



MBIZANA LOCAL MUNICIPALITY

MONTHLY REPORT

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF OCTOBER 2020**

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PART 1 – IN-YEAR REPORT

1. Executive Summary

Section 71 of the Municipal Finance Management Act No 56 of 2003 requires that the Accounting officer of a municipality must, within 10 working days after the end of each month submit to the Mayor of the municipality and relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

This is the forth report of the 2020/21 financial year which should give an indication of how the municipality has performed on its first three months of operation in the indicated year. This is normally the period where a number of programs begin to take shape and expenditure begins to pick up from the performance of the first months of the financial year that coincided with the year-end and preparation of the annual financial statements. It is expected though that things may not be as anticipated this year considering that the country is operating under lockdown regulations that make it impossible to operate. This will be the baseline for the second quarter of the financial year and hopefully the contents of each report will help council and its structures to understand fully the status of the municipality's financial performance and decisions that need to be taken to ensure sustainability of the institution.

1.1 The Political Oversight

The Budget and Treasury Office standing committee is composed of the honourable councillors indicated below with their respective allocated desks within the department as follows:-

- | | |
|----------------------------|-------------------------|
| • Cllr L. Makholosa | Chairperson |
| • Cllr M. Qumba | Supply Chain Management |
| • Cllr. N Madikizela | Budgeting & Reporting |
| • Cllr. N. Giyama-Bongwana | Budgeting & Reporting |
| • Cllr N. Sipatala | Supply Chain Management |
| • Cllr M. Dlamini | Asset Management |
| • Cllr N. Sikiti | |

2. Administration

The municipality has been implementing mSCOA with its annual updates like all municipalities in the country as a business reform since its introduction from 1 July 2017. This was introduced

to address among other things ensuring standardisation of treatment of transactions and reporting across all municipalities, to encourage proper planning and put controls in terms of revenue and expenditure management. Introduction of new and improved versions of the mSCOA chart has proven to present problems that sometimes make it impossible to operate normally requiring some extra effort to be put into the operations of the municipality to fulfil its service delivery mandate.

3. Staff movement

For the past year we have been reporting vacancies within all Budget and Treasury sections. The vacancies varied from Asset Management officer, Stores Officer, Accountant: Reporting, General Expenditure Clerk.

It is a bit of good news reporting that both the Asset Management Officer and the Stores Officer have been finalised and now filled. The Asset Management officer commenced duties during the month with the Stores officer commencing at the start of the next month (November 2020).

We also report that both the Accountant: Reporting and the General Expenditure clerk positions have been advertised and their adverts have closed. We now await confirmation of the selection processes which we also believe will be concluded before the end of November 2020.

During the 2020/21 budget processes, the council approved creation and funding of the Assets and Stores Manager position which was then added to the approved organisational structure of the institution. Job descriptions and requests to start recruitment processes have been submitted to the office of the Municipal Manager for approval.

Below is a summary of the remaining vacant positions within the department:

- Manager: Assets and Stores Management – awaiting approval to commence recruitment processes
- General Expenditure Clerk – selection processes
- Accountant: Reporting – selection processes

4. Implementation of mSCOA

As mentioned in the executive summary of the report, the municipality is implementing mSCOA as required. Following are some of the challenges that the implementation has posed to the municipality over the years:

a) Challenges Identified

i. Version Changes

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, version 6.4 was released and introduced with MFMA Circular 98.

Since the introduction of mSCOA, National Treasury has introduced a number of chart versions with the latest version referred to above which has been used for both the draft and final budgets for 2021 and corrections made to the draft budget as per the budget engagements that were held with Provincial Treasury during the month of April 2020. The current implementation of the budget is in line with the said version as required.

The version has introduced a number of changes which have posed new challenges to the way the municipality does business and records transactions. We, however continue to examine the new chart to understand the full extent of the changes and their anticipated impact thereof.

History has taught us that there does not seem to be any plan on the side of the system vendors and Treasury themselves to ensure that the information gets transferred in a uniform manner as we find that some municipalities do not face the same challenges as others while others only realise when issues are being raised that they have similar challenges.

ii. IDP Budgeting

mSCOA requires that the IDP non-financial information be linked to the budget not only at the IDP and SDBIP level but also at the financial system level. As a way to force this mSCOA has since required that all expenditures be linked to a strategic objective, project and specific ward in the municipal area including expenditure on personnel expenses.

iii. Production of in-year reports

All approved system vendors were required to have a functionality to produce all statutory reports to avoid municipalities having to prepare these manually. Munsoft was approved as one of the service providers on the strength that they indicated they use Caseware to produce these reports which the municipality also has access to. The utilisation of these two systems does however require some work and setting up to ensure they fully integrate, which was successfully addressed. Parts of this report have been prepared using the system even though there are parts that require manual population which is how the reporting templates are setup.

iv. Budget and reporting module functionality

The budget module of the system that the municipality uses has been discovered to only work well with income and expenditure other modules like balance sheet and cashflow budgeting still continue to produce unreasonably incorrect reports which we have not been able to submit without first doing manual recalculations using the information that we have. This challenge seems however, to have been addressed from the adjustment budget processes and we continue to analyse the reasonability of the principles these modules are using to check consistency with the financial management standards.

Even though attempts are being made to ensure that all system vendors get their systems working as required when it comes to the balance sheet and cashflow budget, there is however consensus that the principles and information required to produce these are currently subject to discussions and revisions are required.

There are a number of trainings setup by both Treasury and system vendors on the balance sheet and cashflow budgeting which we have attended as the municipality to ensure full compliance during the adjustments budget and all other subsequent budgets.

5. Implementation of the Municipal Cost containment regulations

During the month of June 2019, the minister of finance approved Municipal Containment regulations effective from 1 July 2019. The regulations required municipalities to develop, adopt and implement policies as part of its budget related policies to support cost containment measures. These regulations were unfortunately approved after the municipal budget processes had been concluded which made it difficult for municipalities to develop these policies at such a

short space of time. The council of Mbizana local municipality developed and adopted a policy on cost containment that is now being implemented.

The municipality has since implemented the following measures in line with cost containment:

- No catering for all meetings taking less than 5 hours
- No catering for all meetings held by only staff members regardless of the duration of the meeting
- All accommodation arrangements set within the limits as communicated
- All sporting activities have been discontinued.

The implementation of these regulations has seen a reduction in the amounts spent on traveling and accommodation and catering expenses which we believe will assist the municipality to redirect these funds to other service delivery initiatives in the years to come including the current year.

a. Supply and Delivery of Municipal Vehicles

As part of the cost containment regulations municipalities were directed to utilise the transversal contracts arranged and negotiated by National Treasury to procure municipal vehicles. According to the regulations, municipalities are only allowed to procure vehicles using any other means only if they can demonstrate that they will get the vehicles cheaper when using their own procurement processes. The municipality applied for approval to participate in the transversal contract (RT-57 2019) for procurement of municipal vehicles with National Treasury which was granted.

The municipality gathered information on how the procurement must then take place through the Special Conditions of Contract. This meant that all advertisements for this procurement will now be cancelled and completely discontinued. The procurement process through the transversal contract requires the following:

- The municipality to identify the need
- Development specification
- Check the specification against published suppliers and specification by Treasury

- Identify the supplier that is rated higher by treasury on the list of suppliers
- Send the order to the highest ranked supplier first
- Allow three working days for the supplier to respond
- Move only to the second ranked supplier with the permission of the highest ranked supplier

The department received a request from the Corporate Services Department to procure three 4X4 double cabs. The same process as outlined above has been followed and a suitable service provider has been identified and an order issued. Delivery is expected within a month or two from the date of the order.

6. Strategic Objectives

The Budget Treasury Office was part of the development of strategies for the municipality for the next five years from which short-term operational plans and targets relating to at least a period of one financial year. This is done in the form of the Service Delivery and Budget Implementation Plan (SDBIP) which was approved by the mayor within 30 days after the adoption of the annual budget by the municipal council. The table below gives the details of the SDBIP with the targets that the department will be working to achieve on a quarterly basis. The table shows the department's performance per quarter to ensure they are monitored and achieved at the end of the financial year:

KPA No 4: Budget & Treasury																	
Outcome 9 Objective																	
Sub-Result Area	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output-KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Measurable Performance				Responsible Manager	
											Internal	External	Q1	Q2	Q3	Q4	
Revenue Management	Revenue collection trends are decreasing posing a threat to the municipality's going concern	To achieve 100% billing for all services that are to be billed by June 2021	Metering of all electricity consumption	Electricity meters are read, recorded, and captured manually	Automated Meter Reading System	Increased revenue collection	4.1.1		Automated meter reading system	Publication, Appointment letter, Progress Report and Completion Certificate.	R 500 000	yes	Terms of Reference, Publication	Appointment letter	Work in Progress	Confirmation of functioning system by means of proof of work done	
			Monthly billing of all consumers for all services	90% billing on proper rates, 60% on electricity	Maintain an accurate complete consumer master database	Reduced Customer queries - 100% of consumers	4.1.2	0.5	Billing of 236 consumers for Proper rates,	12 Monthly Billing Reports	N/A	N/A	Bill 2136 consumer accounts for Proper rates, refuse	Bill 2136 consumer accounts for Proper rates, refuse	Bill 2136 consumer accounts for Proper rates, refuse	Bill 2136 consumer accounts for Proper rates, refuse	Manager: Revenue and Expenditure

KPA N0 4: Budget & Treasury

Outcome 7 Objective																				
Sub-Result	Issue	Strategic Objective	Strategies	Baseline	Project to be	Output -	KPI	KPI	Annual	Means of Verification	Budget	Budget Source	Measurable Performance			Ward	Responsible	Responsible		
				and 50% on refuse	se for refuse, electricity and refuse property rates	billed as per consumer master database		4.1.3	Installation of 2 cash register and 1 cash counter machine	Specification, Publication, Appointment letter and Delivery note of items procured	R 10 000.00	Yes	N/A	Development of Specific operation and public notice	Appointment of the Service Provider	Delivery of items procured	N/A	Ward 11	Revenue and Expenditure	Manager: Revenue and Expenditure
					Consumer Awareness - Catering and promotional items		4.1.4		Implementation of consumer awareness program	Signed Publication Notice, Proof of Publication and Attendance register	R 20 000.00	Yes	N/A	Draft Public Notice	Hosting of awareness program	Hosting of awareness program	N/A	Ward 11	Revenue and Expenditure	Manager: Revenue and Expenditure
			Development and implementation of the Revenue review ed in 2019/20	Development and implementation of the Revenue review ed in 2019/20	Development and implementation of the Revenue review ed in 2019/20		4.1.5	0.52	Development and implementation of the Revenue review ed in 2019/20	Revenue Enhancement Implementation plan	R -	Yes	N/A	Development of Revenue Enhancement Implementation Plan	Presentation of Revenue Enhancement Implementation Plan to council	N/A	N/A	Ward 11	Revenue and Expenditure	Manager: Revenue and Expenditure

KPA N0 4: Budget & Treasury																	
Outcome 9 Objective																	
Sub-Result	Issue	Strategic Objective	Objectives	Strategies	Baseline	Project to be	Output	KPI	KPI	Annual	Means of Verification	Budget	Measurable Performance	Working Day	Responsible	Reporting	Responsible
										by June 2021			Commitment for approval				
Financial Reporting		To compile Annual Financial Statement that comply with all requirements as at 30 June 2021	Develop sound, strict and effective procedures for the compilation of AFS	Audit Annual Financial Statements for 2018/19 with compliance findings	Development of processes and procedures for compilation of compliant annual financial statements	Credible and fully compliant Annual Financial Statements submitted by 31 August 2020	4.5.1	1.5	Credible and fully compliant Annual Financial Statements submitted by June 2021	AFS and proof of submission to AG, Proof of payment, Interim Financial statements	R 20 000 000	N/A	Renew Casevare Licenses	Compliance Interim Financial Statements	N/A	Working Day	Manager: Budgeting and Reporting
		To achieve a clean audit	Manage audit and ensure audit readiness	Audit Annual Financial Statements for 2017/18 with compliance findings	Management of external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	4.5.2	1.5	Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June	Proof of submission to AG, COAF register, Audit Plan, updated Action Plan	R 504 380 390	N/A	Respond to AG's queries and provide CoAf register	Development of Audit Action plan	Implementation and monitoring of Action Plan	Working Day	Manager: Budgeting and Reporting

Sub-Result	Issue	Strategic	Objectives	Strategies	Baseline	Project to be	Output	KPI	KPI	Annual	Means of Verification	Budget	Budget Source	Measurable Performance				Weight	Responsibility	Responsible
					Reconciliation of monthly reconciliation	Performance of monthly reconciliation	Significant monthly reconciliation	4.5.3	1.5	7 Reviewed reconciliations	7 Reviewed reconciliations	N/A	N/A	21 Reconciliation of all accounts	21 Reconciliation of all accounts	21 Reconciliation of all accounts	21 Reconciliation of all accounts	Weighted	Revenue, Expenditure and Reporting	Manager: Budgeting and Reporting, Revenue and Expenditure
Budgeting	The municipality needs to comply with all statutory budgeting and reporting requirements	Adherence to Municipal Budget and Reporting Requirements	4.6	Preparation and submission of all in-year status reports	Appointment of new accountants to meet minimum competency requirements by June 2021	Training of at least 1 financial management intern and 1 financial staff to meet minimum competency requirements by June 2021	Training of at least 1 financial management intern and 1 financial staff to meet minimum competency requirements by June 2021	4.6.1	0.52	Proof of registration and Attendance register	Proof of registration and Attendance register	R8000.00	N/A	Yes	Registration of at least 1 intern and 1 financial officer	Attendance of the training	Attendance of the training	Weighted	Reporting	Manager: Budgeting and Reporting

7. In-year budget statement tables

a) Budget Statement Summary

EC443 Mbizana - Table C1 Monthly Budget Statement Summary - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	25 189	25 189	991	17 954	8 396	9 558	114%	25 189
Service charges	-	37 015	37 015	3 566	13 063	12 338	724	6%	37 015
Investment revenue	-	10 364	10 364	544	2 243	3 455	(1 212)	-35%	10 364
Transfers and subsidies	-	282 528	337 213	900	127 897	112 404	15 493	14%	337 213
Other own revenue	-	13 646	13 646	1 137	4 075	4 549	(474)	-10%	13 646
Total Revenue (excluding capital transfers and contributions)	-	368 742	423 427	7 137	165 232	141 142	24 090	17%	423 427
Employee costs	-	119 133	119 133	8 667	35 529	39 711	(4 182)	-11%	119 133
Remuneration of Councillors	-	25 036	25 036	1 981	7 950	8 345	(396)	-5%	25 036
Depreciation & asset impairment	-	52 581	52 681	3 356	13 383	17 560	(4 177)	-24%	52 681
Finance charges	-	150	150	-	1	50	(49)	-98%	150
Materials and bulk purchases	-	39 573	39 773	2 681	11 087	13 258	(2 171)	-16%	39 773
Transfers and subsidies	-	1 835	5 015	-	-	1 672	(1 672)	-100%	5 015
Other expenditure	-	184 883	160 633	4 819	18 900	53 544	(34 645)	-65%	160 633
Total Expenditure	-	423 190	402 420	21 504	86 850	134 140	(47 290)	-35%	402 420
Surplus/(Deficit)	-	(54 449)	21 006	(14 367)	78 382	7 002	71 380	1019%	21 006
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	77 335	74 251	3 500	14 218	24 750	###	-43%	74 251
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	22 886	95 257	(10 867)	92 601	31 752	60 848	192%	95 257
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	22 886	95 257	(10 867)	92 601	31 752	60 848	192%	95 257
Capital expenditure & funds sources									
Capital expenditure	-	75 808	122 183	2 942	15 453	40 728	(25 274)	-62%	122 183
Capital transfers recognised	-	45 647	69 161	2 927	12 062	23 054	(10 992)	-48%	69 161
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	30 162	53 022	15	3 391	17 674	(14 283)	-81%	53 022
Total sources of capital funds	-	75 808	122 183	2 942	15 453	40 728	(25 274)	-62%	122 183
Financial position									
Total current assets	-	288 379	311 520		395 678				311 520
Total non current assets	-	708 556	754 830		683 343				754 830
Total current liabilities	-	36 636	33 681		84 403				33 681
Total non current liabilities	-	3 920	3 920		5 495				3 920
Community wealth/Equity	-	956 378	1 028 749		989 123				1 028 749
Cash flows									
Net cash from (used) operating	-	65 440	124 413	13 463	88 719	41 471	(47 248)	-114%	124 413
Net cash from (used) investing	-	(70 114)	(110 973)	(3 265)	(19 595)	(36 991)	(17 396)	47%	(110 973)
Net cash from (used) financing	-	(460)	(460)	-	-	(153)	(153)	100%	(460)
Cash/cash equivalents at the month/year end		210 006	228 110		266 161	210 467	(36 606)	-16%	100 017
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 269	3 367	3 110	10 753	2 424	57 903	-	-	82 826
Creditors Age Analysis									
Total Creditors	861	299	-	-	-	-	-	-	1 159

The table above shows a summary of the municipality's financial performance for the period ended 31 October 2020. The first part of the table shows financial performance which gives information about whether the municipality made a loss or a surplus during the month followed by a summary of the municipality's performance on its capital budget. This is then followed by the municipality's financial position, a summary of the cashflow recalculation and then debtors and creditors age analysis.

b) Financial Performance by functional classification

EC443 Mbizana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	321 684	375 967	2 221	148 184	125 322	22 861	18%	375 967
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	321 684	375 967	2 221	148 184	125 322	22 861	18%	375 967
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	4 942	4 942	482	1 429	1 647	(219)	-13%	4 942
Community and social services		-	181	181	4	10	60	(51)	-84%	181
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	4 761	4 761	478	1 419	1 587	(168)	-11%	4 761
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	48 612	48 612	4 306	12 368	16 204	(3 836)	-24%	48 612
Planning and development		-	563	563	1	54	188	(134)	-71%	563
Road transport		-	48 049	48 049	4 305	12 314	16 016	(3 702)	-23%	48 049
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	70 839	68 157	3 628	17 470	22 719	(5 249)	-23%	68 157
Energy sources		-	63 969	60 885	2 401	13 489	20 295	(6 806)	-34%	60 885
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6 870	7 272	1 226	3 981	2 424	1 557	64%	7 272
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	446 077	497 678	10 637	179 451	165 893	13 558	8%	497 678
Expenditure - Functional										
<i>Governance and administration</i>		-	184 624	185 284	9 567	39 977	61 761	(21 784)	-35%	185 284
Executive and council		-	63 018	63 018	4 218	15 047	21 006	(5 959)	-28%	63 018
Finance and administration		-	116 150	116 810	5 160	24 185	38 937	(14 752)	-38%	116 810
Internal audit		-	5 457	5 457	189	746	1 819	(1 073)	-59%	5 457
<i>Community and public safety</i>		-	30 879	31 109	1 944	6 788	10 370	(3 581)	-35%	31 109
Community and social services		-	12 117	12 347	667	2 130	4 116	(1 985)	-48%	12 347
Sport and recreation		-	2 769	2 769	201	887	923	(36)	-4%	2 769
Public safety		-	15 014	15 014	1 019	3 543	5 005	(1 462)	-29%	15 014
Housing		-	980	980	57	228	327	(99)	-30%	980
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	100 216	104 752	5 090	20 288	34 917	(14 629)	-42%	104 752
Planning and development		-	28 221	31 401	1 585	6 006	10 467	(4 461)	-43%	31 401
Road transport		-	69 641	71 027	3 373	13 701	23 676	(9 974)	-42%	71 027
Environmental protection		-	2 353	2 323	132	580	774	(194)	-25%	2 323
<i>Trading services</i>		-	103 891	77 695	4 759	19 175	25 898	(6 723)	-26%	77 695
Energy sources		-	77 927	51 329	3 104	12 860	17 110	(4 250)	-25%	51 329
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	25 964	26 366	1 656	6 316	8 789	(2 473)	-28%	26 366
<i>Other</i>		-	3 580	3 580	144	621	1 193	(573)	-48%	3 580
Total Expenditure - Functional	3	-	423 190	402 420	21 504	86 850	134 140	(47 290)	-35%	402 420
Surplus/ (Deficit) for the year		-	22 886	95 257	(10 867)	92 601	31 752	60 848	192%	95 257

The table above shows the municipality's financial performance for the period ended 31 October 2020 in functional classification which was created by National treasury to assist in reporting financial information per functional area. This information is consolidated at National treasury level to produce the provincial and national financial reports.

c) Revenue by Source

EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		–	25 189	25 189	991	17 954	8 396	9 558	114%	25 189
Service charges - electricity revenue		–	32 578	32 578	3 191	11 548	10 859	689	6%	32 578
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		–	4 437	4 437	375	1 514	1 479	35	2%	4 437
Rental of facilities and equipment		–	2 851	2 851	230	908	950	(42)	-4%	2 851
Interest earned - external investments		–	10 364	10 364	544	2 243	3 455	(1 212)	-35%	10 364
Interest earned - outstanding debtors		–	4 404	4 404	396	1 621	1 468	153	10%	4 404
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		–	948	948	39	105	316	(211)	-67%	948
Licences and permits		–	2 756	2 756	276	793	919	(126)	-14%	2 756
Agency services		–	1 218	1 218	178	549	406	143	35%	1 218
Transfers and subsidies		–	282 528	337 213	900	127 897	112 404	15 493	14%	337 213
Other revenue		–	1 470	1 470	18	99	490	(391)	-80%	1 470
Gains		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		–	368 742	423 427	7 137	165 232	141 142	24 090	17%	423 427

The above table shows the municipality's revenue per revenue source. This is in line with the services that municipalities are providing. An analysis of each revenue source follows below:

- PROPERTY RATES:** The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R14.9 million in the 1st month and a decrease for the following months to R991 thousand up to the end 30 June 2021. The current revenue recognised on this stream may seem to be way above the monthly target, but it is important to note that this is only due to properties levied only at the beginning of the financial year for the whole year.
- ELECTRICITY REVENUE:** The municipality distributes electricity in the town area as per its distribution licence. This is one of the major sources of revenue for the municipality

as households now depend on electricity for their day to day living. This is a trading service where the municipality gives electricity equivalent to the amount provided by the consumer. Municipalities are therefore expected to at least recover the cost of providing the service. The approval of tariffs by NERSA is set up such that the municipality can make some form of surpluses from sale of electricity so that it may be able to maintain the infrastructure used to render the service and defray all other operating expenses related to the service provision. The municipality has generated over R3.1 million for the month and a year to date actual of R11.5 million. This is above the projection by 6%, and improvement from 3% which was for the first time in the past two financial years and an improvement from an underperformance of about 17% (over R900 thousand) in August which may have added up to R5.3 million by the end of the year if attempts to remedy the situation did not yield and results. Even though new bulk meters have been installed for identified large power users that we expect will begin to show results once the billing is made from them. There are however some disturbing observations that have been made by the professional service provider contacted by the municipality to install the meters and assess performance of some meters. Two of the large power users in town that are owned by the same person seem to have a way to lower the way in which our meters read consumption leading to less billing and more consumption from their side. The municipality has made some research and learnt that a solution might be installing a automated meter reading system that is able to identify when a meter changes its reading in real time.

- **Solid Waste Removal:** Collection and disposal of solid waste is one of the services that the municipality provides to the town area and a few sites outside of town including the Wild Coast Sun Casino. The municipality has implemented a new billing approach which ensures that all customers who individually generate waste are billed individually. The exercise was conducted by the refuse section and the billing database has significantly increased and showed us that there are customers we have been providing the service to at no cost at all. This has resulted in the revenue billed for the month to be over R375 thousand which is more than the projection by 2% which will be monitored against performance of other periods to follow as this is still in line with last month's reported performance. There is however an expectation that revenue collection will decline this year

due the economic effects of Covid-19 on both the consumers and businesses as we have seen a number of businesses closing down and some downscaling.

- **Interest on Investments:** The municipality invests surplus cash and unspent grants to generate interest that would be utilised to fund other municipal programmes, this interest includes interest on the municipality's positive balance in the municipality's main account. The table above shows that the municipality generated over R2.2 million worth of interest on investments with a year to date actual that is below the projection by 35%. This may be due to interest rates cuts that have been implemented by the South African Reserve Bank since the outbreak of Covid-19. This may also be attributable to the decrease in revenue collection since the outbreak of COVID-19 which has meant the municipality continues to spend without making any significant money coming in.
- **Interest on outstanding debtors:** The municipality charges interest on debtors owing for more than 30 days at a rate of prime plus 1% as per the municipality's credit control and debt collection policy. This has yielded interest of R396 thousand for the period ended 31 October 2020 which is more than the amount projected for the period by 10%. This still requires intense debt collection initiatives. A higher interest generation means the municipality's debtors are more than what they were projected to be.
- **Fines:** The municipality has a traffic department which enforces traffic laws and the municipality's by-laws. Anyone found to have contravened these laws is charged a fine accordingly. These fines also include fines for electricity tempering. The municipality only generated about R39 thousand revenue on these fines during the month of October 2020 from nothing during the first two months of the financial year. This resulted in less than a quarter of the projected amount for the period ended. It is worth noting though that this does not represent cash collected and measures should be put in place to ensure people pay their fines. Experience has taught us that people generally do not settle traffic fines and, in most cases when they do they do so at lower values than the initial revenue recognised. This is one of the areas where we were forced to adjust down to ensure that we end up with realistic revenues.
- **Rental of facilities:** The municipality has properties that it rents out to other businesses and individuals from which it generates revenue. These include properties like the Boxer

complex, Spar, Browns, Bargain and others. The revenue generated here also includes rental for billboards and advertising around the town area. The municipality has generated about R230 thousand for the month which has left the actual performance to a level below the projection by 4% which is expected to improve as other revised contracts are concluded. The municipality is in the process of renegotiating the Browns and Spar lease agreements as they have reached the end of their terms. This renegotiation is expected to increase the amounts to be generated by the municipality from these rentals based on the independent valuations performed on the leased properties.

- **Licenses and permits:** The municipality has a fully functional testing station which has been in operation for the past three years. This has been one of the municipality's promising revenue stream since the completion of the testing station. The municipality only generated R276 thousand worth of revenue for the period due to the National lockdown that directed that all licensing services be suspended until further guidance from National Government is provided. As this report is being prepared the licensing services has since commenced which is expected to lead to an improvement from a number of financial challenges for the municipality that might have been experienced during the lockdown period. The municipality has collected below the projected collection by 14% which is an improvement from 25% recorded in the previous month and the situation is expected to improve as the testing center begins operating fully and the lockdown restrictions are further eased.
- **Transfers and subsidies:** The municipality receives grants, both conditional and those without conditions. The report shows a year to date performance of R127.8 million as this is the fourth month of the financial year. This happens when the municipality has spent the grants according to the requirements of the funders or DORA. The biggest chunk of these transfers is the equitable share that was received during the month of July 2020.

d) Debt Collection

The table below shows a 254% overall collection rate for the month ended 31 October 2020. However, we note a 474% collection rate on leasehold fees, 67% on electricity and 79% on refuse removal for the period. This kind of performance has resulted in an increase from just over 23% at the end of the last quarter to 62%.

MBIZANA L M : MONTHLY BILLING & RECEIPTS (including VAT)

YEAR ENDING: 30 June 2021

INCOME TYPE	JULY	AUG	SEP	1st QUARTER	OCT	2nd QUARTER	TOTALS
RATES							
billed	14 981 719	990 906	990 906	16 963 532	990 906	990 906	17 954 438.21
payment received	266 309	421 832	284 292	972 433	9 528 781	9 528 781	10 501 213.81
% of billing received	2%	43%	29%	6%	962%	962%	58%
ELECTRICITY							
billed	2 261 089	2 240 354	2 288 848	6 790 291	3 225 859	3 225 859	10 016 149.37
payment received	870 983	1 389 588	1 235 004	3 495 575	2 151 617	2 151 617	5 647 192.79
% of billing received	39%	62%	54%	51%	67%	67%	56%
LEASEHOLD FEES							
billed	224 507	224 507	224 507	673 520	225 908	225 908	899 427.70
payment received	194 594	195 379	194 594	584 567	1 069 773	1 069 773	1 654 340.08
% of billing received	87%	87%	87%	87%	474%	474%	184%
VAT							
billed	430 975	427 865	434 998	1 293 838	573 358	573 358	1 867 195.89
payment received	175 616	272 306	251 794	699 716	530 101	530 101	1 229 817.11
% of billing received	41%	64%	58%	54%	92%	92%	66%
INTEREST							
billed	334 590	439 315	451 698	1 225 603	395 574	395 574	1 621 176.51
payment received	27 192	37 120	22 156	86 469	1 160 261	1 160 261	1 246 729.79
% of billing received	8%	8%	5%	7%	293%	293%	77%
REFUSE REMOVAL							
billed	387 581	387 581	386 639	1 161 800	385 626	385 626	1 547 426.03
payment received	103 046	209 203	199 828	512 077	305 256	305 256	817 332.56
% of billing received	27%	54%	52%	44%	79%	79%	53%
TOTAL INCOME							
billed	18 620 460	4 710 527	4 777 596	28 108 583	5 797 230	5 797 230	33 905 814
payment received	1 637 740	2 525 428	2 187 669	6 350 837	14 745 789	14 745 789	21 096 626
% of billing received	9%	54%	46%	23%	254%	254%	62%

e) Review of the Revenue enhancement strategy

The municipality developed and implemented a revenue enhancement strategy in 2014. The strategy was based on available information at the time to the municipality, however, a need to review the relevance of the strategy in 2020 was identified. This was based on a number of developments that have taken place in Bizana since the strategy was developed.

A service provider was contracted during the 2019/20 financial to review the strategy and develop an implementation plan for council approval. This was meant to be completed before the start of the year to allow implementation but Covid-19 delayed some of the processes as they require human interaction. Work has since began again at the start of 2020 and a draft strategy is undergoing reviews by all departments affected by the recommendations to ensure accuracy and implementability.

f) Expenditure by Type

EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		-	119 133	119 133	8 667	35 529	39 711	(4 182)	-11%	119 133
Remuneration of councillors		-	25 036	25 036	1 981	7 950	8 345	(396)	-5%	25 036
Debt impairment		-	4 500	4 500	-	-	1 500	(1 500)	-100%	4 500
Depreciation & asset impairment		-	52 581	52 681	3 356	13 383	17 560	(4 177)	-24%	52 681
Finance charges		-	150	150	-	1	50	(49)	-98%	150
Bulk purchases		-	31 896	31 896	2 603	10 743	10 632	111	1%	31 896
Other materials		-	7 677	7 877	78	344	2 626	(2 282)	-87%	7 877
Contracted services		-	110 404	86 223	2 596	10 447	28 741	(18 294)	-64%	86 223
Transfers and subsidies		-	1 835	5 015	-	-	1 672	(1 672)	-100%	5 015
Other expenditure		-	69 979	69 909	2 223	8 452	23 303	(14 851)	-64%	69 909
Losses		-	-	-	-	-	-	-		-
Total Expenditure		-	423 190	402 420	21 504	86 850	134 140	(47 290)	-35%	402 420

The table above shows the municipality's expenses per type of expenditure. This is compared with the revenues generated per type to determine whether the municipality is operating at a loss or a surplus.

- Employee costs and Remuneration of councillors:** The municipality has remunerated employees who are remunerated as per the prevailing Bargaining Council agreements. The expenditure for the period ended 31 October 2020 reflects an amount of R8.6 million for employee costs and 1.9 million for the remuneration of councillors. The remuneration of councillors shows a 5% underspending compared to what is expected at the same period. Employee costs have recorded a 11% saving that is always expected considering issues like annual bonuses and vacant positions.
- Bulk Purchases:** The municipality purchases electricity in bulk from Eskom for distribution to the town customers. This is the main input cost to the distribution of electricity. The table shows that the municipality spent about R2.6 million on electricity purchases for the period ended 31 October 2020 and a year to date actual of R10.7 million which is above the projected expenditure by 1%. This amount only relates to the last 21 days of July and the first 10 days of October 2020 as the billing by Eskom only takes place on the 10th of each month.
- Depreciation and asset impairment:** The depreciation run used to be performed after the end of each quarter but we have since moved to monthly, however, this could not be done for July as the asset register was still in the process of being reviewed to ensure that the assets are correctly accounted for in the annual financial statements. More accurate and complete information will be reported once an updated asset register has been loaded

on the system. The table shows that the depreciation recorded for the period amounted to R3.3 million for the month with a year to date actual of R13.3 million which is below the projected amount by 24% for the same period.

- **Contracted Services:** This relates to the municipality's general expenses that have been incurred during the month where only external service providers could be used to render the service or procure goods. This shows that the municipality incurred about R2.5 million for the month. This has resulted in a recorded saving of over R18 million which translates to 64% of the budget for contracted services for the same period. This is as a result of slow spending during the first months of each financial year which is always experienced and the national lockdown which has meant that no activity was recorded for the municipality and some events being cancelled.
- **Other Expenditure:** This also shows a saving of about 64%, which is consistent with last month's performance which might be as a result of the slow spending during the first months of each financial year which is always experienced and the national lockdown which has meant that no activity was recorded for the municipality and some events being cancelled. This requires though that departments that are currently underspending be sensitised of the matter.

g) Revenue by Municipal Vote

EC443 Mbizana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

Vote Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	296 215	350 498	1 219	131 209	116 833	14 377	12.3%	350 498
Vote 3 - Corporate Services		-	280	280	11	11	93	(83)	-88.4%	280
Vote 4 - Community Services		-	11 811	12 213	1 708	5 410	4 071	1 339	32.9%	12 213
Vote 5 - Development Planning		-	25 621	25 621	995	17 004	8 540	8 464	99.1%	25 621
Vote 6 - Engineering Services		-	112 149	109 065	6 704	25 816	36 355	(10 539)	-29.0%	109 065
Total Revenue by Vote	2	-	446 077	497 678	10 637	179 451	165 893	13 558	8.2%	497 678

The table above shows revenue generated per municipal vote as defined in s1 of the MFMA. The table shows that Engineering services has generated over R6.7 million for the month with Budget and Treasury showing generation of over R1.2 million which is attributable to rates billing that has been moved to property services within Development Planning, Community and Social services at over R1.7 million as well as Development planning at R995 thousand.

h) Expenditure by Municipal Vote

EC443 Mbizana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	83 121	83 121	5 723	21 119	27 707	(6 588)	-23.8%	83 121
Vote 2 - Budget and Treasury		-	30 707	31 267	975	4 044	10 422	(6 378)	-61.2%	31 267
Vote 3 - Corporate Services		-	57 123	57 223	2 597	12 000	19 074	(7 074)	-37.1%	57 223
Vote 4 - Community Services		-	74 211	74 812	4 322	17 626	24 937	(7 312)	-29.3%	74 812
Vote 5 - Development Planning		-	25 425	28 605	959	3 774	9 535	(5 761)	-60.4%	28 605
Vote 6 - Engineering Services		-	152 604	127 391	6 928	28 287	42 464	(14 177)	-33.4%	127 391
Total Expenditure by Vote	2	-	423 190	402 420	21 504	86 850	134 140	(47 290)	-35.3%	402 420
Surplus/ (Deficit) for the year	2	-	22 886	95 257	(10 867)	92 601	31 752	60 848	191.6%	95 257

The table above shows the expenditure by municipal vote. The total expenditure for the month of October 2020 amounted to above R21.5 million.

i) Municipality's financial performance

EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		–	25 189	25 189	991	17 954	8 396	9 558	114%	25 189
Service charges - electricity revenue		–	32 578	32 578	3 191	11 548	10 859	689	6%	32 578
Service charges - water revenue		–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		–	4 437	4 437	375	1 514	1 479	35	2%	4 437
Rental of facilities and equipment		–	2 851	2 851	230	908	950	(42)	-4%	2 851
Interest earned - external investments		–	10 364	10 364	544	2 243	3 455	(1 212)	-35%	10 364
Interest earned - outstanding debtors		–	4 404	4 404	396	1 621	1 468	153	10%	4 404
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	948	948	39	105	316	(211)	-67%	948
Licences and permits		–	2 756	2 756	276	793	919	(126)	-14%	2 756
Agency services		–	1 218	1 218	178	549	406	143	35%	1 218
Transfers and subsidies		–	282 528	337 213	900	127 897	112 404	15 493	14%	337 213
Other revenue		–	1 470	1 470	18	99	490	(391)	-80%	1 470
Gains		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	368 742	423 427	7 137	165 232	141 142	24 090	17%	423 427
Expenditure By Type										
Employee related costs		–	119 133	119 133	8 667	35 529	39 711	(4 182)	-11%	119 133
Remuneration of councillors		–	25 036	25 036	1 981	7 950	8 345	(396)	-5%	25 036
Debt impairment		–	4 500	4 500	–	–	1 500	(1 500)	-100%	4 500
Depreciation & asset impairment		–	52 581	52 681	3 356	13 383	17 560	(4 177)	-24%	52 681
Finance charges		–	150	150	–	1	50	(49)	-98%	150
Bulk purchases		–	31 896	31 896	2 603	10 743	10 632	111	1%	31 896
Other materials		–	7 677	7 877	78	344	2 626	(2 282)	-87%	7 877
Contracted services		–	110 404	86 223	2 596	10 447	28 741	(18 294)	-64%	86 223
Transfers and subsidies		–	1 835	5 015	–	–	1 672	(1 672)	-100%	5 015
Other expenditure		–	69 979	69 909	2 223	8 452	23 303	(14 851)	-64%	69 909
Losses		–	–	–	–	–	–	–	–	–
Total Expenditure		–	423 190	402 420	21 504	86 850	134 140	(47 290)	-35%	402 420
Surplus/(Deficit)		–	(54 449)	21 006	(14 367)	78 382	7 002	71 380	0	21 006
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	77 335	74 251	3 500	14 218	24 750	(10 532)	(0)	74 251
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	22 886	95 257	(10 867)	92 601	31 752			95 257
Taxation		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		–	22 886	95 257	(10 867)	92 601	31 752			95 257
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		–	22 886	95 257	(10 867)	92 601	31 752			95 257
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		–	22 886	95 257	(10 867)	92 601	31 752			95 257

The municipality has so far recorded a surplus of over R92 million for the period ended 31 October 2020. This must be seen in the correct perspective as there has been receipts of the expected grants from the national purse. The municipality is still heavily reliant on grant funding and as such the surpluses still need to be seen in that perspective as they relate to expenditures that are still to be incurred. Measures still need to be put in place to move the municipality towards self-sustainability.

8. Capital programme performance

a) Capital expenditure by asset class and sub-class

EC443 Mbizana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	30 775	70 052	65	2 741	23 351	20 610	88.3%	70 052
Roads Infrastructure		-	28 475	43 061	65	201	14 354	14 153	98.6%	43 061
Roads		-	28 475	43 061	65	201	14 354	14 153	98.6%	43 061
Electrical Infrastructure		-	2 300	26 991	-	2 540	8 997	6 457	71.8%	26 991
MV Networks		-	-	25 891	-	2 540	8 630	6 091	70.6%	25 891
LV Networks		-	2 300	1 100	-	-	367	367	100.0%	1 100
Community Assets		-	1 100	1 883	223	660	628	(32)	-5.1%	1 883
Community Facilities		-	1 100	1 883	223	660	628	(32)	-5.1%	1 883
Halls		-	-	783	223	660	261	(398)	-152.6%	783
Markets		-	1 100	1 100	-	-	367	367	100.0%	1 100
Heritage assets		-	50	50	-	-	17	17	100.0%	50
Other Heritage		-	50	50	-	-	17	17	100.0%	50
Other assets		-	2 500	2 500	-	-	833	833	100.0%	2 500
Operational Buildings		-	2 500	2 500	-	-	833	833	100.0%	2 500
Yards		-	2 500	2 500	-	-	833	833	100.0%	2 500
Computer Equipment		-	6 800	6 800	331	1 364	2 267	903	39.8%	6 800
Computer Equipment		-	6 800	6 800	331	1 364	2 267	903	39.8%	6 800
Furniture and Office Equipment		-	1 650	1 850	28	58	617	558	90.5%	1 850
Furniture and Office Equipment		-	1 650	1 850	28	58	617	558	90.5%	1 850
Machinery and Equipment		-	2 101	2 801	95	95	934	839	89.8%	2 801
Machinery and Equipment		-	2 101	2 801	95	95	933 789.33	839	89.8%	2 801
Transport Assets		-	2 660	2 660	-	-	887	887	100.0%	2 660
Transport Assets		-	2 660	2 660	-	-	887	887	100.0%	2 660
Total Capital Expenditure on new assets	1	-	47 637	88 597	742	4 917	29 532	24 615	83.4%	88 597

EC443 Mbizana - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Community Assets		-	6 000	8 614	406	406	2 871	2 465	85.9%	8 614
Community Facilities		-	6 000	8 614	406	406	2 871	2 465	85.9%	8 614
Taxi Ranks/Bus Terminals		-	6 000	8 614	406	406	2 871	2 465	85.9%	8 614
Total Capital Expenditure on renewal of existing assets	1	-	6 000	8 614	406	406	2 871	2 465	85.9%	8 614

EC443 Mbizana - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	2 000	4 800	-	-	1 600	1 600	100.0%	4 800
Roads Infrastructure		-	2 000	4 800	-	-	1 600	1 600	100.0%	4 800
Roads		-	2 000	4 800	-	-	1 600	1 600	100.0%	4 800
Community Assets		-	20 172	20 172	1 794	10 130	6 724	(3 406)	-50.7%	20 172
Community Facilities		-	11 251	11 251	1 794	6 414	3 750	(2 664)	-71.0%	11 251
Halls		-	11 251	11 251	1 794	6 414	3 750	(2 664)	-71.0%	11 251
Sport and Recreation Facilities		-	8 921	8 921	-	3 716	2 974	(743)	-25.0%	8 921
Outdoor Facilities		-	8 921	8 921	-	3 716	2 974	(743)	-25.0%	8 921
Total Capital Expenditure on upgrading of existing assets	1	-	22 172	24 972	1 794	10 130	8 324	(1 806)	-21.7%	24 972

The above tables indicate that the municipality spent R2.9 million for the month of its capital budget for the period ended 31 October 2020. This is performance that is not encouraged, especially on the two major capital programmes being implemented by the municipality as it poses a number of risks for the institution including paying for work that has not been completed come the end of the year chasing targets and expenditure performance.

b) Capital Expenditure by municipal vote

EC443 Mbizana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 6 - Engineering Services		-	18 172	18 172	1 794	10 130	6 057	4 073	67%	18 172
Total Capital Multi-year expenditure	4,7	-	18 172	18 172	1 794	10 130	6 057	4 073	67%	18 172
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	50	50	-	-	17	(17)	-100%	50
Vote 2 - Budget and Treasury		-	2 100	2 100	-	-	700	(700)	-100%	2 100
Vote 3 - Corporate Services		-	10 210	10 210	359	1 392	3 403	(2 012)	-59%	10 210
Vote 4 - Community Services		-	5 401	5 601	95	125	1 867	(1 742)	-93%	5 601
Vote 5 - Development Planning		-	1 100	1 100	-	-	367	(367)	-100%	1 100
Vote 6 - Engineering Services		-	38 775	84 949	694	3 806	28 316	(24 510)	-87%	84 949
Total Capital single-year expenditure	4	-	57 637	104 011	1 148	5 323	34 670	(29 347)	-85%	104 011
Total Capital Expenditure		-	75 808	122 183	2 942	15 453	40 728	(25 274)	-62%	122 183
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		-	12 760	12 760	359	1 422	4 253	(2 831)	-67%	12 760
Executive and council		-	50	50	-	-	17	(17)	-100%	50
Finance and administration		-	12 710	12 710	359	1 422	4 237	(2 815)	-66%	12 710
<i>Community and public safety</i>		-	3 191	3 391	-	-	1 130	(1 130)	-100%	3 391
Community and social services		-	1 300	1 500	-	-	500	(500)	-100%	1 500
Public safety		-	1 891	1 891	-	-	630	(630)	-100%	1 891
<i>Economic and environmental services</i>		-	55 747	76 530	2 488	11 396	25 510	(14 113)	-55%	76 530
Planning and development		-	25 272	28 689	2 424	11 196	9 556	1 639	17%	28 689
Road transport		-	30 475	47 861	65	201	15 954	(15 753)	-99%	47 861
<i>Trading services</i>		-	4 110	29 501	95	2 635	9 834	(7 199)	-73%	29 501
Energy sources		-	2 300	27 691	-	2 540	9 230	(6 691)	-72%	27 691
Waste management		-	1 810	1 810	95	95	603	(508)	-84%	1 810
Total Capital Expenditure - Functional Classification	3	-	75 808	122 183	2 942	15 453	40 728	(25 274)	-62%	122 183
Funded by:										
National Government		-	45 647	69 161	2 927	12 062	23 054	(10 992)	-48%	69 161
Transfers recognised - capital		-	45 647	69 161	2 927	12 062	23 054	(10 992)	-48%	69 161
Internally generated funds		-	30 162	53 022	15	3 391	17 674	(14 283)	-81%	53 022
Total Capital Funding		-	#N/A	#N/A	2 942	15 453	40 728	(25 274)	-62%	122 183

The above table indicates that the municipality spent R2.9 million of its capital budget for the period ended 31 October 2020 which is still discouraging considering that we have two major projects that have been allocated the bigger slice of the municipality's available resources that have not performed desirably during the past years. Procurement processes will need to be finalised as quick as possible to ensure that current year projects start being implemented so that our expenditure improves.

9. Supply chain management

The municipality has an established Supply Chain Management Unit in terms of the Municipal Finance Management Act. The section is placed within the Budget and Treasury to deal centrally with all issues that relate to procurement, demand management, logistics and disposals. The following is the indication of the activities that have occurred within the department for the period being reported on.

a. Acquisition management

To improve the system of acquisition management the following should be taken into considerations

- Goods and services must only be procured in accordance with authorized procurement processes.
- Procurement of goods and services, either through quotations or through a bidding process, must be within the threshold values as determined by National treasury and the municipality's supply chain management policy.

b. Handling of tenders during COVID-19

In attempt to continue delivering services to the communities, decisions needed to be taken to ensure that the municipality proceeds with the procurement processes in line with the limitations placed by the regulations governing the movement of people and other things.

The municipality introduced virtual tender briefings using the Facebook live platform to share information with interested parties and provide clarities on tenders issued by the municipality. This was coupled with creation and introduction of email addresses where tenders can be submitted. This was done to address the following:

- Procurement to proceed despite the lockdown
- Protect the public and municipal staff from direct human interaction
- Limit movement in line with the lockdown
- Avoid documents which are known to be one of the carriers of COVID-19

To continue ensuring these processes are transparent the following has been introduced:

- After each live Facebook briefing a register is generated of all those who interacted with the presentation as instructed and posted on the municipal website so that all interested parties know who is considered to have fully complied
- Once the tender closing time passes, a register indicating the name of the company, tender amount, email address, date and time is prepared and posted on the municipal website for all bidders to know if their tenders will be considered
- All tenders are evaluated in electronic versions
- The recommended bidders are then requested to make a submission of the hard copies of their submission (originals)
- Only the hard copy of the winning bidder is then filed which also addresses issues with filing space and safety of the documents.

c. Review and redesign of SCM processes

The Supply Chain Management environment has changes that are introduced regularly to make it more efficient in delivering service and combating unfair and corrupt practices. The municipality appointed a service provider to assess our current SCM processes against all improvements in legislation and operating guidelines to ensure alignment. The project commenced in June 2020 and will be completed in September 2020. Below are some of the changes that are expected to be introduced to address emergency procurement due to either operational requirements of national disasters like Covid-19 has necessitated. These will be included in the municipality's SCM policy that will then be presented to council for approval:

- Giving the accounting officer permission to use a three-quotation system procure goods or service required to respond to a disaster regardless of the value of the procurement limited to R500 000.
- Giving the accounting officer permission to take all vehicles and machinery directly to the manufacturer or any manufacturer approved motor mechanic or body repair shop for repairs when vehicles are immediately required to back in use, this includes items of plant and machinery used in the delivery of basic services

- Giving the accounting office permission get at least three quotations from tyre shops to replace tyres regardless of the procurement value.

These are being proposed to speed up service delivery while not doing away with competition to ensure the municipality gets the best deal.

d. Procurement requests below R2000.00

S13.2. (b)(1) Supply Chain Management policy states that 01 written quotation will be obtain for any procurement of transaction below an amount of R2000 including vat.

Order date	Creditor name	Total amnt	Specifications	Function desc	Segment desc
28/10/2020	Inkonjane Community Radio	2 000	Request For Radio Slot With The Hon. Mayor On The 27 October 2020 For The Theme Will Be O.R. Tambo Celebrations	Function:Finance And Administration:Core Function:Marketing Customer Relations Publicity And Media Co-Ordination	Radio 515
22/10/2020	Itylovuyo Trading And Project	2 000	Office Consumables for the office of the Mayor	Function:Executive And Council:Core Function:Mayor And Council	Public Participation Groceries
Total		4 000			

e. Procurement requests above R2, 000.00 but below R30, 000.00

Procurement of goods and services above R2000.00 but below R30 000.00 is done through a three quotation system

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
30/10/2020	Mandlakhle Units Pty Ltd	8 780.00	Still water, 2 Tables and Catering Lunch Packs For 100 People In Ward 18 For Mayoral Imbizo	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	dp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Picamart	230.00	Still water, 2 Tables and Catering Lunch Packs For 100 People In Ward 11 For Mayoral Imbizo On 1	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Amamppinge Trading And Catering	800.00	3 Pole Tent With 100 Chairs And 2 Tables With Cloths, Still water for 110 people and Catering Lunch Packs For 100 People In Ward 13 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Guyana Trading	500.00	Still Water For 110 People, 2 Tables With Cloths, and Catering Lunch Packs For 100 People In Ward 05 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Clarkville Poultry Projects	500.00	Still Water For 110 People, 2 Pole Tent With 100 Chairs And 2 Tables With Cloths, and Catering Lunch Packs For 100 People In Ward 27 For Mayoral Imbizo On 10/11/2020	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Getane's Transport	880.00	Still Water For 110 People, 2 Tables With Cloths, and Catering Lunch Packs In Ward	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
			15 For Mayoral Imbizo Or 11/11/2020		
30/10/2020	N And P Beverage Trading	9 420.00	Still Water For 110 People, 2 Tables With Cloths, and Catering Lunch Packs For 100 People In Ward 30 For Mayoral Imbizo On 1	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	Idp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Mzamba Builders Construction	9 600.00	Still Water For 110 People, and Catering Lunch Packs For 100 People In Ward 24 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	Idp Catering 515260555
30/10/2020	Akho Civil And Trading Pty Ltd	10 300.00	Still Water For 110 People, 2 Tables With Cloths, and Catering Lunch Packs For 100 People In Ward 07 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	Idp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Phumies Devine Trading Pty Ltd	11 900.00	Still Water For 110 People, 2 Tables With Cloths, and Catering Lunch Packs For 100 People In Ward 08 For Mayoral Imbizo On 1	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	Idp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Beat By Beat 1596	4 800.00	Request 4 Quontum For Handing Over Of Or Tambo Technical High School O The 26 October At Nkantolo Pick Up Point At Ward 4 And Ward 27	Function:Executive And Council:Core Function:Mayor And Council	Ward Committee Support Transportation 505260481
30/10/2020	Sandulube Trading And Projects	3 470.00	Cleaning material	Function:Finance And Administration:Core Function:Administrative And Corporate Support	Cleaning Materials 1010260070
30/10/2020	Smabude Empire Trading	10 100.00	Still Water For 110 People, Catering Lunch Packs For 100	Function:Planning And Development:Core Function:Corporate	Idp Catering 515260555

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
			People In Ward 26 For Mayoral Imbizo On 0	Wide Strategic Planning (ldps Leds)	
30/10/2020	Ndzolo And Son Trading Enterpr	10 200.00	Still Water For 110 People, 2 Tables With Cloths, Lunch Packs For 100 People In Ward 25 For Mayoral Imbizo On 1	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Lezaar Pty Ltd	10 050.00	Still Water For 110 People, 2 Tables With Cloths, Catering Lunch Packs For 100 People In Ward 10 For Mayoral Imbizo On 1	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	dp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Bhukwani Farming	11 100.00	Still Water For 110 People, Hiring Of 100 Chairs, Catering Lunch Packs For 100 People In Ward 14 For Mayoral Imbizo On 1	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
30/10/2020	Bheki Mfo (Pty) Ltd	11 400.00	Still Water For 110 People, 2 Pole Tent With 100 Chairs And 2 Tables With Cloths, Catering Lunch Packs For 100 People In Ward 20 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
28/10/2020	Mthah Trading Enterprise Pty	9 020.00	Still Water For 110 People, 2 Tables With Cloths, and Catering Lunch Packs For 100 People In Ward 21 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
28/10/2020	Alstonia Trading And Projects	29 200.00	Maintenance Of Toilets	Function:Road Transport:Core Function:Roads	Rm Buildings Maintenance Roads 5505
28/10/2020	Amabaniwa Co-Op	10 380.00	Still Water For 110 People, 2 Tables With Cloths, Catering Lunch Pack For 100 People In	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
28/10/2020			Ward 03 For Mayoral Imbizo On 04		
28/10/2020	Mia Communications	10 200.00	Request For The Provision Of Catering By Means Of Bottled Water & Luch Emerging Building Contractors Attending Capacity Building In Ward 25 A Phandulwazi Sps Hall Luch To Be S	Function:Planning And Development:Core Function:Economic Development/Planning	Led Programme Support Catering 1505
28/10/2020	Oozy And Oozy Construction	8 350.00	Still Water For 110 People, 2 Tables With Cloths, Catering Lunch Packs For 100 People In Ward 17 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	Idp Catering 515260555, Roadshows- Hire Charges
28/10/2020	Mthobeli Msize	8 490.00	Still Water For 110 People, Catering Lunch Packs For 100 People In Ward 12 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	Idp Catering 515260555
28/10/2020	Likiho Trading Cc	22 500.00	Request Catering Vip Lunch, Cake 1.5m Length, 900mm Breath,20cm Height With Tata O.R. Tamb Photo	Function:Executive And Council:Core Function:Mayor And Council	Catering Legacy 510260188
28/10/2020	Sandiso Zangoxolo Contracting	8 790.00	Still Water For 110 People, 2 Tables With Cloths, Catering Lunch Packs For 100 People In Ward 14 For Mayoral Imbizo On 1	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	Idp Catering 515260555, Roadshows- Hire Charges
28/10/2020	Kati Kabizwayo (Pty) Ltd	27 190.00	Frame Tent With 400 Capacity To Allow Social Distance, 15 Round Tables With Black Table Cloths And Runners, Chairs With Chair Covers(Black, White And Yellow), Sanitizer Stands, Vip	Function:Executive And Council:Core Function:Mayor And Council	Hire Costs Legacy 505260188

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
			Toilet With Disposable Plan,		
23/10/2020	Masinyane And Son (Pty) Ltd	30 000.00	Vip Tea For 120 People For Stakeholder Engagement In Ludeke Dam On 26, 8 Rectengular Tables With Cloths, Engineer Certified Stage, Sound System With 3 Cordless Mics, 2 Sanitizer Stands, 1 Vip Toilet With Disposable Plan, 120 Chairs With Black And Yellow Chair Covers, Frame Tent With 300 Capacity To Allow Social Distancing	Function:Executive And Council:Core Function:Mayor And Council	Catering Legacy 510260188, Hire Costs Legacy 505260188
23/10/2020	Sakh Indlu	8 600.00	Lunch Packs For 100 People For Mayoral Imbizo In Ward 01 On 06/11/2020, 2 Tables With Cloths, Still Water For 110 People	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555, Roadshows- Hire Charges
23/10/2020	Arena Holdings	8 776.80	Request To Advertise Implementation Of Records Management	Function:Finance And Administration:Core Function:Administrative And Corporate Support	Advertising Publicity And Marketing:Corporate And Municipal
23/10/2020	Arena Holdings	10 239.60	Request To Advertise Municipal Solar Lights	Function:Finance And Administration:Core Function:Administrative And Corporate Support	Advertising Publicity And Marketing:Corporate And Municipal
23/10/2020	Phezuu Ngathi Logistics And Pr	9 320.00	Still Water For 110 People, Catering Lunch Packs For 100 People In Ward 09 For Mayoral Imbizo On 0	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Catering 515260555
22/10/2020	Maghholo Trading& Projects	4 305.00	Groceries	Function:Executive And Council:Core Function:Mayor And Council	Public Participation Groceries

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
20/10/2020	Lugwijini Cleaning And Caterin	12 000.00	Request Lunch Packs For Quarterly Meeting On The 21 October 2020 At Ward 22 At 10h00	Function:Executive And Council:Core Function:Mayor And Council	Community Education Catering 505260695
20/10/2020	The Chossen Trading & Project	25 200.00	Purchasing Of A Double Sided Street Banner For Or Tambo Month Celebrations(O R Tambo Legacy	Function:Finance And Administration:Core Function:Marketing Customer Relations Publicity And Media Co-Ordination	Branding Marketing Customer Relations 515260565
19/10/2020	Arena Holdings	9 142.50	Advert For Cbd Maintenance And Construction Plant Hire	Function:Planning And Development:Core Function:Project Management Unit	Advertising Fees Pmu 5505260540
19/10/2020	Your Media Today Hub And Print	4 000.00	Advertising Of Finance Interns X2 Positions	Function:Finance And Administration:Core Function:Human Resources	Advertising Fees Human Resources 1010260540
19/10/2020	Your Media Today Hub And Print	5 600.00	Mayoral Imbizo Program	Function:Executive And Council:Core Function:Municipal Manager Town Secretary And Chief Executive	Advertising 515260540
19/10/2020	Supa Quick	9 200.00	Request For Four Tyres O's Isuzu Kb With Registration Number Jfc813ec Size Lt265/60r18 All Terrain.	Function:Finance And Administration:Core Function:Fleet Management	Vehicle Maintenance Outsourced 1010235115
15/10/2020	Pondo News	10 672.00	Advert For Mayoral Imbizo On 2 Local Newspapers	Function:Executive And Council:Core Function:Municipal Manager Town Secretary And Chief Executive	Advertising 515260540
15/10/2020	Supa Quick	8 844.88	Request For Two Tyres For Speakers Vehicle With Reg Hyp 289 Ec With Size 255/45/R25	Function:Finance And Administration:Core Function:Fleet Management	Vehicle Maintenance Outsourced 1010235115
14/10/2020	Izinto Ezintle Enterprise	39 800.00	Payment To Izinto Ezintle Enterprise. Retetion Lukhlo To Marhazula Access Road	Function:Finance And Administration:Core Function:Finance:Default	Retention-Withdrawals
14/10/2020	Senzwa Civils And Projects	8 500.00	Request Lunch Packs For Speakers Quaterly Meeting On	Function:Executive And Council:Core Function:Mayor And Council	Ward Committee Support Catering 505260581

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
			The 12 October 2020 At Ward 29 Majola Tshutsha Community Hall Bulala		
14/10/2020	Nathina Project	7 900.00	Request Sound System With 1 Cordless Mic For Quarterly Meeting On The 2020 At Ku-Bha Ward 08 At 10h00	Function:Executive And Council:Core Function:Mayor And Council	Community Education Hiring Costs 505260695
13/10/2020	Lustarz Project (Pty) Ltd	13 800.00	Lunch Packs For Quarterly Meeting On The 14 October 2020 At Ku Community Hall At 10h00, 100 Chairs, 2 Tables With Table Cloths For Quarterly Meeting O October At Ku-Bha	Function:Executive And Council:Core Function:Mayor And Council	Ward Committee Support Catering 505260581, Ward Committee Meetings Hiring Costs 505260581
13/10/2020	Nomsin Projects	28 500.00	Request For Supply, Delivery & Installation Of Blue Flag Signboards Fo Beach & Mthentu In Ward 28	Function:Environmental Protection:Core Function:Biodiversity And Landscape	Blue Flag Programme Sign Boards 2505260485
12/10/2020	Supa Quick	28 462.50	Bf Goodrich 265/60r 116s A/T Ko2 Go Rbl Tyre For Vip Bakkie(Jds 867 Ec, Tyres For Toyota Corolla (Hln 084 Ec) Goodyear 195/65r15 91v Bc100, Battery For Traffic Vehicle Jds 867 Ec(12v 85ah 470 Cca(lec) 150rc 470 Cca (Sae)Class A	Function:Public Safety:Core Function:Police Forces Traffic And Street Parking Control	Police- Vehicle Maintenance
12/10/2020	Sizisa Ukhanyo Trading 1119	7 650.00	Request Lunch Pack For Quarterly Meeting On The 13 October 2020 At Afrm, Request 30 Chairs And 2 Tables With Table Cloths For Quarterly Meetin	Function:Executive And Council:Core Function:Mayor And Council	Ward Committee Support Catering 505260581, Ward Committee Meetings Hiring Costs 505260581
08/10/2020	Arena Holdings	8 776.80	Advertising Of Call For Nomination Of Panel For Land	Function:Planning And Development:Core Function:Economic	Advertising Fees 1505

Order date	Creditor name	Total amnt	Specifications	Functiondesc	Segmentdesc
			Survey Services	Development/Planning	
08/10/2020	Arena Holdings	9 508.20	Advert For The Electrification of Sigidi Village	Function:Planning And Development:Core Function:Project Management Unit	Advertising Fees Pmu 5505260540
08/10/2020	Celly And Sbo Trading (Pty)Ltd	8 500.00	Request Lunch Packs For Traditional Horse Racing To Be Held On The 24 2020 At Ward 27 At 10h00	Function:Executive And Council:Core Function:Mayor And Council	Catering Legacy 510260188
08/10/2020	Pondo News	5 635.00	Advert For Led Projects	Function:Planning And Development:Core Function:Economic Development/Planning	Advertising Fees 1505
08/10/2020	Arena Holdings	7 848.75	Advert For The Post Of Traffic Officers	Function:Finance And Administration:Core Function:Human Resources	Advertising Fees Human Resources 1010260540
08/10/2020	Slimdo Pty Ltd	4 440.00	Request Lunch Packs For Speakers Quarterly Meeting To Be Held On The 0 2020t Nomangesi Malunga-Mlomo Community Hall At Ward 18	Function:Executive And Council:Core Function:Mayor And Council	Ward Committee Support Catering 505260581
08/10/2020	Wayout Construction & Projects	4 200.00	Request Lunch Packs For Speakers Quarterly Meeting On The 08 October 2 At Wward 26 Wawa Hlangabezo Community Hall Mt Zion	Function:Executive And Council:Core Function:Mayor And Council	Ward Committee Support Catering 505260581
08/10/2020	Mkf Manjindana (Pty) Ltd	10 000.00	Request Lunch Packs For Speakers Quarterly Meeting To Be Held On The 0 2020 At Youth Centre At 10h00	Function:Executive And Council:Core Function:Mayor And Council	Community Education Catering 505260695

646 572.03

f. Procurement above R30 000 but below R200 000

Procurement of goods and services above R30 000.00 but below R200 000.00 is done through a system of advertising on website and the tender notice board and reports to be evaluated using PPPFA.

Orderdate	Creditorname	Totalamnt	Specifications	Functiondesc	Segmentdesc
28/10/2020	Ncaiana Trading And Projects	180 000.00	Payment To Ncaiana Trading And Project For Supply And Delivery Of Road Marking Pint And Material	Function:Public Safety:Core Function:Police Forces Traffic And Street Parking Control	Road Markings
12/10/2020	Vilito Trading (Pty)Ltd	99 900.00	Payment To Vilito Trading For Printing And Binding Of ldp Documents	Function:Executive And Council:Core Function:Municipal Manager Town Secretary And Chief Executive	Annual Report Binding And Books 515260554
08/10/2020	Vds Concept	110 000.00	Payment To Vds Concepts For Printing Nd Binding Of Annual Report	Function:Planning And Development:Core Function:Corporate Wide Strategic Planning (ldps Leds)	ldp Printing And Publication 515260555
08/10/2020	Ezamavovo Trading (Pty) Ltd	95 000.00	Payment To Ezamavovo Trading For Supply And Delivery Of Grass Cutting Machine	Function:Waste Management:Core Function:Solid Waste Removal	Grass Cutting Machine
30/10/2020	Sword Group	165 000.00	Payment To Sword Group For Branding (Renaming Of Institution)	Function:Finance And Administration:Core Function:Marketing Customer Relations Publicity And Media Co-Ordination	Branding Marketing Customer Relations 515260565
29/10/2020	Bell Equipment Co S A (Pty)Ltd	14 732.40	Service Quote Number No 30000105794	Function:Road Transport:Core Function:Roads	Roads - Vehicle Maintenance
29/10/2020	Bell Equipment Co S A (Pty)Ltd	20 629.28	Service Quote 3000105866	Function:Road Transport:Core Function:Roads	Roads - Vehicle Maintenance

685 261.68

10. Status of Tenders

This procurement is done through a system of competitive bidding processes advertised on the provincial paper for a minimum of 14 days as per Regulation 14 as per S19 of Treasury Regulation of MFMA.

a) Mini Tender progress for October 2020

Nº	Bidder	Amount	Bid Number	Project Name	Award Date	Department
1	Masinyane and Sons	R191 285.00	MBIZLM07/09/20DAC	DISASTER AWARENESS CAMPAIGN	05/10/2020	COMMUNITY SERVICES
2	Black Capital Solution	R185 000.00	MBIZLM/07/09/20/PSMME	PROCUREMENT OF SMME BROCHURES FOR BUSINESS INCUBATOR	08/10/2020	DEVELOPMENT PLANNING
3	Sword Group	R165 000.00	MBIZLM 05/10/20BM (R1)	BRANDING(RENAMING INSTITUTION) OF	20/10/2020	MUNICIPAL MANAGER'S OFFICE
4	NCAIANA TRADING	R180 000.00	MBIZLM/27/08/20/S&D RMP&E	SUPPLY AND DELIVERY OF ROAD MARKING PAINT AND EQUIPMENT	20/10/2020	COMMUNITY SERVICES
5	Sebekho Holdings	R 92 250.00	MBIZLM/09/20/LAC2020	LIBRARY AWARENESS CAMPAIGN	20/10/2020	COMMUNITY SERVICES
6	VDS Concepts	R127 790.00	MBIZLM05/10/20THR	TRADITIONAL HORSE RACING	20/10/2020	MUNICIPAL MANAGER'S OFFICE
7	Lions Den Projects	R139 700.00	MBIZLM/28/09/20/TMC 2020	TOURISM MONTH CELEBRATION	23/10/2020	DEVELOPMENT PLANNING
8	Misokuhle Pty Ltd	R189 900.00	MBILZM/27/08/20WMAC20	WASTE MANAGEMENT AWARENESS CAMPAIGN	23/10/2020	COMMUNITY SERVICES
Total		R1 270 925.00				

b) Tenders awarded during the month of October 2020

Competitive Bidding

SUCCESSFUL TENDERER	AWARDED AMOUNT	TENDER NO	PROJECT NAME	DATE AWARDED	DEPARTMENT
1 Isipho Capital Motors	R 2 101 507.91	MBIZL.M 0067 VEH	Procurement of Three Vehicles (3)	Tuesday, 06 October 2020	Corporate Services
2 Mabozela Trading and Enterprise	R 3 399 739.95	MBIZL.M 005 SMM	Upgrading to Gravel of 5.5 KM Sijingi to Mangunga via Methodist Church	Tuesday, 13 October 2020	Engineering Services
3 Mabozela Trading and Enterprise JV Boboshe	R 16 323 851.70	MBIZ LM 00057 EMV	Electrification of Mabhekuteni Village (Ward 15)	Tuesday, 13 October 2020	Engineering Services
4 Thabo Ndangula JV Ubuntu Bam Rural Developers	R 2 980 028.81	MBIZ LM 003GML	Construction of Gabisa via Makhosonke to Lukhwewini access Road (Ward 15)	Tuesday, 13 October 2020	Engineering Services
5 ODG Technologies PTY Ltd	R 0.00	MBIZ LM 0055 CON	Pannel of consultants for perion of 3 months	Friday, 09 October 2020	Engineering Services
6 Restsam Engineering PTY Ltd	R 0.00	MBIZ LM 0055 CON	Pannel of consultants for perion of 3 months	Friday, 09 October 2020	Engineering Services
TOTAL	R 24 805 128.37				

c) Status of current closed tenders

Project Name	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
Extension 4 (Ward 01) Bridge	MBIZL.M006EWB	Ms S.N.Majova	Tuesday, 11 August 2020	Monday, 31 August 2020	90 days	Tuesday, 10 November 2020	
Upgrade of Bizana of Taxi Rank	MBIZ LM 00056 UBTR	Mr. V.Nontanda	Wednesday, 16 September 2020	Tuesday, 13 October 2020	90 days	Tuesday, 15 December 2020	
Replacement of LV and MV Lines	MBIZL.M 00059L V&MV L	Mr. V.Mqina	Monday, 21 September 2020	Wednesday, 28 October 2020	90 days	Sunday, 20 December 2020	
Installation of 2 high Mast lights	MBIZL.M000581HML	Mr. V.Nontanda	Friday, 18 September 2020	Tuesday, 13 October 2020	90 days	Friday, 18 December 2020	

Project Name	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
Assessment Batho-Pele	MBIZLM00070BPF STUDY	Ms S.N.Majova	Monday, 05 October 2020	Tuesday, 13 October 2020	90 days	Monday, 04 January 2021	
Mbizana Development Plan Vision 2030	MBIZ LM 00071 MCPV2030	Ms S.N.Majova	Monday, 05 October 2020	Tuesday, 13 October 2020	90 days	Monday, 04 January 2021	
Customer Satisfactory Survey	MBIZ LM 00072 CSS	Ms S.N.Majova	Monday, 05 October 2020	Tuesday, 13 October 2020	90 days	Monday, 04 January 2021	
Social Relief Material	MBIZ LM 0064 SRM	Mr.DN.Luphoko	Monday, 21 September 2020	Tuesday, 13 October 2020	90 days	Monday, 21 December 2020	
EPWP Protective Clothing	MBIZ LM 0065 EPU	Mr.DN.Luphoko	Monday, 21 September 2020	Tuesday, 13 October 2020	90 days	Monday, 21 December 2020	
Skip Bins	MBIZ LM 0062 SSB	Ms.N.Xoko	Monday, 21 September 2020	Tuesday, 13 October 2020	90 days	Monday, 21 December 2020	
Extension of Waste Management Services	MBIZ LM 0063 WMS	Ms.N. Xoko	Monday, 21 September 2020	Tuesday, 13 October 2020	90 days	Monday, 21 December 2020	
Disposal of Municipal Site	MBIZ LM 0060 DMP	Ms.N. Mafumbatha	Tuesday, 22 September 2020	Wednesday, 14 October 2020	90 days	Monday, 21 December 2020	
Equipment and Material to Capacitate Mbizana Fisheries	MBIZLM20/05/20/02FS H	N/A	Thursday, 29 October 2020	N/A	90 days	Wednesday, 27 January 2021	
Equipment, Machinery and Material for SMME in the Business incubation	MBIZLM20/05/20/03	N/A	Thursday, 29 October 2020	N/A	90 days	Wednesday, 27 January 2021	
Arts, Craft Material and Equipment	MBIZLM19/05/20/01AR T	N/A	Thursday, 29 October 2020	N/A	90 days	Wednesday, 27 January 2021	
Supply and Installation of Market Stalls and No Walking Double Sided Board	MBIZLM49MAR	N/A	Thursday, 29 October 2020	N/A	90 days	Wednesday, 27 January 2021	
Mqonjwana to Greenville Access Road	MBIZLM001MGA	N/A	Tuesday, 28 July 2020	N/A	90 days	Monday, 26 October 2020	
The Electrical Engineering Panel of Consultants for a period of 3 years	MBIZLM0055CON	Mr.L.Gwala	Monday, 24 August 2020	N/A	90 days	Monday, 23 November 2020	

d) Deviations

There were no deviations during the month of October 2020.

11. Database rotation

The following table indicates the service providers that have been utilised for the month of October 2020. This is in keeping with demonstrating that we are making strides in ensuring that there is rotation of service providers and no single provider is preferred.

Order Date	Creditor	Creditor Name	Function Name	Value	Ward Number
2020/10/22	20303	ITYELOVUYO TRADING AND PROJECT	Core Function:Mayor and Council	2 000.00	WARD 30
2020/10/30	99809	SANDULUBE TRADING AND PROJECTS	Administrative and Corporate Support:Cor	3 470.00	WARD 1
2020/11/02	11223	AYOLE TRADING (PTY)LTD	Core Function:Economic Development/Plann	4 000.00	WARD 25
2020/10/08	4051	WAYOUT CONSTRUCTION & PROJECTS	Core Function:Mayor and Council	4 200.00	WARD 26
2020/10/22	6987	MAGHOLO TRADING& PROJECTS	Core Function:Mayor and Council	4 305.00	WARD 13
2020/10/08	15987	SLIMDO PTY LTD	Core Function:Mayor and Council	4 440.00	WARD 18
2020/10/30	23653	BEAT BY BEAT 1996	Core Function:Mayor and Council	4 800.00	WARD 19
2020/10/12	10438	SIZISA UKHANYO TRADING 1119	Core Function:Mayor and Council	7 650.00	WARD 16
2020/10/21	10527	KU-BHA SERVICE STATION	Core Function:Fleet Management	7 800.00	WARD 30
2020/10/14	55225	NATHINA PROJECT	Core Function:Mayor and Council	7 900.00	WARD 08
2020/11/03	23656	KNOWNTHEMBEKO FAMILY PROJECT	Core Function:Corporate Wide Strategic P	8 140.00	WARD 06
2020/10/20	10527	KU-BHA SERVICE STATION	Core Function:Solid Waste Removal	8 190.00	WARD 30
2020/10/28	69912	OOZY AND OOZY CONSTRUCTION	Core Function:Corporate Wide Strategic P	8 350.00	WARD 17
2020/10/28	8925	MTHOBELI MSIZA	Core Function:Corporate Wide Strategic P	8 490.00	WARD 12
2020/10/14	1880	SENZWA CIVILS AND PROJECTS	Core Function:Mayor and Council	8 500.00	WARD 29
2020/10/08	8851	CELLY AND SBO TRADING (PTY)LTD	Core Function:Mayor and Council	8 500.00	WARD 27
2020/10/23	5148	SAKH INDLU	Core Function:Corporate Wide Strategic P	8 600.00	WARD 1
2020/10/30	8663	MANDILAKHE UNITS PTY LTD	Core Function:Corporate Wide Strategic P	8 780.00	WARD 20
2020/10/28	55228	SANDISO ZANGOXOLO CONTRACTING	Core Function:Corporate Wide Strategic P	8 790.00	WARD 14
2020/10/15	36658	SUPA QUICK	Core Function:Fleet Management	8 844.88	WARD 1
2020/10/30	8927	GETANE'S TRANSPORT	Core Function:Corporate Wide Strategic P	8 880.00	WARD 14
2020/10/28	69855	MTHAH TRADING ENTERPRISE PTY	Core Function:Corporate Wide Strategic P	9 020.00	WARD 21
2020/10/19	36658	SUPA QUICK	Core Function:Fleet Management	9 200.00	WARD 1
2020/10/30	65233	PICAMART	Core Function:Corporate Wide Strategic P	9 230.00	WARD 11
2020/10/23	69853	PHEZUU NGATHI LOGISTICS AND PR	Core Function:Corporate Wide Strategic P	9 320.00	WARD 09
2020/10/30	5875	N AND P BEVERAGE TRADING	Core Function:Corporate Wide Strategic P	9 420.00	WARD 30
2020/10/30	10055	MZAMBA BUILDERS CONSTRUCTION	Core Function:Corporate Wide Strategic P	9 600.00	WARD 24
2020/11/03	13369	VISA YAMIMASNALO	Core Function:Corporate Wide Strategic P	9 700.00	WARD 19
2020/11/03	577	MPANTSHA AND MPANTSHA TRADING	Core Function:Corporate Wide Strategic P	10 000.00	WARD 31
2020/10/08	8076	MKE MANJINDANA (PTY) LTD	Core Function:Mayor and Council	10 000.00	WARD 01
2020/10/30	8669	LEZAAR PTY LTD	Core Function:Corporate Wide Strategic P	10 050.00	WARD 10
2020/11/03	21987	SVMIM TRADING	Core Function:Corporate Wide Strategic P	10 100.00	WARD 23
2020/11/02	21693	AMAGINGQI SEWING ANDOTHER TRAD	Core Function:Corporate Wide Strategic P	10 100.00	WARD 04
2020/10/30	44112	SMABUDE EMPIRE TRADING	Core Function:Corporate Wide Strategic P	10 100.00	WARD 26

Order Date	Creditor	Creditor Name	Function Name	Value	Ward Number
2020/11/02	4079	MAPHALALA TRADING	Core Function:Corporate Wide Strategic P	10 200.00	WARD 28
2020/10/30	52978	NDZOLO AND SON TRADING ENTERPR	Core Function:Corporate Wide Strategic P	10 200.00	WARD 25
2020/10/28	3601	MIA COMMUNICATIONS	Core Function:Economic Development/Plann	10 200.00	WARD 25
2020/10/30	22450	AKHO CIVIL AND TRADING PTY LTD	Core Function:Corporate Wide Strategic P	10 300.00	WARD 7
2020/10/28	13123	AMABANUWA CO-OP	Core Function:Corporate Wide Strategic P	10 380.00	WARD 3
2020/10/30	60597	GUYNANA TRADING	Core Function:Corporate Wide Strategic P	10 500.00	WARD 5
2020/10/30	4498	CLARKVILLE POULTRY PROJECTS	Core Function:Corporate Wide Strategic P	10 500.00	WARD 27
2020/11/03	4265	KWIK-FIT BIZANA	Non-core Function:Electricity	11 100.00	WARD 1
2020/10/30	10091	BHUKWANI FARMING	Core Function:Corporate Wide Strategic P	11 100.00	WARD 16
2020/10/30	10072	BHEKI MFO (PTY) LTD	Core Function:Corporate Wide Strategic P	11 400.00	WARD 20
2020/11/04	37000	SIBANYE PROJECTS AND DEVELOPME	Core Function:Corporate Wide Strategic P	11 500.00	WARD 2
2020/10/30	22600	PHUMIES DEVINE TRADING PTY LTD	Core Function:Corporate Wide Strategic P	11 900.00	WARD 8
2020/10/20	21053	LUGWIJINI CLEANING AND CATERIN	Core Function:Mayor and Council	12 000.00	WARD 22
2020/11/04	219	WAVELENGTH 1125 CC	Core Function:Corporate Wide Strategic P	12 600.00	WARD 22
2020/10/30	8073	AMAMPINGE TRADING AND CATERING	Core Function:Corporate Wide Strategic P	12 800.00	WARD 30
2020/10/13	10041	LUSTARZ PROJECT (PTY) LTD	Core Function:Mayor and Council	13 800.00	WARD 8
2020/11/03	8455	G-U TRADING AND PROJECTS	Core Function:Mayor and Council	15 000.00	WARD 10
2020/11/04	10527	KU-BHA SERVICE STATION	Core Function:Fleet Management	15 600.00	WARD 30
2020/10/28	10527	KU-BHA SERVICE STATION	Core Function:Roads	19 500.00	WARD 30
2020/10/19	10527	LIKHO TRADING CC	Core Function:Roads	19 500.00	WARD 30
2020/10/28	9060	LIKHU TRADING CC	Core Function:Mayor and Council	22 500.00	WARD 17
2020/11/04	2283	AHLENATHI TRADING (PTY) LTD	Administrative and Corporate Support:Com	24 500.00	WARD 14
2020/10/20	22535	THE CHOSEN TRADING & PROJECT	Core Function:Marketing Customer Relatio	25 200.00	WARD 8
2020/10/28	25545	KATI KARIZWAYO (PTY) LTD	Core Function:Mayor and Council	27 190.00	WARD 13
2020/10/12	36658	SUPA QUICK	Core Function:Police Forces Traffic and	28 462.50	WARD 1
2020/10/13	8670	NOMSIN PROJECTS	Core Function:Biodyversity and Landscape	28 500.00	WARD 1
2020/10/28	971	ALSTONIA TRADING AND PROJECTS	Core Function:Roads	29 200.00	WARD 1
2020/10/23	8082	MASINYANE AND SON (PTY) LTD	Core Function:Mayor and Council	30 000.00	WARD 17
2020/10/12	12555	TSHABANE 2D PROJECTS	Core Function:Fleet Management	37 600.00	WARD 1
2020/10/14	69505	IZINTO EZINTLE ENTERPRISE	Finance:BUDGET AND TREASURY	39 800.00	WARD 22
2020/10/08	32654	MATANGANA AND ASSOCIATES	Core Function:Town Planning Building Reg	45 000.00	WARD 8
2020/10/15	1004	SPRING GREEN TRADING 187 CC	Finance:BUDGET AND TREASURY	60 500.00	WARD 1
2020/10/08	6111	EZAMAYOVO TRADING (PTY) LTD	Core Function:Solid Waste Removal	95 000.00	WARD 17
2020/10/12	3057	VILTO TRADING (PTY)LTD	Core Function:Municipal Manager Town Sec	99 900.00	WARD 8
2020/10/08	22568	VDS CONCEPT	Core Function:Corporate Wide Strategic P	110 000.00	WARD 17
2020/10/30	2282	SWORD GROUP	Core Function:Marketing Customer Relatio	165 000.00	WARD 17
2020/10/28	20067	NCAIANA TRADING AND PROJECTS	Core Function:Police Forces Traffic and	180 000.00	WARD 7

1 570 902.38

PART 2 – SUPPORTING DOCUMENTATION

1. The impact of COVID-19 to the municipality

The President of South Africa declared a nationwide lockdown, where all citizens, except those that form part of essential services, were ordered to stay home for a period of 21 days. Those working in essential services, as defined in the latter announcement, were exempted from the nationwide lockdown declaration. The nationwide lockdown commenced at midnight on Thursday, 26 March 2020. This was eventually extended to the end of April 2020. The president then announced that the country will continue being on a risk adjusted lockdown with level 4 alert expected to take until the end of May 2020. This announcement has broadly affect how municipalities and municipal entities undertake their financial management responsibilities for the remainder of the 2019/20 financial year in terms of the MFMA and the 2020/21 MTREF budget preparation process.

As a result, the Minister of Finance issued a conditional Exemption Notice in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) on 30 March 2020 to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster. Below are some of the areas that have been greatly affected and will continue to be affected as long COVID-19 is still within our shores.

a. Financial Performance

The municipality generates its revenues from a number of sources including provision of services. With the lockdown in full force, it meant that the municipality will not be generating any revenues from some services. The most affected areas are as follows:

i. Refuse removal

Due to the number of businesses that were closed during the lockdown, it meant the municipality was not providing any service to those as they did not generate any refuse. This required the municipality to exempt those from paying during the period of the lockdown. There has been a

trend of businesses closing down and offices spaces that were occupied currently being empty. This will mean less revenue for the municipality as the impact continues show its full might.

ii. Electricity distribution

The municipality provides electricity in the town area with businesses forming the bigger part of the municipality's revenue generation capacity. With most of these businesses closed during the hard lockdown, it meant less electricity was consumed and therefore less revenue generated. There is however a risk that due to financial difficulties that will be experienced by the people, there will be more illegal connections in an attempt to keep the lights on despite the financial difficulties.

iii. Licences and permits

The municipality as indicated earlier in the report runs a drivers license testing center which was unfortunately not operating during the lockdown and sometimes continues not operating for the duration required should any positive case be detected. This means loss of income to the municipality that has continued to show its effects in the current financial year.

iv. Spending on conditional grants

The municipality receives a number of conditional grants that must be fully spent by the end of the financial year. The COVID-19 enforced national lockdown could not have come at a worse period for the municipality in this respect. The following grants were affected by the lockdown and therefore a rollover application was submitted to National Treasury to request approval to spend these funds in the current year:

Grant	Original Allocation	Additional allocation/Roll Over	Expenditure to date	% Spent	Roll-over Amount
Integrated National Electrification Program Grant	R31 240 000	R0	R24 934 411	80%	R 6 305 589
Municipal	R48 362 000	R 6 126 580	R53 946 982	99%	R 541 598

Grant	Original Allocation	Additional allocation/Roll Over	Expenditure to date	% Spent	Roll-over Amount
Infrastructure Grant					
Financial Management Grant	R 2 215 000	R0	R 2 167 495	98%	R 47 505
Municipal Disaster Management Grant	R0	R 715 000	R 709 526	99%	R 5 474

A response on the outcome of the application was received before the end of October for inclusion in the municipal budget through an adjustment budget which must be approved within 30 days from the approval of the rollovers or pay the amounts not approved to the National Revenue Fund within 30 days. The following are amounts that the municipality is required to pay back to the National Revenue Fund:

Grant	Original Allocation	Additional allocation/Roll Over	Roll-over Amount	Reason for Declining
Municipal Infrastructure Grant	R48 362 000	R 6 126 580	R 541 598	Roll over of a roll over
Financial Management Grant	R 2 215 000	R0	R 47 505	No proof that the funds are committed
Total	R50 577 000	R 6 126 580	R 589 103	

2. Extension to timelines for submission of annual financial statements, annual reports, audits and related matters in terms of the MFAM

The Minister of Finance exempted municipalities and municipal entities from submitting key reports. The notice allows for a two-months delay in the submission of Annual Financial Statements, Annual Reports, Audit Opinions, Oversight reports and associated processes.

The context of this exemption flows from the Minister of Cooperative Governance and Traditional Affairs' announcement of the national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spread of the Covid-19 virus. Following the initial announcements of the national state of disaster, subsequent extensions and different levels were communicated.

Whilst the lockdown and restrictions have been eased over time, they are still in force and in effect with direct implications for municipalities, municipal entities, audit processes, amongst others. The lockdown impacts on the ability by municipalities and municipal entities to prepare and submit quality annual financial statements that meet the uniform norms and standards, related reports and processes to discharge their accountability towards the public and report on the utilisation of public funds.

The timing of the phased lockdown also had a knock-on effect on availability of municipal staff, which impacted on operations and added to the delays in ability to prepare AFS, undertake procedures such as the physical verification of assets, meter reading, revenue management, valuations, finalising supporting documentation and concluding reconciliations. There are similar impacts on the quality assurance processes, annual report, performance report and oversight report procedures and processes. The audit process and timelines by the Office of the Auditor-General to perform its audits, is also extended accordingly.

The effects of this Ministerial exemption are to mitigate anticipated widespread non-compliance with sections 126, 127, 129 and 133 of the MFMA due to the national state of disaster and lockdown restrictions. This provides a further two-month period to municipalities and municipal entities to comply with the MFMA to submit the AFS, annual reports, performance report and its oversight report. It also extends the period for the Office of the Auditor-General to conduct their audits and submission of the audit opinion to auditees, thereafter. This will be followed by Council Committees engagements and concluding their oversight processes.

The extension will therefore enable municipalities and municipal entities to undertake all the necessary actions, checks and reviews, to ensure that the annual financial statements fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.

In terms of the Ministerial Exemption, municipalities and municipal entities are exempted from complying with the deadlines provided in sections 126(1) and (2), 127(1) and (2) and 129(1) and 133(2) of the MFMA for a period of 2 months, as reflected in the table below. It is advised that all performance reports, required as per Section 46 of the Municipal Systems Act, be equally aligned.

No	Section	Action	New Deadline
1	Section 126(1)(a) of the MFMA	The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.	31 October 2020
2	Section 127(2) of the MFMA	The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.	31 March 2021
3	Section 129(1) of the MFMA	The council of a municipality must consider the annual report of the municipality and of any municipal entity	31 May 2021

No	Section	Action	New Deadline
		<p>under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council -</p> <p>a) has approved the annual report with or without reservations;</p> <p>b) has rejected the annual report; or</p> <p>c) has referred the annual report back for revision of those components that can be revised.</p>	
4	Section 133(2) of the MFMA	<p>The Auditor-General must submit to Parliament and the provincial legislatures—</p> <p>a) by no later than 31 October of each year, the names of any municipalities or municipal entities which have failed to submit their financial statements to the Auditor-General in terms of section 126; and</p> <p>b) at quarterly intervals thereafter, the names of any municipalities or municipal entities whose financial statements are still outstanding at the</p>	31 December 2020

No	Section	Action	New Deadline
		end of each interval.	

Despite the above changes the municipality and other municipality in the district were eager to comply with the original requirements but engagements between the municipalities and the Auditor-General determined that the Auditor-General will only be accepting submissions from 30 October 2020 due to resources to audit these. This is also informed by the requirement that they have three months to conclude their audits once they accept the financial statements. We were therefore encouraged to use the extra month on reviews of the AFS and supporting schedules.

3. Special adjustment budget

The Minister of Finance in Parliament delivered the 2020 National Supplementary Budget on the 24 June 2020. The 2020 Supplementary Budget responds to the COVID-19 pandemic and its impact on the economy. This includes the R20 billion allocation for local government announced by the President to assist in funding COVID-19 expenditure and supplementing lost revenue. This allocation consists of R11 billion added to the local government equitable share and just over R9 billion that was re-purposed for the provision of water and sanitation and for sanitising public transport facilities within existing grant allocations to local government.

Municipalities are then required to utilise the additional equitable share allocation as per the Government Gazette No. 43605 dated 7th August 2020 to compensate for the sharp decline experienced in revenue lost because of the pandemic, this essentially means that municipalities must resist as far as possible the temptation to increase expenditure but prioritize funding for basic service delivery expenditure already budgeted for but couldn't be discharged. This should include the servicing of both current and arrear bulk service accounts as prioritized by the municipalities paying particular attention to statutory payments, without compromising service delivery due to non-payment of other Creditors.

In addition, municipalities are required to use this adjustments budget to reprioritise the 2020/21 budget to respond to the impact of the COVID-19 pandemic. Given that it has been 6 months

since the lockdown, better quality information should be available to inform the budget assumptions. Municipalities that have adopted unfunded budgets for the 2020/21 financial year are required to also correct their budgets through this process to ensure funding compliance on the adjustment budgets. The 2020/21 special adjustments budget is required to be adopted by Council by no later than 30 September 2020

There has been a need to consider the effects of Covid-19 on the municipality's revenue collection capacity and the affordability of consumers during and post Covid-19. Based on the current information and the anticipated financial impact of this pandemic the municipality like any other institution must expect a sharp decline in its revenue collection capacity which must be countered with realistical financial planning and highest levels of discipline in implementing programs of the municipality. The National Government has then revised its Equitable share allocations to municipalities to cover their anticipated revenue shortfall.

The Municipal Manager with the assistance and advice of the management team recommends that a special adjustment budget be processed to accommodate the changes in existing grant allocations as a result of the COVID-19 global pandemic.

The Chief Financial Officer consulted with the departments with programmes that could be negatively affected by the massive drop in revenue collection in relation to their approved planned programmes, with the budget principles and approach to be applied to avoid creating new programmes.

The municipality received funding additional funding from the national fiscus in the form of the equitable share. This allocation is meant to assist in the following areas:

- Procurement of PPE for employees
- Disinfecting of Municipal Buildings
- Other COVID-19 qualifying expenditures
- Fund revenue collection shortfalls for the 2021 financial year

There was also a downward adjustment in the Integrated National Electrification Programme Grant of just over R3 million.

4. Debtors' analysis

Summary of all Debtors

EC443 Mbizana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200												
Trade and Other Receivables from Exchange Transactions - Electricity	1300												
Receivables from Non-exchange Transactions - Property Rates	1400	3 157	1 481	1 347	1 323	1 105	8 185			16 500	10 615		
Receivables from Exchange Transactions - Waste Water Management	1500	991	848	816	9 753	705	26 635			36 749	36 094		
Receivables from Exchange Transactions - Waste Water Management	1600												
Receivables from Exchange Transactions - Waste Management	1700	375	316	286	265	274	6 599			8 114	7 138		
Receivables from Exchange Transactions - Property Rental Debtors	1810	227	18	18	(89)	18	357			548	286		
Interest on Arrear Debtor Accounts	1820	396	445	429	326	317	13 008			14 920	13 650		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1900												
Other	1900	123	260	215	175	6	3 117			3 896	3 298		
Total By Income Source	2000	5 269	3 367	3 110	10 753	2 424	57 903			82 826	71 080		
2019/20 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	359	872	883	8 745	464	22 244			33 566	31 452		
Commercial	2300	4 629	2 259	2 019	1 812	1 747	23 590			36 055	27 149		
Households	2400	282	236	220	223	213	12 055			13 229	12 491		
Other	2500	(0)	(0)	(12)	(26)	0	14			(24)	(12)		
Total By Customer Group	2600	5 269	3 367	3 110	10 753	2 424	57 903			82 826	71 080		

The table above shows municipal debtors for the month of October 2020 per income source and per customer group. It should be noted that the municipality's leading source of income when it comes to debtors is property rate followed by interest on arrears which is an indication that we have more debtors that have stayed for longer periods outstanding. It should also be noted that the municipality's majority of debtors are more than 150 days old. This could prompt a write-off at some point if these are not collected as they overstate the municipality's balance sheet.

The biggest category of debtors is government and they owe the municipality long outstanding amounts followed by households. This is due to some accounts that are being disputed by consumers and government schools that public works says are not surveyed and therefore they cannot pay according to their processes until they have been surveyed.

5. Creditors' analysis

EC443 Mbizana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	861	299							1 159	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	861	299	-	-	-	-	-	-	1 159	-

The above table shows the municipality's creditors and their ageing. The report shows that the municipality did not manage to settle all creditors within 30 days of receipt of a valid invoice. The municipality continues to find ways to ensure that all creditors are settled within the stipulated times and ensure that invoices that do not fully comply are not accepted until they are fully compliant.

6. Investment portfolio analysis

EC443 Mbizana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0.001675498	0	N/A	not fixed	1 700	8	(495)	10 450	11 663
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0.001948661	0	N/A	not fixed	9 524	18	(1 618)	-	7 924
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.002246322	0	N/A	not fixed	229 481	490	(9 721)	-	220 249
FNB CALL DEPOSIT ACCOUNT(62816789220)		Not fixed	Call Deposit	No	Variable	0.002054789	0	N/A	not fixed	781	2	-	-	783
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0.001986302	0	N/A	not fixed	1	0	-	-	1
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	0.002052758	0	N/A	not fixed	1 937	4	(53)	-	1 888
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.038165527	0	N/A	not fixed	4 263	9	-	-	4 272
Municipality sub-total										247 687		(11 887)	10 450	246 781
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									247 687		(11 887)	10 450	246 781

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents decreased during the month by just over R1 million which lead to a decrease in its investments for the month of October 2020. It should however be noted that this only reflects the difference between what was received and what was spent.

7. Allocation and grant receipts and expenditure

a) Transfers & Grants Receipts

EC443 Mbizana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	311 814	363 613	-	133 761	121 004	12 757	10.5%	363 013
Local Government Equitable Share		-	278 139	332 422	-	125 163	110 807	14 356	13.0%	332 422
Finance Management		-	2 000	2 000	-	2 000	667	1 333	200.0%	2 000
EPWP Incentive		-	2 389	2 389	-	598	796	(198)	-24.9%	2 389
Integrated National Electrification Programme		-	29 286	26 202	-	6 000	8 734	(2 734)	-31.3%	26 202
	3	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	402	-	-	134	(134)	-100.0%	402
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	4	-	-	402	-	-	134	(134)	-100.0%	402
Greenest Municipality		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	-	311 814	363 415	-	133 761	121 138	12 623	10.4%	363 415
Capital Transfers and Grants										
National Government:		-	48 049	48 049	10 450	20 179	16 016	4 163	26.0%	48 049
Municipal Infrastructure Grant (MIG)		-	48 049	48 049	10 450	20 179	16 016	4 163	26.0%	48 049
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	48 049	48 049	10 450	20 179	16 016	4 163	26.0%	48 049
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	359 863	411 464	10 450	153 940	137 155	16 785	12.2%	411 464

The above table shows grants received during the month of October 2020.

b) Transfers & Grants Expenditure

EC443 Mbizana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

2019/2020 Supporting Table 007 (1) Monthly Budget Statement - transfers and grant expenditure - 30/09/2020										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	311 814	363 013	12 621	56 747	121 004	(64 257)	-53.1%	363 013
Local Government Equitable Share			278 139	332 422	12 751	52 493	110 807	(58 314)	-52.6%	332 422
Finance Management			2 000	2 000	49	267	667	(400)	-59.9%	2 000
EPWP Incentive			2 389	2 389	626	2 083	796	1 287	161.6%	2 389
Integrated National Electrification Programme			29 286	26 202	(805)	1 904	8 734	(6 830)	-78.2%	26 202
								-		
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	-	402	225	384	134	250	186.5%	402
								-		
								-		
								-		
Greenest Municipality			-	402	225	384	134	250	186.5%	402
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	311 814	363 415	12 846	57 131	121 138	(64 007)	-52.8%	363 415
Capital expenditure of Transfers and Grants										
National Government:		-	48 049	48 049	4 305	12 314	16 016	(3 702)	-23.1%	48 049
Municipal Infrastructure Grant (MIG)			48 049	48 049	4 305	12 314	16 016	(3 702)	-23.1%	48 049
								-		
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
								-		
Total capital expenditure of Transfers and Grants		-	48 049	48 049	4 305	12 314	16 016	(3 702)	-23.1%	48 049
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	359 863	411 464	17 151	69 445	137 155	(67 709)	-49.4%	411 464

The above table shows expenditure on grants that have been allocated to the municipality.

c) Expenditure on approved rollovers

EC443 Mbizana - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M04 October

Description	Ref	Budget Year 2020/21				
		Approved Rollover 2019/20	Monthly actual	YearTD actual	YTD variance	YTD variance
R thousands						%
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share					-	
Finance Management					-	
EPWP Incentive					-	
Integrated National Electrification Programme					-	
Other transfers and grants [insert description]					-	
Provincial Government:		402	225	384	18	4.5%
					-	
					-	
					-	
Greenest Municipality		402	225	384	18	4.5%
District Municipality:		-	-	-	-	
					-	
[insert description]					-	
Other grant providers:		-	-	-	-	
					-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		402	225	384	18	4.5%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Municipal Infrastructure Grant (MIG)					-	
					-	
					-	
Other capital transfers [insert description]					-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		402	225	384	18	4.5%

The table above shows spending progress on the approved rollovers for the year being implemented.

8. Cash flow Statement

EC443 Mbizana - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	26 341	22 853	9 612	10 556	7 618	2 939	39%	22 853
Service charges		-	36 579	34 838	3 017	9 496	11 613	(2 117)	-18%	34 838
Other revenue		-	11 515	11 515	1 841	3 594	3 838	(245)	-6%	11 515
Transfers and Subsidies - Operational		-	282 528	337 213	603	132 044	112 404	19 640	17%	337 213
Transfers and Subsidies - Capital		-	77 335	74 251	15 729	15 729	24 750	(9 021)	-36%	74 251
Interest		-	10 364	10 364	535	2 276	3 455	(1 179)	-34%	10 364
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(379 171)	(366 571)	(17 873)	(84 976)	(122 190)	(37 215)	30%	(366 571)
Finance charges		-	(50)	(50)	-	(1)	(17)	(16)	97%	(50)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	65 440	124 413	13 463	88 719	41 471	(47 248)	-114%	124 413
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(70 114)	(110 973)	(3 265)	(19 595)	(36 991)	(17 396)	47%	(110 973)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(70 114)	(110 973)	(3 265)	(19 595)	(36 991)	(17 396)	47%	(110 973)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	(460)	(460)	-	-	(153)	153	-100%	(460)
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(460)	(460)	-	-	(153)	(153)	100%	(460)
NET INCREASE/ (DECREASE) IN CASH HELD		-	(5 134)	12 979	10 198	69 123	4 326			12 979
Cash/cash equivalents at beginning:		-	215 140	215 140		186 038	215 140			186 038
Cash/cash equivalents at month/year end:		-	210 006	228 119		255 161	219 467			199 017

The above table shows how the municipality's cash was applied during the month to account for the movement in actual cash at the bank.

9. Statement of Financial Position

EC443 Mbizana - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		–	3 476	21 589	8 381	21 589
Call investment deposits		–	206 991	206 991	246 781	206 991
Consumer debtors		–	32 970	38 198	76 470	38 198
Other debtors		–	43 763	43 763	61 883	43 763
Current portion of long-term receivables		–	–	–	–	–
Inventory		–	1 179	979	2 163	979
Total current assets		–	288 379	311 520	395 678	311 520
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	9	–
Investment property		–	25 097	25 097	34 201	25 097
Investments in Associate		–	–	–	–	–
Property, plant and equipment		–	682 178	728 552	647 712	728 552
Biological		–	–	–	–	–
Intangible		–	–	(100)	190	(100)
Other non-current assets		–	1 281	1 281	1 231	1 281
Total non current assets		–	708 556	754 830	683 343	754 830
TOTAL ASSETS		–	996 934	1 066 350	1 079 021	1 066 350
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		–	460	460	452	460
Trade and other payables		–	17 705	14 750	64 091	14 750
Provisions		–	18 471	18 471	19 860	18 471
Total current liabilities		–	36 636	33 681	84 403	33 681
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		–	3 920	3 920	5 495	3 920
Total non current liabilities		–	3 920	3 920	5 495	3 920
TOTAL LIABILITIES		–	40 556	37 600	89 898	37 600
NET ASSETS	2	–	956 378	1 028 749	989 123	1 028 749
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	956 378	1 028 749	989 123	1 028 749
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	956 378	1 028 749	989 123	1 028 749

This is the report for October 2020 and we would like the Committee to consider its contents.

10. Municipal Manager's quality certification

Quality Certificate

I, Luvuyo Mahlaka, the municipal manager of Mbizana Local Municipality, hereby certify that --

☐ The monthly budget statement

for the month of October 2020 has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print name: Luvuyo Mahlaka

Municipal manager of Mbizana Local Municipality (EC443)

Signature: 

Date: 10 / 11 / 2020

