

10822
FINANCIAL REPORTING AS AT 31 MARCH 2016

***This report served before the Financial Services Portfolio Committee on 28 April 2016.
The recommendations were supported.***

PURPOSE

To submit to Council the financial position of the uMhlathuze Municipality for the quarter ended 31 March 2016, as required in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003). The monthly and quarterly requirements in terms of Section 71 and Section 52(d) respectively are also included in this report.

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 Ensure GRAP compliance 5.1.1.2 SCOA compliant (new reform) 5.1.1.3 Review of all budget related policies 5.1.1.4 Adherence to all MFMA and budget and reporting 5.1.1.5 Compliance with the Supply Chain Management regulation and PPPFA
	5.1.2 Sustainable Financial and supply chain Management	5.1.2.1 Improve internal communication on budget matters 5.1.2.2 Maintenance of fixed asset register 5.1.2.3 Credit control and debt collection 5.1.2.4 Compliant internal controls 5.1.2.5 Compliant grant reporting 5.1.2.6 Obtain targeted cash-backed statutory reserves 5.1.2.7 Development and appropriate training and assistance to employees 5.1.2.8 Identify and redress water and electricity tampering 5.1.2.9 Demand and acquisition management 5.1.2.10 Warehouse management 5.1.2.11 Contract administration

BACKGROUND

Section 71 of the Municipal Finance Management Act (MFMA), (Act 56 of 2003) prescribes certain conditions that need to be complied with in terms of the mentioned Act.

The Accounting Officer of the Municipality must report, by no later than 10 working days after the end of each month, to the Mayor and the relevant Provincial Treasury, a statement in the **prescribed format** on the state of the Municipality's budget.

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 1112027)**;
- Component 2: Monthly projections of expenditure (operating and capital) and revenue for each vote **Annexure AA (DMS 1112027)**;
- Component 3: Quarterly projections of service delivery targets and performance indicators for each vote **Annexure AB - AH (DMS 1112027)**;

It should be noted that an additional column was included in the Component 3 tables to reflect the relevant key performance indicator (KPI) for each of the performance targets to address/resolve the issue raised by the Auditor General (AG).

The AG is of the opinion that KPI's for each of the non-financial performance targets should be reflected although the template was implemented since 2006, strictly adhering to the format developed and distributed by National Treasury.

- Component 4: Ward information for expenditure and service delivery **Annexure AI and AJ (DMS 1112027)**; and
- Component 5: Detailed capital works plan broken down by ward over three years **Annexure AK (DMS 1112027)**.

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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1. **MAYOR'S REPORT**

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 quarter ended 31 March 2016, and the performance of the Municipality against its budget is in line with the adjusted budget that was approved by council in February 2016. A detail of all the points highlighted by the Mayor is included in the report.

Operational Expenditure

The monthly budget statement summary (Table C1) for the quarter ended 31 March 2016 (year to date actual), shows a surplus of R38,1 million. This implies that the municipality has been able to raise its budgeted income and has successfully collected such billed income as well.

Capital Expenditure

Council is at the end of third quarter of the financial year and capital expenditure is low at R250,2 million (49,93%). This is based on the Adjusted Capital Budget of R501 million.

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 2,95:1 (556 375/188 899). Therefore the Municipality has a positive bank balance to defray its expenses.

(b) **a summary of any financial problems or risks facing the municipality or any such entity; and**

Currently there are **no** financial problems or major risks facing the municipality based on this report that requires intervention. However, I would like to highlight the following which needs to be managed very closely:

1. Although Council has made good progress in the implementation of mSCOA, however it remains a challenge because this is the first time using a system that is supposed to be compliant with the mSCOA regulations, and it is the first for the financial system vendor as well;
2. The collection of outstanding debt remains a challenge more especially in the Traditional Areas. Although Council is doing well when comparing the Municipality with Metros and others, Council still needs to do more on this front;
3. Slow capital expenditure remains a challenge with a 49,93% as at March 2016. It is therefore requested that administration must work hard to better the last year expenditure performance of 91%. Council will carry on monitoring the pattern of this expenditure.
4. Drought is a reality and as a Municipality we need a strategy to respond to this challenge.

(c) **any other information considered relevant by the Mayor**

From the report overtime remains a challenge and the departments have explained the reasons why such overtime was necessary. It is requested though that the overtime expenditure be managed.

2. RESOLUTIONS

Refer to the recommendations contained in this report.

3. EXECUTIVE SUMMARY

3.1 Status of MSCOA Project

As Council is aware this Municipality is performing a pilot exercise for the National Treasury on the new Municipal Standard Chart of Accounts. Such are governed by regulations which will become effective Nation-wide on 1 July 2017.

In short the change is resulting in some sound business reforms:

1. Ensuring a more consistent reporting of financial transactions across all municipalities in South Africa; and
2. Ensure that municipalities can budget per objective or project based, not on items or products.

The Project commenced on the 1 September 2014 and we "went live" on 7 July 2015.

There are many challenges at this stage, however most relate to the effect the new chart has on its existing business processes. Council had to change the Supply Chain and Expenditure side of the existing financial system to accommodate such change using the existing service providers.

Fundamental transactions are taking place such as:

1. Receipting;
2. Billing;
3. Payments;
4. Stock Issues;
5. Requisitions;
6. Orders;
7. Contracts;
8. Bids (Electronic Version);
9. Journals;
10. Virements (Budget transfers);
11. Financial Reporting;
12. General Inquiry's facility;
13. Electronic Approvals (Work Flow); and
14. Interface with Sub ledger and Third Party programmes.

Primary system issues that are posing some problems with the above processes:

1. Works order component of financial system is not working;
2. Contract Payments Module not functional yet. Main reason here is that the user departments are not using it and interrogating any issues that might arise therefrom;
3. Stock issues are only partially going through the system. The consequence is that expenditure on the operating budget is understated by at least R20 million;
4. Due to 3 above, the mid-year stock reconciliation could not be done. This is planned to be resolved by month end;
5. Bank Reconciliation is not been done currently, but progress is promising. It is believed that such will be up to date by end of March 2016;
6. Although, the bulk of backlogs are up to date, there are still a number of system issues which still cause delays in current payments, but colleagues are working tirelessly to resolve and report matters to service providers; and
7. It does appear that in the Supply Chain Division, the organizational changes will need to be made to exploit the benefits brought about by the SCOA project.

Primary business processes that are currently not functioning, but at various stages between January and June 2016, these should be up and running:

1. Works Orders;
2. Financial Assets; and
3. Budget Module (New – did not exist in Old Financial System).

The project is run on a strict Project Management basis and project issues are well documented and managed. Council is currently in the "hand holding" phase of the project which was planned to end at the end of September 2015. Given the extent of our challenges currently, it is envisaged that such hand holding phase will need to be extended to end of June 2016.

3.2 Operating Budget

The following table represents an executive summary for the financial period ended 31 March 2016:

DESCRIPTION	ADJUSTED BUDGET 2015/2016	PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016 (YTD)	% OF PRO- RATA BUDGET SPENT
		R	R	%
Revenue (excluding capital grants)	2 462 577 400	1 846 933 050	1 908 010 501	103.31%
Expenditure	2 474 870 700	1 856 153 025	1 869 935 834	100.74%
	(12 293 300)	(9 219 975)	38 074 667	

As can be seen from the table above, Actual Surplus for the month ended 31 March 2016 is significant higher than the Budgeted Surplus.

Actual revenue to Budgeted revenue is higher than the budget. Actual expenditure to Budgeted expenditure is lower than the budget limit.

3.3 Cash Flow Situation

Details of Bank Balances

DESCRIPTION	CASH ON HAND AT 31 MARCH 2016	CASH OBLIGATIONS	POLICY TARGET	(SHORTFALL)/ SURPLUS AT 31 MARCH 2016
	R	R	R	R
Conditional Grants	86 625 000	86 625 000	86 625 000	-
Workings Capital	556 375 000	188 899 000	377 798 000	178 577 000
Total (incl. investments)	643 000 000	275 524 000	464 423 000	178 577 000

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 is currently at 2,95:1 (556 375/188 899).

MFMA Circular 71

The Cash/Cost Coverage ratio in terms of MFMA Circular 71 is [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) plus Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)] **and the norm is one (1) to three (3) times the average monthly creditors.**

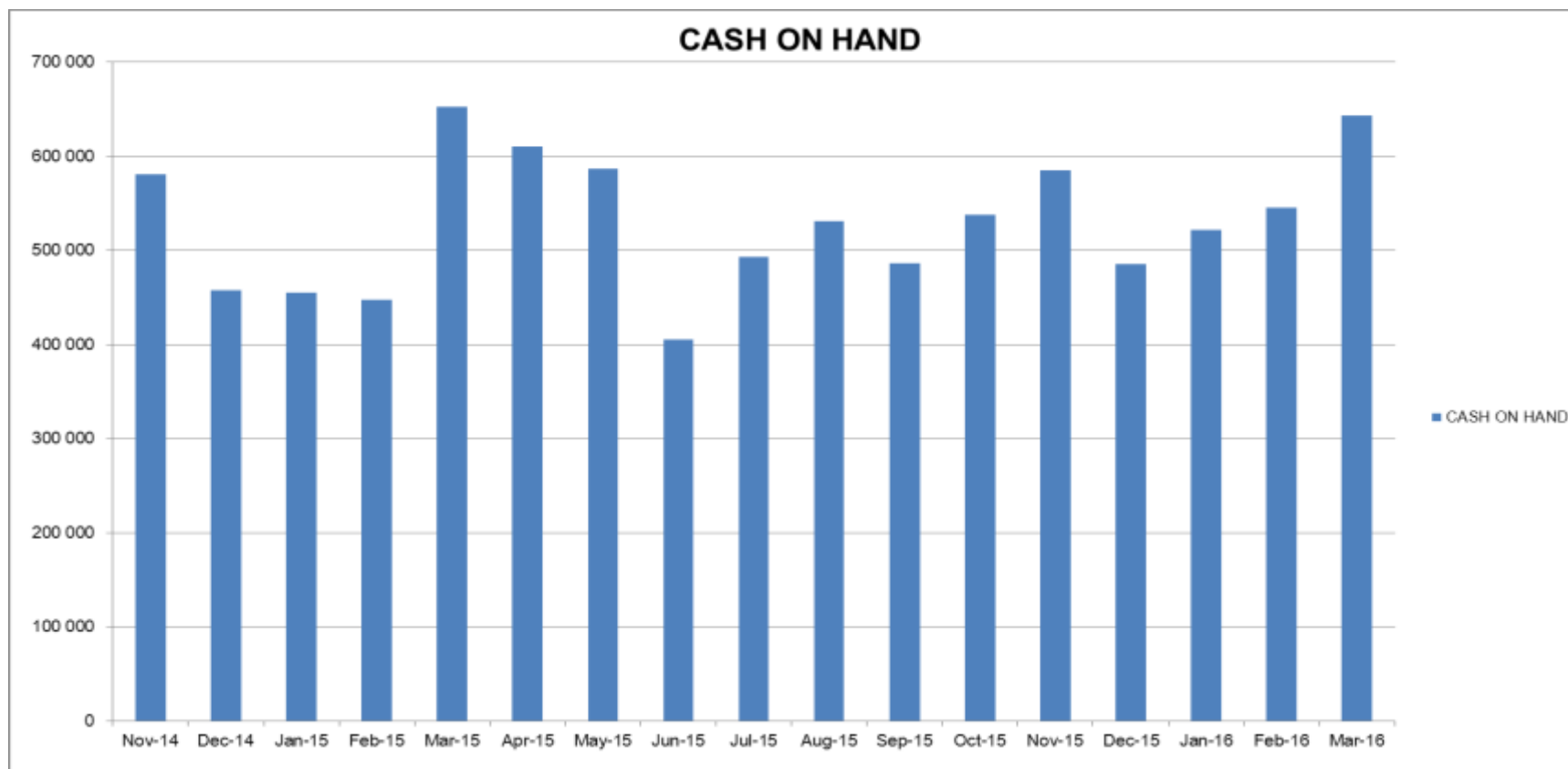
The calculation for the above ratio is as follows: [(213 000 – 86 625 + 430 000) / (2 474 871 – 205 014 – 3 064)/12] which currently sits at 2,95:1.

It therefore needs to be noted that both in terms of Council's Policy and the National Treasury MFMA Circular 71, the City of uMhlathuze has suitable cash coverage.

Bank Balance Trend since November 2014

Table:

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	April-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Cash on Hand	580 872	457 572	455 589	447 501	652 334	610 458	586 847	405 490	493 345	531 182	486 628	537 500	585 547	485 395	521 772	545 885	643 000



3.4 Grants Balances

DESCRIPTION OF GRANT	TOTAL TO BE RECEIVED AS AT 30/06/2016	AMOUNT RECEIVED AS AT 31/03/2016	DIFFERENCE	ACTUAL EXPENDITURE AS AT 31/03/2016	% SPENT	COMMENTS
NATIONAL TREASURY						
Equitable Share	229,925,000	229,925,000	-	172,443,750	75%	
Municipal Infrastructure Grant	93,154,000	93,154,000	-	80,565,656	86%	This expenditure is as per claims submitted to COGTA.
Municipal Systems Improvement Grant	930,000	930,000	-	354,564	38%	
Financial Management Grant	1,600,000	1,600,000	-	783,246	49%	
Municipal Water Infrastructure Grant	50,882,000	50,882,000	-	7,501,029	15%	
Water Services Operating Subsidy	7,000,000	7,000,000	-	3,417,568	49%	
Integrated National Electrification Grant	9,000,000	9,000,000	-	513,477	6%	
Rural Households Infrastructure Grant	4,500,000	4,500,000	-	3,179,914	71%	
Extended Public Works Pogramme	2,961,000	2,961,000	-	789,761	27%	
Infrastructure Skills Development Grant	7,500,000	7,500,000	-	3,378,387	45%	
Municipal Demarcation Grant	1,857,000	-	1,857,000	-	0%	
TOTAL NATIONAL TREASURY GRANTS	409,309,000	407,452,000	1,857,000	272,927,352	67%	

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DESCRIPTION OF GRANT	TOTAL TO BE RECEIVED AS AT 30/06/2016	AMOUNT RECEIVED AS AT 31/03/2016	DIFFERENCE	ACTUAL EXPENDITURE AS AT 31/03/2016	% SPENT	COMMENTS
PROVINCIAL TREASURY						
Provincialisation of Libraries	6 289 000	6 789 000	(500 000)	13 102 636	193%	Expenditure shown is the total operating cost of the Libraries for the period.
Community Library Services Grant (Cyber cadets)	1 020 000	1 020 000	-	811 257	80%	Expenditure shown is the total operating cost of the Cybercadets for the period.
Housing Operating Account	1 047 000	2 974 040	(1 927 040)	7 815 369	263%	Expenditure shown is the total operating cost of the Human Settlements Section excluding Hostel Operating costs.
Museum Subsidy	166 000	166 000	-	3 100 640	1868%	Expenditure shown is the total operating cost of the Museum.
TOTAL PROVINCIAL TREASURY GRANTS	8 522 000	10 949 040	(2 427 040)	24 829 902	227%	
TOTAL GRANTS AND SUBSIDIES	417 831 000	418 401 040	(570 040)	297 757 254	71%	

3.5 **Capital Budget Summary**

The table below represents Capital Expenditure incurred as at 31 March 2016 (49,93%) of the Adjusted Budget:

MUNICIPAL CLASSIFICATION	ADJUSTED BUDGET 2015/2016	ACTUAL MARCH 2016 (YTD)	% OF ADOPTED BUDGET SPENT
City Development	140 075 500	100 742 325	71.92%
Community Services - Health and Public Safety	20 048 700	6 966 159	34.75%
Community Services - Recreation and Environmental Services	34 782 000	18 532 573	53.28%
Corporate Services - Administration	23 347 500	4 609 727	19.74%
Corporate Services - Human Resources	-	-	0.00%
Financial Services	1 721 400	38 288	2.22%
Infrastructure and Technical Services - Electrical Supply Services	36 936 300	8 570 214	23.20%
Infrastructure and Technical Services - Engineering Support Services	137 631 000	77 227 671	56.11%
Infrastructure and Technical Services - Transport, Roads and Stormwater	31 984 800	3 674 565	11.49%
Infrastructure and Technical Services - Water and Sanitation Services	74 633 300	29 851 980	40.00%
Office of the Municipal Manager	-	-	0.00%
	501 160 500	250 213 502	49.93%

The total adjusted capital budget funding structure is as follows:

FIN	ADJUSTED BUDGET 2015/2016	ACTUAL MARCH 2016 (YTD)	% OF ADOPTED BUDGET SPENT
External Financing Fund	137 235 900	54 376 240	39.62%
Capital Replacement Reserve	91 539 600	34 870 868	38.09%
MIG	88 496 300	46 584 847	52.64%
MIG (RO)	9 099 700	9 099 693	100.00%
Government Grants - National	71 382 000	16 650 353	23.33%
Government Grants - Provincial	82 500 000	82 500 000	100.00%
Government Grants - Provincial (R/O)	17 811 800	5 654 548	31.75%
Reserve	423 100	396 197	93.64%
Insurance	1 556 700	-	0.00%
Public (Lotto Funds)	1 115 400	80 756	7.24%
	501 160 500	250 213 502	49.93%

3.6 Expenditure per Category

EXPENDITURE BY TYPE	ADJUSTED BUDGET 2015/2016	PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016 (YTD)	% OF PRO- RATA BUDGET SPENT
Employee related costs	629 900 700	472 425 525	434 617 510	92.00%
Remuneration of Councillors	24 728 600	18 546 450	17 986 024	96.98%
Debt Impairment	3 063 800	2 297 850	201 030	8.75%
Depreciation and asset impairment	205 014 200	153 760 650	264 548 329	172.05%
Finance Charges	79 806 300	59 854 725	31 789 531	53.11%
Bulk Purchases - Electricity	934 980 500	701 235 375	770 677 117	109.90%
Bulk Purchases - Water	128 143 000	96 107 250	97 502 984	101.45%
Other Materials	51 450 600	38 587 950	27 825 104	72.11%
Contracted Services	195 199 500	146 399 625	80 063 480	54.69%
Transfers and grants	14 018 400	10 513 800	5 640 235	53.65%
Other Expenditure	208 565 100	156 423 825	139 084 490	88.92%
TOTAL	2 474 870 700	1 856 153 025	1 869 935 834	100.74%

Depreciation and Asset Impairment – The expenditure on this line item is higher in March due to the processing of actual depreciation amount as per the assets register. The budget amount for depreciation normally differs to the actual amount as this line item is based on the finalized assets figures after audit. The Municipality is compiling its interim financial statements for the period ending 31 March hence actual figures needed to be processed particularly on this line item.

Bulk Purchases – Electricity: Electricity purchases are higher in July and August due to the increase tariff charged by Eskom in the winter months. Tata Steel has not operated since 10 July 2015 and is subsequent in liquidation. Included in Electricity purchases are amounts in terms of the Generation Purchase agreement with Mondi.

A corresponding increase in Revenue amounting to R200 million is apparent under Service Charges – Electricity.

3.7 Revenue per Category

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

REVENUE BY SOURCE	ADJUSTED BUDGET 2015/2016	PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016 (YTD)	% OF PRO- RATA BUDGET SPENT
Rates	374 178 000	280 633 500	278 836 865	99.36%
Service Charges – Electricity revenue	1 336 170 000	1 002 127 500	1 091 437 522	108.91%
Service Charges – Water revenue	268 270 000	201 202 500	179 385 243	89.16%
Service Charges – Sanitation revenue	81 200 000	60 900 000	61 504 700	100.99%
Service Charges – Refuse revenue	67 137 000	50 352 750	50 522 840	100.34%
Rental of facilities and equipment	11 524 000	8 643 000	9 312 918	107.75%
Interest earned – external investments	21 981 500	16 486 125	15 940 258	96.69%
Interest earned – outstanding debtors	90 000	67 500	1 725 302	2556.00%
Fines	3 732 300	2 799 225	1 469 313	52.49%
Licences and permits	3 606 600	2 704 950	2 543 093	94.02%
Agency services	7 000 000	5 250 000	4 610 696	87.82%
Operating Grants and Subsidies	258 722 700	194 042 025	189 190 059	97.50%
Other Revenue	28 965 300	21 723 975	21 531 692	99.11%
TOTAL	2 462 577 400	1 846 933 050	1 908 010 501	103.31%

The above table represents operating revenue per category as at 31 March 2016.

3.8 The table below reflects a list of all tenders awarded in March 2016:

Tender Number	RPT Number	Project Description	Date Awarded	Amount (excl VAT)	Function	GL Code	Description	Budget
				R				R
8/25/1/UMH52-15/16	159484	Design, Supply, Delivery, Maintenance and Operation Of 500 Free Standing Litter Bins To Be Placed On Council Verges and Road Reserves Within The Boundaries Of The City Of uMhlathuze, With Side Panels To Be Used For Third Party Commercial Advertising.	09/03/2016	1 783 012.00	FX005001009	302_0	Advertisements	2 860 000.00
8/2/1/795	159841	Amended Of Contract : Re-Mits - Municipal Issue Tracking System. Awrdded to Qaulity Designs.	18/03/2016	3 500 000.00	FX005001007	532_201	Acquisition Of Call Centre And USSD	3 500 000.00
				25 000 pm	FX005001007	126_2	External Computer Service: Specialised Computer Service	1 071 800.00
8/2/1/UMH16-15/16	159275	Construction Of Market Stalls At eNseleni Taxi Rank	23/03/2016	3 514 738.86	FX004001001001	699_97	MEA001_1_0 - Municipal Excellence Award - Cogta	1 000 000.00

3.9 Surplus and Deficit by Service Category

	ADJUSTED BUDGET 2015/2016			ACTUAL AS AT 31 MARCH 2016		SURPLUS/ (DEFICIT) R'000
		EXPENDITURE	SURPLUS/ (DEFICIT)	REVENUE	EXPENDITURE	
		R'000	R'000	R'000	R'000	
Rates and General Services						
Executive and Council		3 371	(416)	145	(9 495)	9 640
Budget and Treasury Office		4 406	389 801	288 516	5 092	283 424
Corporate Services		43 945	(37 456)	4 432	51 719	(47 287)
Community and Social Services		61 319	(50 757)	10 727	30 988	(20 261)
Sport and Recreation		125 570	(121 977)	3 324	88 331	(85 007)
Public Safety		140 046	(127 853)	2 233	71 277	(69 044)
Housing		16 410	(14 263)	8 129	10 524	(2 395)
Health		9 886	(9 874)	-	6 225	(6 225)
Planning and Development		41 343	(39 509)	1 227	29 543	(28 316)
Road Transport		195 018	(184 119)	7 077	154 938	(147 861)
Water (Portion of PMU funded by Rates & General Services)		10 484	(2 922)	1 797	4 777	(2 980)
Waste Water Management (Sanitation) (Portion of PMU funded by Rates & General Services)		12 363	(4 801)	351	5 862	(5 511)
Total Rates and General Services		664 161	(204 146)	327 958	449 781	(121 823)
Airport		736	(140)	384	558	(174)
Trading Services						
Electricity		1 211 487	182 403	1 098 599	934 189	164 410
Water		369 622	(19 116)	179 633	276 202	(96 569)
Clarified Water		17 578	2 787	79 067	19 552	59 515
Sewerage		150 113	34 611	137 092	120 920	16 172
Refuse Removal		105 667	8 539	85 278	68 734	16 544
Total Trading Services		1 854 467	209 224	1 579 669	1 419 597	160 072
Total Service Category		2 519 364	4 938	1 908 011	1 869 936	38 075

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The table above sets out the surplus and deficit for each service category. It is important to note that although the trading services namely Electricity, Water, Sewerage and Refuse Removal are expected to be profitable, only Electricity, Sewer and Refuse services are making surpluses.

As part of Council's revenue enhancement policy approved in July 2013, a considerable effort needs to be made to improve the surplus for the remaining trading services by reducing expenditure or increasing revenue.

The main aim of this table is to provide information to departments in order for them to manage their respective services and ensure that revenue and expenditure is in line with budget expectations.

3.10 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	5 407 520	113 597	-163 322	3 210 568	8 568 363
Business	200 621 912	5 974 114	3 948 199	70 297 665	280 841 890
Households	49 448 651	3 054 148	3 405 669	52 926 668	108 835 136
Other	7 598 770	798 981	656 085	15 749 041	24 802 877
Total	263 076 853	9 940 840	7 846 631	142 183 942	423 048 266
%	62.19%	2.35%	1.85%	33.61%	

FINANCIAL REPORTING ON INCOME / DEBT

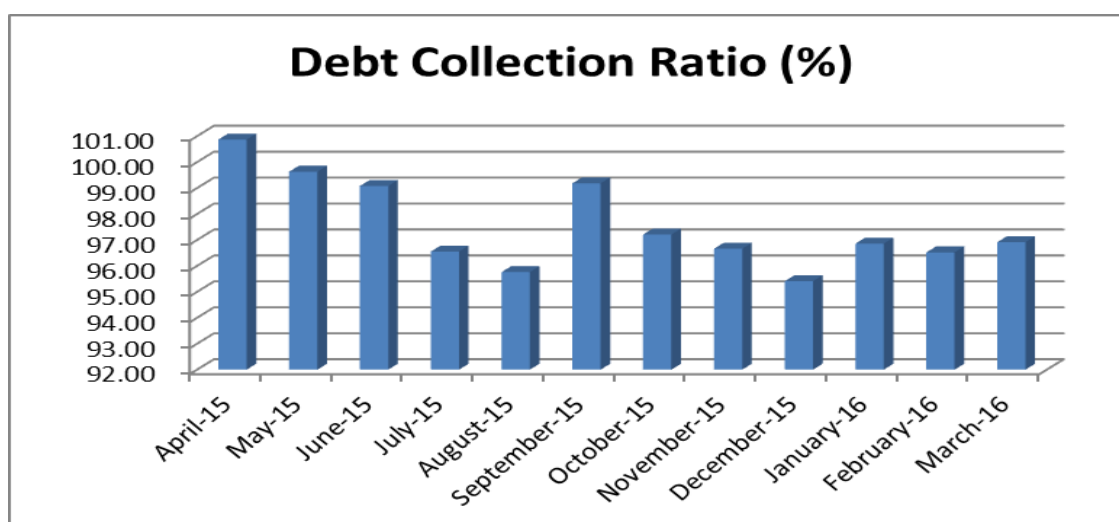
Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National 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.

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

MONTH	PERCENTAGE (%)
March-16	96.91
February-16	96.52
January-16	96.86
December-15	95.41
November-15	96.66
October-15	97.21
September-15	99.18
August-15	94.24
July-15	96.55
June-15	99.08
May-15	99.63
April-15	100.87



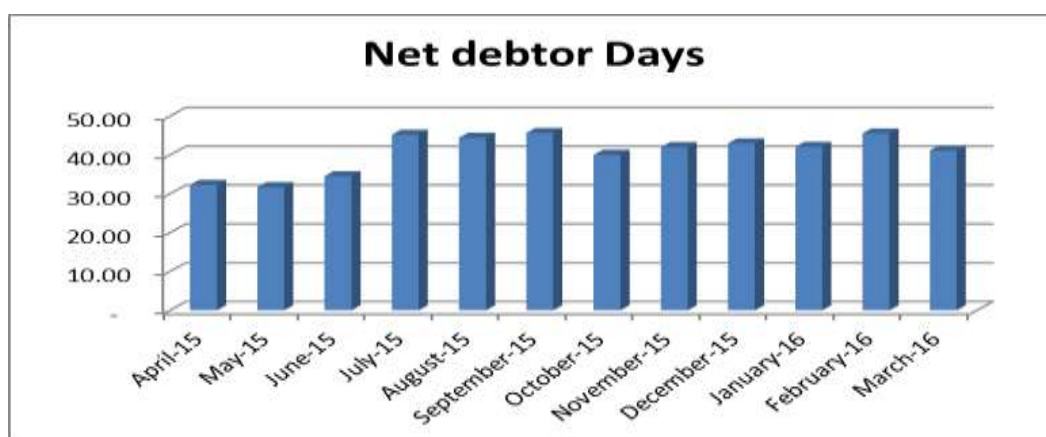
➤ **Net Debtors Days**

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	COLLECTION IN DAYS
March-16	41.20
February-16	45.60
January-16	42.14
December-15	43.03
November-15	42.04
October-15	40.07
September-15	45.70
August-15	44.48
July-15	45.27
June-15	34.57
May-15	31.74
April-15	32.32



➤ **Summary of Credit Control Technical Actions Performed During March 2016**

DESCRIPTION	Mar-16
SMS Notification - General	16 552
SMS Notification - It & S	-
Final Request - Residential	3 524
Final Request - Business	273
Electricity Disconnection Level 1 (Switch Off Supply)	69
Electricity Disconnection Level 2. Remove Circuit Breaker	66
Illegal Consumption Inspection (Water or Electricity)	1 492
Water Restriction Level 1. (Restrict supply with a water flow restriction device)	556
Water Restriction Level 2. (Install water pressure reducing valve)	15
Water Disconnection (Business accounts)	9
Finals (New consumers, moving in or out, readings taken, disconnected / reconnected)	191

➤ **Top Ten Business Debts**

ACCOUNT NUMBER	NAME OF BUSINESS	90 DAYS +	TOTAL	COMMENTS
1854904	Basfour 3721 (Pty) Ltd	20 112 790	20 967 790	<p>Basfour 3721 (Pty) Ltd / Indlowu Dev Trust Trustees is the account for some of the commission in respect of the 40% on sales above the agreed threshold in respect of the Golf Estate. The developer is currently disputing the amount. The matter has been handed over to Council's attorneys. Summons has been issued and the case is defended. The setting down of the court date by the Registrar of the High Court is awaited. Council has now launched an anti-dissipation order application in an attempt to prevent the debtor from selling all his assets. This is to try and prevent a case where Council could be successful with the court case but still have no assets to attach. A decision was also taken to refuse the issuing of clearance certificates and this matter is also now going to be heard in court as they have launched a counter application to force Council to issue clearance certificates. The court date for the urgent applications will be heard, is set for early in June 2015.</p> <p>June 2015 - The court date for the application to be heard is set for 16 March 2016.</p> <p>March 2016 - There is no further progress as the court date is awaited. There has been some different interpretations regarding certain provisions in the original agreement. Specifically the provisions regarding the levying of rates and the payment of commission of the developed properties of the developer within the estate. It was now advised by Council's attorneys that the correct interpretation in respect rates is that the developer must be charged rates from the date the development was completed. An additional amount of rates of approximately R2 million will be charged. The attorneys also advised that the commission should only be charged on the vacant erven in the estate and not on the developed sectional title units. The current debt in respect of commission of R21 million will therefore reduce with R7 million rands.</p>
1929003	Zotec development (Pty) Ltd	4 012 400	4 012 400	<p>Zotec Development (Pty) Ltd refers to an account for contribution charges after the development of the Old Mill Security Estate. The matter is set down for Arbitration. No further progress since previous report.</p> <p>February 2016 - There is no further progress as the matter has been set down for arbitration. The legal services section is handling this matter.</p>
1441047	Tata Steel KZN (Pty) in Liquidation	36 406 842	45 440 032	<p>Tata Steel KZN (Pty) Ltd in Liquidation. This account is for electricity and the second account is for rates and basic charges. The company was placed in liquidation following failed business rescue proceedings. A separate detailed report did serve before Council in this regard. The matter is being handled by the Liquidator that was appointed by the Master of High Court. The Liquidator has placed the property up for auction / tender as the previous negotiations with possible purchasers did not materialise. The Liquidator advised that a compromise offer is expected to be issued by the 3rd week of January 2016. The Liquidator has now advised that he will be requesting clearance figures and proceed with the transfer of the property. It is still expected that the full outstanding amount will be recovered.</p> <p>March 2016 - The liquidator advised that there are 2 possible new purchasers for the plant. The one company wants to re-open the plant and the other one wants to break it down and sell its assets. The company that wants to re-open the plant has submitted a proposal to Council regarding the electricity tariff. This proposal will be submitted to Council by the I&TS Department shortly.</p>
1940649	Shifting Sands (Pty) Ltd	1 081 594	1 171 477	<p>This account for contribution charges after the development of certain low cost housing initiatives around Ngwelezane. The debtor paid R300 000 towards the debt and requested some leniency for the balance based on leniency that was given to various other developers of low cost housing in Ngwelezane and Esikhaleni.</p> <p>March 2016 - There is no further progress to report.</p>

ACCOUNT NUMBER	NAME OF BUSINESS	90 DAYS +	TOTAL	COMMENTS
1610626	Tisand (Pty) Ltd	3 165 983	3 441 971	<p>Tisand (Pty) Ltd is in respect of the water surcharge being levied against the debtor. The matter is under dispute and is with Council's attorneys. Council attorneys have now advised of a similar matter which now provides case law. The advise is currently being studied and will be reported on.</p> <p>March 2016 - No further progress to report.</p>
392020	River Rock Invest (Pty) Ltd	1 340 213	1 413 575	<p>This account is in respect of unpaid charges in respect of Assessment Rates that are under dispute. The contract states that the rental includes assessment rates. River Rock is paying their monthly charges excluding the disputed amount. A meeting was held between officials of the Finance Department, Legal Services and City Development and a separate report will serve with proposals to settle this matter. The report has been completed and is in circulation for comments. (RPT 159258)</p> <p>March 2016 - No further progress to report.</p>
1929028	PSE Development Initiatives (Pty) Ltd	629 099	629 099	<p>This account for contribution charges after the development of certain low cost housing initiatives around Ngwelezane. The debtor paid R300 000 towards the debt and requested some leniency for the balance based on leniency that was given to various other developers of low cost housing in Ngwelezane and Esikhaleni. A separate report will serve in this regard. The report is currently in circulation for comments.</p>
2024857	Panda Petroleums	559 972	1 307 155	<p>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 has been reported to the DMM City Development, Property Division to give the debtor notice in terms of the agreement. The debtor's account is also in process of being handed over to Council's attorneys for collection.</p>
1461195	Tata Steel KZN (Pty) in Liquidation	768 613	1 656 237	<p>Tata Steel KZN (Pty) Ltd in Liquidation. This account is for electricity and the second account is for rates and basic charges. The company was placed in liquidation following failed business rescue proceedings. A separate detailed report did serve before Council in this regard. The matter is being handled by the Liquidator that was appointed by the Master of High Court. The Liquidator has placed the property up for auction / tender as the previous negotiations with possible purchasers did not materialise. The Liquidator advised that a compromise offer is expected to be issued by the 3rd week of January 2016 The Liquidator has now advised that he will be requesting clearance figures and proceed with the transfer of the property. It is still expected that the full outstanding amount will be recovered.</p> <p>March 2016 - The liquidator advised that there are 2 possible new purchasers for the plant. The one company wants to re-open the plant and the other one wants to break it down and sell its assets. The company that wants to re-open the plant has submitted a proposal to Council regarding the electricity tariff. This proposal will be submitted to Council by the I&TS Department shortly.</p>
416383	River Rock Investments (Pty) Ltd	1 600 565	1 676 235	<p>River Rock Investments account is in respect of unpaid charges in respect of rental that are under dispute. Matter still under consideration by the Legal services and the Department of City Development. River Rock are paying their monthly charges, excluding the disputed charge.</p> <p>March 2016 - No further progress to report.</p>

➤ **Government Debt**

The top 10 government debtors are as follows:

TOP 10 GOVERNMENT ACCOUNTS			
ACCOUNT NUMBER	NAME OF DEPARTMENT		TOTAL
			R
1552325	Department of Public Works	Stand 16832/0, Agricultural Properties	587 778.25
2202725	Department of Land Affairs	Stand 15829/0, Agricultural Properties	419 920.21
1991812	Province of Kwazulu Natal	Stand 8917/0, Carsdale	356 645.63
1552318	Department of Public Works	Stand 16802/0, Agricultural Properties	208 651.39
1552357	Department of Public Works	Stand 16833/0, Agricultural Properties	159 509.80
2292976	Department of Public Works	Stand 13661/0, Mandlazini Agri-Village	132 425.78
315314	Department of Public Works	Stand 385/0, eSikhaleni H	113 850.00
281009	Department of Public Works	Stand 2062/0, eSikhaleni J	98 329.27
2292951	Department of Public Works	Stand 13645/0, Mandlazini Agri-Village	91 118.65
2293000	Department of Public Works	Stand 15372/0, Mzingazi Village	81 399.33

Comments regarding Government Debt

Extensive individual reporting per account was included in previous reports. Following a previous Council resolution, the relevant government departments were engaged through official correspondence from the Mayor. Despite these letters and a continued effort from the staff in the Credit Control section, having meetings and writing numerous letters and emails, the accounts as listed above remain unpaid. It must be noted that the Government has 396 accounts with Council and the majority of these accounts have been paid. It is only a certain small group of accounts, where the relevant departments indicated that the properties / usage of the properties must still be verified by the user department and the applicable Department of Public Works, where the accounts are not paid. A decision was therefore taken to issue notices of disconnection of services to any an all government departments and to keep the services disconnected until all the accounts are paid. These notices will be issued in early February 2016 and the proposed disconnections will be in the last week of February 2016. There will also be continuous engagements during this period in an attempt to resolve the accounts before such a drastic step becomes necessary.

Update March 2016

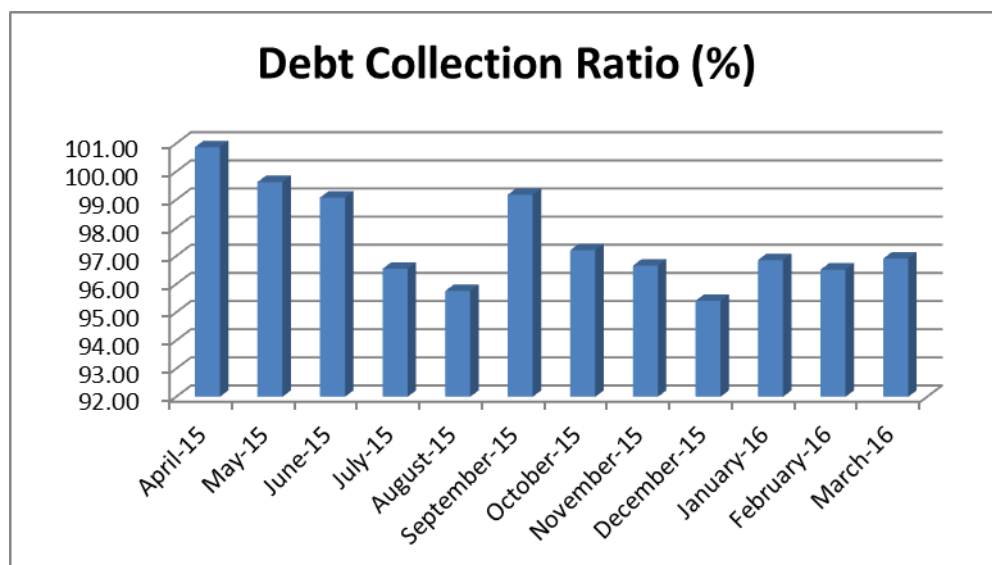
The electricity was disconnected during the period of reporting (March 2016). Several government institutions were disconnected and a positive reaction was received. Several meetings were immediately held with Council officials and some long outstanding debt were settled.

The only problematic accounts that remain are being investigated and it is expected to be resolved soon. The pressure will be kept up and further disconnections will be scheduled if further results are not forthcoming.

➤ **Debt Collection Rate**

The debt collection rate for the previous 12 months is as follows:

MONTH	PERCENTAGE (%)
March-16	96.91
February-16	96.52
January-16	96.86
December-15	95.41
November-15	96.66
October-15	97.21
September-15	99.18
August-15	94.24
July-15	96.55
June-15	99.08
May-15	99.63
April-15	100.87



3.11 Employee Debt / Councillor Debt

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

Employee debt amounts to R 178 061,53 as per **Annexure AL - DMS 1112027**.

Councillor's debt amounts to R 4 913,06 as per **Annexure AM - DMS 1112027**.

3.12 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:

Creditor	90 Days	120 Days	120 Days +	Explanation
	R	R	R	
Tobies Civil Construction	0	0	224 257	Invoice in dispute by Infrastructure and Technical Services PMU Section.
JOAT	0	0	1 758 288,82	Invoice was In dispute by Infrastructure and Technical Services Water Section. Department to process requisition
Department of Water and Sanitation	0	0	8 328 453,55	Invoice was In dispute by Infrastructure and Technical Services Water Section. Department to process requisition
Mhlathuze Water	5 525 549,20	2 232 336,05	0	Invoice was In dispute by Infrastructure and Technical Services Water Section. SLA to be finalised.

4. EXCEPTION REPORTING ON OPERATING EXPENSES – FOR ENTIRE MUNICIPALITY

The Chief Financial Officer will highlight what he deems are important observations on the operating expenditure in this Section, where after Departments will provide specific comment on their own sections.

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

4.1 Employee related costs

Although total employee related expenditure is within budgetary limits, overtime expenditure has exceeded its budgetary limits. Below is a table indicating overtime expenditure at the request of Council, which allows this expenditure to be monitored and managed on a monthly basis:

EXPENDITURE PER CATEGORY	ADJUSTED BUDGET 2015/2016	PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016 (YTD)	(OVER) EXPENDITURE	% OF PRO-RATA BUDGET SPENT
	R	R	R	R	%
Overtime - Non-structured	27,428,200	20,571,150	16,624,681	3,946,469	81%
Overtime - Structured	9,274,600	6,955,950	12,144,417	(5,188,467)	175%
Shift Additional Remuneration	1,821,600	1,366,200	1,438,535	(72,335)	105%
TOTAL	38,524,400	28,893,300	30,207,633	(1,314,333)	105%

The table below indicates the total number of overtime hours worked and the total number of temporary and permanent employees:

EMPLOYEES	JULY 2015		AUGUST 2015		SEPTEMBER 2015	
	Total Hours	Total Employees	Total Hours	Total Employees	Total Hours	Total Employees
Permanent	30 581	759	30 953	766	29 013	869
Temporary	643	69	403	20	549	63
	31 224	828	31 356	786	29 562	932

EMPLOYEES	OCTOBER 2015		NOVEMBER 2015		DECEMBER 2015	
	Total Hours	Total Employees	Total Hours	Total Employees	Total Hours	Total Employees
Permanent	29 108	785	33 231	789	28 644	793
Temporary	516	53	285	22	183	8
	29 624	838	33 516	811	28 827	801

EMPLOYEES	JANUARY 2016		FEBRUARY 2016		MARCH 2016	
	Total Hours	Total Employees	Total Hours	Total Employees	Total Hours	Total Employees
Permanent	35 974	772	39 262	796	27 783	758
Temporary	1 943	100	22	6	22	6
	37 917	872	39 284	802	27 805	764

Planned Repairs and Maintenance programmes should be standard practice for both infrastructure and movable assets such as Plant and Vehicles.

The table below represents the expenditure incurred on overtime for each department for the month March 2016. The relevant departments have supplied the comments for the over-expenditures incurred on overtime.

Detailed explanations that have been provided by the departments on the over-expenditure reflected in the table above have been included below (5. Exception Reporting - Departmental).

4.2 Employee Related Costs – Overtime

In terms of Council Resolution 10542 dated 01 December 2015, Council resolved that:

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

During the period March 2016 the employees in the following functions worked overtime of more than 15 hours per week which is the maximum that may be allowed in terms of Council’s revised overtime policy (DMS 854249). The detailed information is contained in **Annexure AQ (DMS 1112027)**.

The following tables sets out the applicable information:

FUNCTION	FUNCTION DESCRIPTION	1.5 OVERTIME	2.0 OVERTIME	TOTAL HOURS	MAXIMUM HOURS ALLOWED PER MONTH	DIFFERENCE
FX002001001001	Marketing and Customer relations Total	137.00	16.00	153.00	120.00	(33.00)
FX002001001004	Electricity and Gas Distribution and Planning T	605.00	189.00	794.00	600.00	(194.00)
FX002001002	Street Lighting Total	644.50	148.00	792.50	600.00	(192.50)
FX005001012	Security Services Total	72.00	-	72.00	60.00	(12.00)
FX012001004002	Roads - Urban Roads Total	68.00	30.00	98.00	60.00	(38.00)
FX013002003003	Recreational Facilities - Swimming Pools Total	32.00	32.00	64.00	60.00	(4.00)
FX014001004	Street Cleansing Total	32.00	32.00	64.00	60.00	(4.00)
FX015001002003	Sewerage - Sewerage Network Total	3 536.00	1 039.00	4 575.00	3 180.00	(1 395.00)
FX016001001003	Water Treatment - Scientific Services Total	180.00	49.50	229.50	180.00	(49.50)
Grand Total		5 306.50	1 535.50	6 842.00	4 920.00	(1 922.00)

4.3 Volume of Transfers

Type of Transfer of Funds	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	Total Number of Transfers
Capital	0	0	1	3	4	14	0	0	0	22
Operating	0	10	7	28	23	76	34	21	55	254
Total	0	10	8	31	27	90	34	21	55	276

The table below reflects the value of transfer of funds per department:

Department	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	Total Value of Transfers
City Development	-	6 900	7 700	-	364 000	3 481 900	169 800	65 700	235 500	4 331 500
Community Services - Health and Public Safety	-	-	401 700	1 214 000	2 495 500	3 492 700	125 100	20 000	145 100	7 603 900
Corporate Services	-	72 000	-	168 800	5 000	1 032 800	203 500	14 000	217 500	1 713 600
Financial Services	-	4 740 000	3 000	2 000	1 160 000	1 162 000	3 500	30 500	34 000	7 135 000
ITS - Electrical Supply Services	-	50 000	-	1 515 000	13 400	1 943 300	190 000	39 500	248 400	3 999 600
ITS - Engineering Support Services	-	-	-	6 000	3 500	60 000	-	-	-	69 500
ITS - Roads and Stormwater	-	-	-	218 000	3 102 900	3 320 900	-	-	-	6 641 800
ITS - Water and Sanitation Services	-	-	-	878 900	532 800	4 686 000	6 300	-	6 300	6 104 000
Office of The Municipal Manager	-	877 600	-	7 000	-	7 000	56 400	1 034 000	1 090 400	3 072 400
Total	-	5 746 500	412 400	4 009 700	7 677 100	19 186 600	754 600	1 203 700	1 977 200	40 671 300

4.4 Over-expenditure of line items

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

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

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

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

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

	2012/2013		2013/2014		2014/2015		2015/2016	
LINE ITEM	ADJUSTED BUDGET	ACTUAL	ADJUSTED BUDGET	ACTUAL	ADJUSTED BUDGET	ACTUAL	PRO-RATA BUDGET	ACTUAL
	R	R	R	R	R	R	R	R
SAFEGUARD ANS SECURITY	3,727,590	3,654,283	12,928,500	7,596,226	8,285,500	7,290,401	16,656,600	26,662,089

The spending patterns per department are as follows:

EXPENDITURE PER LINE ITEM	ADJUSTED BUDGET 2015/2016	PRO-RATA BUDGET (YTD)	ACTUAL MARCH (YTD)	UNDER/(OVER) EXPENDITURE	% OF PRO-RATA BUDGET OVERSPENT
	R	R	R	R	%
CITY DEVELOPMENT	2,028,600	1,521,450	1,863,272	(341,822)	122%
COMMUNITY SERVICES	9,024,100	6,768,075	10,853,750	(4,085,675)	160%
CORPORATE SERVICES	2,215,700	1,661,775	2,327,225	(665,450)	140%
FINANCIAL SERVICES	1,319,200	989,400	1,780,220	(790,820)	180%
INFRASTRUCTURE AND TECHNICAL SERVICES	7,601,200	5,700,900	9,831,622	(4,130,722)	172%
OFFICE OF THE MUNICIPAL MANAGER	20,000	15,000	6,000	-9,000	0%
TOTAL	22,208,800	16,656,600	26,662,089	(10,023,489)	160%

5. EXCEPTION REPORTING - DEPARTMENTAL

5.2 COMMUNITY SERVICES, HEALTH AND PUBLIC SAFETY AND RECREATIONAL AND ENVIRONMENTAL SERVICES

5.2.1 OVERTIME

COMMUNITY SERVICES, HEALTH AND PUBLIC SAFETY										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R	R	R	R
COMMUNITY SERVICES AND HEALTH										
FX011001005	Fire Fighting and Protection	2 886 000	-	2 886 000	2 164 500	1 037 316	-	1 161 906	2 199 222	(34 722)
FX011001007	Police Forces, Traffic and Street Parkin	3 699 700	-	3 699 700	2 774 775	18 086	3 168 212	28 937	3 215 235	(440 460)
FX005001006003	Occupational Clinic	-	-	-	-	-	-	-	-	-
FX005001012	Security Services	355 000	-	355 000	266 250	124 033	-	137 413	261 446	4 804
FX012001005	Taxi Ranks	132 000	-	132 000	99 000	104 566	-	-	104 566	(5 566)
FX014001003	Solid Waste Removal	5 748 300	-	5 748 300	4 311 225	83 414	4 647 181	-	4 730 595	(419 370)
FX014001004	Street Cleansing	4 641 800	-	4 641 800	3 481 350	685	3 517 264	-	3 517 949	(36 599)
FX015001001	Public Toilets	182 800	-	182 800	137 100	144 081	-	-	144 081	(6 981)
Total		17 645 600	-	17 645 600	13 234 200	1 512 181	11 332 657	1 328 256	14 173 094	(938 894)

❑ **Fire Fighting and Protection**

The Fire Brigade did not overspend this month. The over expenditure was incurred on previous months.

❑ **Police Forces, Traffic and Street Parking Control**

The over-expenditure is as a result of the increase of the salary scales of all the traffic officers and the Assistant Superintendents. This has increased the hourly rate for these effected members. Furthermore the two vacant positions were filled by two traffic officers whom joined our team in March 2016.

❑ **Solid Waste, Street Cleaning and Public Toilets**

The functions in which we over spent as Waste Management are essential and cannot be avoided. The section has reached the minimal number of staff that should work overtime during weekends. Also a number of holidays experienced in which section had to operate in full capacity have contributed enormously to over expenditure. It be noted that all the overtime worked was pre applied and approved as per Council Resolution.

COMMUNITY SERVICES - ENVIRONMENTAL AND RECREATION SERVICES

OVERTIME

FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R	R	R	R
COMMUNITY SERVICES RECREATION										
FX001001003	Cemeteries	812 900	-	812 900	609 675	550 323	45 272		595 595	14 080
FX001001005002	Halls	177 900	-	177 900	133 425	82 331	55 506		137 837	(4 412)
FX013002004001	Sport Development and Sportfields	362 300	-	362 300	271 725	162 591	46 191		208 782	62 943
FX013001001	Beaches and Jetties	378 000	-	378 000	283 500	191 300	215 862		407 162	(123 662)
FX013002003003	Recreational Facilities - Swimming Pools	402 600	-	402 600	301 950	261 920	298 250		560 170	(258 220)
FX013001002	Community Parks (including Nurseries)	333 000	-	333 000	249 750	198 489	48 012		246 501	3 249
Total		2 466 700	-	2 466 700	1 850 025	1 446 954	709 093	-	2 156 047	(306 022)

□ **Vote 016 - Municipal Hall**

The frequency of our Halls usage is quite high, Big events are done in our halls and lead to overtime being used since the officials have to ensure the municipal property as well as the furniture is taken care of and the cleaning of the hall after each function for the next hirer to find the Hall clean. We have refurbished our halls especially Empangeni Hall that has specialized lighting system and the shop fronts that require our staff to operate, curtain and air conditioner to be operated by our staff as well not by the Hirers.

□ **Vote 24 - Sport Development and Sportsfield**

Due to a number of high profile events taking place at various sport facilities on weekends, officials had to be on site and do cleaning throughout the events. It should also be noted that vacancies for one tractor driver and two park assistants are yet to be filled and the shortage of staff during working hours exacerbates the need for overtime.

□ **Swimming pools**

The facilities are open 7 days a week and need staff for the general cleaning of the swimming pool as well as the area. More public are utilising the pools during the public holidays. Thus leading into over-expenditure on overtime.

5.3 CORPORATE SERVICES

5.3.1 OVERTIME

CORPORATE SERVICES										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R	R	R	R
ADMINISTRATION										
FX005001001	Administrative and Corporate Support	330 800	-	330 800	248 100	163 751	40 930	48 046	252 727	(4 627)
FX005001008	Legal Services	200	-	200	150	164	-		164	(14)
FX004001001001	Mayor & Council	123 300	-	123 300	92 475	42 852	55 756		98 608	(6 133)
FX005001007	Information Technology	15 000	-	15 000	11 250	-	-		-	11 250
FX001001005003	Municipal Buildings	15 600	-	15 600	11 700	6 497	-		6 497	5 203
Total		484 900	-	484 900	363 675	213 264	96 686	48 046	357 996	5 679

□ Administration and Corporate Support, Mayor and Council

Admin & Support: The over expenditure was incurred due to agenda deliveries done on weekends and after hours.

Mayor and Council: Over expenditure was incurred due to loud hailing and attending meetings/functions over weekends.

5.4 FINANCIAL SERVICES

5.4.1 OVERTIME

FINANCIAL SERVICES										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R	R	R	R
FX005001003002	Revenue and Expenditure	14 700	22 200	36 900	27 675	-	5 981		5 981	21 694
FX005001013	Supply Chain Management	134 300	-	134 300	100 725	101 331	-		101 331	(606)
Total		149 000	22 200	171 200	128 400	101 331	5 981	-	107 312	21 088

□ Vote 066 - Supply Chain Management Unit

The Supply Chain Management Unit (SCMU) provides support service to various user departments that must ensure that municipal services are provided 24 hours a day. The unit personnel on rotation basis are therefore required to be on standby in order to issue breakdown materials after hours to ensure the continuity of service delivery.

The only planned overtime is the issuing of fuel every Saturday / some public holidays. The Unit's overtime is the inherent from user departments and it is therefore difficult to ascertain and budget for the number of breakdowns during the year.

5.5 INFRASTRUCTURE AND TECHNICAL SERVICES

5.5.1 OVERTIME

INFRASTRUCTURE AND TECHNICAL SERVICES										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R	R	R	R
ELECTRICAL SUPPLY SERVICES										
FX002001001001	Marketing and Customer relations	26 000	-	26 000	19 500	10 812	-	-	10 812	8 688
FX002001001003	Process Control Systems	21 900	-	21 900	16 425	9 104	-	-	9 104	7 321
FX002001001004	Electricity and gas Distribution and Planning	4 921 000	-	4 921 000	3 690 750	3 982 528	-	-	3 982 528	(291 778)
FX002001002	Street lighting	205 400	-	205 400	154 050	143 853	-	-	143 853	10 197
Total		5 174 300	-	5 174 300	3 880 725	4 146 297	-	-	4 146 297	(265 572)

□ Electricity and Gas Distribution

The over-expenditure is informed by the 17 major power interruptions which resulted in long duration of hours worked.

INFRASTRUCTURE AND TECHNICAL SERVICES										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R	R	R	R
ENGINEERING SUPPORT SERVICES										
FX010001007001	Project Management Unit - Administration	3 300	5 000	8 300	6 225	-	-	-	-	6 225
FX005001005	Fleet Management	490 300	-	490 300	367 725	372 711	-	-	372 711	(4 986)
FX001001005001	Building Maintenance	102 100	-	102 100	76 575	76 044	-	-	76 044	531
Total		595 700	5 000	600 700	450 525	448 755	-	-	448 755	1 770

□ **Fleet Management**

Overtime is due to the break downs of vehicles after hours. This can be attributed to the age of vehicles needing increased repairs due to components failing.

INFRASTRUCTURE AND TECHNICAL SERVICES										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R		R	R
TRANSPORT, ROADS AND STORMWATER										
FX012001004002	Roads - Urban Roads	900	10 000	10 900	8 175	5 837	-	-	5 837	2 338
FX012001004003	Roads - Rural Roads	6 000	10 000	16 000	12 000	3 233	-	-	3 233	8 767
FX015001003	Storm Water Management	-	-	-	-	-	-	-	-	-
Total		6 900	20 000	26 900	20 175	9 070	-	-	9 070	11 105

INFRASTRUCTURE AND TECHNICAL SERVICES										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R		R	R
WATER AND SANITATION SERVICES										
FX015001002002	Sewerage - Pumpstations	491 000	-	491 000	368 250	330 911	-	62 233	393 144	(24 894)
FX015001002003	Sewerage - Sewerage Network	6 678 900	-	6 678 900	5 009 175	4 588 637	-	-	4 588 637	420 538
FX016001001003	Water Treatment - Scientific Services	20 900	-	20 900	15 675	26 485	-	-	26 485	(10 810)
FX016001002001	Water Distribution - Rural Water	2 436 500	-	2 436 500	1 827 375	1 919 546	-	-	1 919 546	(92 171)
FX016001002002	Water Distribution - Urban Water	2 322 900	-	2 322 900	1 742 175	1 877 445		-	1 877 445	(135 270)
Total		11 950 200	-	11 950 200	8 962 650	8 743 024	-	62 233	8 805 257	157 393

❑ **Sewerage – Pump station**

Empangeni Group pumps and Reservoirs - Reservoir Readings, Cleaning of screens at pump stations and inspections. This is a daily task done by Empangeni plumbers. Our section assists them to alternate weekends including public holidays so that their staffs have a weekend off.

Arboretum & Alton Macerator - Shortage of staff at both Macerators. Staffs are required to work double shifts when staffs are off sick/leave. Standby personnel are called out to purchase food for staff working overtime. Personnel called out after hours at various pump stations. Planned overtime implemented on 30/01/2016. Critical pump stations inspected over weekends (uMhlathuze Village 2, Hillview, Aquadene 1, Veldenvlei Main, Meerensee Main, Arb Main). This is a temporary arrangement until the problematic pump stations are upgraded. Please take NOTE the pump stations are near residential areas, this measure is taken to prevent residents from being exposed to sewer and any contamination that could be caused by an overflow.

❑ **Water Treatment – Scientific Services**

Water Quality officials attend Water Pollution Incidents as they occur, therefore overtime is never planned.

❑ **Water Distribution – Rural Water**

There are too many blockages which are occurring during the afternoons, kids are putting stones and sand on the manholes which causing more overtime.

Additional factor that contributes largely to increased overtime is that of continuous breakdown/failures experienced from Municipal Fleet. Most of the Council Fleet currently being utilized spend more time in work shop than at work, i.e. if four vehicle are in workshop, therefore 16 people are redundant and all work that is supposed to be done during the day will only be done after hours by standby teams. The lack of capital expenditure to replace and proper repair these vehicles is negatively impacting on the operational overtime budget. When Fleet is unavailable or in short supply emergency water or sewer repair work can at most times be escalated to overtime.

❑ **Water Distribution – Urban Water**

Vehicle breakdown causes delays in responding to reported breakdowns which then contribute to overtime expenditure if we only utilize few teams during the day.

The theft of manhole lids result in open sewer which makes it easy for people to throw object in the manholes. Shortage of material from mains store and sub stores contribute to over expenditure, the plumber has to drive around between Richards Bay, Empangeni and eSikhaleni looking for the material. The aging infrastructure also contributes to over-expenditure, more burst pipes are being experienced.

5.6 OFFICE OF THE MUNICIPAL MANAGER

MUNICIPAL MANAGER										
OVERTIME										
FUNCTION	DESCRIPTION	ADJUSTED BUDGET 2015/2016			PRO-RATA BUDGET (YTD)	ACTUAL MARCH 2016(YTD)				UNDER/ (OVER) EXPENDITURE
		NON- STRUCTURED	STRUCTURED	TOTAL		NON- STRUCTURED	STRUCTURED	SHIFT ADDITIONAL REMUNERATION	TOTAL	
		R	R	R	R	R	R	R	R	R
FX005001009	Marketing, Customer Relations, Publicity	1 500	-	1 500	1 125	1 483	-		1 483	(358)
FX004001002005	Municipal Manager	2 400	-	2 400	1 800	2 320	-		2 320	(520)
Total		3 900	-	3 900	2 925	3 803	-	-	3 803	(878)

□ Marketing, Customer Relations and Publicity and Office of the Municipal Manager

Employees from the Office of the Municipal Manager Marketing, Customer Relations and Publicity and were part of the staff assisting during the State of the City.

7. **IN-YEAR BUDGET STATEMENT TABLES**

The following monthly budget statement tables (**DMS 1123092**) 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

8. DEBTORS ANALYSIS

Refer to supporting table SC3 - Aged Debtors (**Annexure M**) for the month ended 31 March 2016.

9. CREDITORS ANALYSIS

Refer to supporting table SC4 - Aged Creditors (**Annexure N**) for the month ended 31 March 2016..

10. INVESTMENT PORTFOLIO ANALYSIS

Refer to supporting table SC5 - Investment portfolio (**Annexure O**) for the month ended 31 March 2016.

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 March 2016.

12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R**) for the month ended 31 March 2016.

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).

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (COMPONENT 5) SUMMARY			
	ADJUSTED BUDGET 2015/2016	ACTUAL EXPENDITURE 31 MARCH 2016 (YTD)	% COMPLETED / ADJUSTED BUDGET
	R	R	%
DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT	140 075 500	100 742 325	72%
CITY DEVELOPMENT	140 075 500	100 742 325	72%
DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES	54 830 700	25 498 732	47%
PUBLIC HEALTH AND SAFETY	20 168 500	6 966 159	35%
RECREATION AND ENVIRONMENTAL SERVICES	34 662 200	18 532 573	53%
DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES	23 347 500	4 609 727	20%
ADMINISTRATION	23 347 500	4 609 727	20%
HUMAN RESOURCES	-	-	0%
CHIEF FINANCIAL OFFICER	1 721 400	38 288	0%
FINANCIAL SERVICES	1 721 400	38 288	0%
DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES	281 185 400	119 324 430	42%
ELECTRICAL SUPPLY SERVICES	36 936 300	8 570 214	23%
ENGINEERING SUPPORT SERVICES	137 631 000	77 227 671	56%
TRANSPORT, ROADS AND STORMWATER	31 984 800	3 674 565	11%
WATER AND SANITATION SERVICES	74 633 300	29 851 980	40%
OFFICE OF THE CITY MANAGER	-	-	0%
CITY MANAGER	-	-	0%
TOTAL CAPITAL BUDGET	501 160 500	250 213 502	50%

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT								
1	FX001001005003	532_187	LAND AND BUILDINGS	MAYORAL RESIDENCE	300 000	-	0%	A deviation was applied for the purposes of attaining professional services and due to the amount exceeding R300 000, the Municipal Manager referred back the deviation requesting further investigation. The deviation hasn't been signed still therefore tender document is to be prepared for sourcing consultants in May 2016.
2	FX001001005003	532_188	LAND AND BUILDINGS	CONSTRUCTION OF SMME RETAIL PARKS	900 000	11 172	1%	The consultants appointed for the construction drawings signed the SLA on the 30th of March 2016. Awaiting SLA to be signed by Corporate Services DMM to date 08 April 2016 for the consultants to proceed with the designs.
3	FX001001005003	532_84	LAND AND BUILDINGS	RE-DESIGNING OFFICE SPACE	170 000	-	0%	Order no PO5778 was issued and works are due to start in April 2016.
4	FX005001007	536_107	MACHINERY AND EQUIPMENT	LAPTOP AND DOCKING STATION	17 700	3 500	20%	Order no PO5322 placed with EOH
7	FX007001001	532_X	LAND AND BUILDINGS	BHAMBATHA HOSTELS ROOF REFURBISHMENT	3 900 000	-	0%	A deviation is to be signed and quotations for a qualified contractor to be done in April 2016.
8	FX007001001	832_0	LAND AND BUILDINGS	ESIKHALENI REFURBISH HOSTELS	17 811 800	5 654 548	32%	Hostel Allocations were completed and advertised. Beneficiaries to take occupancy of the at Block A & B in April 2016. Refurbishment of Block C,D & E to commence in April 2016. Fencing at H396 has been completed.
9	FX007001001	833_1	LAND AND BUILDINGS	ACQUISITION OF LAND	82 500 000	82 500 000	100%	Complete
10	FX010001004	532_1	LAND AND BUILDINGS	NKOSI MQEDI MONUMENT	8 000	-	0%	The requisition has been done to remove, amend and replace the granite memorial stone at Inkosi Mqedi's
12	FX010001005	528_5	LAND AND BUILDINGS	FENCING - VARIOUS AGRICULTURAL PROJECTS	450 000	-	0%	A request was made on the 30th of March 2016 to cancel the tender and make 3 separate quotations for Ward 10, 25 and 29 fencing specifications.

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT								
13	FX010001006	544_1	OFFICE FURNITURE	CITY DEVELOPMENT	18 000	-	0%	Awaiting quotations
14	FX012001005	532_3	LAND AND BUILDINGS	CONSTRUCTION OF TAXI RANKS (BUILDINGS AND SURROUNDING) - LOT 63, RICHARDS BAY AND A RANK)	4 000 000	346 000	9%	<p>Lot 63 -: Tender stage - Project Specification served and approved by BSC on 29 February 2016. Site briefing held on 16 March 2016, closed on 29 March 2016.</p> <p>A - Rank - Construction drawings completed.</p> <p>Richards Bay Taxi Rank - service provider's to compile the construction drawings did not meet the minimum requirements. Its was re-advertised and the quotation submitted was above R200 000 then the deviation form is circulated for approval.</p>
15	FX015001002003	632_30	LAND AND BUILDINGS	AQUADENE BULK SERVICES (SANITATION)	15 000 000	7 212 994	48%	4% of the project has been complete. The project is two weeks behind schedule
16	FX016001002002	632_6	LAND AND BUILDINGS	AQUADENE BULK SERVICES (WATER)	15 000 000	5 014 111	33%	12% of the project has been complete.
TOTAL CITY DEVELOPMENT					140 075 500	100 742 325	72%	

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES								
COMMUNITY SERVICES, HEALTH AND PUBLIC SAFETY								
17	FX001001005003	532_137	LAND AND BUILDINGS	EXTENSION OF TRACK WASHER ROOM (REFUSE)	-	13,724		Completed. Remainder of funds redirected during Adjustment Budget to supplement other capital projects
18	FX001001005003	532_138	LAND AND BUILDINGS	6 X AIRCONDITIONERS FIRE STATIONS (R/BAY, VULINDLELA, ENSELENI)	20,000	-	0%	Project completed. Balance of funds to be reallocated to supplement other capital projects.
22	FX001001005003	532_191	LAND AND BUILDINGS	ALTERATIONS IN WASTE MANAGEMENT - PHASE 2	99,000	-	0%	Project completed.
23	FX001001005003	532_197	LAND AND BUILDINGS	GALVANISED CAGES - TB CLINIC	9,200	-	0%	Project completed.
24	FX001001005003	532_198	LAND AND BUILDINGS	AIRCONDITIONER FOR ALTON CLINIC	8,100	9,470	117%	Project completed.
25	FX001001005003	532_62	LAND AND BUILDINGS	STANDBY GENERATOR FOR RICHARDS BAY FIRE STATION	521,500	-	0%	Project completed.
27	FX003001003	536_2	MACHINERY AND EQUIPMENT	AIR POLLUTION EQUIPMENT	1,289,600	335,683	26%	Tender Specifications For Calibrator & Zero Air Generator Approved By Bid Spec. Projected To Be Completed By 30 June 2016
29	FX005001005	500_343	Refuse Trucks	REFUSE TRUCKS	624,400	624,325	100%	Project completed.
31	FX005001005	500_361	VEHICLES	1 x DOUBLE CAB 4X4 WITH RAISED BODY	119,800	-	0%	Awaiting the Finalisation of Tender and Procurement of Vehicles by Fleet Management Unit
32	FX005001005	500_362	VEHICLES	10 TRAFFIC ENFORCEMENT VEHICLES	1,100,000	-	0%	Awaiting the Finalisation of Tender and Procurement of Vehicles by Fleet Management Unit

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES								
COMMUNITY SERVICES, HEALTH AND PUBLIC SAFETY								
34	FX005001005	600_120	VEHICLES	1 x DOUBLE CAB 4X4 WITH RAISED BODY	372,200	-	0%	Awaiting the Finalisation of Tender and Procurement of Vehicles by Fleet Management Unit
36	FX005001006003	532_10	LAND AND BUILDINGS	OCCUPATIONAL HEALTH CLINIC	2,033,800	1,150,982	57%	The contractor has been appointed. The contractor submitted a claim for extension of time with the approval on DMS 1114857 to revise the contract period till the 21st April 2016. 76% of project complete
41	FX005001006003	544_13	OFFICE FURNITURE	FURNITURE FOR NEW OCCUPATIONAL HEALTH CLINIC	133,600	-	0%	In the Process of Procuring as Funds Made Available in the Adjustment Budget
43	FX005001006003	632_6A	LAND AND BUILDINGS	OCCUPATIONAL HEALTH CLINIC	1,000,000	534,222	53%	The contractor has been appointed. The contractor submitted a claim for extension of time with the approval on DMS 1114857 to revise the contract period till the 21st April 2016. 76% of project complete
47	FX005001012	536_1A	MACHINERY AND EQUIPMENT	SECURITY BICYCLE PROJECT	2,000,000	-	0%	Orders have been placed and site meeting held.
48	FX011001005	532_5B	LAND AND BUILDINGS	ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	1,533,000	2,217,330	145%	The contractor is currently busy laying the sewer and the storm water drainage pipes, the erection of the steel structure, roofing and the drill tower is left with two floors in order for it to be complete. Estimated date of completion is July 2016.
53	FX011001005	632_6B	LAND AND BUILDINGS	ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	6,886,000	-	0%	The contractor is currently busy laying the sewer and the storm water drainage pipes, the erection of the steel structure, roofing and the drill tower is left with two floors in order for it to be complete. Estimated date of completion is July 2016.
54	FX011001005	632_8	LAND AND BUILDINGS	RICHARDS BAY FIRE STATION - PLAN AND CONSTRUCT PHASE ONE	888,100	779,116	88%	Project complete
56	FX014001003	532_11	LAND AND BUILDINGS	ESTABLISHMENT TRANSFER STATION ENSELENI FOR RECYCLING	1,530,200	1,301,306	85%	The contractor was appointed via tender process. Project completed 5 February 2016. Final invoices in progress. Balance of funds to be used to procure skips.
TOTAL COMMUNITY SERVICES, HEALTH AND PUBLIC SAFETY					20,168,500	6,966,159	35%	

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES								
RECREATION AND ENVIRONMENTAL SERVICES								
62	FX001001003	532_4	LAND AND BUILDINGS	R/BAY EXTENSION/DEVELOPMENT OF CEMETARY	783,700	632,596	81%	Project completed
63	FX001001003	532_5	LAND AND BUILDINGS	ESIKHALENI EXTENSION/DEVELOPMENT OF CEMETARY	-	3,032		Project completed. Funding to be sourced
64	FX001001005002	532_29	LAND AND BUILDINGS	INTOLE HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT FOR DISABLED)	1,787,300	2,509,721	140%	Project is in progress. 96% overall complete
65	FX001001005002	532_37	LAND AND BUILDINGS	NGWELEZANE HALL - EXTENSION	514,300	-	0%	The concept was approved by user department, construction drawings received and the consultant to cost the project
66	FX001001005002	532_38	LAND AND BUILDINGS	BREJANE HALL - GUARD HOUSE, HALL BOOKINGS AND COUNCILLOR'S OFFICES AND REFURBISHMENT OF ABLUTION FACILITIES	801,900	1,021,009	127%	Project completed
68	FX001001005002	532_40	LAND AND BUILDINGS	HALLS	1,710,800	-	0%	Funding to be reallocated to individual Halls projects
69	FX001001005002	532_41	LAND AND BUILDINGS	PAVING - NSELENI HALL	1,832,300	-	0%	Project cancelled and will be executed with Vukuphile learnership program (CR 10673 of 31 March 2016 & CR 10684 of 31 March 2016)
70	FX001001005002	532_64	LAND AND BUILDINGS	UPGRADE OF ELECTRICITY SUPPLY	356,800	136,800	38%	Awaiting installation by Eskom at Port Dunford Thusong Centre
71	FX001001005002	532_208	LAND AND BUILDINGS	INIWE HALL	110,000	57,750	53%	Project 80% completed awaiting installation of installation of galvanised gates
73	FX001001005002	632_17	LAND AND BUILDINGS	UMSASANDLA THUSONG CENTRE - EXTENSION	-	211,593		The project is in progress with 80% overall completed
76	FX001001005002	632_23	LAND AND BUILDINGS	ENSELENI HALL - UPGRADE (CONSTRUCT FENCING AND LIFT FOR DISABLED)	520,400	283,860	55%	Project completed. Balance savings to be utilised to supplement other projects.

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES								
RECREATION AND ENVIRONMENTAL SERVICES								
78	FX001001005002	932_01	LAND AND BUILDINGS	MANDLAZINI HALL (INSURANCE)	1,470,200	-	0%	Project scoping completed and the specification report served and approved by BSC. Tender advertised, tender briefing held on 31 march 2016 and tender closes on 07
79	FX001001005003	532_162	LAND AND BUILDINGS	AIRCONDITIONERS FOR PARK OFFICES IN ALTON PARKS	37,200	1,158	3%	Project completed. Balance savings to be utilised to supplement other projects.
82	FX001001006001	532_27	LAND AND BUILDINGS	AQUADENE LIBRARY	1,096,000	1,246,536	114%	Project completed.
84	FX001001006001	632_4	LAND AND BUILDINGS	ESIK LIBRARY - EXTENSION	578,600	74,143	13%	Project completed.
91	FX013001001	532_18	LAND AND BUILDINGS	BEACH EROSION PROJECT	6,594,400	4,385,297	67%	Project completed. Awaiting final payment certificate.
92	FX013001001	536_0	MACHINERY AND EQUIPMENT	BEACH EQUIPMENT	-	226		Funding to be sourced
97	FX013001002	532_4A	LAND AND BUILDINGS	EMPANGENI PARKS DEPT ABLUTIONS - REFURBISHMENT	157,300	23,070	15%	Project completed. Awaiting final payment certificate.
98	FX013001002	532_5C	LAND AND BUILDINGS	ESIKHALENI PARK (POOL AREA)	1,000,000	37,500	4%	Project 95% complete. Awaiting final payment certificate.
99	FX013001002	532_6	LAND AND BUILDINGS	BEAUTIFICATION (ALL AREAS)	1,477,400	1,148,857	78%	Project 98% complete. Awaiting final payment certificate.
103	FX013001002	636_2A	MACHINERY AND EQUIPMENT	REPLACEMENT RIDE-ON MOWERS	64,100	-	0%	Funds earmarked for replacement of sub assembly on mowers was not utilised to date as such was not needed. Savings - to be used to supplement other capital projects.
114	FX013002003003	532_45	LAND AND BUILDINGS	STAFF REST ROOMS - VARIOUS POOLS	24,000	-	0%	Project complete
121	FX013002004001	432A_01	LAND AND BUILDINGS	MZINGAZI SPORTSFIELD	423,100	396,197	94%	Project complete

NOTES:

OFFICIAL FINAL VERSION

RPT159020

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES								
RECREATION AND ENVIRONMENTAL SERVICES								
123	FX013002004001	532_21	LAND AND BUILDINGS	ESIKHALENI COLLEGE COURTS UPGRADE	773,100	773,056	100%	Project complete
124	FX013002004001	532_23	LAND AND BUILDINGS	FLOODLIGHTS - VARIOUS SPORTSFIELDS	795,300	630,373	79%	Project complete
125	FX013002004001	532_54	LAND AND BUILDINGS	2 x TRAILERS WITH RAMPS	21,200	3,850	18%	Project complete
126	FX013002004001	532_56	LAND AND BUILDINGS	UPGRADE IRRIGATION SYSTEM AT MANDLANZINI	75,000	-	0%	Project complete
127	FX013002004001	532_57	LAND AND BUILDINGS	FLOODLIGHTS -CENTRAL SPORTSFIELDS	6,560,000	-	0%	Information Received from I&TS, the Project Facilitators Indicated that Tender will Serve at Bid Adjudication During May 2016
128	FX013002004001	532_58	LAND AND BUILDINGS	UPGRADING RURAL SPORTSFIELDS	58,600	-	0%	Project complete
129	FX013002004001	532_59	LAND AND BUILDINGS	CONSTRUCTION OF COMBI COURT AT MANDLAZINI	687,500	1,234,317	180%	Project complete
130	FX013002004001	532_60	LAND AND BUILDINGS	NGWELEZANE STADIUM	150,000	-	0%	Completed design and specification
131	FX013002004001	532_63	LAND AND BUILDINGS	ADDITIONS TO ATHLETICS TRACK	702,000	(0)	0%	Counter funding
132	FX013002004001	932_02	LAND AND BUILDINGS	ADDITIONS TO ATHLETICS - LOTTO FUNDING	-	1,864,625		In Progress, completion Expected by June 2016
134	FX013002004001	632_15A	LAND AND BUILDINGS	LIGHTING SPORTS GROUND	444,500	-	0%	Information Received from I&TS, The Project Facilitators Indicated that Tender will Serve at Bid Adjudication During May 2016

NOTES:

OFFICIAL FINAL VERSION

RPT159020

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES								
RECREATION AND ENVIRONMENTAL SERVICES								
136	FX013002004001	632_18A	LAND AND BUILDINGS	UPGRADING RURAL SPORTSFIELDS	844,500	879,981	104%	Project complete
137	FX013002004001	632_19A	LAND AND BUILDINGS	NEW FIELD COURTS - UPGRADE	525,300	326,275	62%	In Progress, completion Expected by June 2016
140	FX013002004001	632_27	LAND AND BUILDINGS	FLOODLIGHTS - VARIOUS SPORTSFIELDS	570,000	569,995	100%	Project complete
143	FX013002004001	832_1	LAND AND BUILDINGS	SPORTFIELDS - SIGISI FIELD LOTTO FUNDING	1,115,400	80,756	7%	Project complete
TOTAL RECREATION AND ENVIRONMENTAL SERVICES					34,662,200	18,532,573	53%	
TOTAL COMMUNITY SERVICES					54,830,700	25,498,732	47%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES								
ADMINISTRATION								
144	FX001001005003	528_4	FENCING	CIVIC CENTRE	400 000	122 404	31%	Traffic impact assessment completed - awaiting final report
145	FX001001005003	532_186	LAND AND BUILDINGS	RENOVATIONS - ICT SECTION	-	1 097		Funding to be sourced
147	FX001001005003	532_190	LAND AND BUILDINGS	SATELLITE OFFICES REFURBISHMENT	1 500 000	-	0%	eSikhaleni Offices - Concept design complete and specification for the fence drafted
149	FX001001005003	632_134	LAND AND BUILDINGS	WESTERN SERVICES DEPOT - REFURBISHMENT	-	21 714		Funding to be sourced
152	FX005001001	544_3	OFFICE FURNITURE	ADMINISTRATION	-	6 964		Funding to be sourced
154	FX005001007	532_201	LAND AND BUILDINGS	ACQUISITION OF CALL CENTRE MODULE AND USSD CODE FOR INCIDENT REPORTING	3 500 000	2 249 123	64%	System implementation completed end of March, final payment to be done when all items on snag list are completed.
155	FX005001007	532_202	LAND AND BUILDINGS	VMWARE PRODUCTION SUPPORT	243 100	-	0%	Scheduled to be completed in Quarter 4. Busy with quotations
156	FX005001007	532_203	LAND AND BUILDINGS	CLOUDWARE	91 800	-	0%	Scheduled to be completed in Quarter 4. Busy with quotations
157	FX005001007	532_204	LAND AND BUILDINGS	WEBSITE FOR AIRPORT	84 200	-	0%	Project kick off 20/4 to be completed in Quarter 4.
158	FX005001007	536_43	MACHINERY AND EQUIPMENT	NEW & REPLACEMENT OF IT RELATED EQUIPMENT	2 178 500	2 205 424	101%	Completed

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES								
ADMINISTRATION								
161	FX005001007	536_108	MACHINERY AND EQUIPMENT	REPLACE 3 x 132 COLUMN IMPACT PRINTERS	18 000	-	0%	Requisition completed. Awaiting delivery .
162	FX005001007	532_206	LAND AND BUILDINGS	FIBRE LINK TO ESIKHALENI	15 331 900	-	0%	Tender 8/2/1/UMH120 -15/16 Building Fibre route between Empangeni Esikhaleni and Vulindela The tender will be canceled, section in process off submitting report to the effect. No prospect of success for this project during this financial year. There also seems to be some unsatisfactory issues on the recommended tenderer. It is also anticipated that there will be objections from unsuccessful bidders. As per DMM CS comments .
163	FX009001002	528_1	FENCING	FENCING - AIRPORT	-	3 001		Funding to be sourced
TOTAL ADMINISTRATION					23 347 500	4 609 727	20%	
HUMAN RESOURCES								
TOTAL HUMAN RESOURCES					-	-		
TOTAL CORPORATE SERVICES					23 347 500	4 609 727	20%	

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE CHIEF FINANCIAL OFFICER								
170	FX001001005003	532_170	LAND AND BUILDINGS	IMPROVED SECURITY SATELITE OFFICES	31 600	23 420	74%	Complete - Savings - funding to be reallocated to Renovations project
171	FX001001005003	532_171	LAND AND BUILDINGS	RENOVATIONS AND IMPROVED SECURITY ACCESS EXPENDITURE SECTION	400 000	-	0%	Quotations received - order placed for construction drawings
173	FX001001005003	532_180	LAND AND BUILDINGS	2 X AIRCONDITIONERS AT EMPANGENI OFFICE	5 600	-	0%	Requisition completed. Awaiting delivery
175	FX001001005003	532_185	LAND AND BUILDINGS	RENOVATION CFO SECRETARY OFFICE	-	5 322		Expenditure to be reallocated to Maintenance
176	FX005001003002	536_109	MACHINERY AND EQUIPMENT	4 x SERVICE KIOSK	410 000	-	0%	RFQ for equipment has been issued. Awaiting quotations. System development to be done by CSIR under MOU. Project to be completed in Quarter 4.
177	FX005001003002	536_110	MACHINERY AND EQUIPMENT	CAMERA ENTRANCE DOOR	9 000	-	0%	Planned for 4th quarter
178	FX005001003002	544_7	OFFICE FURNITURE	5 WORKSTATIONS FOR INCOME	2 700	696	26%	Complete - Savings - funding to be reallocated to Renovations project
179	FX005001005	500_362	VEHICLES	DOUBLE CAB 4 X 4 (EXPENDITURE - ASSETS)	280 000	-	0%	Order placed - delivery expected end of May 2016
180	FX005001007	536_72	MACHINERY AND EQUIPMENT	2 X LAPTOPS FOR FINANCIAL SERVICES	34 500	8 850	26%	Complete - Savings - funding to be utilised to replace office Charis for staff in expenditure section
181	FX005001007	532_207	LAND AND BUILDINGS	INSTALLATION OF NETWORK POINTS & FIBRE OPTIC AT EMP DEPOT FOR PUMP STATION	36 000		0%	In progress
182	FX005001007	632_39	LAND AND BUILDINGS	FINANCIAL ERP SYSTEM (CONSULTANT)	162 000	-	0%	Savings - funding to be reallocated to Renovations project
183	FX005001013	536_106	MACHINERY AND EQUIPMENT	5 TON FORKLIFT	350 000	-	0%	In progress
TOTAL FINANCIAL SERVICES					1 721 400	38 288	2%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ELECTRICAL SUPPLY SERVICES								
184	FX001001005003	532_183	LAND AND BUILDINGS	STANDBY QUARTERS AT SERVICES CENTRE ELECTRICITY	2 841 300	151 314	5%	The site establishment and earthworks has been done but soil compaction to be re-done since the foundation compaction failed the test. The project planned completion date is the 30th of September 2016
188	FX002001001003	672_3	LAND AND BUILDINGS	PROCESS CONTROL SIGNALLING SYSTEM	-	29 990		Funding to be sourced
190	FX002001001004	572_17	ELECTRICITY SUPPLY	A1275 NGWELEZANE ELECTRIFICATION	4 000 000	1 018 359	25%	The project is 90% completed, the contractor is busy installing service cables to houses and RMU on the MV cable network. 39 out of 51 houses already built in the area has power and the remaining 12 would be connected by the end of April 2016
192	FX002001001004	632_27A	LAND AND BUILDINGS	eSIKHALENI - REPLACE XLPE MEDIUM VOLTAGE CABLE WITH PAPER INSULATED CABLE	524 700	833 942	159%	The project is in commercial operation although there are two minisubs terminations and a short cable replacement between two minisubs that the contractor still have to do. The available funds will be used to pay the last submitted invoices for the work that is already done i.e. but once all outstanding work is completed. cable pressure testing, barricading and cables sandbagging. The R833 942 was paid before adjustment and that is why 159%
194	FX002001001004	632_61	ELECTRICITY SUPPLY	BUILDING OF NEW 132/11KV 120MVA SUBSTATION ON N2 SOUTH CORRIDOR	1 000 000	-	0%	The tender will serve on BEC on the 25th of April 2016. The planned completion date of the design is 23 June
195	FX002001001004	636_3A	MACHINERY AND EQUIPMENT	ELECTRICAL TOOLS	13 800	-	0%	In progress

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ELECTRICAL SUPPLY SERVICES								
196	FX002001001004	636_42	MACHINERY AND EQUIPMENT	SCORPIO SUBSTATION 132/11KV 20MVA TRANSFORMER REFURBISHMENT	2 500 000	-	0%	The project is on RFQ for to test the market and the closing date is on the 26th of April 2016. The transformer will be transported to the supplier for repairs after appointment during May 2016. The project will be done through deviation since the station is currently operating without N-1 contingency, one transformer would not handle the connected load should the other one be out of service.
197	FX002001001004	636_43	MACHINERY AND EQUIPMENT	I&TS DMM BOARD ROOM TELECONFERENCE EQUIPMENTS	20 700	-	0%	In progress
198	FX002001001004	672_21	ELECTRICITY SUPPLY	ENERGY LOSSES PROJECT	1 590 400	585 743	37%	1. The balance of R550 000 will be used to replace the existing 685 check meters that are not running. 2. R 159 000 - 30 x On-line stats meters in Ngwelezana to be installed by June 2016 3. R 148 400 - 28 x On-line stats meters in eNseleni to be installed by June 2016
199	FX002001001004	672_28	ELECTRICITY SUPPLY	132KV BREAKERS REPLACEMENT AT POLARIS SUBSTATION	414 900	5 766	1%	The project is completed and the invoice has been submitted. The invoice expenditure will reflect on the 4th
200	FX002001001004	672_29	ELECTRICITY SUPPLY	NETWORK MASTER PLAN	1 500 000	1 367 130	91%	The Electrical Network Master Plan final document is completed and signed but the consultant still have to submit the existing equipment data so that the project can be closed, 95% of data has been submitted and the rest will be submitted by end of April 2016

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ELECTRICAL SUPPLY SERVICES								
202	FX002001001004	672_32	ELECTRICITY SUPPLY	CYGNUS MV SWITCHGEAR REPLACEMENT	7 000 000	3 088 929	44%	Switchgears have been delivered and are stored in private storage by the contractor, the outage planning meeting has been scheduled for 03/05/2016 and the first outage is to take place on the 10th of May 2016. 2.7km and 16 manholes for fibre optic cable, Cygnus control room and HV structures painting as well as parameter fencing has been completed, the work that is left is the
203	FX002001001004	872_12	ELECTRICITY SUPPLY	ELECTRIFICATION OF MANDLAZINI AREA (564 STANDS)	2 300 000	475 777	21%	55 infills are planned to be done during May 2016, the material has been ordered and the contract appointed. DoE allocated R17mil in two financial years 2014/15 and 2015/16 of which R16 178 227 was spent by electrifying 1415 households in Mzingazi, Mandlanzini and Dumisani Makhaye Village during 2014/15 financial year and thus the balance of +/-R730 000 will be used for infills in Mzingazi and Mandlanzini.
204	FX002001001004	872_13	ELECTRICITY SUPPLY	ELECTRIFICATION OF MZINGAZI AREA (209 STANDS)	2 700 000	12 075	0%	25 infills are planned to be done during May 2016 of which 10 infills are completed, additional material to complete the work has been ordered and the contract appointed. DoE allocated R17mil in two financial years 2014/15 and 2015/16 of which R16 178 227 was spent by electrifying 1415 households in Mzingazi, Mandlanzini and Dumisani Makhaye Village during 2014/15 financial year and thus the balance of +/-R730 000 will be used for infills in Mzingazi and Mandlanzini.

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ELECTRICAL SUPPLY SERVICES								
207	FX002001001004	872_16	ELECTRICITY SUPPLY	ELECTRIFICATION OF NGWELEZANE IDT (NEWTOWN)	4 000 000	38 000	1%	The BSC and tender specifications reports are completed and circulated for comments. DoE allocated R17mil in two financial years 2014/15 and 2015/16 of which R16 178 227 was spent by electrifying 1415 households in Mzingazi, Mandlankala and Dumisani Makhaye Village during 2014/15 financial year and thus the balance of +/- R730 000 will be used for infills in Mzingazi and Mandlankala.
209	FX002001002	576_20	STREETLIGHTING	JOHN ROSS/EMPANGENI MAIN STREETLIGHTING INSTALLATION	1 100 000	891 678	81%	The project is in construction phase and sitting at 95% and the completion date is the 30th of April 2016. The only work that is outstanding is pipe jacking of one road crossing.
211	FX002001002	576_27	STREETLIGHTING	MANDLANKALA/ MAHOLOHOLO STREETLIGHTING INSTALLATION	2 221 500	68 916	3%	The first phase of 10km street lighting installation has been completed, the second phase of Mandlankala to John Ross intersection will be done during 2016/17 FY. R 1 000 000 is transferred for Cygnus transformer repairs. Mandlankala to John Ross Inter-section street lighting installation will be done during 2016/17 FY
212	FX002001002	576_28	STREETLIGHTING	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	200 000	-	0%	The funds will be used for the designs of high mast installations and be done by one of consultant from panel of consultants contract that will be serving at BEC on the 18th of April 2016. Planned completion of the designs is 23 June 2016.

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ELECTRICAL SUPPLY SERVICES								
213	FX002001002	676_27	STREETLIGHTING	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	2 800 000	-	0%	The funds will be used for the designs of high mast installations and be done by one of consultant from panel of consultants contract that will be serving at BEC on the 18th of April 2016. Planned completion of the designs is 23 June 2016.
214	FX002001002	676_27A	STREETLIGHTING	MANDLANKALA/ MAHOLOHOLO STREETLIGHTING INSTALLATION	209 000	-	0%	The first phase of 10km street lighting installation has been completed, the second phase of Madlankala to John Ross intersection will be done during 2016/17 FY. R 1 000 000 is transferred for Cygnus transformer repairs. Mandlankala to John Ross Inter-section street lighting installation will be done during 2016/17 FY
217	FX005001007	636_32	MACHINERY AND EQUIPMENT	3 x LAPTOP DOCKING STATION AND SCREENS	-	2 595		Funding to be sourced
TOTAL ELECTRICAL SUPPLY SERVICES					36 936 300	8 570 214	23%	

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ENGINEERING SUPPORT SERVICES								
221	FX001001005003	532_176	LAND AND BUILDINGS	REPLACEMENT OF CENTRAL PLANT AIR CONDITIONER CIVIC CENTRE R/BAY UNIT B001	280 000	-	0%	The contractor has been appointed and will start work soon.
222	FX001001005003	532_94	LAND AND BUILDINGS	CIVIC CENTRE - ROOFING AND WATER PROOFING	434 800	148 400	34%	The contractor appointed had fail to complete the work, the contract will be terminated and the contractor appointment to refurbish the structure will cover this scope of work. However the work done is 80% of the contract. There will be some savings
223	FX001001005003	536_7A	MACHINERY AND EQUIPMENT	CIVIC CENTRE EMP 1 & 2 CENTRAL COOLING UNIT	150 000	-	0%	Contractor has been appointed, we will attend to the key aspects of the central cooling. The funds will be all utilised in this financial year. This works would have to be completed by end of May 2016. The appointment will be a 3 year contract.
224	FX001001005003	536_8	MACHINERY AND EQUIPMENT	CIVIC CENTRE CENTRAL COOLING UNIT	550 000	8 070	1%	In progress
225	FX001001005003	632_52	LAND AND BUILDINGS	STRUCTURAL INSPECTION OF MUNICIPAL BUILDINGS	2 300 000	5 174	0%	Currently in progress and anticipated completion date is mid July 2016. A structural Engineer will be monitoring this contract.
227	FX005001005	500_351	VEHICLES	3 x 4 DOOR HATCH BACK SEDANS	507 700	475 950	94%	Project completed
228	FX005001005	500_359	VEHICLES	MAYORAL FLEET (X3)	2 500 000	2 500 000	100%	Project completed
232	FX005001005	800_3	VEHICLES	HYDRAULIC PLATFORM FIRE ENGINE	9 099 700	9 099 693	100%	Project completed

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ENGINEERING SUPPORT SERVICES								
233	FX005001005	600_122	VEHICLES	REPLACEMENT VEHICLES	8 194 800	-	0%	Tenders 8/2/1/UMH 112-15/16 Supply and delivery of LDV'S as per RPT 159411 was noted by the Bid Adjudication Committee on 10 February 2016.A further request for an additional 5 LDV's to be authorised as per the above mentioned Tender
234	FX005001005	600_123	VEHICLES	3 x MAYORAL FLEET	331 200	331 185	100%	Project completed
236	FX005001005	650_41	PLANT	REPLACEMENT OF YELLOW PLANT	20 000 000	14 814 438	74%	The Tender in respect of two TLB's and one Scissors lift (8/2/1/UMH 114-15/16) closed on 18 March 2016 and is currently in the Evaluation stage
237	FX005001005	900_03	VEHICLES	VEHICLES (INSURANCE)	86 500	-	0%	Funds allocated as result of Insurance settlement, amount too small to procure any vehicle, will be utilised as per the Virement Policy to top up shortfalls
241	FX012001004003	872_20	STREETS AND STORMWATER	ROADS PROJECTS - MADLANZINI ROAD (TARRING MAIN ROAD)	15 000 000	2 125 162	14%	Tenders were cancelled and will be done through Vukuphile Learner ship. Report to serve at Exco/Council shortly.
242	FX013002004001	832_13	LAND AND BUILDINGS	SPORTS PROJECTS	15 000 000	93 644	1%	Report to appoint contractor served at BEC on the 18 April 2016. The report was referred back to the department.
243	FX015001001	532_6B	LAND AND BUILDINGS	ABLUTION FACILITIES AT NAVAL ISLAND	200 000	80 000	40%	The construction drawings have been completed and submitted. The tender document and report will be ready by January 2016 to serve in BSC.

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PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
ENGINEERING SUPPORT SERVICES								
245	FX015001002003	832_08	LAND AND BUILDINGS	RURAL HOUSEHOLDS INFRASTRUCTURE	532 300	532 207	100%	Project completed
246	FX015001002003	832_1A	LAND AND BUILDINGS	RURAL SANITATION	29 248 100	15 496 675	53%	This MIG funding will cover the sewer projects and the rural sanitation. Projects are 53% complete.
247	FX016001002001	884_6	WATER SUPPLY	RURAL/SEMI-URBAN AREAS	29 248 200	28 869 366	99%	This MIG funding will cover the sewer projects and the rural sanitation. Projects are complete.
248	FX016001002001	884_8	WATER SUPPLY	RURAL HOUSEHOLDS INFRASTRUCTURE	3 967 700	2 647 707	67%	67% of budget spent. The funding will be spent by not later than end of April 2016
TOTAL ENGINEERING SUPPORT SERVICES					137 631 000	77 227 671	56%	

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
TRANSPORT, ROADS AND STORMWATER								
251	FX012001004002	572_78	STREETS AND STORMWATER	ESIKHALENI MALL PARKING - TAXI LOADING & HOLDING AREAS	-	373 879		Expenditure to be reallocated to 572_87 - eSikhaleni Intersection
252	FX012001004002	572_79	STREETS AND STORMWATER	CIVIC SERVICES INFILL AREAS (J2 & H2 AREA)	-	184 390		Expenditure to be reallocated to 572_87 - eSikhaleni Intersection
255	FX012001004002	572_89	STREETS AND STORMWATER	CIVIC SERVICES INFILL AREAS (J1 & H3 AREA)	1 765 700	-	0%	J1 Busy with Legal Enquiry H2 Contractor busy constructing kerbing
256	FX012001004002	572_90	STREETS AND STORMWATER	UPGRADE OF INTERSECTIONS	567 200	-	0%	Date of Advert: 11 April 2016 Site Meeting: 14 April 2016 Closing Date of Advert: 19 April 2016 Busy with Contractor Appointment Project was only approved by Council in March 2016.
257	FX012001004002	572_91	STREETS AND STORMWATER	REHABILITATION OF EMBANKMENT AT MZINGAZI BLIND CANAL	572 600	-	0%	Project Commencement Date: 25 April 2016 Completion Date: 30 May 2016
258	FX012001004002	572_85	STREETS AND STORMWATER	WALKWAYS AND BRIDGES	2 000 000	-	0%	WALKWAYS Project Awarded: 08 April 2016 Awaiting BAC Minutes Approval BRIDGES Project Awarded 08 April 2016 Awaiting BAC Minutes Approval.
260	FX012001004002	572_86	STREETS AND STORMWATER	TRAFFIC CALMING	1 000 000	-	0%	Project Process delayed because of December Holiday Closing and different BEC views on Sectional Evaluation. BAC Date: 1 April 2016 Awaiting MM's Approval on Appointment Letters

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
TRANSPORT, ROADS AND STORMWATER								
261	FX012001004002	572_87	STREETS AND STORMWATER	ESIKHALENI INTERSECTION	10 000 000	1 220 345	12%	Project Design delayed due to December Holiday Closing and Tender Procedure. Tender Closed: 18 March 2016 Tender Evaluation Report in Progress
262	FX012001004002	672_11	STREETS AND STORMWATER	STREET REHABILITATION - TANNER ROAD	122 000	839 800	688%	Progress: 100% Completed as per Scope of Work Consultant: Naidu Consulting Final Invoice was paid in December 2015.
263	FX012001004002	672_55	STREETS AND STORMWATER	eSIKHALENI MALL ROAD SAFETY	-	369 602		Expenditure to be reallocated to 572_87 - eSikhaleni Intersection
269	FX012001004002	672_86	STREETS AND STORMWATER	BUS SHELTERS & LAYBYES - ALL AREAS	183 900	24 000	13%	Project has not commenced due to Approval of Adjustment Budget.
270	FX012001004002	672_87	STREETS AND STORMWATER	DOUBLING OF NORTH CENTRAL ARTERIAL	755 400	662 548	88%	Consultant: ZAI Consultants Invoice paid. Savings to be utilised for purchasing Laptops for Engineers within TRSCMS.
271	FX012001004002	672_88	STREETS AND STORMWATER	ROADS RESEALING	14 218 200	-	0%	Contractor: XMOOR Construction Contract Commencing Date: 1 April 2016
272	FX012001004002	572_88	STREETS AND STORMWATER	ROADS RESEALING	781 800	-	0%	Contractor: XMOOR Construction Contract Commencing Date: 1 April 2016
276	FX005001007	636_44	MACHINERY AND EQUIPMENT	IT EQUIPMENT (ROADS)	18 000	-	0%	Funds required for Upgrading of IT Equipment in 2 x I & TS Boardrooms & DMM's Office.
TOTAL TRANSPORT, ROADS AND STORMWATER					31 984 800	3 674 565	11%	

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
WATER AND SANITATION								
277	FX001001005003	532_194	LAND AND BUILDINGS	AIRCONDITIONER - ESIKHALENI DEPOT WATER AND SANITATION SERVICES	-	-		Funds were taken away during the adjustment budget, therefore the project didn't materialise.
278	FX001001005003	632_143	LAND AND BUILDINGS	AIRCONDITIONER - 6 NGWELEZANE OFFICE WESTERN DEPOT	50 000		0%	Project completed. The transfer was done from 632_59(Ngwelezane Connection) for this project refer to dms 1088006 and RPT 159061 Req 4370. Finance to reconcile the figures
279	FX001001005003	632_49	LAND AND BUILDINGS	UPGRADE LABORATORY	-	-		Completed
280	FX001001005003	632_59	LAND AND BUILDINGS	ELECTRICITY CONNECTION - W & S OFFICES (A1227 NGWELEZANE)	-	31 842		Project was conducted by Electricity Section using their own funding. The allocated amount of R50 000 is being used for the installation of air conditioners on Ngwelezane offices. Transfer was done from this vote into 632_59 refer to RPT 159061.
286	FX015001002003	632_11	LAND AND BUILDINGS	RURAL SANITATION (COUNTER FUNDING)	595 200	595 153	100%	Completed
291	FX015001002003	632_29	LAND AND BUILDINGS	UPGRADE - VULINDELELA SEWER PIPELINE	-	(273 674)		Contractor terminated. Busy with the process of recalling guarantee to complete the works. Deviation will need to be done for the minor works.
292	FX015001002003	632_31	LAND AND BUILDINGS	VELDENVLEI PUMP STATION	5 000 000	-	0%	WSSA is assisting on installation of new Pumps. Funds will be spent before the end of the current financial year.

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
WATER AND SANITATION								
295	FX015001004	632_4A	LAND AND BUILDINGS	MS 10 DOUBLE PUMP PLUS ADDITIONAL PUMP	-	-		Bid spec report served at the BSC on the 8 December 2014. Item referred back. Document amended as per changes requested by BSC. Report served at the BSC ON 9 February 2015. Item referred back due to lack of funding. The project did not materialise.
297	FX016001002001	684_9	WATER SUPPLY	MKHWANAZI NORTH BULK WATER SUPPLY PHASE 5	6 883 100	6 972 204	101%	Mkhwanazi North Projects (Zone Q and L1 complete
300	FX016001002002	584_30	WATER DISTRIBUTION CAPITAL	LEAK DETECTOR	1 400 000	1 400 000	100%	Monies to be moved to Smart Meter Pilot Project. VO has been prepared to pay for Smart Meter software
302	FX016001002002	684_19	WATER SUPPLY	CONSTRUCTION OF 20ML RESERVOIR EMPANGENI (HILLTOP)	2 527 800	8 088 083	320%	Testing of reservoirs failed due to cracks on the concrete floor. Contractor bringing the specialist to investigate and remedy cracks on the concrete floor. The project is scheduled to be completed by the end of May 2016.
303	FX016001002002	684_20	WATER SUPPLY	RICHARDS BAY WATER IMPROVEMENTS PHASE 1	-	-		Section 32 will be conducted for this project. Funds are expected to be spent before the end of the current financial year.
304	FX016001002002	884_21	WATER SUPPLY	RICHARDS BAY PIPE REPLACEMENT (MWIG)	10 882 000	-	0%	Section 32 will be conducted for this project. Funds are expected to be spent before the end of the current financial year.
305	FX016001002002	884_25	WATER SUPPLY	NSELENI PIPE REPLACEMENT (MWIG)	10 000 000	-	0%	Section 32 will be conducted for this project. Funds are expected to be spent before the end of the current financial year.

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES								
WATER AND SANITATION								
306	FX016001002002	884_26	WATER SUPPLY	NGWELEZANE PIPE REPLACEMENT (MWIG)	8 000 000	-	0%	Section 32 will be conducted for this project. Funds are expected to be spent before the end of the current financial year.
307	FX016001002002	884_27	WATER SUPPLY	EMPANGENI PIPE REPLACEMENT (MWIG)	15 000 000	-	0%	Section 32 will be conducted for this project. Funds are expected to be spent before the end of the current financial year.
308	FX016001002002	884_28	WATER SUPPLY	REDUCTION OF NON-REVENUE	7 000 000	9 544 192	136%	Project Completed
309	FX016001002002	884_29	WATER SUPPLY	NGWELEZANE WATER TREATMENT WORKS - WSOG	279 400	681 833	244%	Project Completed
310	FX016001002002	884_30	WATER SUPPLY	ESIKHALENI WATER TREATMENT WORKS	1 732 500	2 330 500	135%	Project Completed
311	FX016001002002	884_32	WATER SUPPLY	ESIKHALENI WASTE WATER TREATMENT WORKS	4 988 100	388 062	8%	Project completed. Available amount will be used to pay the CSIR outstanding invoices.
312	FX016001002003	684_1	WATER SUPPLY	BULK MASTER PLAN	295 200	93 784	32%	Completed. Available amount to pay the outstanding invoices.
TOTAL WATER AND SANITATION					74 633 300	29 851 980	40%	
TOTAL INFRASTRUCTURE AND TECHNICAL SERVICES					281 185 400	119 324 430	42%	

NO	FUNCTION	GL CODE	ASSET CLASS	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	REVISED ADJUSTED BUDGET 2015/2016	YTD AT 31/03/2016	PERCENTAGE SPENT OF PROPOSED ADJUSTED BUDGET	QUARTER 3 PROJECT PROGRESS/STATUS
OFFICE OF THE MUNICIPAL MANAGER								
313	FX004001002005	544_1	OFFICE FURNITURE	RE-DESIGN OF OFFICE FURNITURE	-	-		
TOTAL OFFICE OF THE MUNICIPAL MANAGER					-	-		
TOTAL CAPITAL BUDGET					501 160 500	250 213 502	50%	

14. **CAPITAL PROGRAMME PERFORMANCE**

Refer to the following tables for the month ended 31 March 2016:

- ❑ Table C5 - Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding (**Annexure G**).
- ❑ Table C5C - Monthly Budgeted Capital Expenditure Budget by vote, standard classification and funding (**Annexure H**).
- ❑ Table SC12 - Monthly capital expenditure trend (**Annexure U**).
- ❑ Table SC13a - Monthly capital expenditure on new assets by asset class (**Annexure V**).
- ❑ Table SC13b - Monthly capital expenditure on the renewal of existing assets by asset class (**Annexure W**).
- ❑ Table SC13c - Monthly repairs and maintenance expenditure by asset class (**Annexure X**).
- ❑ Table SC13d - Monthly depreciation by asset class (**Annexure Y**).

Actual capital expenditure which represents payments made during the reporting period, constitutes only 49,93% (R250,2 million) of the Proposed Adjustment budget of R501 million. Refer to 3.5 above for capital budget summary.

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

Refer to **DMS 1126645 (Annexure AR)**.

PART 3 - 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 AQ (DMS 1112027)** for Form D.

“Withdrawals from municipal bank accounts-

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

None

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

The purpose of this section can be divided into two sub-sections:

- **Unbudgeted, unavoidable expenditure, some of which has, and some of which still needs to be approved by Council.**

Unbudgeted and unavoidable expenditure for the quarter ended 31 March 2016:

Due to the challenges with the financial system the information could not be extracted.

All operating and capital transfers between votes approved by Council and delegated authority.

The table below depicts all operating and capital budget transfers from 1 January to 31 March 2016:

OPERATING					
DEPARTMENT	FROM		TO		AMOUNT
	FUNCTION	GL CODE	FUNCTION	GL CODE	R
City Development	FX010001005	044_51	FX010001005	010_0	17 700.00
City Development	FX01001005	040_13	FX01001005	040_5	74 500.00
City Development	FX009002006	027_0	FX009002006	044_57	46 000.00
City Development	FX01001005	044_51	FX01001005	044_16	3 500.00
City Development	FX010001005	022_9	FX012001005	022_9	12 000.00
City Development	FX010001005	044_51	FX010001005	027_0	9 600.00
City Development	FX009002006	044_44	FX009002006	044_73	6 500.00
City Development	FX010001005	022_9	FX012001005	022_9	12 000.00
City Development	FX005001006004	031_0	FX002001001004	031_0	10 000.00
City Development	FX005001006004	031_0	FX013002003003	031_0	10 000.00
City Development	FX005001006004	031_0	FX011001007	031_0	10 000.00
City Development	FX005001006004	031_0	FX003001003	031_0	10 000.00
City Development	FX005001006004	031_0	FX002001001004	031_0	2 100.00
City Development	FX005001006004	031_0	FX004001001001	031_0	1 600.00
City Development	FX005001006004	031_0	FX001001005002	031_0	10 000.00
Community Services - Health and Public Safety	FX003001003	027_0	FX003001003	044_86	5 000.00
Community Services - Health and Public Safety	FX003001003	027_0	FX003001003	044_44	2 000.00
Community Services - Health and Public Safety	FX001001005002	044_51	FX001001005002	027_0	1 500.00
Community Services - Rec and Enviro Services	FX013001002	124_1	FX013001002	124_2	77 500.00
Community Services - Rec and Enviro Services	FX013001002	124_1	FX013001002	124_2	600.00
Community Services - Rec and Enviro Services	FX001001008	074_66	FX001001008	010_0	38 500.00
Community Services - Health and Public Safety	FX012002001	124_3	FX012002001	124_2	20 000.00
Financial Services	FX005001013	027_0	FX005001013	138_16	10 500.00
Financial Services	FX005001013	124_2	FX005001013	124_1	3 500.00
Financial Services	FX005001003002	124_3	FX005001003002	022_9	20 000.00

OPERATING					
DEPARTMENT	FROM		TO		AMOUNT
	FUNCTION	GL CODE	FUNCTION	GL CODE	R
IT S - Electrical Supply Services	FX015001003	040_13	FX012001004002	046_2	18 900.00
IT S - Electrical Supply Services	FX015001003	040_13	FX012001004002	164_1	9 100.00
IT S - Electrical Supply Services	FX015001003	040_13	FX012001004002	164_6	2 400.00
IT S - Electrical Supply Services	FX012001004002	022_9	FX012001004001	046_3	27 000.00
IT S - Electrical Supply Services	FX002001001004	022_9	FX002001001002	044_86	1 000.00
IT S - Electrical Supply Services	FX002001001004	238_1A4	FX002001001004	198_B4	190 000.00
IT S - Water And Sanitation	FX016001001003	124_1	FX016001001003	122_2	1 300.00
IT S - Water And Sanitation	FX016001001003	210_A2	FX016001001003	210_A4	5 000.00
Office of the Municipal Manager	FX004001001001	074_66	FX005001009	022_3	500 000.00
Office of the Municipal Manager	FX004001001001	074_66	FX005001009	039_2	500 000.00
Office of the Municipal Manager	FX005001009	022_3	FX005001009	124_3	34 000.00
Office of the Municipal Manager	FX005001011	046_2	FX0050001011	040_1	2 300.00
Office of the Municipal Manager	FX004001002005	040_13	FX005001009	027_0	7 500.00
Office of the Municipal Manager	FX005001009	124_3	FX005001009	124_2	2 300.00
Office of the Municipal Manager	FX004001002005	040_13	FX005001009	027_0	3 800.00
Office of the Municipal Manager	FX001001002007	124_3	FX004001002007	044_35	3 500.00
Office of the Municipal Manager	FX005001009	022_3	FX005001009	124_3	34 000.00
Office of the Municipal Manager	FX005001009	044_51	FX005001009	060_3	3 000.00
Corporate Services - Administration	FX004001001001	164_6	FX004001001001	138_16	42 000.00
Corporate Services - Administration	FX004001001001	074_66	FX004001001001	027_0	90 600.00
Corporate Services - Administration	FX004001001001	060_1	FX004001001001	027_0	800.00
Corporate Services - Administration	FX004001001001	060_2	FX004001001001	027_0	9 900.00
Corporate Services - Administration	FX004001001001	074_66	FX004001001001	027_0	8 900.00
Corporate Services - Administration	FX004001001001	060_2	FX004001001001	027_0	39 300.00
Corporate Services - Administration	FX005001001	124_3	FX005001001	086_2	400.00
Corporate Services - Administration	FX004001001001	060_2	FX004001001001	027_0	1 900.00
Corporate Services - Administration	FX005001008	046_1	FXZ005001008	164_6	1 000.00
Corporate Services - Administration	FX004001001001	074_66	FX004001001001	027_0	8 700.00
Corporate Services - Council General	FX004001001001	124_2	FX004001001001	027_0	4 000.00
Corporate Services - Administration	FX005001006004	031_0	FX002001001003	031_0	10 000.00
Total Operating Transfers					1 977 200.00

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

None

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

R22 219 633,94 (NPA vehicle licence pay over).

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

R170 473.60

This type of refund occurs when a company/individual pays funds into Council's bank account in error. This amount is made up as follows:

NAME OF CREDITOR	AMOUNT	DETAILS
	R	
Bidvest Managed Solutions (pty) Ltd	2 576.40	Payment made in error
Bidvest Managed Solutions (pty) Ltd	2 576.40	Payment made in error
Bidvest Managed Solutions (pty) Ltd	2 576.40	Payment made in error
Z N Mpanza	7 200.00	Client unable to obtain fire training
M B Mulcahy	500.00	Payment made in error
Vakshala Service Station	923.40	Payment made in error
D V Reddy	3 000.00	Debit card payment processed twice in error by Cashier
Schoonies Sewe	151 121.00	Duplicate payment
	170 473.60	

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

R710 046,81 (Refund of credit balances and deposits debtors accounts).

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

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

17. SUPPLY CHAIN MANAGEMENT POLICY

Clause 6 of the City's Supply Chain Management Policy (SCM Policy) relates to Section 117 of the Municipal Finance Management Act (MFMA), which provides that a Councillor may not be member in terms of Section 7 (3) in which Council must maintain oversight over the implementation of this policy.

- **Monthly Stock Count**

Stock Count was conducted from 13 to 18 March 2016.

Staffing

Staffing of a Bid Administration Unit is a requirement that is becoming critical with numerous legislative requirement and National Treasury monitoring and evaluation reporting in order for the Supply Chain Management Unit (SCMU) to take control of the Bid Administration and processes linked to it, the establishment of a Bid Administration Unit needs urgent attention. However, the Unit has managed to appoint 3 employees on temporary basis for 6 months pending review of financial situation and performance thereof.

Three positions (Deputy Manager Logistics and Contract Management; Storeman and Delivery Driver/Clerk) that became vacant were advertised from the first quarter. Interviews for the Deputy Manager positions were held in third quarter and the incumbent will start in fourth quarter. Interviews and appointments for Storeman and Delivery Driver/Clerk positions will be done in the fourth quarter.

- **Training**

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.

Two officials attended Contract Management Workshop hosted by KZN Provincial Treasury and 1 attended National Treasury Minimum Competency Programme.

- **Supply Chain Management Module**

Five officials attended G-commerce, e-Tenders and Central Supplier Database Training. Council would recall that the State President Honourable J.G Zuma pronounced during his State of National Address on 11 February 2016, that this financial year there would be reforms in the public procurement. This has started on 1 April 2016 for National, Provincial Departments and State-Owned Enterprises (SOE) and 1 July 2016 for Municipalities. In summary the reforms are about:

- G-commerce - Government would no longer advertise tenders on the media but through one government portal (use of internet) thereby cutting the cost of advertising in the media.
- e-Tenders - Government is working on utilising technology for quotations and tendering, part of this initiation is the creation of Central Supplier Database (CSD) thereby reducing fraud and corruption. Every supplier in South Africa who wants to do business with the three spheres of government including the State-Owned Enterprises (SOE) must register on-line and no award will be made to a person who is not vetted by CSD. The CSD reduces the exchange of compliance documents in paper form, eliminate multiple registrations with different organs of state, and ultimately reduce the cost for both business and government by enabling electronic registration and verification processes. The CSD interfaces with the South African

Revenue Service (SARS) to verify tax clearance certificates, the Companies and Intellectual Property Commission (CIPC) for business registration and business ownership information, Home Affairs for Identification verification, Bank account number information and PERSAL system (National and Provincial government employees) employment verification. The CSD also verify supplier information with the register for tender defaulters and database of restricted suppliers. They are still working to include other organ of state like Construction Industry Development Board (CIDB) and Municipalities. Municipalities would still keep their database for financial transactions since the mSCOA system is not final. But once it is final it hoped that there would be a single database since CSD would be able to interface with all systems.

- **Public Private Partnership Training**

One official attended a two day workshop at DBSA in Midrand conducted by National Treasury. The training focus on regulatory framework and the processes that must be followed from project inception, feasibility study, procurement, contract management, unsolicited and risk matrix. The training was also attended by government officials from Malawi and Uganda as part of DBSA mandate to fund project from other Africa States.

- **DACT Workshop**

An invite was received from DACT (Downstream Aluminium Cast Training) to conduct a workshop on how to do business with Council. The workshop was attended by current and former students.

- **Small Enterprise Development Agency (SEDA) Construction Incubation Programme**

SEDA is an acronym and its mandate is to develop small enterprises and within SEDA they have developed four incubator programmes in Construction, ICT, Furniture Manufacturing and Chemical Manufacturing. An invite was received from SEDA Construction Incubator (SCI) to visit their facility in Durban. This year SCI is celebrating 10 years in existence, this programme started as eThekweni Construction Incubator through a joint partnership with eThekweni Municipality with a focus on small black contractors. The SCI centre has grown to ten branches covering 3 provinces, with KwaZulu Natal having Durban, KwaMashu and Dundee Branches. The construction incubator programme is three years that includes the learnership in NQF Level 4 in Construction Management. SEDA is keen to have one of their branches as part of Department of Trade and Industry (DTI) mandate. The example of the advert for next SEDA Construction Incubator intake for SEDA/eThekweni Municipality can be found on **Annexure AS, DMS 1126647**.

- **Supply Chain Management Module**

It was reported in the last financial year that the Financial Services Department was nominated by National Minister of Finance to be one of the pilot sites for SCOA (Standard Chart of Account) project. The reforms as previously stated are in place as an introduction of the Supply Chain Module; the unit is involved with consultants in the implementation of new supply chain module for SCOA Classification implementation in 2015/2016 financial year.

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

The total number of vendors on database 4 144:

MONTHS	NUMBER OF VENDORS
January 2016	52
February 2016	70
March 2016	49
Total	171

The challenge is that the process of "vetting" of Vendors is not currently taking place. In terms of the SCM Policy Clause 14(1)(b) *at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, prospective providers of goods or services, construction works and consultant services must be invited to apply for evaluation and listing as accredited prospective providers.*

The only evaluation taking place is the checking for the completeness of the Vendors Application documents and some of the accompanying documents. With the implementation of new Supply Chain Management module as part of the SCOA project, it is hoped that most of the challenges in administering the database would be resolved. Especially, identifying Suppliers for various commodities and be able to send electronic request for quotations and assist with rotation of business.

- **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 AN (DMS 1112027).**

- **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 User Department to complete this task.

There was no departmental reporting to Council of deviations committed during Quarter 1. It has been observed that the User Departments are delaying the reporting of these deviations to Council. This will definitely result in an audit query.

Number of deviations for Quarter 3 = 31 **Annexure AO (DMS 1112027).**

DEPARTMENT	QUANTITY	AMOUNT
Corporate Services (CS)	11	1 710 015.55
Financial Services (FS)	00	-
Infrastructure and Technical Services (I&TS)	12	1 187 737.12
City Development	00	-
Community Services (CS)	08	2 183 628.50
Office of the Municipal Manager	00	-
Total	31	5 081 381.17

- Report on Objections and Complaints**

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

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

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

JANUARY TO MARCH 2016	
REPORT ON OBJECTIONS AND COMPLAINTS (In terms of SCMP, clause 50)	
Details of objections or complains	Letters received during the quarter
Against the procurement process	0
Against the decision or action	2

RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES (In terms of SCMP, Clause 50)	
Details of decision or action and queries	Cases during the quarter
taken in the implementation of the procurement process in terms of the supply chain management system; or	0
any matter arising from a contract awarded in the course of the supply chain management system;	0

MUNICIPAL BID APPEALS TRIBUNAL (In terms of SCMP, Clause 50A)	
Case referred by Bidder	0

PART 4 - ADDITIONAL REPORTING REQUESTED BY COUNCIL

18. BURSARIES - PERSONNEL

Below is a list of bursaries paid to employees and dependants of employees in terms of Council's various policies. The allocation of the bursaries is the responsibility of the Deputy Municipal Manager: Corporate Services. However, the Chief Financial Officer will be reporting on the quarterly payments as per Councillors' requests made previously.

BURSARIES	
01/01/2016 – 31/03/2016	
CHILDREN	AMOUNT
ZULU SG	15 000.00
ZULU BP	15 000.00
DLAMINI PA	14 370.00
DLAMINI ND	15 000.00
DUBE NNV	15 000.00
GUMEDE NY	8 000.00
ISMAIL MS	15 000.00
LUKELE MW	1 385.00
MADLALA N	2 938.85
MADONSELA MS	15 000.00
MAKHOBHA MC	1 267.95
MTAMBO ZAT	8 100.00
MTHETHWA PM	15 000.00
GWALA NN	15 000.00
MTSHALI SS	3 098.95
NCANANA NS	15 000.00
NTULI PV	15 000.00
MBONAMBI S	15 000.00
NYOKA SS	15 000.00
PHUNGULA EN	2 349.00
QULU SS	8 000.00
MTHEMBU CL	15 000.00
LEDOKWA RP	8 000.00
MSANE SB	2 959.00
THABETHE PC	3 110.00
PILLAY K	12 562.28
ZAKWE SS	15 000.00
ZULU MF	3 800.00
ZONDI S	8 000.00
ZULU SM	15 000.00
	312 941.03

19. BURSARIES - DEPENDANTS

01/01/2016 – 31/03/2016	
EMPLOYEES	AMOUNT
ASLETT J	7 039.00
DANDILE MH	10 000.00
DLAMINI TD	10 000.00
DUNN JM	10 000.00
GAZU GP	10 000.00
GUMEDE ZP	5 250.00
HADEBE LN	10 000.00
KHOZA NP	9 570.00
KHUMALO TZ	10 000.00
LAURENS J	10 000.00
MABIZELA SB	10 000.00
MADUNA NT	8 840.00
MAGWAZA LB	10 000.00
MAKOBA P	10 000.00
MANZINI M	10 000.00
MASUKU MF	10 000.00
MASUKU ET	4 080.00
MBATHA M	2 710.00
MBUYAZI KV	6 835.00
MHLONGO LI	8 563.00
MJEXANE F	1 305.00
MKHIZE SB	9 950.00
MKHWANAZI BG	10 000.00
MOAMOSI T	9 134.00
MPANZA TB	9 338.00
MPONTSHANE HM	10 000.00
MTETWA K	6 600.00
MTHEMBU GL	10 000.00
MTHETHWA NG	4 650.00
MTHETHWA X	10 000.00
MVUBU ZG	10 000.00
MYENI NR	4 080.00
MZIMELA B	8 820.00
NDLOVU S	3 770.00
NGCOBO NB	10 000.00
NGEMA BF	10 000.00
NTSHANGASE LK	10 000.00
NTULIPA	10 000.00
NXUMALO NR	10 000.00
NZABE BH	3 350.00
RADEBE MC	4 080.00
REED E	10 000.00
SHONGWE PT	5 470.00
SIBIYA FN	5 500.00
SINDANE C	2 820.00
TOBO TM	10 000.00
V/D MERWE I	6 830.00
WHITE MP	3 420.00
XULU GM	4 210.00
ZONDI BN	10 000.00
ZONDO Z	10 000.00
ZULU KF	10 000.00
TOTAL	416 214.00

BURSARIES SUMMARY - PERSONNEL AND DEPENDANTS

Description	Quarter 1
Personnel	416 214.00
Dependants	312 941.03
Total	729 155.03

20. PROFESSIONAL FEES

Below is a list of professional fees paid to consultants in terms of various tenders during the period 1 January to 31 March 2016:

CONSULTANT	AMOUNT
	R
DMV CONSULTANTS INC.	764 237.94
ZAI CONSULTANTS CC	3 477 994.05
MINATHI CONSULTING	1 126 808.88
PROJECON	2 232 189.55
NAIDU CONSULTING	957 372.00
BIGEN AFRICA	150 663.87
ILIFA AFRICA ENG	151 508.81
IGODA PROJECTS	1 092 175.89
ULUNGENI CONSULTING CC	628 330.53
AECOM	3 222 887.77
UWP CONSULTING (PTY) LTD	1 611 874.47
CASCADE CONSULTANTS	11 400.00
TOTAL	15 427 443.76

21. LEGAL FEES

As per the Financial Services Portfolio Committee (previously Finance, LED, IDP and Marketing Portfolio Committee) meeting held on 1 July 2008, it was agreed that a quarterly schedule of overtime per vote as well as the attorney fees paid by Council for land transfers, etc. be submitted to the Committee. The Department of Corporate Services normally provides details via the Corporate Portfolio Committee. The table below is a list of the legal fees paid for the period 1 January to 31 March 2016. The total payments column is accumulated expenditure for the month ended 31 March 2016.

ATTORNEY	DEBT COLLECTION		LITIGATION		DISCIPLINARY HEARING		ATTORNEYS TOTAL
	01/01/2016 - 31/03/2016	TOTAL	01/01/2016 - 31/03/2016	TOTAL	01/01/2016 - 31/03/2016	TOTAL	
Christine Wade & Co.	-	4 158.15	-	-	-	-	4 158.15
Chetty J	-	-	-	-	-	755.85	755.85
Kubheka BP	-	-	-	-	3 625.00	15 398.17	15 398.17
Hlophe N	-	-	-	-	3 175.00	14 422.17	14 422.17
Kloppers Inc	83 905.09	146 158.87	-	338 391.82	-	-	484 550.69
Duvenage Inc	27 794.03	75 393.65	-	-	-	-	75 393.65
Shepstone & Wyle AT	-	142 077.50	-	81 601.12	-	-	223 678.62
Schreiber Smith	-	21 103.79	35 886.01	89 955.07	-	-	111 058.86
Sibiya PB	-	-	-	-	2 130.00	8 520.00	8 520.00
Dr. SS Mathenjwa	-	-	-	-	-	5 900.00	5 900.00
Randles Attorneys	-	-	-	10 788.93	-	-	10 788.93
Shannon K	-	-	-	-	-	755.83	755.83
Shembe Attorneys	-	-	-	15 269.00	-	-	15 269.00
Truter James & De Ridder	-	-	64 813.32	70 651.38	-	-	70 651.38
ZM Zuma And Co.	-	-	-	79 006.00	-	-	79 006.00
Livingston Leandy Incorporated	-	-	-	2 670.00	-	-	2 670.00
Gcolotela and Peter Inc	-	-	236 814.07	236 814.07	-	-	236 814.07
MS Gwagwa & Associates	-	-	27 196.00	27 196.00	-	-	27 196.00
Njabulo Ngcobo Attorneys	-	-	91 055.13	91 055.13	-	-	91 055.13
NP Woodroffe	-	-	3 495.68	3 495.68	-	-	3 495.68
TOTAL	111 699.12	388 891.96	459 260.21	1 046 894.20	8 930.00	45 752.02	1 481 538.18

22. LOAN OF COUNCIL EQUIPMENT OR MATERIAL

In accordance with delegated powers the following Council equipment or material was loaned to outside institutions but on a cost recovery basis:

Nil

23. COURSES, SEMINARS AND WORKSHOPS

In accordance with delegated powers the following courses, conferences, seminars and workshops were approved by the Municipal Manager on behalf of Council:

COURSES	DEPARTMENT
PIPP project mangement course	I&TS
IMFO Conference	FS
SEMINARS	DEPARTMENT
Weeked dialogue session	CS
Homeowner's seminar	CD
South African Society for Microbiology	I&TS
Homeowner's seminar	CS
IRP5 seminar -PAYE	FS
Kwazulu Natal Provincial records management seminar	CS
WORKSHOPS	DEPARTMENT
Blue and Green drop training	I&TS
South African Council for the Property valuers profession workshop	CD
Municipal Asset Management workshop	FS
KZN executive liaison workshop	MM
Councillor remuneration and support workshop	FS
Best practices in public relations and corporate	MM
Technical awareness workshop	I&TS
WSP/ATR workshop	CS
KZN cogta dtac workshop	MM
Stormwater infrastructure planning ,design maintenance	I&TS
Feed back session: training on water and waste water treatment	I&TS
EPWP learning programme workshop	I&TS
National Treasury ISDG workshop	I&TS
Salga KZN municipal finance & Governance conference	CS
Disaster management peer learning workshop	COMS
Accredited councillor training	CS

24. LOSSES TO COUNCIL'S PROPERTY

The table below represents losses to Council property for the period 1 January to 31 March 2016:

DESCRIPTION	AREA	DEPT/DIVISION	V NUMBER	DAMAGE	EXCESS	COST TO COUNCIL	SHE NO
				R	R	R	
Vehicle Collision	Ngwelezane Road	Comms - Traffic	V0254 - NRB 72211	129 209.93	11 772.60	11 772.60	18032
Public Liability	7 Higgs - Empangeni	Comms	V0409 - NRB 55441	46 000.00	4 999.99	4 999.99	17787
Vehicle Damage	W/shop - Alton	I&TS - Carpenters	V1085 - NRB 40068	1 816.31	5 000.00	1 525.61	18308
Vehicle Accident	Kwadlangezwa Crossing	Comms - Fire	V0279 - NRB 65982	26 557.25	5 000.00	5 000.00	18
Vehicle Collision	Alumina Ally/Chloorkring	I&TS - Ops & Maint	V1045 - NRB 29526	18 339.01	5 000.00	5 000.00	28
Vehicle Collision	Knutzen Street - Empangeni	Comms Waste	V0473 - NRB 5540	6 630.35	7 500.00	6 630.35	44
Vehicle Damage	Macekane Reserve	Comms - Traffic	V0322 - NRB 41756	7 310.49	5 000.00	4 999.99	57
Vehicle Collision	Near Umhlathuze Bridge	I&TS - Water & Sanit	V0317 - NRB 77754	18 520.14	5 000.00	4 999.99	83
Glass Chip	John Ross close to Oilco	Comms - Halls & Tusong	V0276 - NRB 61522	250.00	500.00	250.00	
Glass Replacement	Mkhobose - Esikhaleni	I&TS - Roads & Storm	V1592 - NRB 83391	1 739.62	3 500.00	1 739.62	195
Public Liability	8 Mill Village - Empangeni	Comms - Refuse	V0442 - NRB 27057	2 200.00	5 000.00	2 200.00	226
Public Liability	Johnross/Main Road - Emp	I&TS - Roads		580.00	5 000.00	580.00	
Public Liability	7 Platina Drive - Empangeni	I&TS - Electrical		1 553.25	5 000.00	1 553.25	
TOTAL				260 706.35	68 272.59	51 251.40	

25. ASSETS WRITTEN OFF

In accordance with delegated powers the following assets were written off during the 2015/2016 financial year for the period 1 January to 31 March 2016.

Nil

26. BAD DEBTS WRITTEN OFF

In accordance with delegated powers the following bad debts were written off during the 2015/2016 financial year for the period 1 January to 31 March 2016.

Nil

27. PROCEEDS FROM LAND SALES

As required in terms of the Chief Financial Officer's Performance Plan (**DMS 1103490**) the following progress on land sales that have been prepared by City Development and approved by Council for sale, the process followed by Financial Services be noted.

The following table represents actual land sale revenue received to date:

Date received	Amount	Erf Number	Details
	R		
01-Dec-15	1,700,000.00	Erf 229/ ptn 1, Kuleka, Empangeni	Sold to MD Dlamini
01-Nov-15	72,000.00	Erf adjacent to Erf 8072, Richards Bay	Sold to BN & GB Mamba
18-Sep-15	12,000,000.00	Erf 11645 Richards bay	Sold to University of Zululand
		Erf 11646 Richards bay	
		Erf 11649 Richards bay	
		Erf 11650 Richards bay	
15-Jul-15	2,550,000.00	Erf 11627 Veld n Vlei	Sold to Ramgulan Investment CC
15-Jul-15	2,350,000.00	Erf 11628 Veld n Vlei	Sold to Ramgulan Investment CC
10-Jul-15	4,279.00	Erf 111 Ngwelezane A	Sold to Ngwelezane Baptist Church
10-Jul-15	5,386.40	Erf 112 Ngwelezane A	Sold to Ngwelezane Baptist Church
17-Jun-15	93,000.00	Erf 1661H eSikhaleni	Sold to MG & FS Ntuli
12-Jan-16	5,700,000.00	Erf 397/1 & Portion of the Rem of Erf 5333	Sold to Royal Square Investments
14/01/2016	14,327,719.30	IDZ Phase 1A	Sold to IDZ
TOTAL	38,802,384.70		

NB: The above transactions were concluded prior to the moratorium being placed on land sales.

ENVIRONMENTAL IMPLICATIONS

None

FINANCIAL IMPLICATIONS

This has been covered in detail 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.

DISCUSSION HELD BY THE FINANCIAL SERVICES PORTFOLIO COMMITTEE ON 28 APRIL 2016

A lengthy discussion took place regarding this report. Most concerns expressed revolved around low CAPEX spending, continued over expenditure and excessive overtime, the deviations that are reflected in the Financial report but not reported as such to Council in individual reports by departments, mSCOA issues that prevent timeous payments to contractors etc.

Councillor debt as reflected in the report did not correspond to the information contained in the financial statements. This is to be corrected before the report is submitted to Council for approval. Cognisance was however taken of the reduction in councillor debt which, although not excessive, is a step in the right direction.

Concern was also raised regarding slow spending of MIG and other government grants but compliments were extended for the steps taken to recover government debts. Following a question by a councillor, clarity was given regarding the positioning of certain line items such as the Airport under Corporate Services and Fleet under Infrastructure and Technical Services as well as the forklift under Financial Services.

Concern was also raised regarding the continued delays being experienced in completion of the eSikhaleni Fire Station, lack of information regarding the Richards Bay Fire Station as well as confirmation regarding the actual sites where floodlights have been installed.

Revenue collection with specific emphasis on traffic fines collection rates was highlighted and confirmation was given by the relevant department that efforts in this regard are being intensified.

The Chairman enquired as to the progress regarding the study relating to council land and the possible lifting of the moratorium on land sales. This report must be submitted to the City Development and Financial Services Portfolio Committees as a matter of urgency.

Councillor Bosman highlighted an apparent anomaly in the bulk water purchases and costs and enquired as to why Council has still not implemented the drought tariff in view of the current water crisis.
negligent

Officials responded to the queries raised by Councillors confirming inter alia that:

- punitive measures are in place for excessive water use but that a Council resolution is required to implement the tariff – a report is in progress;
- the deficit on water and electricity purchases has been taken into account and is a result of numerous factors which include many business closing down, industry cutting back on water and electricity usage etc.;
- officials found to be negligent in respect of motor vehicle accidents are required to defray costs; and
- a table to be included in future reports to indicate the cost of debt handed over versus the actual amount recovered versus fees paid to attorneys.

It should be noted that an additional column was included in the Component 3 tables to reflect the relevant key performance indicator (KPI) for each of the performance targets to address/resolve the issue raised by the Auditor General (AG). The AG is of the opinion that KPI's for each of the non-financial performance targets should be reflected although the template was implemented since 2006, strictly adhering to the format developed and distributed by National Treasury. "Recommendation 5 has therefore been added to address this requirement.

RECOMMENDED THAT:

1. the financial position of the uMhlathuze Municipality as at 31 March 2016, 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 1088476)** including the quarterly requirements in terms of Section 52(d) be noted;
2. the overtime hours worked above the maximum allowed hours of 15 per week under point 4.2 of the report be condoned;
3. the comments on the Municipal Standard Chart of Accounts (mSCOA) project status included under point 3.1 of the report be noted;
4. the progress on Land Sales as contained in the report be noted; and
5. the inclusion of an additional column in Component 3 of the Service Delivery Budget Implementation Plan **Annexure AB - AH (DMS 1112027)** reflecting the relevant Key Performance Indicator for each performance target and amended performance targets as result of the mid-year review be noted and approved.