVERS 2018/2019	VIREMENTS	MOVEMENTS	SYSTEM BUDGET	ACTUAL DECEMBER 2019 (YTD)	% OF ADOPTED BUDGET SPENT
	R	R	R	R	R		%
Finance and Administration	37 499 800	11 123 800	-	4 175 100	52 798 700	4 349 837	8,24%
Community and Social Services	31 533 400	1 298 000	4 000 000	9 959 800	46 791 200	4 555 979	9,74%
Energy Sources	96 909 700	(11 343 100)	-	4 350 900	89 917 500	18 463 695	20,53%
Housing	-	6 339 900	-	-	6 339 900	-	0,00%
Planning and Development	33 000 000	1 466 700	-	-	34 466 700	1 014 022	2,94%
Road Transport	111 408 000	3 653 000	(5 000 000)	7 250 200	117 311 200	21 972 228	18,73%
Sport and Recreation	32 525 000	708 500	-	-	33 233 500	1 221 055	3,67%
Waste Management	3 600 000	(1 400 000)	-	1 400 000	3 600 000	1 821 500	50,60%
Waste Water Management	75 517 100	(2 984 900)	(2 000 000)	-	70 532 200	20 932 474	29,68%
Water	175 540 000	(8 861 900)	3 000 000	-	169 678 100	16 911 127	9,97%
	597 533 000	-	-	27 136 000	624 669 000	91 241 916	14,61%

There are few payments that have not gone through the system, hence for various technical and legal reasons were not put through the ledger. These invoices for capex total R76,8 million. When the amounts are regularized, the % payment for 31 December 2019 will be 27%.

The total adopted Capital Budget funding structure is as follows:

SOURCE OF FUNDING	ADOPTED BUDGET 2019/2020	ROLL-OVERS 2018/2019	MOVEMENTS	SYSTEM BUDGET	ACTUAL DECEMBER 2019 (YTD)	% OF ADOPTED BUDGET SPENT
	R	R	R	R	R	%
Borrowing	-	44 608 500	6 000 000	50 608 500	7 419 804	14,66%
Capital Replacement Reserve	406 301 000	(44 608 500)	21 136 000	382 828 500	44 598 009	11,65%
Integrated Urban Development Grant	132 989 000	-	-	132 989 000	34 977 238	26,30%
Government Grants - National	50 000 000	-	-	50 000 000	3 025 811	6,05%
Government Grants - Provincial	8 243 000	-	-	8 243 000	1 221 055	14,81%
TOTAL	597 533 000	-	27 136 000	624 669 000	91 241 916	14,61%

3.5 Expenditure per Category

EXPENDITURE BY TYPE	ADOPTED BUDGET 2019/2020	PRO-RATA ADOPTED BUDGET	ACTUAL DECEMBER 2019 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Employee related costs	859 549 700	424 807 100	405 543 722	95,47%
Remuneration of Councillors	32 403 900	14 819 700	15 060 300	101,62%
Debt Impairment	31 453 900	15 727 200	20 337 806	129,32%
Depreciation and asset impairment	408 531 600	204 268 800	204 267 604	100,00%
Finance Charges	70 845 700	35 424 100	35 422 850	100,00%
Bulk Purchases - Electricity	990 263 100	521 274 400	567 095 754	108,79%
Bulk Purchases - Water	106 685 500	52 186 800	65 137 318	124,82%
Other Materials	121 110 200	63 967 200	17 419 676	27,23%
Contracted Services	323 134 900	127 830 800	138 726 035	108,52%
Transfers and grants	12 087 300	5 709 100	9 561 177	167,47%
Other Expenditure	278 181 100	138 152 800	96 805 030	70,07%
TOTAL	3 234 246 900	1 604 168 000	1 575 377 270	98,21%

The above table represents operating expenditure per category as at 31 December 2019.

Transfers and Grants

Payments of R2,5 million were made to the uMhlathuze International Jazz Festival 2019, R2,5 million was paid to Richards Bay Football Club and R1 million paid to uMhlathuze NYE Event. These payments are in line with the Grants in Aid schedule that is monitored by Grants in Aid Committee.

Other Materials

Due to implementation of SAP system, most of materials issued from stores from July and September were made manual. The capturing of expenditure has commenced. It is expected that all expenditure will be up to date before the adjusted budget.

This non-recording of expenditure has resulted in a high surplus which does not reflect the true expenditure incurred for the period under review.

There are a few payments that have not gone through the system, hence for various technical and legal reasons were not put through the ledger. These invoices for Operating Expenditure total R66 million.

3.6 Revenue by Source

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

REVENUE BY SOURCE	ADOPTED BUDGET 2019/2020	PRO-RATA ADOPTED BUDGET (YTD)	ACTUAL DECEMBER 2019 (YTD)	% PRO-RATA ADOPTED BUDGET SPENT
	R	R	R	%
Rates	520 379 700	282 921 100	270 286 948	95,53%
Service Charges – Electricity revenue	1 573 324 400	804 766 500	769 489 975	95,62%
Service Charges – Water revenue	388 298 900	204 599 400	217 694 411	106,40%
Service Charges – Refuse revenue	113 268 300	56 702 600	47 148 984	83,15%
Service Charges – Sanitation revenue	101 068 000	49 765 900	50 207 603	100,89%
Rental of facilities and equipment	10 802 300	6 201 900	3 808 138	61,40%
Interest earned – external investments	58 000 000	24 911 600	12 456 639	50,00%
Interest earned – outstanding debtors	108 700	43 200	69 917	161,85%
Fines	7 980 600	4 863 300	7 025 049	144,45%
Licences and permits	3 406 700	1 655 800	1 253 093	75,68%
Agency services	5 970 400	2 842 400	2 657 041	93,48%
Operating Grants and Subsidies	390 676 000	295 437 800	151 235 000	51,19%
Other Revenue	35 484 100	17 164 500	14 571 940	84,90%
TOTAL REVENUE (EXCLUDING CAPITAL GRANTS)	3 208 768 100	1 751 876 000	1 547 904 740	88,36%
ADD UNRECORDED REVENUE				
Operating Grants and Subsidies - Equitable Share	-	-	120 181 000	
TOTAL REVENUE (EXCLUDING CAPITAL GRANTS)	3 208 768 100	1 751 876 000	1 668 085 740	95,22%

The above table represents operating revenue by source as at 31 December 2019.

Service Charges - Water revenue variance is due to water appropriation adjustment that was done in Mhlathuze Water Board account, which was for R44 million. This is the overcharge from levies that Council had to recover from Mhlathuze Water Board, from the previous financial years.

Service Charges - Refuse revenue variance is due to revenue foregone that was not included in the Adopted Budget. This variance will be adjusted when the adjustment budget is considered at the end of January 2020.

3.7 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	12 264 158	743 046	108 703	10 368 378	23 484 285
Business	230 637 137	4 741 570	7 019 041	123 583 262	365 981 010
Households	57 991 148	6 703 943	5 513 589	127 747 037	197 955 717
Other	4 371 237	511 574	245 100	6 973 967	12 101 878
Total	305 263 680	12 700 133	12 886 433	268 672 644	599 522 890
%	50,92%	2,12%	2,15%	44,81%	

FINANCIAL REPORTING ON INCOME / DEBT

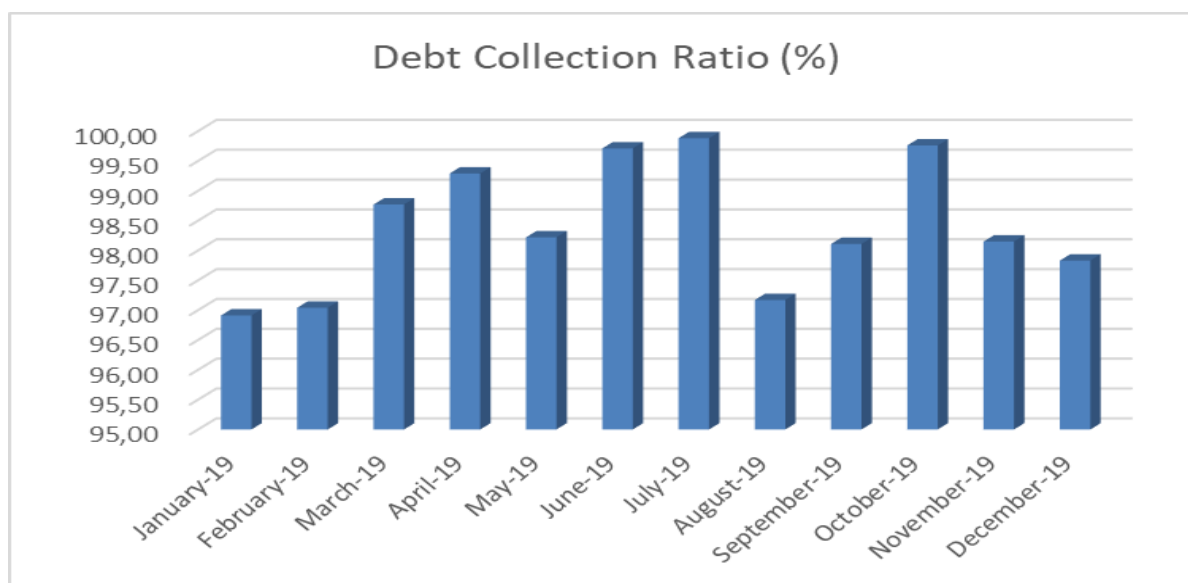
Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National 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-19	97,83
November-19	98,15
October-19	99,76
September-19	98,11
August-19	97,17
July-19	99,88
June-19	99,71
May-19	98,22
April-19	99,29
March-19	98,77
February-19	97,04
January-19	96,91



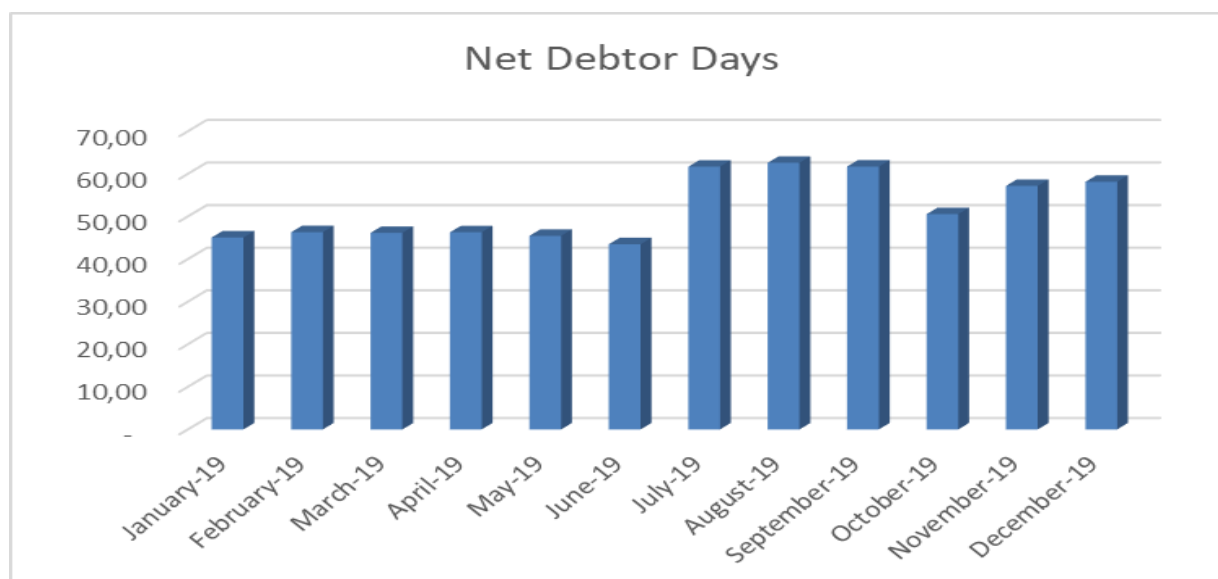
➤ **Net Debtors Days**

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:

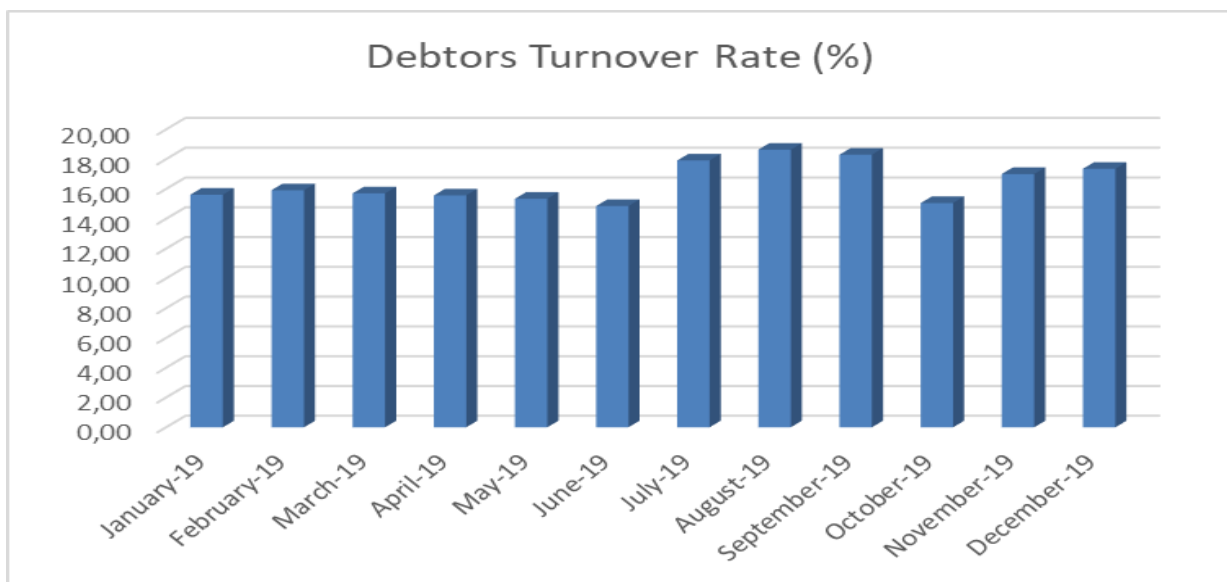
<i>Formula (As per circular 71)</i>	<i>Norm</i>
$((\text{Gross Debtors} - \text{Bad Debt Provision}) / \text{Billed Revenue}) \times 365$	The norm is 30 Days

Month	Net Debtor Days
December-19	58,14
November-19	57,17
October-19	50,55
September-19	61,71
August-19	62,60
July-19	61,69
June-19	43,48
May-19	45,45
April-19	46,29
March-19	46,15
February-19	46,31
January-19	45,06



➤ **Debtors Turnover Rate**

Month	Debtors Turnover Rate (%)
December-19	17,36
November-19	17,01
October-19	15,06
September-19	18,31
August-19	18,64
July-19	17,92
June-19	14,86
May-19	15,35
April-19	15,57
March-19	15,71
February-19	15,92
January-19	15,62



➤ **Top Ten Business Debts**

Debtor No	Name		0-30 days	31-60 days	61-90 days	Over 90 days	Grand Total
531788	MHLATUZE WATER BOARD	August 2019	-	-	-	51 232 572.48	51 232 572.48
1854904	BASFOUR 3721 (PTY) LTD	December 2011	-			22 377 589.88	22 377 589.88
1088329	KING CETSWAYO DISTRICT MUNICIPALITY	March 2018	4 201 757.16	1 254 159.11	1 278 532.09	5 042 989.31	11 777 437.67
2289941	PANDA PETROLEUMS	September 2015	2 302.41	1 077.88	1 102.38	5 011 658.10	5 016 140.77
551583	KING CETSWAYO DISTRICT MUNICIPALITY	March 2018	2 083 374.31	1 082 071.59	1 053 250.98	4 326 355.84	8 545 052.72
1675831	KING CETSWAYO DISTRICT MUNICIPALITY	March 2018	2 429 468.58	1 618 220.70	1 400 619.75	4 127 763.25	9 576 072.28
416383	RIVER ROCK INVEST (PTY) LTD	June 2009	131 872.80	65 936.40	65 936.40	2 729 452.29	2 993 197.89
501543	KING CETSWAYO DISTRICT MUNICIPALITY	March 2018	4 612 460.07	418 841.75	723 272.79	2 515 070.11	8 269 644.72
1632348	KING CETSWAYO DISTRICT MUNICIPALITY	March 2018	743 406.90	411 867.87	404 506.36	1 516 406.73	3 076 187.86
392020	RIVER ROCK INVEST (PTY) LTD	June 2009	448 747.26	220 629.53	281 880.18	1 249 863.32	2 201 120.29
1317138	KING CETSWAYO DISTRICT MUNICIPALITY	March 2018	36 810.75	33 429.16	39 741.83	551 413.15	661 394.89
			14 690 200.24	5 106 233.99	5 248 842.76	100 681 134.46	125 726 411.45

Basfour 3721 (Pty) Ltd

The administration around this legal process is managed by the Finance Department. The debt relates to an overcharge of the Department of Water and Sanitation (DWS) abstraction levies by Mhlathuze Water. The same levies were paid directly by Council to the DWS. There has been several correspondences and meetings held in this regard. Mhlathuze Water requested extension until end February to review the charges.

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 2019

The report has been completed that will serve shortly to propose a way forward.

Panda Petroleum

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 been 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.

Update: December 2019

There are negotiations underway with the debtor to settle the matter.

River Rock Investments

There are 2 accounts for River Rock Investments accounts but only one of these accounts is in the top 10 list this month. The debt 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 is 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, 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 it be renewed at least 12 calendar months prior to the termination date and River Rock failed to exercise that option. It has been advised that the debtor's application for the re-instatement of the lease over the Imvubu lodge area was unsuccessful in the High Court.

Update: December 2019

The dispute process regarding the lease amount and the rates being charges is continuing.

King Cetshwayo District Municipality (KCDM)

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

Update: December 2019

A separate report will be submitted in this regard.

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 Yea	Over 1 Year	Total
National	6 188 109.92	199 451.78	152 059.93	146 987.71	155 492.82	5 475.40	39 509.05	2 224 611.45	9 111 698.06
Provincial	6 838 108.27	733 626.60	60 872.62	180 170.80	2 261 735.22	69 144.64	337 245.44	5 608 529.87	16 089 433.46
National Departments	0-30 Days	31-60 Days	61-90 Days	91 - 120 Days	121 - 150 Days	151 -180 Days	Year	Over 1 Year	Total
Public Works	6 082 818.08	204 777.09	152 059.93	146 987.71	145 316.32	5 475.40	39 509.05	2 055 183.21	8 832 126.79
Rural Development & land Reform	-98 012.54	-5 325.31			10 176.50			169 428.24	76 266.89
Department of Water Affairs and Sanit	203 304.38								203 304.38
Provincial Departments	0-30 Days	31-60 Days	61-90 Days	91 - 120 Days	121 - 150 Days	151 -180 Days	Year	Over 1 Year	Total
Public Works	55 692.92	61 216.02	31 265.68	101 263.32	1 582 970.52	38 462.95	206 748.94	3 576 056.73	5 653 677.08
Education	2 304 528.29	442 405.89	-80 578.69	44 917.27	434 208.45	29 957.93	124 939.30	915 970.95	4 216 349.39
Human Settlement	85 751.19	43 660.03	22 980.90	22 707.99	236 636.64	2 360.79	6 729.62	995 247.79	1 416 074.95
Department of Transport	133 697.33	4 891.92	54 739.53	558.33	489.82	-1 396.46	4 588.96	131 625.54	329 194.97
Department of Health	4 090 561.56	181 129.98	32 460.20	10 648.42	7 309.39	-247.07	-6 408.44	-10 381.90	4 305 072.14
COGTA	-								
Department of Social Welfare	158 935.97	229.54							159 165.51
Department of Agriculture	8 941.01	93.22	5.00	75.47	120.40	6.50	647.06	11.02	9 899.68
SANRAL								-0.26	-0.26
Other Organs of State	0-30 Days	31-60 Days	61-90 Days	91 - 120 Days	121 - 150 Days	151 -180 Days	Year	Over 1 Year	Total
Mhlathuze water Board				51 232 572.48					51 232 572.48
Transnet	4 583 202.58	-92 836.79	37 173.30	12 591.77	610 357.59	43 986.17	146 080.46	163 085.66	5 503 640.74
ESKOM	212 150.49	4 165.94	44 495.40	-94 149.84	2 309.21	2 149.42	14 496.09	41 838.52	227 455.23
Ingonyama Trust Board	732.42	341.21	243.38	243.38	1 558 455.71	243.38	973.52	5 285 808.02	6 847 041.02
Telkom	415 183.22								415 183.22
Foskor	26 609 912.15								26 609 912.15
SA Post Office	5 806.44	2 896.84	2 902.43	3 348.02	2 810.11	2 644.04	16 166.74	34 841.53	71 416.15
Richards Bay IDZ	2 889 543.11								2 889 543.11

Government Debt Comments

The main issues on Government Debt remain the lack of available budget in the relevant government departments. The debt owing by government departments appear to be a long term issue that will require constant monitoring and intervention. A dedicated team of officials is working on the government debt to ensure that the debt remains as low as practically possible. The National Department of Public Works sent officials to uMhlathuze for two (2) days to work with Council staff to review the disputed government accounts. The matter is ongoing.

WRITING OFF OF INDIGENT DEBTS

Background: Indigent Management Policy

The Indigent Policy is available on **DMS 1158109**.

Customers can apply at any of the offices of Council's Financial Services Department. Officials from the Department: Financial Services - Customer Relations Section will assist with the completion of the document where necessary.

The application must be supported by the following:

- Copy of the Municipal account;
- Copy of the Identity Document;
- Confirmation of Pension status (if applicable);
- Copy of the Proof of Income;
- Affidavit in support of any matter above where needed;
- Copy of the Death Certificate, if owner is deceased; and
- Letter of Authority for Beneficiary appointed to deal with the estate.

Council's Indigent Management Policy 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 one (1) year without electricity will apply for each transgression.

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

The total debt of R1 225 055,43 in respect of Indigent households were written off during the last quarter as detailed below:

Debtor no.	Debtor name	Amount		Debtor no.	Debtor name	Amount
116982	K&S MOOPEN	1 546.57		204565	ESTATE LATE BJ & WS BUTHELEZI	971.19
127744	ESTATE LATE CHILI KC&CJM	2 310.46		204572	MR G BUTHELEZI	906.19
130994	R&H NAIDOO	1 736.36		204653	ESTATE LATE MDLULI WS	2 093.46
131028	ESTATE LATE GOUNDER B	2 039.84		204822	MR BM DLAMINI	1 231.60
134452	M SINGH	1 546.30		204861	BJ&FP SIBIYA	976.33
135015	V&R ARUMUGAM	1 508.82		205255	JM MTHETHWA	1 681.96
136442	P GOVENDER	1 642.98		209531	Ms G KHUMALO	1 501.02
184630	MR NJ ZULU	80.86		209838	MJ NXUMALO	2 079.21
186179	ESTATE LATE MTHETHWA MJ	660.93		210174	MR AL MABASO	2 003.33
186740	MR TH MDLALOSE	596.66		210181	ESTATE LATE TSHEZI TE	1 740.70
189701	ESTATE LATE MSOMI ME	2 367.59		210223	J&NS LANGA	5 491.05
189853	MR SJ MNYANDU	1 321.14		211354	MR VB KHANYILE	1 521.16
189966	MR SS NTULI	1 193.25		211570	MR ESTATE LATE NDLAMLENZE J	2 580.31
190111	ESTATE LATE SHANDU GT	887.17		211636	Ms JH MABASO	2 637.93
190217	Mrs NC XABA	945.40		211643	TNW MNCWANGO	2 882.77
190249	Mrs BG HLONGWANE	1 901.39		211675	Mr/s A&E BUTHELEZI	2 034.73
190418	ESTATE LATE MOFOKENG BW	2 007.13		211724	MR TJ NGUBANE	1 729.05
190538	ESTATE LATE DLAMINI H	1 647.25		212196	ESTATE LATE KHOZA N	1 933.23
190721	MR B BUTHELEZI	1 737.95		212527	ESTATE LATE MNYANDU GH	1 373.12
190792	ESTATE LATE NXUMALO MW	2 117.32		212848	Mrs SB SIBIYA	3 421.67
191267	MR T NTOMBELA	1 773.24		212943	N MHLONGO	1 703.11
191299	MN&SM MSIBI	1 727.73		213070	Mrs GD KUNENE	1 785.73
191355	MR MM NYAWO	1 528.30		213104	Miss A NGCOBO	1 465.59
192736	Mrs NB ZULU	1 068.03		213471	ESTATE LATE NGUBANE GR	1 404.05
192817	ESTATE LATE SHOZI S	956.19		213746	MR M MALINGA	4 241.38
192824	Mrs A BIYELA	906.19		213841	MR Z PHIRI (DBS)	1 798.77
193465	ESTATE LATE MDABE N	1 279.31		214203	MR BR MKHWANAZI	1 759.32
193578	MR MP NKWANYANA	906.19		215077	ESTATE LATE DLUDLA MR	3 508.77
194042	ESTATE LATE KHUMALO V	950.40		215084	MR FE NXUMALO	2 234.48
195470	ESTATE LATE NHLENYAMA M	885.26		215158	MR AD MTHETHWA	1 803.46
197332	ESTATE LATE MDUNGE MN	947.37		215172	Mr/s TJ&GM ZULU	1 673.44
198209	ESTATE LATE ZL NGWENYA	956.19		215528	ESTATE LATE MD MNYANDU	1 502.99
198953	J NGUBANE	906.19		215542	Ms TL MSWELI	1 412.07
199121	B SIKHAKHANE	932.23		215567	ESTATE LATE NGUBANE J	2 310.79
199499	PN MAXASE	971.33		215581	ESTATE LATE ST MAHLANGU	1 734.24
199562	Mrs SE DLANGAMANDLA	911.19		215648	ESTATE LATE MANQELE DK	1 736.05
199570	ESTATE LATE MTHEHWA VA	932.23		215775	Ms E Komo	2 117.62
200056	MR TT SIMELANE	1 501.56		215856	MR MA MKHWANAZI	1 568.13
200169	MR TA MDUNJANA	1 275.57		216063	HD SITHOLE	1 715.13
200987	ESTATE LATE SHEZI Z	1 975.91		216384	MR J SIKHAKHANE	2 689.30
201966	MR M GCABASHE	1 130.04		216747	MR ME KHUMALO	1 714.74
202529	ESTATE LATE KHUMALO M	804.28		216786	MR MR DLAMINI	1 677.08
202575	ESTATE LATE THUSI B	971.33		216994	Ms NA MASANGO	1 339.31
203025	MR E NZUZA	601.15		217268	MR J NYAWO	1 594.25
203498	MR MR FIGLAN	1 023.30		217275	MR MM MBELE	2 037.54
203924	ESTATE LATE NCUBE EM	1 050.74		217331	Miss ZP GUMEDE	1 677.08
203956	NP DLAMINI	1 517.38		217557	MR J NGOBESE	2 467.43
204131	JG DUBE	1 358.09		218504	LATE ESTATE MCUNU M	1 334.31
204212	ESTATE LATE MBATHA M	167.05		218776	MR JH HLABISA	1 625.36
276986	Miss L SIKAKANE	1 768.13		218952	ESTATE LATE CHIYA B	1 911.40
278327	Ms NA MTHEMBU	3 681.62		219032	MR ESTATE LATE MANGAZI BT	1 632.97
279225	MV NGXONGO	2 965.64		219177	MR AB NTULI	2 405.51
279232	ESTATE LATE DLADLA BR	1 884.97		219402	Ms SA GUMEDE	1 741.92
279345	MR FS MABASO	1 879.97		219917	Miss FS MBONAMBI	137 345.61
279465	MR TM PHOKO	1 213.88		220302	MR Z CHILI	1 838.79
279553	ESTATE LATE NTONGANA MT	3 491.09		220817	MR JV HLATSHWAYO	1 677.58
279786	Miss HC SIKHAKHANE	1 781.02		220951	ESTATE LATE MNGADI GS&ES	1 319.17
280301	ESTATE LATE BUTELEZI J	1 594.17		221338	Mr/s MJ&MS ZULU	3 406.87
280887	MR PJ NYAWO	1 724.05		221602	MR BP ZULU	1 563.78
281721	MR SB MAVUNDLA	2 658.68		221987	MR T MANQELE	1 568.69
282436	ESTATE LATE VILAKAZI M	1 947.00		222910	MR IC CHIRWA	1 876.23
283373	MR J LANGA	3 490.91		223166	Ms ESTATE LATE NTULI XE	2 203.34
284063	MR DS&SC BIYELA	1 573.13		223663	MR JEM MSOMI	2 346.60
284970	Ms DR NTULI	1 788.89		223688	Ms HN DUBE	2 784.51

Debtor no.	Debtor name	Amount		Debtor no.	Debtor name	Amount
285081	Mrs EP MTHEMBU	1 788.89		223938	Mrs BB LUTHULI	2 302.28
285109	MR N MZIMELA	1 854.03		225325	ESTATE LATE THUNGO ME	2 750.72
285229	Mrs L CHONCO	3 099.01		225815	ESTATE LATE NKOSI SP	2 684.26
285243	ESTATE LATE MBATHA RJ	2 422.65		226174	MR MJ VILAKAZI	2 494.26
285268	ESTATE LATE MHLONGO BW&N	1 788.89		228284	ESTATE LATE MTHIYANE TE	1 873.57
285349	MR ZI MANGAZI	9 427.42		228781	ESTATE LATE MDLETSHI FF	1 913.36
285395	G NXUMALO	1 959.86		229351	MR CG DLAMINI	1 693.53
285557	ESTATE LATE KHUMALO MM	1 750.08		229859	MR BM CELE	1 501.02
285684	MR S NTULI	2 452.36		231390	MR JM SINDANE	3 334.15
286014	ESTATE LATE MTHEMBU TZ	2 476.46		231569	MR ST BHENGU	3 158.77
286293	MR SM ZULU	1 775.86		232192	MR MB GUMEDE	1 992.60
286832	ESTATE LATE MNGUNI M	1 950.45		232347	ESTATE LATE KHULU L	2 198.34
305059	MR NA MNOMIYA	2 120.27		232509	MR H MUZI	4 386.30
307850	ESTATE LATE NTOMBELA H&BZ	1 926.55		234658	MR BW DLAMINI	2 471.51
314208	ESTATE LATE ZULU SS	2 129.00		234739	MR PT CINDI	2 074.01
316847	MR ZS SHOZI	1 848.03		234841	MR MJ KHANYILE	1 890.86
320699	MR LB BIYELA	1 978.67		237666	MR SFM BIYELA	2 664.53
323925	M MTHETHWA	956.19		238878	ESTATE LATE NDLOVU TC	2 320.45
343167	MR JM VUMASE	2 054.89		244871	MR NSM LUTHULI	2 152.44
350608	ESTATE LATE XABA NT	971.33		244945	MR NJ DUBE	3 264.50
357378	MR SS MDLETSHI	2 556.31		246389	MR AM MASUKU	1 534.03
357579	MR SM MBUYAZI	2 835.92		247382	ESTATE LATE MDLULI LT	1 674.23
373852	MM&NN NTULI	2 170.57		247463	MR MP NKOSI	1 718.46
374119	ESTATE LATE ZIKHALI LE	2 057.90		247985	Mr/s VA&NG NGEMA	2 533.30
379068	MR TM NTULI	1 827.91		248097	ESTATE LATE BIYELA GM	1 720.90
388217	Mrs BM MGABHI	985.31		248107	Mrs HM NZIMANDE	1 632.97
388457	ESTATE LATE GUMEDE T	1 518.13		250064	MR PT KHUMALO	1 418.05
389098	SN BIYELA	1 674.97		250138	MR MC MNGOMEZULU	3 762.20
389115	MR PM GUMEDE	1 293.37		250339	GS NGCOBO	1 028.57
391080	ESTATE LATE MDLALOSE M	1 024.52		251798	MR MC GCWENSA	1 293.30
391548	ESTATE LATE NKOMO NI	945.26		252086	ESTATE LATE CELE GM	1 427.46
395454	MR MA DLAMINI	5 095.04		252505	Ms F NGUBANE	1 490.44
402951	Mr/s T&N MPUNGOSE	880.26		252512	MR JE SIBIYA	1 671.41
409883	ESTATE LATE NGCOBO E	2 372.42		253259	MR J MATHABA	2 842.22
410335	Mrs IZ JOBE	1 784.56		253393	MR P NXUMALO	2 107.61
411201	Mrs SB MFEKAYI	732.23		254439	ESTATE LATE MHLANZI S	1 521.16
411586	Mrs GJ LANGA	2 326.37		255376	ESTATE LATE NGWENYA E	2 263.48
417997	ESTATE LATE MZOLO MJ	1 869.23		257550	MR NKM NDLOVANA	2 281.25
424419	Mr/s NL&BR HLATSHWAYO	2 607.43		258465	ESTATE LATE NDLOVU NE	1 729.05
426215	Mrs JB MTSHALI	2 547.91		259116	Mrs BH HADEBE	1 672.08
427554	Mrs SM MNGOMEZULU	1 044.12		259356	ESTATE LATE VILAKAZI DA	1 781.24
433156	M MKHWANAZI	2 228.93		259613	ESTATE LATE DLADLA ME	1 843.01
435442	AB MICHAELS	2 005.79		259807	MR AM ZULU	1 724.05
435570	CM ADAMS	10 527.52		259902	ESTATE LATE ZULU NG	4 490.99
437792	MR J MDAKA	1 906.00		260129	ESTATE LATE MPANZA TM	1 559.97
439038	MJ&GN MDLALOSE	1 838.89		260231	MR SG ZULU	3 130.36
441118	N GWALA	3 269.00		260320	MR MR MNGOMEZULU	6 326.38
441171	Ms T MBUYAZI	1 438.26		261147	MR NVZ DLAMINI	1 889.37
444302	Ms NN MTHEMBU	1 911.00		261884	Mr/s CZ&VI CALANE	2 104.90
444359	Ms NS BUTHELEZI	1 985.66		262214	Mrs FC NGEMA	3 211.95
444849	Ms BV MTSHALI	1 631.14		262239	ESTATE LATE COME AT	1 604.97
446388	Mr/s MS&CP MDLETSHI	1 802.06		262334	MR BS MKHIZE	1 651.15
455449	MR ESTATE LATE BUTHELEZI	2 526.04		262817	MR MS ZULU	2 165.97
456298	Miss SE MBONAMBI	3 001.12		263063	LE NTOMBELA	2 110.09
457728	MR MR MASANGO	1 545.10		263521	MR AK MATHENJWA	1 781.02
458908	MR NP MTHETHWA	1 625.11		267220	Mrs TA GISHI	1 529.03
463739	MR CN MSEZANE	1 922.73		267950	MR MJ NDLOVU	2 276.25
473134	MR MS MATHONSI	2 064.01		268463	ESTATE LATE MSANE RL	2 671.06
475533	ESTATE LATE MEYIWA FL	1 008.16		268512	S&NC NTOMBELA	2 918.68
492546	ESTATE LATE MDLULI TP	1 568.42		269763	MR F GWALA	1 859.03
496332	ESTATE LATE THETHWAYO M	1 414.19		270600	MR JM MBOKAZI	1 846.23
500469	Mr/s CS&AN ZULU	2 645.05		270624	Mrs A KUMALO	1 594.17
500959	ESTATE LATE MATHENJWA BD	1 599.17		271272	L KHOZA	1 646.15
507016	MM MNCUBE	682.84		271280	ESTATE LATE PHAKATHI VT	2 169.38
511559	Ms LJ DLAMINI	938.70		271554	ESTATE LATE MATABA JM	2 239.26
514616	ESTATE LATE ZUMA PM	1 964.61		271811	MCS FLARRE	3 009.37
520666	MR M MKHWANAZI	1 547.38		271875	MS P DUBAZANA	1 552.99

Debtor no.	Debtor name	Amount		Debtor no.	Debtor name	Amount
525865	MR D BIYELA	1 599.32		272484	Mr/s SP&DT NGCOBO	2 771.89
525921	Ms HT MTHETHWA	1 983.69		273093	MR ES ZULU	2 010.86
526019	LM MBUYISA	1 927.95		273199	Mrs L LUTHULI	1 828.69
526178	VN NYAWUZA	1 594.33		273248	MR DA SIBIYA	2 313.77
526435	MR M ZIKHALI (DBS)	1 775.50		274001	MR M ZULU	1 889.61
526562	Mrs ZV ZULU	1 854.03		274146	Mrs M ZUALO	2 037.30
534309	MR M MANQELE	2 141.06		274347	MR MG MAHLOBO	1 534.03
542589	Mr/s BS&TS SIBISI	1 651.31		274509	MD SIKHAKHANE	1 651.15
560563	ESTATE LATE MTHEMBU BJ	1 169.98		274594	ESTATE LATE MGENCE SM	1 559.97
560926	MR MG ZIQUBU	2 409.35		274869	ESTATE LATE SISOKA ME	1 573.13
562465	KP NTOMBELA	1 708.91		274989	MR J SITHOLE	1 573.13
568386	MR ML NDUNAKAZI	3 472.84		275118	MR MA DLAMINI	1 916.58
570593	ESTATE LATE MDLALOSE CS	1 921.55		275132	ESTATE LATE BUTHELEZI VB	2 064.01
588664	Miss TN LEMBETHE	195.20		275164	MR SL ZULU	1 905.27
601851	VN SHANDU	1 790.03		275206	MR A MAZIBUKO	1 871.10
606183	MR MJ VILAKAZI (DBS)	202.21		275365	ESTATE LATE NGUBANDE F	1 739.94
606232	MB&GS DLAMINI	2 091.47		275407	ESTATE LATE MKIZE Z	1 599.17
608712	AB&RT MTHEMBU	1 724.05		275809	MR MA SITHOLE	1 677.08
612109	Mrs B NGOBESE	2 570.55		276672	MR MP MKHWANAZI	1 912.64
886879	DG MSANE	89.12		887255	NR DUBE	202.21
990446	ESTATE LATE MKHWANAZI M	941.96		887262	MR NI DLAMINI	96.63
990541	ESTATE LATE NTULI AC	986.95		887304	ESTATE LATE ZITHA NJ	641.76
990598	ESTATE LATE GUMBI DJ	966.40		887544	PB MZIMELA	686.36
990735	Mrs N ZWANE	855.77		887978	NC MNGUNI	957.60
991217	ESTATE LATE KHUMALO S	1 213.89		888442	TD JIYANE	749.87
991383	ESTATE LATE MHLONGO L	1 877.31		888562	GT NXUMALO	892.98
991577	MG MKWANAZI	3 789.42		889485	GW NCUBE	314.82
991792	BA ZULU	1 553.93		889848	NH MPANZA	1 228.77
991834	ESTATE LATE BP NDULI	1 469.73		912007	ANM GRAHAM	3 037.43
991866	ESTATE SIBIYA G	986.95		983054	ESTATE LATE NDLOVU NM	1 593.11
992651	AM NXUMALO	1 152.17		983128	M MNCWANGO	3 615.65
993091	ESTATE LATE BIYELA PM	688.49		985414	ESTATE LATE MTHETHWA ND	2 251.92
993285	ESTATE LATE GEZA DV	1 018.32		985478	MT BUTHELEZI	1 964.67
993398	KT MHLONGO ESTATE LATE	688.49		985492	DM MLITHWA	1 776.14
993528	J NXUMALO	688.49		985527	F MOLEFE	688.49
994793	ESTATE LATE NDLOVU GJ	591.76		986898	SN MTSHALI	1 184.15
995324	ESTATE LATE MASHIANE CT	1 633.25		987002	EB NYAWO	931.95
995701	ZA MSEZANA	1 106.03		987651	Mr/s BR&NE ZUNGU	1 838.88
997385	D MOSEU M&D & MCHUNU NFM	908.75		987884	ESTATE LATE SIBIYA BT	1 812.73
997508	A MNGOMEZULU	1 569.10		988398	ESTATE LATE SIBIYA S	1 302.90
998452	ESTATE LATE MTSHALI BF	999.13		988415	TB NKWANYANA	963.84
999833	SD BHUTHELEZI	966.40		988824	MR ESTATE LATE MKHIZE N	2 601.40
1000444	ESTATE LATE NDLOVU L	548.06		989225	ESTATE LATE BIYELA GO	1 028.23
1000902	NF HLONGWA	859.90		989698	MJ MHLONGO	1 146.64
1001769	ESTATE LATE MNTAMBO ZA	1 050.86		989708	BD MKWANAZI	1 971.31
1002071	MK ZULU	880.21		989793	FA&PZ NGUBANE	1 425.87
1002265	ESTATE LATE TB GUMEDE	6 312.32		989881	SA MAVIMBELA	2 554.24
1002755	MR AR MTHEMBU	5.13		989987	MA BLOSE	1 177.12
1002949	VB ZWANE	931.95		990005	ME NTULI	1 399.12
1003332	ESTATE LATE CN NGXONGO	1 119.88		990245	AZ SHOBEDE	2 168.15
1004978	ESTATE LATE SARAGE A	34 096.31		990284	IJ MKHWANAZI	18 893.11
1004985	TE SITHOLE	1 927.82		1005072	MR ST MTHEMBU	1 896.33
1167517	MR BJ MKHIZE	2 950.83		1005516	SZ SOGONI	6 492.42
1171753	NA RADEBE	2 772.57		1006125	MP MCHUNU	1 575.93
1179382	ESTATE LATE BUTHELEZI PM	1 038.68		1006333	NA NYASULA	1 620.49
1186453	ESTATE LATE SITHOLE VL	2 413.12		1007841	ESTATE LATE NGCAKU VB	10 384.02
1215224	Mrs PNH GCWENSA	1 100.94		1008884	MR JM MCHUNU	3 182.20
1219846	ZL MNGADI	1 658.91		1009052	SC SIKHAKHANE	1 834.38
1220295	ESTATE LATE MTETWA MV	3 401.38		1009327	ESTATE LATE MKIZE GN	1 727.76
1222535	SR SIKHAKHANE	1 715.88		1009398	MR PG MCHUNU	6 316.01
1225328	A MSIMANGO	1 720.62		1009687	B GUMEDE	1 778.79
1227893	Ms F LINDA	199.01		1010033	S ESTATE LATE MASINGA JS	2 042.57
1234185	VS MSWELI	1 903.11		1011012	E KHUMALO	1 979.65
1247716	JM&FPN NTOMBELA	1 762.86		1011291	TA MTHETHWA	1 769.97
1248580	Miss A MHLONGO	2 248.34		1011816	A QWABE	1 737.20
1263789	Ms AN GUMEDE	1 090.42		1012055	MB MLONDO	1 257.81
1265747	MR JL MUTHWA	2 077.43		1012601	ESTATE LATE MKIZE RT	835.09

Debtor no.	Debtor name	Amount		Debtor no.	Debtor name	Amount
1325058	MR JN GUMEDE	904.22		1014574	V ESTATE LATE KHUMALO V	993.70
1341324	MR M&MB MZILA	243.86		1015232	ESTATE LATE MANZINI A	1 331.61
1412737	NV SIBISI	4 205.52		1015793	Mrs NI MTHETHWA	1 740.25
1424115	KM GOVENDER	1 605.11		1016451	NT DLAMINI	1 617.52
1438943	Miss NA ZONDI	1 586.01		1016821	VT NGOBESE	2 857.08
1444376	RN MTHEMBU	2 668.66		1017254	RN NTULI	676.22
1448148	ESTATE LATE MASINGA DC	1 625.11		1017423	MR MW MAHLOBO	1 120.44
1454663	SIBIYA PB & NXUMALO GB	1 276.44		1018071	MR ML KHUMALO	1 546.86
1460723	MAPHUMULO OC & MTHIYANE SM	1 655.27		1018378	Mrs FD MLONDO	1 102.85
1478142	Mr/s LW&FF MTHIYANE	1 583.86		1019029	ESTATE LATE MADONDO MM	1 521.58
1553431	Ms K NDLOVU	46 931.22		1043617	ESTATE LATE DLUDLA S	211.02
1555870	TS MBATHA	1 974.85		1051706	DH MHLONGO	19 602.33
1562130	Ms A NKWANYANA	2 660.09		1056655	Mrs TR DLAMINI	2 660.99
1578436	ESTATE LATE NGCOBO CH	13 491.56		1065508	ESTATE LATE MBATHA TN	1 514.14
1592712	SA BIYELA	0.01		1076683	Mr/s CZ&NG MSEZANE	6 023.28
1607359	AN MCHUNU	167.02		1080312	VV&TF HLATSHWAYO	996.13
1607937	TC MANANDI	176.73		1082278	LB MTSHALI	3 041.00
1608761	SW MPANZA	461.91		1096785	MR ZE MNGOMA	2 310.22
1609081	TM MBATHA	4.99		1098486	Ms BF&MM CELE	8 169.87
1609099	C MHLONGO	348.88		1101837	MR AB ZULU	195.21
1609236	NM MPONTSHANE	692.86		1106352	Mrs N NGCOBO	177.05
1610577	C&J GOVENDER	2 150.28		1107910	MR EP GUMEDE	1 751.49
1621755	SM MYENI	5.00		1123911	TM GCABASHE	1 058.18
1670640	CN NYAWO	2 076.67		1126341	TM SHANGE	2 499.44
1747780	Ms SG MPANZA	2 104.12		1137030	SC SIMELANE	412.00
1769575	NM MORENGWA	5 895.53		1156427	M&JN GOVENDER	2 715.55
1776903	RG ZUNGU	1 482.21		1158826	MR BT HLONGWANE	2 149.08
1777022	GM MNCUBE	1 417.07		1166016	MR AA MAGUBANE	2 229.28
1781244	KB&AW MYENI	3 094.71		1781773	TP&GR DHLAMINI	1 803.03
1950421	VS&LR MDLETSHI	325.26		1791242	MR JT SIBIYA	662.26
1951834	MR NS DLAME	2 043.33		1794229	DM DLAMINI	1 027.84
1996842	S SIKHOSANA	59.99		1797519	MR NM MBHAMALI	4 982.48
2063895	MR AM KUBHERA	1 436.00		1810713	AM SITHOLE	1 405.66
2066416	MR MM SHANDU	176.13		1864420	Ms LC MANYONI	198.43
2081140	Ms SP MNCWANGO	3 034.91		1872614	MR SP DLAMINI	2 111.09
2081238	MR B MGWABA	1 441.00		1890349	Miss N MDLULI	751.87
2081301	MR PB SHANDU	1 489.65		1890613	Mrs KS MAKHOBHA	131.42
2081365	Miss TS MKHWANAZI	1 441.00		1893501	Mrs NT GUMEDE	89.12
2081453	Ms ZP MTHETHWA	1 441.00		1898732	MM&GS MPOTSHANA	8 527.61
2081686	ZJ KHANYILE	1 436.00		1936378	MJ SHANDU	320.26
2082182	MR SV THUSI	1 436.00		1936988	Ms TG MBATHA	335.26
2119153	MR GW MTHETHWA	1 472.11		1937526	Ms TS MSOMI	1 493.13
2121748	MR NW MANYONI	1 653.94		1937967	Ms O MORELA	320.26
2159773	MR MW MTHEMBU	455.99		1938520	KHUMALO MP & ZUNGU WN	1 095.51
2225306	NGWANE NQ,SN & SC	1 235.13		1940832	EZ MFEKA	1 240.57
2249498	MBONAMBI HN,HM,SA,BB & ZZM	983.68		1941716	PD SHANDU	193.43
2255607	Miss HB KHUMALO	7 380.71		1942597	Ms AN MTIMKULU	320.26
2258767	MR VS MTHETHWA	149.10		1942847	LS NGIDI	320.26
2260117	MR MD NTSHANGASE	1 662.08		1949602	MR EB MBATHA	176.42
2262548	Ms NR XABA	1 091.90		1950189	S MPIYAKHE	2 332.93
2262570	MR A MAVUSO	5.14		2263206	Ms PB KHOZA	251.88
2408571	MR PJ MLAMBO	1 426.00		2263301	Ms TS ZIKHALI	301.72
2409906	Miss HC MTHETHWA	1 426.00		2330808	MR PM MKHWANAZI	1 426.00
2412850	MR TI MDLETSHI	1 493.46		2331262	MR BC KHUZWAYO	6 291.74
2413878	CB DLUDLA	1 935.05		2331921	MR ZH THWALA	16 481.57
2418259	TZ BIYELA	463.80		2343395	MK KHUZWAYO	1 755.08
2426595	LV MTHETHWA	1 677.08		2343451	MP MNGUNI	1 625.11
2429483	MR NT SHOBEDE	1 815.26		2343589	LZ CEBEKHULU	509.94
2430489	Mrs S MLONDO	345.68		2343691	NS SHABANGU	2 449.79
2434652	RS BLOSE	1 646.15		2381707	SC BIYELA	1 466.16
2435007	LP MASANGO	1 713.91		2403630	Ms SC CELE	6 511.40
2516351	NP GUMBI	371.20		2404633	MR SV HLABISA	1 639.12
204318	Mrs SM GUMEDE	2 554.22		TOTAL		1 225 055.43

3.8 Employee Debt / Councillor Debt

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

Employees' debt amounts to R85 643,60 as per **Annexure AL - DMS 1372336**.

Councillors' debt amounts to R251 736,13 as per **Annexure AM - DMS 1372336**.

3.9 Outstanding Creditors

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

NAME OF CREDITOR	AMOUNT	DETAILS
	R	
Mhlathuze Water	11 249 619,73	Invoice in dispute by Water and Sanitation Section

4. EXCEPTION REPORTING ON OPERATING EXPENSES - FOR ENTIRE MUNICIPALITY

4.1 LOSSES TO COUNCIL'S PROPERTY

The table below represents losses to Council's property for the period 1 October to 31 December 2019:

DESCRIPTION	AREA	DEPT/DIVISION	V NUMBER	REGISTRATION NUMBER	DAMAGE	EXCESS	COST TO COUNCIL	SHE NO
					R	R	R	
Vehicle Damage	KwaDlangezwa	Comms - Waste	V1127	NRB 30204	22 093		22 093	
Public Liability	Empangeni	Comms - Waste	V0467	NRB 20326	13 854	25 000	18 524	
Vehicle Damage	Empangeni	Comms - Waste	V1406	NRB 34705	21 428		21 428	
Vehicle Damage	Aquadene	Comms - Traffic	V1273	NRB 22845	3 469		3 469	
Glass Replacement	Richards Bay	I&TS - Plumbers	V0495	NRB 45221	3 680		3 680	
Vehicle Damage	Empangeni	Comms - Waste	V1428	NRB 71410	6 309		6 309	
Tyre Damage	Empangeni	I&TS - Plumbers	V1350	NRB 89190	4 600		4 600	
Vehicle Damage	Ballito	Public Safety	V1405	NRB 49702	70 684		70 684	
Vehicle Damage	Ngwelezane	I&TS - Roads	V1400	NRB 53427	28 167		28 167	
Vehicle Damage	Esikhaleni	CS - ICT	V1332	NRB 57032	20 759		20 759	
Vehicle Damage	Empangeni	I&TS - Roads	V1389	NRB 89063	28 794		28 794	
Public Liability	Richards Bay	Comms - Parks			5 472	25 000	5 472	
TOTAL					229 308	50 000	233 978	

4.2 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 the Department Financial Services be noted:

Nil

5. PROPOSED ADJUSTED BUDGET FOR CONSIDERATION IN FEBRUARY 2020

Section 72 of the MFMA further requires once a mid-year review has been conducted that:

“(3) The accounting must, as part of the review -

- (a) make recommendations as to whether an adjustments budget is necessary; and*
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.”*

Due to various challenges being currently experienced by Administration with the ERP system, the submission deadline for the 2019/20 Adjusted Budget was extended to 10 January 2020. Therefore, the proposed Adjusted Budget expenditure was not available to include in this report.

However, the various requests for additional funding were received by the respective departments over the past two quarters. These requests amounted to R26 million for operating expenditure and R27 million for capital expenditure. Refer to the detail in the tables included on the following page.

As a result of the above, an adjusted budget is necessary and will be submitted to Council in February 2020. A recommendation has been included as follows:

“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;”

OPERATING EXPENDITURE

Department	SAP Profit Centre	SAP GL	Amount	Reason For Over Expenditure
Corporate Services - Information Technology	BK7BA1D001	4400000900	1 328 000	SAP ERP project is managed by on behalf of the City ofuMhlathuze by Advisory IT. Due to circumstances beyond their control the go-live date for certain modules have been extended and the monthly project mangement fee July 2019 is due.
Corporate Services - Information Technology	BK7BA1D001	4400005300	3 900 000	Funds required for the payment of SAP training. SAP was appointed in 2018/19 financial year.
Corporate Services - Information Technology	BK7BA1D001	4400000900	15 400 000	SAP ERP project is managed by on behalf of the City ofuMhlathuze by Advisory IT. Due to circumstances beyond their control the go-live date for certain modules have been extended and the monthly project mangement fee is due.
Corporate Services - Information Technology	BK7BA1D001	4500003100	769 700	As per Annual License & Software Maintenance Agreement (ALSMA) contained in DMS 1355986, the licensing cost for the respective year has a budget shortfall of R769 700 is anticipated in order to address the respective contractual obligation.
Corporate Services - Human Resources	BJ7BA1D001	4400002600	800 000	Outstanding payments due to be paid to Lambert Attonerys and Jafta Attonerys. The matters that they are handling are still pending, the council may incur further costs.
Infrastructure Services - Water and Sanitation	CF7BA1D001	4400001900	3 449 000	To accommodate the interim post support strategy (short term) for the Asset Management System whilst the overall post support strategy is in planning phase. The interim support strategy comprises of Organisational Audit Support, Data Management, System Administration and Change management.
			25 646 700	

CAPITAL				
Department	SAP Profit Centre	SAP GL	Amount	Reason For Over Expenditure
City Development	ADB21N001	1002011800	1 128 700	The list of 18/19 Roll-Over Projects amounted to R66 185 100. As per EMCO resolution departments were requested to identify projects that have not commenced and funding from those projects be redirected to fund the 2018/2019 Roll-Over Projects. An amount of R54 975 100 was made available and the Roll - Over is the result of this process
Infrastructure Services - Transport, Roads and Stormwater	ADBDA1N001	1003010100	2 831 100	The list of 18/19 Roll-Over Projects amounted to R66 185 100. As per EMCO resolution departments were requested to identify projects that have not commenced and funding from those projects be redirected to fund the 2018/2019 Roll-Over Projects. An amount of R54 975 100 was made available and the Roll - Over is the result of this process
Infrastructure Services - Transport, Roads and Stormwater	CNBDA1N170	1001020100	7 044 900	The list of 18/19 Roll-Over Projects amounted to R66 185 100. As per EMCO resolution departments were requested to identify projects that have not commenced and funding from those projects be redirected to fund the 2018/2019 Roll-Over Projects. An amount of R54 975 100 was made available and the Roll - Over is the result of this process
Infrastructure Services - Transport, Roads and Stormwater	CNBDA1I163	1001020100	205 300	The list of 18/19 Roll-Over Projects amounted to R66 185 100. As per EMCO resolution departments were requested to identify projects that have not commenced and funding from those projects be redirected to fund the 2018/2019 Roll-Over Projects. An amount of R54 975 100 was made available and the Roll - Over is the result of this process
Electrical And Energy Supply Services	ALBDA1I003	1001010200	3 500 000	132/11 KV Transformer 1 at Hercules Substation (CBD) failed on the 12 March 2019, electrical tests done, confirmed that one of the High Tension windings has failed. It is critical for the transformer to be repaired.
Electrical And Energy Supply Services	ALBDA1I003	1001010200	850 900	The request for over-expenditure in respect of the Rewind of transformer 1 Hercules dated 9 October 2019 refers DMS 1371536.
Infrastructure Services - Engineering Services	BKBDAIN001	1007000500	4 175 100	In terms of contract 8/2/1/UMH371-17/18 RPT 164450 approved as per Bid Adjudication Minutes contained in RPT 164765 dated 08 June 2019, a Budget shortfall has been identified in terms of addressing final contract invoice DSI 39201168.
Community Services - Public Health and Emergency Services	DCBDA1I036	1001060100	1 400 000	For construction of eNseleni and Mzingazi material Recovery facilities and payment of professional fees.
Corporate Services - Administration	ADAMA1N003	1003010100	6 000 000	Over-expenditure required to pay for outstanding invoices of SCM second floor (Incl furniture and IT equipment) Project.
			27 136 000	

6. IN-YEAR BUDGET STATEMENT TABLES

The following monthly budget statement tables (**DMS 1388467**) 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. SUPPLY CHAIN MANAGEMENT POLICY

LEGISLATIVE FRAMEWORK

- Supply Chain Management Policy
- Contract Management Policy

SUPPLY CHAIN 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 commenced.

- **Staffing**

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

- **Internal Audit**

There was one follow up Internal Audit in Quarter 2 of 2019/20 financial year, the report has not been received at the end of Quarter 2.

- **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. The following training was attended:

Date	Number of Beneficiaries	Training/Workshop	Service Provider
Continuous	5	MFMPMunicipal Finance Management Programme	LG Seta

- **Supply Chain Management Module - uMSAP**

SAP was introduced for transacting with effect from 1 July 2019, the municipality is every excited about this however there are challenges which we hope will be resolved as time goes on.

DEMAND AND ACQUISITION MANAGEMENT

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

The total number of vendors registered in this quarter:

MONTH	NUMBER OF VENDORS
Oct-19	16
Nov-19	23
Dec-19	25
	64

- **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 on DMS 1372336.**

- **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, prescribe on 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.

There were four (7) deviations for the first quarter which amounts to R6 663 292,10 (Annexure AO - DMS 1372336):

DEVIATIONS AS AT THE END OF QUARTER 2 ENDED 31 DECEMBER 2019						
	QUARTER 1		QUARTER 2		TOTAL NUMBER OF DEVIATION (YTD)	TOTAL AMOUNT OF DEVIATIONS (YTD)
DEPARTMENT	No.	Value	No.	Value		
Corporate Services (CS)	4,00	1 762 367,40	6,00	1 963 292,10	10	3 725 660
Technical Services (TS)	-	-	1,00	4 700 000,00	01	4 700 000
Total	4,00	1 762 367,40	7,00	6 663 292,10	11	8 425 660

MONTH	NUMBER OF AWARDS	TOTAL
Oct-19	3	21 882 767
Nov-19	3	23 026 533
Dec-19	4	15 147 759
TOTAL	10	60 057 059

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
40	16	0	BSC - 6	2
			BEC - 8	6
			BAC - 26	1

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

- **Purchase Order report reflecting how SCM performed on each category in Quarter 1:**

The report was not available from SAP system for the Quarter 2 reporting.

- **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 complaint 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:*

(b) Objections and Complaints Table:

OCTOBER TO DECEMBER 2019	
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, clause 50)	
Details of objections or complains for tenders	Letters received during the quarter for tenders: 1. Tender 8/2/1/UMH463 - 18/19 Grass cutting at eSikhaleni cemetery by Asihambe Women Construction.
Against the procurement process	1. DMS 1387294 bears reference.
Against the decision or action	Matter referred to an independent and impartial person as per the provisions of Clause 50 of Council's SCM Policy. Awaiting Opinion.

CONTRACT AND LOGISTICS MANAGEMENT

CONTRACT REGISTER – QUARTER 2	
Details	Number
Contracts Expiring in 6 months	29
Total Contracts Carried Over from Quarter 1	121
Total Effective Contracts as at 31 December 2019	95
Total Contracts closed in Quarter 1	31
Total Captured in Quarter 2	5
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
8/2/1/UMH02-15/16	Enterprise Resource Planning Solution (ERP)	EOH Mthombo (pty) Ltd	R13 796 237,42

- **Monthly Stock Count**

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

STOCK RESULTS AS AT 31 DECEMBER 2019	
DESCRIPTION	AMOUNT
Stock value before stocktake (31/12/2019)	18 506 973,78
Variance - stock shortages	14 000,00
Stock value after stocktake (31/12/2019)	18 520 973,78

The above table reflect figures as at 31 December 2019, no system transacting was done for Quarter 2.

PART 3 - SUPPORTING DOCUMENTATION

8. DEBTORS ANALYSIS

Refer to supporting table SC3 - Aged Debtors (**Annexure M**) for the month ended 31 December 2019.

9. CREDITORS ANALYSIS

Refer to supporting table SC4 - Aged Creditors (**Annexure N**) for the month ended 31 December 2019.

10. INVESTMENT PORTFOLIO ANALYSIS

Refer to supporting table SC5 - Investment portfolio (**Annexure O**) for the month ended 31 December 2019.

11. 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 2019.

12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R**) for the month ended 31 December 2019.

13. 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 2019/20	2018/19 ROLL OVERS	SUPPLEMENTS / (RETURNS)	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2019	PERCENTAGE SPENT OF ADOPTED BUDGET (SYSTEM)
DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT	44 516 200	15 364 800	1 128 700	5 279 900	66 289 600	1 014 022	2%
CITY DEVELOPMENT	44 516 200	15 364 800	1 128 700	5 279 900	66 289 600	1 014 022	2%
DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES	54 281 000	(6 892 800)	1 609 900	4 000 000	52 998 100	4 512 388	9%
COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	16 874 000	(8 843 500)	1 400 000	-	9 430 500	2 686 636	28%
COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	37 135 000	1 950 700	-	4 000 000	43 085 700	1 817 096	4%
COMMUNITY SERVICES - PROTECTION SERVICES	272 000	-	209 900	-	481 900	8 656	2%
DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES	15 363 300	727 600	-	20 100	16 111 000	543 435	3%
CORPORATE SERVICES - ADMINISTRATION	9 004 300	(192 400)	-	-	8 811 900	543 435	6%
CORPORATE SERVICES - ICT	6 264 000	920 000	-	20 100	7 204 100	-	0%
CORPORATE SERVICES - HUMAN RESOURCES	95 000	-	-	-	95 000	-	0%
CHIEF FINANCIAL OFFICER	216 500	18 068 700	6 000 000	-	24 285 200	6 208 247	26%
FINANCIAL SERVICES	216 500	18 068 700	6 000 000	-	24 285 200	6 208 247	26%
DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SERVICES	114 420 900	(8 764 500)	4 350 900	(3 800 000)	106 207 300	18 810 116	18%
ELECTRICAL SUPPLY SERVICES	114 420 900	(8 764 500)	4 350 900	(3 800 000)	106 207 300	18 810 116	18%
DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES	368 735 100	(18 713 700)	14 256 400	(5 500 000)	358 777 800	60 153 708	17%
ENGINEERING SUPPORT SERVICES	93 576 000	-	4 175 100	3 200 000	100 951 100	34 977 238	35%
TRANSPORT, ROADS AND STORMWATER	92 983 000	562 400	10 081 300	(5 000 000)	98 626 700	16 006 923	16%
WATER AND SANITATION	182 176 100	(19 276 100)	-	(3 700 000)	159 200 000	9 169 547	6%
OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-	-	0%
TOTAL OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-	-	0%
TOTAL CAPITAL BUDGET	597 533 000	(209 900)	27 345 900	-	624 669 000	91 241 916	15%

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT														
1	AD	Municipal Buildings	DESIGN AND CONSTRUCTION OF SMME RETAIL PARKS (ESIKHALENI) - PHASE 1	1002010100	N/ABD21.001	CAPITAL REPLACEMENT RESERVES	11 319 200	1 128 700		(1 128 700)	11 319 200	-	0%	Report was referred back due to insufficient funds. The budgeted for the project will be submitted for consideration for 2020/2021 and 2021/2022 as it progress over these financial years.
2	AD	Municipal Buildings	SUPPLY AND INSTALLATION OF ROLLERS DOORS	1003010100	N/ADBDA1.002	CAPITAL REPLACEMENT RESERVES	45 000				45 000	-	0%	Shopping Cart has been approved, awaiting quotations from SCM.
3	AD	Municipal Buildings	MUNICIPAL HOUSING	1003040100	N/ADAMA1.001	BORROWING	-		38 300		38 300	-	0%	95% Complete, The contractor has not shown progress on site and has been notified of the default with an intent to terminate letter submitted to the Legal Department on 1 November 2019 DMS 1379950 as they have not submitted an extension of time claim from the previous approved practical completion of 15 July 2019
4	BK	Information Technology	IT EQUIPMENT : BACKUP BATTERY	1003050100	N/BKBDA1.004	CAPITAL REPLACEMENT RESERVES	20 000				20 000	-	0%	Awaiting specifications and requisition to be created in the month of October 2019,
5	BK	Information Technology	IT EQUIPMENT : COLOUR PRINTER	1003050100	N/BKBDA1.005	CAPITAL REPLACEMENT RESERVES	40 000			(40 000)	-	-		Contractual agreements for printers has expired and in the process of renewal. Funds will be transferred to fund the electrification of Market stalls.
6	BK	Information Technology	PERMIT CARD PRINTER	1003050100	N/BKBDA1.006	CAPITAL REPLACEMENT RESERVES	92 000				92 000	-	0%	Awaiting SCM to load item on the SAP system.
7	BT	Housing	ROOF REPLACEMENT - ESIKHALENI FLATS	1003040200	N/BTAM17.001	BORROWING	-		6 339 900		6 339 900	-	0%	BSC report has been prepared and will serve in the month of November 2019,
8	CP	Taxi Ranks	NSELENI TAXI RANK	1002012100	N/CPAMA1.001	BORROWING	-		90 600		90 600	-	0%	Project is 45% Complete. Delays on repositioning of Telkom site fence for construction of ablution were experienced. There was a further delay on receiving a permit from Department of Labour.
9	CP	Taxi Ranks	NSELENI TAXI RANK	1002012100	N/CPBDA1.001	CAPITAL REPLACEMENT RESERVES	-			5 300 000	5 300 000	-	0%	An extension of time claim was approved for completion on 07 February 2020 for the following reasons: adverse effect from weather conditions, delay on giving a position of ablution facility, strike and inability of obtaining material on time
10	DI	Sewerage - Sewerage Network	DUMISANI MAKHAYE VILLAGE BULK SERVICES (SANITATION)	1001030700	I/DIAMA1.001	BORROWING	-		3 841 800		3 841 800	-	0%	Project is 70% Complete and contractor has not returned on site since leaving site on the 24th of April 2019.
11	DN	Water Distribution - Urban Water	EMPANGENI MEGA HOUSING BULK SERVICES (WATER)	1001050200	I/DNBDA1.001	CAPITAL REPLACEMENT RESERVES	-		138 100		138 100	-	0%	91 % Complete, Due completion date 30 October 2019.
12	DI	Sewerage - Sewerage Network	AQUADENE BULK SERVICES (SANITATION)	1001050200	I/DIBD04.001	CAPITAL REPLACEMENT RESERVES	-		449 400		449 400	-	0%	Project is 98% completed. Contractor to return to site to complete the remaining 2% of the work.

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT														
13	CC	Economic Development/Planning	CONSTRUCTION OF MARKET STALLS (NSELENI, MADLANKALA & EMPANGENI)	1002011800	N/CCBDA1.001	CAPITAL REPLACEMENT RESERVES	-		466 700	1 128 700	1 595 400	1 014 022	64%	The final draft feasibility ,master plan and cost estimates was submitted on the 11th of December 2019 on DMS 1384458 where a meeting will be convened with all the stakeholders for approval of the proposed concepts and phasing of the project.
14	CN	Roads - Urban Roads	CONSTRUCTION OF STEEL BRIDGE	1001020200	I/CNAM02.001	BORROWING	-		3 000 000		3 000 000	-	0%	SLA has been finalized and signed during December 2019. Mariswe appointed. PSC meeting held 16 October 2019 and since no progress until SLA was signed.
15	CC	Economic Development/Planning	ALKANDSTRAND DETAILED PLANNING & DESIGN	1001030700	N/CCBDA1.002	CAPITAL REPLACEMENT RESERVES	-		1 000 000		1 000 000	-	0%	RPT 166890 has been prepared and is circulating for comments before final submission to Bid Specification Committee.
16	CC	Economic Development/Planning	FURNITURE CITY DEVELOPMENT	1003030100	N/CCBDA1.003	CAPITAL REPLACEMENT RESERVES	-			19 900	19 900	-	0%	Awaiting for Assets to be registered with Asset Management.
16	CC	Economic Development/Planning	ALKANDSTRAND DETAILED PLANNING & DESIGN	1002010100	N/CCAHA1.009	INTEGRATED URBAN DEVELOPMENT GRANT	500 000				500 000	-	0%	Included in Tender 8/2/1/UMH 548_18/19: Appointment of a professional team to attend to detailed planning and preliminary engineering designs for the Richards Bay Waterfront Area that closed on 4 December 2019
17	CC	Economic Development/Planning	WATER FRONT DETAILED TOWN PLANNING DESIGN	1002010100	N/CCAHA1.010	INTEGRATED URBAN DEVELOPMENT GRANT	1 500 000				1 500 000	-	0%	Included in Tender 8/2/1/UMH 548_18/19: Appointment of a professional team to attend to detailed planning and preliminary engineering designs for the Richards Bay Waterfront Area that closed on 4 December 2019
18	CC	Economic Development/Planning	EMPANGENI BUSINESS HUB	1003010100	N/CCAHA1.011	INTEGRATED URBAN DEVELOPMENT GRANT	500 000				500 000	-	0%	Inception Report and Project Cordination Complete.
19	CC	Economic Development/Planning	RURAL FRAMEWORK PLAN FOR MATSHANA	1001020100	I/CCAHA1.012	INTEGRATED URBAN DEVELOPMENT GRANT	500 000				500 000	-	0%	No appointment yet.
20	CC	Economic Development/Planning	DESIGN AND CONSTRUCTION OF CENTRAL INDUSTRIAL AREA LINK ROAD	1001020100	I/CCAHA1.013	INTEGRATED URBAN DEVELOPMENT GRANT	30 000 000				30 000 000	-	0%	Tender 8/2/1/UMH605_19/20 advertised on 16 January for construction of Phase 1 of CIA link road.
TOTAL CITY DEVELOPMENT							44 516 200	1 128 700	15 364 800	5 279 900	66 289 600	1 014 022	2%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
PUBLIC HEALTH AND EMERGENCY SERVICES														
22	AD	Municipal Buildings	DISASTER MANAGEMENT RENOVATIONS TO BUILDINGS	1003010100	N/ADBDA1.017	CAPITAL REPLACEMENT RESERVES	2 500 000				2 500 000	-	0%	Bid Specification Documents were finalised and will be tabled for approval at the first Bid Spec meeting to be held in January 2020.
23	BK	Information Technology	DISASTER MANAGEMENT BUILDING COMMUNICATION SYSTEM	1007000500	N/BKBDA1.018	CAPITAL REPLACEMENT RESERVES	1 274 000				1 274 000	-	0%	Wireless Radio installed in December. Installation of network points including switch and cabinet will be finalised in January 2020
24	AH	Disaster Management	DISASTER MANAGEMENT BUILDING FURNITURE	1003030100	N/AHBDA1.019	CAPITAL REPLACEMENT RESERVES	500 000				500 000	-	0%	Procurement of furniture has been split and will be ordered via requisitions and Tender. The Tender is currently circulating for signatures for the Bid Spec. The SAP team will assist with the errors that occur when submitting a requisition for approval. Shopping cart 10008859 and 10009658 cannot be approved due to the error.
25	BF	Fleet Management	REFUSE TRUCKS	1003050100	N/BFBD02.027	CAPITAL REPLACEMENT RESERVES	9 000 000		(9 000 000)		-	-		Funds re-directed to fund 2018/19 roll-over projects
27	BI	Occupational Clinic	OCCUPATIONAL HEALTH CLINIC	1003010100	N/BIBDA1.001	CAPITAL REPLACEMENT RESERVES	-		56 500		56 500	-	0%	Contractor applied for an extension on completion date due to problems experienced with the roof - this was approved by PJMU. Completion now expected by the end of the 3rd Quarter
28	BI	Occupational Clinic	OCCUPATIONAL HEALTH CLINIC	1003010100	N/BIAMA1.001	BORROWING	-		1 500 000		1 500 000	865 136	58%	
31	DC	Solid Waste Removal	UPGRADE ENSELENI AND MZINGAZI MATERIAL RECOVERY CENTRES	1001060200	I/DCBDA1.036	CAPITAL REPLACEMENT RESERVES	1 400 000	1 400 000	(1 400 000)		1 400 000	-	0%	Consultant has been appointed (Thazo Projects) concept for Upgrade of Enseleni and Mzingazi MRF's has completed and been presented to EMCO and building control for approvals. All necessary documents are ready for submission to Bid Specification Committee for advert.
33	DC	Solid Waste Removal	SKIPS	1003050100	N/DCBD02.038	CAPITAL REPLACEMENT RESERVES	2 200 000				2 200 000	1 821 500	83%	42 skips have been delivered and the PO number is 4540000197. The available balance will be used to correct technicalities and the balance will be all spent before end of March.
TOTAL PUBLIC HEALTH AND EMERGENCY SERVICES							16 874 000	1 400 000	(8 843 500)	-	9 430 500	2 686 636	28%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
PROTECTION SERVICES														
34	CQ	Police Forces, Traffic and Street Parking Control	EQUIPMENT FOR TRAFFIC	1003050100	N/CQBDA1.040	CAPITAL REPLACEMENT RESERVES	111 000			(41 000)	70 000	-	0%	Order have been placed. Awaiting delivery and finalisation of the project
35	CR	Road and Traffic Regulation	EQUIPMENT FOR TRAFFIC LICENSING	1003050100	N/CRBDA1.041	CAPITAL REPLACEMENT RESERVES	53 000		42 200	(20 000)	75 200	8 656	12%	1.1. Inv 00344767 - Cart No 10007336 = R718.46. PO 4510000671 1.2. Inv 00344769 - Cart No 10007332= R357.65. PO 4510000669 1.3. Inv 00344768 - Cart No 10007328= R320.85. PO 4510000672 1.4. Inv 00342561 - Cart No 10007296= R1141.96. PO 4510000520 1.5. Inv 00342702 - Cart No 10007303= R5393.50. PO 4510000673 1.6. Inv 00344768 - Cart No. 10013658 = R 718.46. PO 4510001418
36	AD	Municipal Buildings	AIRCONDITIONERS FOR PUBLIC SAFETY (TRAFFIC)	1003030100	N/ADBDA1.001	CAPITAL REPLACEMENT RESERVES	-			61 000	61 000	-	0%	1. 1X AIRCON (Licensing eye test area) - Cart No. 10014964 = R19205.00 2. 3X Aircons (Traffic Admin) - Cart No. 10014990 = R35 838.68
37	CQ	Police Forces, Traffic and Street Parking Control	INDUSTRIAL PRINTER FOR TRAFFIC ADMIN	1003050100	N/CQBDA1.043	CAPITAL REPLACEMENT RESERVES	98 000				98 000	-	0%	In the process of sourcing quotations
38	CQ	Police Forces, Traffic and Street Parking Control	CAMERAS FOR EVIDENCE COLLECTION	1003050100	N/CQBDA1.045	CAPITAL REPLACEMENT RESERVES	10 000				10 000	-	0%	In the process of sourcing quotations
39	CR	Police Forces, Traffic and Street Parking Control	FURNITURE FOR TRAFFIC LICENSING	1003030100	N/CRBDA1.001	CAPITAL REPLACEMENT RESERVES	-		167 700		167 700	-	0%	Awaiting finalisation of the project in order to process payment.
TOTAL PROTECTION SERVICES							272 000		209 900	-	481 900	8 656	2%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
RECREATION AND ENVIRONMENTAL SERVICES														
40	AA	Cemeteries, Funeral Parlours and Crematoriums	NEW CEMETERY DEVELOPMENT- EXTENSION OF RICHARDS BAY AND ESIKHALENI CEMETERY	1002011100	N/AABDA1.047	CAPITAL REPLACEMENT RESERVES	900 000		1 144 600	600 000	2 644 600	-	0%	Additional funding were sourced and secured during the 3rd quarter in order to commence with the project. Project expected to commence during the 3rd quarter of the current financial year.
41	AC	Halls	DESIGN OF DMV THUSONG CENTRE	1002010100	N/ACBDA1.049	CAPITAL REPLACEMENT RESERVES	2 000 000			(1 047 500)	952 500	-	0%	Concept Plan not yet finalised.
42	AC	Halls	FURNITURE FOR MANCECE HALL	1003030100	N/ACBDA1.002	CAPITAL REPLACEMENT RESERVES	-			60 000	60 000	-	0%	Quotations being sourced.
43	AC	Halls	DESIGN OF HLANGANANI HALL	1002010100	N/ACBDA1.050	CAPITAL REPLACEMENT RESERVES	-				-	-		Thazo Projects Consultant was appointed , a concept plan was presented for approval.
44	AC	Halls	REFURBISHMENT OF BRACKENHAM HALL	1002010100	N/ACBD26.001	CAPITAL REPLACEMENT RESERVES	-		597 600	2 900 000	3 497 600	-	0%	The official letter of appointment of Cabuzela Trading, dated 17 December 2019, for the completion of this project was issued by PMU after observing a 14 day objection period. Contractor expected on site in January 2020. DMS 1384736
45	AC	Halls	NSELENI HALL UPGRADE	1002010100	N/ACBDA1.001	CAPITAL REPLACEMENT RESERVES	-			957 500	957 500	596 042	62%	Project Completed. Final payment certificates to be processed.
46	AC	Halls	UPGRADE OF UBIZO MULTI PURPOSE CENTRE	1002010100	N/ACBD32.001	CAPITAL REPLACEMENT RESERVES	-			4 000 000	4 000 000	-	0%	Construction of Ubizo Multipurpose Centre in Ward 32 - the contractor was appointed for refurbishment of Ubizo, see dms 1388074 for appointment letter. The contractor was introduced to Council and traditional authorities , see dms 1388076 for list of items discussed.The project is at 10% completion.
47	AC	Halls	FURNITURE FOR UBIZO MULTI PURPOSE CENTRE IN WARD 32	1003050100	N/ACBDA1.003	CAPITAL REPLACEMENT RESERVES	-			200 000	200 000	-	0%	Quotations being sourced.
48	AD	Municipal Buildings	REPLACEMENT AIRCON:OFFICE DMM COMSERV	1003030100	N/ADBDA1.XXX	CAPITAL REPLACEMENT RESERVES	-				-	-		Project Removed. Existing Airconditioner repaired.
49	AE	Libraries and Archives	ENSELENI LIBRARY - BUILDING EXTENSION	1002010100	N/AEBDA1.050	CAPITAL REPLACEMENT RESERVES	500 000		(500 000)		-	-		Funds re-directed to fund 2018/19 roll-over projects
50	AE	Libraries and Archives	RICHARDS BAY LIBRARY - UPGRADING AND RENOVATION	1002010100	N/AEBDA1.051	CAPITAL REPLACEMENT RESERVES	430 000				430 000	-	0%	Project ongoing. Completion expected during the 3rd Quarter of current financial year.
51	AE	Libraries and Archives	RENOVATIONS / IMPROVEMENTS TO VARIOUS LIBRARIES			CAPITAL REPLACEMENT RESERVES	-				-	-		No comments required

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
RECREATION AND ENVIRONMENTAL SERVICES														
52	AE	Libraries and Archives	ENSELENI LIBRARY RFID SECURITY SYSTEM	1002010100	N/AEBDA1.053	CAPITAL REPLACEMENT RESERVES	200 000			(200 000)	-	-		No comments required. Funded and installed by Province
53	AE	Libraries and Archives	MACHINERY AND EQUIPMENT - LIBRARIES	1003050100	N/AEBDA1.001	CAPITAL REPLACEMENT RESERVES	-			30 000	30 000	-	0%	Virement Completed during December. Machinery will be sourced during January/February 2020
54	BF	Fleet Management	REPLACEMENT TRAILERS X 2	1003050100	N/BFBDA1.056	CAPITAL REPLACEMENT RESERVES	150 000				150 000	-	0%	Trailers will form part of Fleet Management's Vehicle Tender. Anticipating finalisation of the project during the 3rd quarter of the current financial year.
55	CS	Beaches and Jetties	BUILDING & STRUCTURE REPAIR WORK			CAPITAL REPLACEMENT RESERVES	-				-	-		No comments required
56	CS	Beaches and Jetties	PORTABLE TOWER X 2	1003050100	N/CSBDA1.058	CAPITAL REPLACEMENT RESERVES	150 000				150 000	-	0%	Due to wash-away of the beach it cannot accommodate portable towers at this stage. Consideration is being given to transferring funds from this vote to purchase oxygen cylinders for the 9 swimming pools
57	AD	Municipal Buildings	RENOVATE GENERAL WORKER'S STAFF ROOM	1003010100	N/ADBDA1.059	CAPITAL REPLACEMENT RESERVES	200 000				200 000	-	0%	Quotations and Award Awaited.
58	CS	Beaches and Jetties	RESCUE EQUIPMENT	1003050100	N/CSBDA1.060	CAPITAL REPLACEMENT RESERVES	200 000				200 000	-	0%	Quotations and Award Awaited.
59	CS	Beaches and Jetties	HIGH PRESSURE HOSE	1003050100	N/CSBDA1.061	CAPITAL REPLACEMENT RESERVES	30 000				30 000	-	0%	Quotations and Award Awaited.
60	CT	Community Parks (including Nurseries)	RECREATIONAL FACILITIES - KIDS PARK	1003050100	N/CTBDA1.062	CAPITAL REPLACEMENT RESERVES	1 000 000			(600 000)	400 000	-	0%	Requisition completed and submitted to SCMU for processing
61	CT	Community Parks (including Nurseries)	CONSTRUCTION OF NURSERY			CAPITAL REPLACEMENT RESERVES	-				-	-		No comments required
62	CT	Community Parks (including Nurseries)	REPLACEMENT OF SLASHERS	1003050100	N/CTBD26.064	CAPITAL REPLACEMENT RESERVES	200 000				200 000	-	0%	Delivered - Awaiting payment of order
63	CT	Community Parks (including Nurseries)	VARIOUS SMALL MACHINERY (HORTICULTURE)			CAPITAL REPLACEMENT RESERVES	-				-	-		No comments required
64	CY	Sport and Recreation	KWADLANGEZWA SWIMMING POOL	1002010100	N/CYBDA1.001	CAPITAL REPLACEMENT RESERVES	11 000 000			(2 900 000)	8 100 000	-	0%	TENDER 8/2/1/UMH587 – 19/20: CONSTRUCTION OF A PUBLIC SWIMMING POOL FACILITY AT VULINDELA : Tender documents have been prepared and tender to be advertised at the onset of the 2nd Quarter. Tender documents will be available from 24 October 2019. Tender Briefing meeting scheduled for 7 November 2019. The closing date for the submission of tenders: 5 December 2019.

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES														
RECREATION AND ENVIRONMENTAL SERVICES														
65	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO ESIKHALENI POOL	1002010100	N/CYBDA1.068	CAPITAL REPLACEMENT RESERVES	300 000				300 000	-	0%	Quotations and Award Awaited.
66	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO EMPANGENI POOL	1002010100	N/CYBDA1.072	CAPITAL REPLACEMENT RESERVES	300 000				300 000	-	0%	Quotations and Award Awaited.
67	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO BRACKENHAM POOL	1002010100	N/CYBDA1.073	CAPITAL REPLACEMENT RESERVES	300 000				300 000	-	0%	Quotations and Award Awaited.
68	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO MEERENSEE POOL	1002010100	N/CYBDA1.074	CAPITAL REPLACEMENT RESERVES	300 000				300 000	-	0%	Quotations and Award Awaited.
69	CY	Recreational Facilities - Swimming Pools	LANE REELS	1003050100	N/CYBDA1.069	CAPITAL REPLACEMENT RESERVES	100 000				100 000	-	0%	Quotations and Award Awaited.
70	CY	Recreational Facilities - Swimming Pools	CASH REGISTERS	1003050100	N/CYBDA1.070	CAPITAL REPLACEMENT RESERVES	50 000				50 000	-	0%	Delivered and invoices signed off for payment
71	CZ	Sport Development and Sportfields	CONSTRUCTION OF KICK-ABOUTS X 2	1002010100	N/CZBDA1.072	CAPITAL REPLACEMENT RESERVES	2 320 000		268 000		2 588 000	-	0%	Original Design and scope for kick-about not approved. Consultants currently busy with redesign and lowering of scope.
72	CZ	Sport Development and Sportfields	MADLEBE SPORT FIELD UPGRADE	1002010100	N/CZBDA1.073	CAPITAL REPLACEMENT RESERVES	812 000				812 000	-	0%	Bid Specification Report approved on 20 December 2019 for advertisement in January 2020 (RPT 168205)
73	CZ	Sport Development and Sportfields	RESURFACE: 4 X VOLLEYBALL COURT - CENTRAL SPORTS COMPLEX	1002010100	N/CZBDA1.074	CAPITAL REPLACEMENT RESERVES	1 200 000				1 200 000	-	0%	Tender 8/2/1/UMH590-19/20 Specifications approved at Bid Spec on 12 December for advertisement on 16 January 2020.
74	CZ	Sport Development and Sportfields	UPGRADE: MZUVUKILE NSELENI	1002010100	N/CZBDA1.075	CAPITAL REPLACEMENT RESERVES	1 000 000		(1 000 000)		-	-		No Budget - funds redirected to address shortages on existing projects.
75	CZ	Sport Development and Sportfields	MACHINERY FOR SPORT FACILITIES MAINTENANCE	1003050100	N/CZBDA1.076	CAPITAL REPLACEMENT RESERVES	750 000				750 000	-	0%	Ride on Mower delivered during August 2019
76	CZ	Sport Development and Sportfields	INSTALLATION OF IRRIGATION SYSTEM AT CENTRAL SPORT COMPLEX	1003050100	N/CZBDA1.002	CAPITAL REPLACEMENT RESERVES	-		696 400		696 400	-	0%	Con tractor currently on site to complete corrective work on Tender 8/2/1/UMH411 -18/19. Once completed invoice will be processed for payment.
77	CZ	Sport Development and Sportfields	UPGRADE OF ATHLETICS TRACK	1002020200	N/CZAM02.002	BORROWING	-		744 100		744 100	-	0%	Final payment to be processed. Project Completed
78	CZ	Sport Development and Sportfields	CONSTRUCTION OF ESIKHALENI FITNESS CENTRE	1002010100	N/CZBCA1.078	GOVERNMENT GRANTS - PROVINCIAL	8 243 000				8 243 000	1 221 055	15%	RPT167963 for Tender 8/2/1/UMH570-19/20 (Phase 1C - Entrance and Guard House) approved by Bid Spec on 12 December 2019. Will be advertise on n9 January with tender closing date on 6 February. Site meeting will take place on 17 January 2020
79	DB	Sports Grounds and Stadiums - Stadium	FENCING UMHLATHUZE STADIUM	1002010100	N/DBBDA1.001	CAPITAL REPLACEMENT RESERVES	-			1 500 000	1 500 000	-	0%	RPT 168151 - Tender 8/2/1/UMH542-19/20 : Supply of Clear u Fence served at BEC on 13 January 2020.
80	DB	Sports Grounds and Stadiums - Stadium	STRUCTURAL ASSESSMENT UMHLATHUZE STADIUM	1002010100	N/DBBDA1.002	CAPITAL REPLACEMENT RESERVES	-			165 000	165 000	-	0%	Completed - Awaiting payment of Invoice
81	DB	Sports Grounds and Stadiums - Stadium	UMHLATHUZE STADIUM MASTER PLAN	1002010100	N/DBBD02.079	CAPITAL REPLACEMENT RESERVES	4 500 000			(1 665 000)	2 835 000	-	0%	Presentation of designs received from Consultants to be presented at the first Community Services Portfolio Committee meeting on 14 February 2020 and thereafter to the following EXCO Meeting for approval.
TOTAL RECREATION AND ENVIRONMENTAL SERVICES							37 135 000	-	1 950 700	4 000 000	43 085 700	1 817 096	4%	
TOTAL COMMUNITY SERVICES							54 281 000	1 400 000	(6 682 900)	4 000 000	52 998 100	4 512 388	9%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES														
ADMINISTRATION														
82	AD	Municipal Buildings	RENOVATIONS TO RICHARDS BAY CIVIC CENTRE	1003010100	N/ADBDA1.080	CAPITAL REPLACEMENT RESERVES	4 000 000				4 000 000	62 959	2%	The consultant had presented the concept for approval and project cost estimate. Final design and tender document were expected by end on
83	AD	Municipal Buildings	RENOVATIONS TO RICHARDS BAY CIVIC CENTRE	1003010100	N/ADAMA1.002	BORROWING	-		1 992 100		1 992 100	-	0%	October 2019 RBAY CIVIC. Pending invoice to be paid once SLA is finalized
84	AD	Municipal Buildings	RENOVATIONS TO eNSELENI MULTI-PURPOSE SERVICE CENTRE	1003010100	N/ABD08.081	CAPITAL REPLACEMENT RESERVES	3 000 000		(3 000 000)		-	-		No Budget - funds redirected to address shortages on existing projects.
85	AD	Municipal Buildings	RENOVATIONS TO COUNCILLOR OFFICES	1003010100	N/ADBDA1.082	CAPITAL REPLACEMENT RESERVES	202 000				202 000	32 630	16%	Requisitions will be done in quarter 3 for work to be done in various offices
86	AD	Municipal Buildings	RENOVATION OF ESIKHALENI FINANCE SATELLITE OFFICE (H2)	1003010100	N/ADBDA1.003	CAPITAL REPLACEMENT RESERVES	-		973 100		973 100	447 846	46%	Final Concept Designs presented to the user-department on 07 November 2019 and EMCO on 25 November 2019.
87	AD	Municipal Buildings	RENOVATION OF ESIKHALENI FINANCE SATELLITE OFFICE (H2)	1003010100	N/ADAMA1.004	BORROWING	-		1 641 400		1 641 400	-	0%	Busy with snag list and requisitions will be done in the beginning of the 3rd Quarter for all outstanding work which was not in the original scope
88	AD	Municipal Buildings	RENOVATIONS TO EMPANGENI MULTI-PURPOSE SERVICE CENTRE (DESIGNS)	1003010100	N/ABD08.083	CAPITAL REPLACEMENT RESERVES	1 799 000		(1 799 000)		-	-		Preliminary designs presented at EMCO
89	BL	Administrative and Corporate Support	EQUIPMENT FOR LEGAL SERVICES	1003050100	N/BLBDA1.087	CAPITAL REPLACEMENT RESERVES	3 300				3 300	-	0%	Planned for third quarter
TOTAL ADMINISTRATION							9 004 300	-	(192 400)	-	8 811 900	543 435	6%	

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	UM-SAP PROJECT NO.	FUNDING	ADOPTED 2019/20	SUPPLEMENT S/ (RETURNS)	VIREMENTS (2018/19 ROLL- OVERS)	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2019	PERCENTAGE SPENT OF ADOPTED BUDGET	QUARTER 2 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES														
HUMAN RESOURCES														
91	AD	Municipal Buildings	REPLACEMENT OF AIRCONDITIONER (LABOUR RELATIONS)	1003010100	N/ADBDA1.090	CAPITAL REPLACEMENT RESERVES	14 000				14 000	-	0%	Quotations and Award Awaited.
92	BJ	Training and Industrial Relations	EVACUATION CHAIR (OHS)	1003030100	N/BJBDA1.093	CAPITAL REPLACEMENT RESERVES	40 000				40 000	-	0%	Quotations and Award Awaited.
93	BK	Information Technology	LAPTOPS AND 2 SCREENS (EAP)	1003020100	N/BKBDA1.097	CAPITAL REPLACEMENT RESERVES	25 000				25 000	-	0%	Quotations and Award Awaited.
95	BJ	Training and Industrial Relations		1003050100	N/BJBDA1.001	CAPITAL REPLACEMENT RESERVES	-			15 900	15 900	-	0%	Quotations and Award Awaited.
96	BK	Information Technology	OFFICE EQUIPMENT (BLOW BREATHALIZER)	1003050100	N/BKBDA1.099	CAPITAL REPLACEMENT RESERVES	16 000			(15 900)	100	-	0%	Quotations and Award Awaited.
TOTAL HUMAN RESOURCES							95 000	-	-	-	95 000	-	0%	
INFORMATION, COMMUNICATION AND TECHNOLOGY														
97	BK	Information Technology	DATA POINTS NEW / ADDITIONAL	1001090100	I/BKBDA1.100	CAPITAL REPLACEMENT RESERVES	31 000				31 000	-	0%	Requisition 10003265 was advertised appointment to be done by SCM
98	BK	Information Technology	INTERNAL CCTV CAMERAS	1003050100	I/BKBDA1.007	CAPITAL REPLACEMENT RESERVES	-		920 000		920 000	-	0%	Project installation completed on 14 January 2019. Invoice to be submitted to amount of R 105 137.94.
99	BK	Information Technology	NEW & REPLACEMENT OF IT RELATED EQUIPMENT	1003020100	N/BKBDA1.101	CAPITAL REPLACEMENT RESERVES	-			20 100	20 100	-	0%	Virement - new requirement, requisition and procurement planned for Q3
100	BK	Information Technology	NETWORK INFRASTRUCTURE UPGRADE	1001090100	I/BKBDA1.102	CAPITAL REPLACEMENT RESERVES	4 000 000				4 000 000	-	0%	Three Sub projects: UMH550-119/20 - Cisco Network devices to serve at BAC. UMH551 -19/20 Last mile fibre to TVET eSikhaleni to serve at BEC again on 15 January 2020. Estimated total of tenders is R 1 400 000. ESS Implementation for Emergency services -Vendor ESRI PO4593000038 to the amount of R 1 265 358.00 issued. Project completion estimated 30 May 2020.
101	BK	Information Technology	PUBLIC WIFI	1001090100	I/BKBDA1.103	CAPITAL REPLACEMENT RESERVES	2 233 000				2 233 000	-	0%	Tender to serve at BEC again on 15 January 2020 estimated tender award will be R 1 547 000
TOTAL INFORMATION, COMMUNICATION AND TECHNOLOGY							6 264 000	-	920 000	20 100	7 204 100	-	0%	
TOTAL CORPORATE SERVICES							15 363 300	-	727 600	20 100	16 111 000	543 435	3%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE CHIEF FINANCIAL OFFICER														
102	AD	Municipal Buildings	SCM SECOND FLOOR (INCL FURNITURE AND IT EQUIPMENT)	1003010100	N/ADAMA1.003	BORROWING	-	6 000 000	4 059 200		10 059 200	3 069 962	31%	Project complete. Finalisation of final invoices in progress.
103	AD	Municipal Buildings	SCM SECOND FLOOR (INCL FURNITURE AND IT EQUIPMENT)	1003010100	N/ADABDA1.004	CAPITAL REPLACEMENT RESERVES	-		45 500		45 500	-	0%	Project complete. Finalisation of final invoices in progress.
104	DS	Revenue and Expenditure	REPLACEMENT EQUIPMENT ALL FS SECTIONS	1003020100	N/DSBDA1.111	CAPITAL REPLACEMENT RESERVES	216 500			(170 000)	46 500	-	0%	Replacement of furniture planned for third quarter
105	DS	Revenue and Expenditure	REPLACEMENT EQUIPMENT ALL FS SECTIONS	1003030100	N/DSBDA1.111	CAPITAL REPLACEMENT RESERVES	-			170 000	170 000	-	0%	Replacement of equipment planned for third quarter
106	BK	Information Technology	FINANCIAL ERP SYSTEM	1007000500	I/BKAMA1.001	BORROWING	-		13 964 000		13 964 000	3 138 285	22%	Ongoing. Payment of invoices based on process plan.
TOTAL CHIEF FINANCIAL OFFICER							216 500	6 000 000	18 068 700	-	24 285 200	6 208 247	26%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES														
ELECTRICAL SUPPLY SERVICES														
107	AL	Electricity Distribution	11kV FORMALHAULT SWITCHING SWITCHGEAR REPLACEMENT	1001010800	I/ALBDA1.113	CAPITAL REPLACEMENT RESERVES	3 100 000				3 100 000	1 463 210	47%	Switch room refurbishment is 90% completed Manufacturing and testing of switchgears completed and will be delivered and installed during the month of January 2020
108	AL	Electricity Distribution	132 kV STATION REFURBISHMENT	1001010200	I/ALBDA1.114	CAPITAL REPLACEMENT RESERVES	1 000 000				1 000 000	-	0%	The refurbishment of 132/11kV 30MVA transformer no.1 for Hercules substaion is completed and will be delivered during the month of February 2020
110	AL	Electricity Distribution	132KV OIL FILLED CABLES IN THE SOUTH DUNES BETWEEN HYDRA AND CAPELLA SUBSTATIONS	1001010400	I/ALBDA1.116	CAPITAL REPLACEMENT RESERVES	12 000 000			(5 100 000)	6 900 000	3 901 646	57%	Pipe jacking for 6x 132kV cables crossing the road within the port to be done during the month of February 2020. Part A objection still in process. 132kV feeder bay on Part C is completed, second feeder will be done once one cable has been replaced
111	AL	Electricity Distribution	132kV OVERHEAD LINE REFURBISHMENT	1001010400	I/ALBDA1.117	CAPITAL REPLACEMENT RESERVES	500 000				500 000	-	0%	The refurbishment of 132/11kV 30MVA transformer no.1 for Hercules substaion is completed and will be delivered during the month of February 2020
114	AL	Electricity Distribution	AQUADENE DEVELOPMENT	1001010700	I/ALBD26.120	CAPITAL REPLACEMENT RESERVES	2 850 000			2 400 000	5 250 000	4 979 592	95%	Project is in construction phase, the 132/11kV 30MVA transformer manufacturing and testing is complete. The contractor to do soil starbilization during January 2020 for transformer plinth before the transformer can be delivered. Other material is on site
115	AL	Electricity Distribution	ELECTRICAL TESTING EQUIPMENT	1003050100	N/ALBDA1.001	CAPITAL REPLACEMENT RESERVES	-			2 700 000	2 700 000	-	0%	The tender closed and the BEC report is in circulation
116	AL	Electricity Distribution	ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 1	1001010700	I/ALAH1.121	INTEGRATED URBAN DEVELOPMENT GRANT	6 483 000				6 483 000	-	0%	The project is still in civil construction stage. Houses are planned to be constructed by May 2020 as per latest schedule. Electrical infrastructure installation will start once houses are constructed to avoid vandalism
117	AL	Electricity Distribution	ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 2			INTEGRATED URBAN DEVELOPMENT GRANT	-				-	-		No comments required
118	AL	Electricity Distribution	ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 1	1001010700	I/ALAM24.001	BORROWING	-		450 100		450 100	-	0%	The project is still in civil construction stage. Houses are planned to be constructed by May 2020 as per latest schedule. Electrical infrastructure installation will start once houses are constructed to avoid vandalism
119	AL	Electricity Distribution	ELECTRIFICATION OF EMPANGENI MEGA HOUSING - PHASE 1	1001010700	I/ALBDA1.123	CAPITAL REPLACEMENT RESERVES	31 740 500		(9 822 300)	(12 700 000)	9 218 200	197 061	2%	The project is still in civil construction stage. Houses are planned to be constructed by May 2020 as per latest schedule. Electrical infrastructure installation will start once houses are constructed to avoid vandalism

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES														
ELECTRICAL SUPPLY SERVICES														
120	AL	Electricity Distribution	ENERGY SAVING INITIATIVE	1001010800	I/ALBDA1.125	CAPITAL REPLACEMENT RESERVES	8 900 000		(224 200)		8 675 800	4 282 012	49%	Electrical Master Plan completed Panels for the replacement of non-efficient waste water treatment plants has been ordered by the service provider and they are in manufacturing process
121	AP	Street Lighting	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	1001010800	I/APBDA1.128	CAPITAL REPLACEMENT RESERVES	14 000 000		(2 000 000)	(1 800 000)	10 200 000	3 583 872	35%	Construction of 21x high masts is in progress. User department is waiting for quote from Eskom for power supply.
122	AP	Street Lighting	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)			BORROWING	-				-	-		No comments required
123	AQ	Process Control	INSTALLATION OF APN CONNECTIVITY SYSTEM	1007000500	N/AQBDA1.130	CAPITAL REPLACEMENT RESERVES	800 000				800 000	-	0%	Vodacom submitted proposal for the project
124	AQ	Process Control	INSTALLATION OF APN CONNECTIVITY SYSTEM			BORROWING	-				-	-		No comments required
125	AP	Street Lighting	INSTALLATION OF STREETLIGHTING IN VARIOUS AREAS	1001010800	I/APBDA1.132	CAPITAL REPLACEMENT RESERVES	500 000				500 000	-	0%	The installation of new streetlights will be done under the 3yr contract that has been adjudicated
126	AP	Street Lighting	INSTALLATION OF STREETLIGHTING IN VARIOUS AREAS			BORROWING	-				-	-		No comments required
127	AQ	Process Control	INSTALLATION OF TELECOMMUNICATION NETWORK FOR ENTIRE COU	1001090100	I/AQBDA1.134	CAPITAL REPLACEMENT RESERVES	500 000				500 000	-	0%	RFQ's to appoint various service providers which includes installation of mobile digital radios for Protection Services section vehicles and installation of a digital repeater for Fire Fighting Protection section is in process
128	AQ	Process Control	INSTALLATION OF TELECOMMUNICATION NETWORK FOR ENTIRE COU			BORROWING	-				-	-		No comments required
129	AL	Electricity Distribution	JOHN ROSS/EMPANGENI MAIN ROAD STREETLIGHTING INSTALLATION	1001010800	I/ALBDA1.137	CAPITAL REPLACEMENT RESERVES	1 500 000				1 500 000	-	0%	The installation of new streetlights will be done under the 3yr contract that has been adjudicated
130	AL	Electricity Distribution	JOHN ROSS/EMPANGENI MAIN ROAD STREETLIGHTING INSTALLATION			BORROWING	-				-	-		No comments required
131	AD	Municipal Buildings	LAND AND BUILDING - AIRCONS			CAPITAL REPLACEMENT RESERVES	-				-	-		No comments required

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES												
ELECTRICAL SUPPLY SERVICES												
132	AI	Marketing and Customer Relations	METERING OF 132KV AND 11KV FEEDERS	1001010200	I/AIBDA1.141	CAPITAL REPLACEMENT RESERVES	500 000				500 000	
133	AI	Marketing and Customer Relations	METERING OF 132KV AND 11KV FEEDERS			BORROWING	-				-	
134	AL	Electricity Distribution	MV ELECTRICAL NETWORK REFUBISHMENT	1001010700	I/ALBDA1.143	CAPITAL REPLACEMENT RESERVES	2 500 000			100 000	2 600 000	
135	AL	Electricity Distribution	MV ELECTRICAL NETWORK REFUBISHMENT	1001010700	I/ALAMA1.149	BORROWING	-		79 600		79 600	
136	AL	Electricity Distribution	NGWELEZANE WATERWORKS 11kV OVERHEAD LINE REPLACEMENT	1001010800	I/ALBD27.001	CAPITAL REPLACEMENT RESERVES	-		81 000		81 000	
137	AL	Electricity Distribution	HERCULES SUBSTATION - REWIND OF 132/11KV TRANSFORMER 1	1001010200	I/ALBDA1.003	CAPITAL REPLACEMENT RESERVES	-	4 350 900		200 000	4 550 900	
138	AL	Electricity Distribution	NGWELEZANE WATERWORKS 11kV OVERHEAD LINE REPLACEMENT	1001010800	I/ALAM27.001	BORROWING	-		92 700		92 700	
139	AL	Electricity Distribution	GEMINI SUB MV SWITCHGEAR	1001010600	I/ALBDA1.001	CAPITAL REPLACEMENT RESERVES	-			3 400 000	3 400 000	
140	AL	Electricity Distribution	30 MVA TRANSFORMER HERCULES SUBSTATION	1001010200	I/ALBDA1.002	CAPITAL REPLACEMENT RESERVES	-			7 000 000	7 000 000	
146	AD	Municipal Buildings	REFURBISHMENT OF INSTALLING COUNTERS OF ELECTRICITY CUSTOMER SERVICES	1003010100	N/ADBDA1.149	CAPITAL REPLACEMENT RESERVES	128 200				128 200	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: ELECTRICAL AND ENERGY SOURCES														
ELECTRICAL SUPPLY SERVICES														
147	AL	Electricity Distribution	REPLACEMENT OF NON-ENERGY EFFICIENT ELECTRICAL EQUIPMENT (EEDS)	1001010800	I/ALASA1.150	GOVERNMENT - NATIONAL	10 000 000				10 000 000	-	0%	No allocation confirmed by DOE as yet
148	BF	Fleet Management	REPLACEMENT VEHICLES	1003060100	N/BFBDA1.151	CAPITAL REPLACEMENT RESERVES	15 383 000		(1 000 000)		14 383 000	-	0%	Tender to purchase Fire truck to serve to BEC. Other vehicles will be purchased under RT 57 National Treasury tender in place
149	BF	Fleet Management	REPLACEMENT VEHICLES	1003060100	N/BFAMA1.160	BORROWING	-		3 549 700		3 549 700	346 420	10%	Payments for water tanker (R2mil) and Ford Ranger DC (R400k) delivered during 2018/19 and price escalation (R600k) for 22x Ford Rangers delivered in 2018/19 in proces. RT 57 NT tender will be used to purchase more vehicle with the balance
150	BF	Fleet Management	REPLACEMENT OF BMW	1003060100	N/BFAMA1.161	BORROWING	-		528 900		528 900	-	0%	Funds to be transferred to 1001010700 I/ALBDA1.143 to cover the shortfall
151	AI	Marketing and Customer Relations	TOOLS FOR CUSTOMER SERVICES AND PLANNING	1003050100	N/AIBDA1.153	CAPITAL REPLACEMENT RESERVES	36 200				36 200	-	0%	RFQ's to purchase tools for newly appointed electrician and replacement of other tools for Customer Services in process
152	BF	Fleet Management	TOOLS FOR FLEET MANAGEMENT	1003050100	N/BFBDA1.154	CAPITAL REPLACEMENT RESERVES	2 000 000		(500 000)		1 500 000	-	0%	Various RFQ's to purchase different tools for Fleet Management is in process
TOTAL ELECTRICAL SUPPLY SERVICES							114 420 900	4 350 900	(8 764 500)	(3 800 000)	106 207 300	18 810 116	18%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
ENGINEERING SUPPORT SERVICES														
153	AD	Municipal Buildings	AIR CONDITIONERS FOR ENGINEERING SUPPORT SERVICES	1003010100	N/ADBDA1.155	CAPITAL REPLACEMENT RESERVES	70 000				70 000	-	0%	Currently busy with RFQ's
154	BK	Information Technology	ASSET MANAGEMENT SOFTWARE	1007000500	N/BKBDA1.001	CAPITAL REPLACEMENT RESERVES	-	4 175 100		3 200 000	7 375 100	-	0%	Project 95% completed. Final invoice held back and will be paid on Project delivery end of January 2020. Awaiting Final Asset Management Plans and system integration completion. Draft Asset Management Plans are contained in DMS 1382386 for Water & Sanitation, DMS 1382387 for Electricity Services, DMS 1382389 for Buildings and Facilities, DMS 1382390 Roads and Stormwater.
156	CO	Roads - Rural Roads	ROADS PROJECTS - PHASE 3 KWAKHOZA	1001020100	I/COAHA1.156	INTEGRATED URBAN DEVELOPMENT GRANT	19 625 000				19 625 000	5 956 649	30%	Contractor on site.
159	DI	Sewerage - Sewerage Network	RURAL SANITATION	1001050100	I/DIAHA1.157	INTEGRATED URBAN DEVELOPMENT GRANT	36 941 000			(31 811 600)	5 129 400	(2 220 590)	-43%	Contractor on site. Tender advert for 16 January.
160	DI	Sewerage - Sewerage Network	EMPANGENI OUTFALL SEWER	1001050400	I/DIAHA1.158	INTEGRATED URBAN DEVELOPMENT GRANT	-			21 000 000	21 000 000	11 978 280	57%	Contractor on site. Tender advert for 16 January.
161	DI	Sewerage - Sewerage Network	MZINGAZI SEWER	1001050400	I/DIAHA1.159	INTEGRATED URBAN DEVELOPMENT GRANT	-			15 905 800	15 905 800	8 958 194	56%	Awaiting final invoice
162	DI	Sewerage - Sewerage Network	MANDLANZINI AGRI VILLAGE SEWER	1001050400	I/DIAHA1.160	INTEGRATED URBAN DEVELOPMENT GRANT	-			14 905 800	14 905 800	2 216 590	15%	Contractor on site, busy with tender advert for phase 2B
160	DM	Water Distribution - Rural Water	RURAL/SEMI-URBAN AREAS	1001030700	I/DMAHA1.158	INTEGRATED URBAN DEVELOPMENT GRANT	36 940 000			(20 000 000)	16 940 000	8 088 114	48%	Contractor on site. Tender advert for 16 January.
TOTAL ENGINEERING SUPPORT SERVICES							93 576 000	4 175 100	-	3 200 000	100 951 100	34 977 238	35%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
TRANSPORT, ROADS AND STORMWATER														
161	BF	Fleet Management	3 x 10 TON TIPPER TRUCK	1003050100	N/BFBD1.159	CAPITAL REPLACEMENT RESERVES	1 000 000				1 000 000	-	0%	Procurement process is in progress through Mechanical Workshop.
162	CN	Roads - Urban Roads	ANNUAL KERB REPLACEMENT CONTRACT	1001020100	I/CNBDA1.161	CAPITAL REPLACEMENT RESERVES	500 000		194 700		694 700	-	0%	Current progress is 27% over 3 year period.
163	CN	Roads - Urban Roads	ANNUAL WALKWAY REHABILITATION	1001020100	I/CNBDA1.162	CAPITAL REPLACEMENT RESERVES	500 000		423 900		923 900	349 546	38%	Current progress is 25% over 3 year period.
164	CN	Roads - Urban Roads	AQUADENE BULK SERVICES (ROADS & STORMWATER)	1001020100	I/CNBDA1.163	CAPITAL REPLACEMENT RESERVES	13 000 000	205 300	58 500		13 263 800	3 128 877	24%	Construction at Mondri Channel is at 90% complete. New Transnet Channel is at Tender stage. Envisaged award is February 2020
166	CN	Roads - Urban Roads	ARTERIAL FRAMEWORK PLAN RENEWAL	1001020100	I/CNBDA1.165	CAPITAL REPLACEMENT RESERVES	300 000				300 000	-	0%	No progress. Need to transfer to City Development
167	CN	Roads - Urban Roads	BUS SHELTERS & LAYBYES - ALL AREAS	1001020100	I/CNBDA1.166	CAPITAL REPLACEMENT RESERVES	500 000		160 500		660 500	-	0%	Payment for shelter design still not done. In process. Remaining budget will be spent on Quotes. Quotations have been done
169	CN	Roads - Urban Roads	EMPANGENI "A" TAXI RANK	1002010100	N/CNBD05.169	CAPITAL REPLACEMENT RESERVES	300 000		68 800		368 800	-	0%	Funding a problem to commence with implementation. City development to do final planning
170	CN	Roads - Urban Roads	ESIKHALENI INTERSECTION	1001020100	I/CNBDA1.170	CAPITAL REPLACEMENT RESERVES	30 500 000	7 044 900			37 544 900	9 665 186	26%	Ongoing at 67%
171	CN	Roads - Urban Roads	ESIKHALENI INTERSECTION	1001020100	I/CNAMA1.182	BORROWING	-		538 500		538 500	-	0%	Ongoing at 67%
172	CN	Roads - Urban Roads	MZINGAZI/TUZI GAZI STEEL BRIDGE	1001020100	I/CNBDA1.171	CAPITAL REPLACEMENT RESERVES	5 000 000			(1 500 000)	3 500 000	-	0%	SLA signed in December 2019. Consultants will commence with design in January 2020.
174	CN	Roads - Urban Roads	PEDESTRIAN BRIDGES	1001020100	I/CNBDA1.173	CAPITAL REPLACEMENT RESERVES	2 000 000		916 900	1 500 000	4 416 900	-	0%	All 3 Pedestrian bridges completed. Design Consultants completed Phase 2 (risk Analysis). Currently still at stage 1 of phase 1.
175	AD	Municipal Buildings	RURAL ROADS OFFICES	1003010100	N/ADBDA1.001	CAPITAL REPLACEMENT RESERVES	-	2 831 100		(50 000)	2 781 100	-	0%	Tender to be cancelled.
177	CN	Roads - Urban Roads	ROADS RESEALING	1001020100	I/CNBDA1.175	CAPITAL REPLACEMENT RESERVES	22 783 000		(5 000 000)	(5 000 000)	12 783 000	-	0%	Cancellation advert has been published in December 2019. New tender will be executed as panel of contractors through DMM's Office as per the instruction provided by DMM
178	CN	Roads - Urban Roads	ROADS RESEALING	1001020100	I/CNAM02.002	BORROWING	-		57 600		57 600	-	0%	Cancellation advert has been published in December 2019. New tender will be executed as panel of contractors through DMM's Office as per the instruction provided by DMM

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
TRANSPORT, ROADS AND STORMWATER														
179	CN	Roads - Urban Roads	UPGRADE ROADS - EMPANGENI & AQUADENE	1001020100	I/CNBDA1.186	CAPITAL REPLACEMENT RESERVES	-		657 800		657 800	-	0%	Council approved SLA amendments. DMV consultants signed amended SLA. Aquadene and Mega Housing not signed as yet.
180	CN	Roads - Urban Roads	SUSTAINABLE RURAL ROADS	1001020100	I/CNBDA1.177	CAPITAL REPLACEMENT RESERVES	7 500 000				7 500 000	-	0%	Under construction. Kerb and channeling being laid in Umhlanga Road.
181	CN	Roads - Urban Roads	SUSTAINABLE RURAL ROADS			BORROWING	-				-	-		No comments required
182	CN	Roads - Urban Roads	TRAFFIC CALMING	1001020100	I/CNBDA1.179	CAPITAL REPLACEMENT RESERVES	500 000		255 500		755 500	-	0%	Contractor appointed. SLA signed in December 2019 Construction has not commenced.
183	CN	Roads - Urban Roads	UPGRADE & NEW BULK SERVICES MEGA HOUSING	1001020100	I/CNBDA1.180	CAPITAL REPLACEMENT RESERVES	4 000 000				4 000 000	-	0%	SLA not finalized. Legal section working on it.
185	CN	Roads - Urban Roads	UPGRADE & SIGNALISE OF INTERSECTION WITHIN THE CITY OF UMHLATHUZE KNORHAAN BAAI AND ANGLERS ROD	1001020100	I/CNBD01.182	CAPITAL REPLACEMENT RESERVES	3 400 000				3 400 000	1 970 937	58%	Work in Progress at 30%
186	CN	Roads - Urban Roads	FURNITURE - ROADS SECTION	1003030100	N/CNBDA1.185	CAPITAL REPLACEMENT RESERVES	-			50 000	50 000	49 095	98%	No comments required
187	CN	Roads - Urban Roads	UPGRADE & SIGNALISE OF INTERSECTION WITHIN THE CITY OF UMHLATHUZE KNORHAAN BAAI AND ANGLERS ROD	1001020100	I/CNAM01.001	BORROWING	-		2 100 000		2 100 000	-	0%	Work in Progress at 30%
189	AD	Municipal Buildings	UPGRADE AND RENOVATION TO ROADS AND STORM WATER DEPOTS	1003010100	N/ADBDA1.183	CAPITAL REPLACEMENT RESERVES	200 000				200 000	-	0%	RFQ specification has been prepared and finalised to be sent to SCM next week 23/01/2020
190	CN	Roads - Urban Roads	WALKWAYS	1001020100	I/CNBDA1.184	CAPITAL REPLACEMENT RESERVES	1 000 000		129 700		1 129 700	843 282	75%	30% work completed.
TOTAL TRANSPORT, ROADS AND STORMWATER							92 983 000	10 081 300	562 400	(5 000 000)	98 626 700	16 006 923	16%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
WATER AND SANITATION														
191	AD	Municipal Buildings	RENOVATE AND UPGRADE OFFICES FOR ALL DEPOTS:NORTH,SOUTH, WEST, MECHANICAL	1003010100	N/ADB02.185	CAPITAL REPLACEMENT RESERVES	1 500 000				1 500 000	346 540	23%	Project in Progress. 50% complete. Invoices has been received for payment and are being circulated for approvals.
192	AD	Municipal Buildings	AIRCONDITIONER - WATER AND SANITATION SERVICES	1003010100	N/ADBDA1.186	CAPITAL REPLACEMENT RESERVES	100 000				100 000	-	0%	Project done as and when required. Shopping carts done for installations at eSikheleni Offices . Installtions to be completed by the end of January 2020.
195	BK	Information Technology	WATER QUALITY EQUIPMENT (SOFTWARE)	1007000500	N/BKBDA1.194	CAPITAL REPLACEMENT RESERVES	3 000 000		(3 000 000)		-	-		Funds re-directed to fund 2018/19 roll-over projects
196	BK	Information Technology	MOBILE GIS DATABASE ENHANCEMENTS AND CAPTURING	1003050100	N/BKBDA1.195	CAPITAL REPLACEMENT RESERVES	400 000				400 000	-	0%	Specs developed to include IMQS. Project to be done through RFQ. All RFQs to be done by January 2019.
198	DH	Sewerage - Pumpstations	UPGRADING OF MS 2 PUMP STATION CAPACITY RICHARDS BAY	1001050100	I/DHBD02.197	CAPITAL REPLACEMENT RESERVES	1 000 000		(1 000 000)		-	-		WULA Pending. Funds re-directed to fund 2018/19 roll-over projects
199	DH	Sewerage - Pumpstations	UPGRADE OF MS9 PUMP STATION CAPACITY RICHARDS BAY	1001050100	I/DHBD02.198	CAPITAL REPLACEMENT RESERVES	500 000		(500 000)		-	-		WULA Pending. Funds re-directed to fund 2018/19 roll-over projects
200	DH	Sewerage - Pumpstations	REPLACEMENT OF PUMPS	1001050100	I/DHBD02.199	CAPITAL REPLACEMENT RESERVES	4 000 000				4 000 000	-	0%	Project approved by BAC. Awaiting objection Period.
201	DH	Sewerage - Pumpstations	STANDBY PUMPS	1001050100	I/DHBD02.200	CAPITAL REPLACEMENT RESERVES	876 100		(876 100)		-	-		Funds re-directed to fund 2018/19 roll-over projects
203	DH	Sewerage - Pumpstations	UPGRADING OF BIRDSWOOD PUMP STATION CAPACITY	1001050100	I/DHBD02.202	CAPITAL REPLACEMENT RESERVES	200 000		(200 000)		-	-		Funds re-directed to fund 2018/19 roll-over projects
207	DI	Sewerage - Sewerage Network	VELDENVLEI PUMP STATION (GENERATOR)	1001050100	I/DIBD02.206	CAPITAL REPLACEMENT RESERVES	9 700 000		(3 700 000)	(4 673 000)	1 327 000	-	0%	Tender being prepared for BEC report circulating signatures
208	DO	Sewerage - Sewerage Network	eMPEMBENI RESERVOIR	1001030700	I/DOBD13.254	CAPITAL REPLACEMENT RESERVES	-			1 000 000	1 000 000	-	0%	Project progressing well. Invoice received from the Service Provider and is currently circulated for approvals.
210	DI	Sewerage - Sewerage Network	UPGRADE - VULINDLELA SEWER PIPELINE	1001050100	I/DIBD30.208	CAPITAL REPLACEMENT RESERVES	6 300 000				6 300 000	-	0%	Tender Pre Evaluation Completed. BEC report in circulation for Signatures.

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	UM-SAP PROJECT NO.	FUNDING	ADOPTED 2019/20	SUPPLEMENT S/ (RETURNS)	VIREMENTS (2018/19 ROLL- OVERS)	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2019	PERCENTAGE SPENT OF ADOPTED BUDGET	QUARTER 2 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
WATER AND SANITATION														
211	DI	Sewerage - Sewerage Network	REFURBISHMENT WASTE WATER TREATMENT WORKS	1001050100	I/DIBD02.209	CAPITAL REPLACEMENT RESERVES	6 000 000			(6 000 000)	-	-		Funds re-directed to fund 2018/19 roll-over projects
214	DI	Sewerage - Sewerage Network	JOHN ROSS MACERATOR UPGRADE OF WASTE WATER WORKS IN ELECTRICAL INFRASTRUCTURE	1001050100	I/DIBDA1.212	CAPITAL REPLACEMENT RESERVES	1 700 000			(1 000 000)	700 000	-	0%	Tender being prepared for BEC. Report completed to be circulated in due course.
215	DI	Sewerage - Sewerage Network	NSELENI UPGRADE OF WASTE WATER WORKS IN ELECTRICAL INFRASTRUCTURE	1001050100	I/DIBDA1.213	CAPITAL REPLACEMENT RESERVES	2 700 000				2 700 000	-	0%	Tender being prepared for BEC. Report completed to be circulated in due course.
217	DI	Sewerage - Sewerage Network	ARBORETUM UPGRADE OF WASTE WATER WORKS IN ELECTRICAL INFRASTRUCTURE	1001050100	I/DIBDA1.215	CAPITAL REPLACEMENT RESERVES	4 600 000			(2 000 000)	2 600 000	-	0%	Tender being prepared for BEC. Report completed to be circulated in due course.
218	DI	Sewerage - Sewerage Network	MEERENSEE - GARRICK RISE SEWER LINE REPLACEMENT 450MM	1001050100	I/DIBD02.217	CAPITAL REPLACEMENT RESERVES	1 000 000		(1 000 000)		-	-		Funds re-directed to fund 2018/19 roll-over projects
219	DL	Water Treatment-Scientific Services	WATER QUALITY EQUIPMENT	1003050100	N/DLBDA1.218	CAPITAL REPLACEMENT RESERVES	1 000 000			(100 000)	900 000	-	0%	Tender being prepared for BEC. Report completed to be circulated in due course.
220	DI	Sewerage - Sewerage Network	FURNITURE FOR WATER AND SANITATION SECTION	1003030100	N/DIBDA1.256	CAPITAL REPLACEMENT RESERVES	-			100 000	100 000	-	0%	All RFQs to be done by the end of January 2020
222	DL	Water Treatment-Scientific Services	LABORATORY EQUIPMENT	1003050100	N/DLBDA1.220	CAPITAL REPLACEMENT RESERVES	5 000 000				5 000 000	-	0%	Tender being prepared for BEC. Report completed to be circulated in due course.
223	DM	Water Distribution - Rural Water	CONSTRUCTION BULK PIPE VULINDLELA	1001030700	I/DMBD10.001	CAPITAL REPLACEMENT RESERVES	-			3 173 000	3 173 000	-	0%	Contractor on site. Invoice received and payments to be done on the week ending 19 January 2020.
224	DM	Water Distribution - Rural Water	WATER BULK PIPELINE WARD 13	1001030700	I/DMBD13.001	CAPITAL REPLACEMENT RESERVES	-			2 770 000	2 770 000	-	0%	Contractor on site. Invoice received and payments to be done on the week ending 19 January 2020.
225	DM	Water Distribution - Rural Water	NEW WATER METERS (RURAL) - KWA-DUBE TRADITIONAL AREAS	1001030700	I/DMBDA1.221	CAPITAL REPLACEMENT RESERVES	1 000 000				1 000 000	-	0%	Contractors on site. Invoice received and payments to be done on the week ending 19 January 2020.
227	DN	Water Distribution - Urban Water	WATER LOSS AND DROUGHT RELIEF PROJECT	1001030700	I/DNBD02.223	CAPITAL REPLACEMENT RESERVES	1 000 000				1 000 000	-	0%	Contractors on site. Invoice received and payments to be done on the week ending 19 January 2020.

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	UM-SAP PROJECT NO.	FUNDING	ADOPTED 2019/20	SUPPLEMENT S/ (RETURNS)	VIREMENTS (2018/19 ROLL- OVERS)	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2019	PERCENTAGE SPENT OF ADOPTED BUDGET	QUARTER 2 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
WATER AND SANITATION														
228	DN	Water Distribution - Urban Water	UPGRADING OF VALVES IN BIRDSWOOD	1001030700	VDNBD02.224	CAPITAL REPLACEMENT RESERVES	700 000				700 000	-	0%	Contractor on site. Awaiting Service provider to submit invoice.
229	DN	Water Distribution - Urban Water	REPLACEMENT OF WATER PIPE RETICULATION IN MEERENSEE	1001030700	VDNBD02.225	CAPITAL REPLACEMENT RESERVES	1 000 000		(1 000 000)		-	-		Funds re-directed to fund 2018/19 roll-over projects
230	DN	Water Distribution - Urban Water	UPGRADING OF VALVES IN ESIKHALENI	1001030700	VDNBDA1.226	CAPITAL REPLACEMENT RESERVES	4 000 000		(3 000 000)		1 000 000	-	0%	Project in progress. Contractor to submit Invoice
232	DN	Water Distribution - Urban Water	UPGRADING OF VALVES IN RICHARDS BAY	1001030700	VDNBDA1.228	CAPITAL REPLACEMENT RESERVES	2 000 000		(1 000 000)		1 000 000	-	0%	Project in progress. Contractor to submit Invoice
235	DN	Water Distribution - Urban Water	MANDLANZINI UPGRADE OF WATER WORKS IN ELECTRICAL INFRASTRUCTURE	1001030700	VDNBDA1.231	CAPITAL REPLACEMENT RESERVES	3 400 000		(1 000 000)	(1 013 800)	1 386 200	-	0%	Tender being prepared for BEC. Report completed to be circulated in due course.
236	DN	Water Distribution - Urban Water	EMPANGENI PIPE REPLACEMENT	1001030700	VDNBDA1.002	CAPITAL REPLACEMENT RESERVES	-			5 013 800	5 013 800	1 797 594	36%	Outstanding Invoices to be processed by the end of January 2020.
239	DN	Water Distribution - Urban Water	MZINGAZI UPGRADE OF WATER WORKS IN ELECTRICAL INFRASTRUCTURE	1001030700	VDNBDA1.234	CAPITAL REPLACEMENT RESERVES	12 000 000		(2 000 000)	(7 970 000)	2 030 000	-	0%	Tender being prepared for BEC. Report completed to be circulated in due course.
240	DN	Water Distribution - Urban Water	200 STATIC TANKS	1003050100	VDNBD02.235	CAPITAL REPLACEMENT RESERVES	500 000				500 000	-	0%	Contractor on site. Invoice is circulated for approval.
243	DN	Water Distribution - Urban Water	NTAMBANANA WATER RETICULATION	1001030700	VDNBDA1.238	CAPITAL REPLACEMENT RESERVES	63 000 000				63 000 000	-	0%	Project resumed on the 1st of January 2020, contractor on site currently busy with site Establishment.
244	DN	Water Distribution - Urban Water	NSELENI PIPE REPLACEMENT (WSIG) (PHASE II)	1001030700	VDNAOA1.239	GOVERNMENT - NATIONAL	8 000 000				8 000 000	-	0%	Contractor Appointed. Project to resume on the 1st of February 2020.
245	DN	Water Distribution - Urban Water	REDUCTION OF NON-REVENUE (WSIG)	1001030700	VDNAOA1.240	GOVERNMENT - NATIONAL	10 000 000				10 000 000	3 025 811	30%	Project progressing well.
246	DN	Water Distribution - Urban Water	MEERENSEEPIPE REPLACEMENT (WSIG) (PHASE I)	1001030700	VDNAO02.241	GOVERNMENT - NATIONAL	12 000 000				12 000 000	-	0%	Contractor Appointed. Project to resume on the 1st of February 2020.
247	DN	Water Distribution - Urban Water	VELDENVLEI PIPE REPLACEMENT (WSIG) (PHASE I)	1001030700	VDNAO02.242	GOVERNMENT - NATIONAL	10 000 000				10 000 000	-	0%	Funds to be re allocated to other critical WSIG Projects due to tender values being high than budgeted amounts
251	DO	Water Distribution - Water Demand Management	REPLACEMENT OF PRESSURE REDUCING VALVES	1001030700	VDNBD02.246	CAPITAL REPLACEMENT RESERVES	1 000 000		(1 000 000)		-	-		Funds re-directed to fund 2018/19 roll-over projects
252	DN	Water Distribution - Urban Water	PACKAGE PLANT	1003050100	VDNBDA1.XXX	CAPITAL REPLACEMENT RESERVES	-			5 000 000	5 000 000	-		Invoice received and circulated for approval. First expense to start reflecting the the end of January 2020.

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	UM-SAP PROJECT NO.	FUNDING	ADOPTED 2019/20	SUPPLEMENT S/ (RETURNS)	VIREMENTS (2018/19 ROLL- OVERS)	VIREMENTS	SYSTEM BUDGET	ACTUAL YTD AT 31/12/2019	PERCENTAGE SPENT OF ADOPTED BUDGET	QUARTER 2 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE SERVICES														
WATER AND SANITATION														
258	DO	Water Distribution - Water Demand Management	BULK MASTER PLAN - SEWER	1001030700	VDOBD02.252	CAPITAL REPLACEMENT RESERVES	1 000 000				1 000 000	-	0%	Consultant appointed through Panel of Contractors. Consultant to submit invoice by the end of January 2020.
259	DO	Water Distribution - Water Demand Management	NEW WATER METERS	1001030700	VDOBD02.253	CAPITAL REPLACEMENT RESERVES	2 000 000			2 000 000	4 000 000	3 999 602	100%	3 Year On Going Project.
261							182 176 100	-	(19 276 100)	(3 700 000)	159 200 000	9 169 547	6%	
262							368 735 100	14 256 400	(18 713 700)	(5 500 000)	358 777 800	60 153 708	17%	
OFFICE OF THE MUNICIPAL MANAGER														
261		Municipal Manager	FURNITURE - OFFICE OF MUNICIPAL MANAGER			CAPITAL REPLACEMENT RESERVES	-				-	-		No comments required
TOTAL OFFICE OF THE MUNICIPAL MANAGER							-	-	-	-	-	-	-	
TOTAL CAPITAL BUDGET							597 533 000	27 136 000	-	-	624 669 000	91 241 916	15%	

14. CAPITAL PROGRAMME PERFORMANCE

Refer to the following tables for the month ended 31 December 2019:

- ❑ 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**).

15. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Refer to **DMS 1388591 (Annexure AR)**.

PART 4 - OTHER LEGISLATION REQUIREMENTS

16. 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 1351405)** for Form D.

“Withdrawals from municipal bank accounts-

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

None

“(b) to defray unforeseeable and unavoidable expenditure authorised in terms of Section 29(1).” See table below.

The tables below indicate the unforeseeable and unavoidable expenditure:

OPERATING EXPENDITURE						
Over Expenditure Number	Department	Project Number	SAP Profit Centre	SAP GL	Amount	Reason For Over Expenditure
1000000168	CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	D/BK7BA1.001	BK7BA1D001	4500003100	769 700	As per Annual License & Software Maintenance Agreement (ALSMA) contained in DMS 1355986, the licensing cost for the respective year has a budget shortfall of R769 700 is anticipated in order to address the respective contractual obligation.
1000000225	CORPORATE SERVICES - HUMAN RESOURCES	D/BJ7BA1.001	BJ7BA1D001	4400002600	800 000	Outstanding payments due to be paid to Lambert Attorneys and Jafra Attorneys. The matters that they are handling are still pending, the council may incur further costs.
1000000226	INFRASTRUCTURE SERVICES - WATER AND SANITATION	D/CF7BA1.001	CF7BA1D001	4400001900	3 449 000	To accommodate the interim post support strategy (short term) for the Asset Management System whilst the overall post support strategy is in planning phase. The interim support strategy comprises of Organisational Audit Support, Data Management, System Administration and Change management.
					5 018 700	

CAPITAL EXPENDITURE						
Over Expenditure Number	Department	Project Number	SAP Profit Centre	SAP GL	Amount	Reason For Over Expenditure
2000000361	ELECTRICAL AND ENERGY SUPPLY SERVICES	I/ALBDA1.003	ALBDA1I003	1001010200	850 900	The request for over-expenditure in respect of the Rewind of transformer 1 Hercules dated 9 October 2019 refers DMS 1371536.
2000000377	INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	N/BKBDA1.001	BKBDA1N001	1007000500	4 175 100	In terms of contract 8/2/1/UMH371-17/18 RPT 164450 approved as per Bid Adjudication Minutes contained in RPT 164765 dated 08 June 2019, a Budget shortfall has been identified in terms of addressing final contract invoice DSI 39201168.
2000000403	COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	I/DCBDA1.036	DCBDA1I036	1001060100	1 400 000	For construction of eNseleni and Mzingazi material Recovery facilities and payment of professional fees.
2000000405	CORPORATE SERVICES - ADMINISTRATION	N/ADAMA1.003	ADAMA1N003	1003010100	6 000 000	Over-expenditure required to pay for outstanding invoices of SCM second floor (Incl furniture and IT equipment) Project.
					12 426 000	

This unforeseeable and unavoidable expenditure needs to be authorised in terms of section 29 (3) and is captured accordingly in terms of recommendation 5.

“(c) 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

“(d) 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 900 244,02 (NPA vehicle licence pay over).

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

R298 694,50

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

R1 578 453,42 (Refund of credit balances and deposits debtors accounts).

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

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

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 2019 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;
4. the financial position of the uMhlathuze Municipality as at 31 December 2019, 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 1388467)** including the quarterly requirements in terms of Section 52(d) be noted; and
5. the amount of **R17 444 700 (part - 4 other legislative requirements - Section 15 (b) unforeseeable and unavoidable expenditure)**, be condoned in terms of Section 29 (3) and will be regularised in the 2019/20 adjusted budget accordingly.