



**WINNIE MADIKIZELA-MANDELA
LOCAL MUNICIPALITY
MONTHLY REPORT**

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF MAY 2021**

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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 11th report of the 2020/21 financial year which should give an indication of how the municipality has performed during the period of operation in the indicated year. This is normally the period where a number of programs would normally have begun to take shape and expenditure began to pick from the performance of the first half of the financial year that coincided with the year-end, preparation of the annual financial statements and the external audit by the Auditor-General which were all extended by a sixty day period. 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 optimally at all times. This information will continue to be analysed for the purposes of being used as a measuring tool for the 2021/22 budget that was passed before the end of May 2021 and hopefully the contents of this 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 oversight 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 |

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

We reported in the previous reports that the Accountant: Reporting position had been advertised and the advert closed. We can now confirm that the recruitment processes including shortlisting, interviews and recommendation to the Accounting Officer for approval have been concluded. It is expected that the successful candidate would commence duties before the end of May 2021 should there be a need to wait for the notice period to be served. This was however not the case as the qualification verification processes took longer than expected. The expected date was then advised by Corporate Services to be June 2021, which indeed happened. 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. The advertising process was concluded during the month of March 2021 as expected. Shortlisting and interviews were expected to be concluded by 30 April 2021 to allow the department an opportunity to have this manager commence with duties before the end of the financial year. This unfortunately was not the case as the shortlisting did not take place during the month of April but during the month of May 2021 with all other processes concluded before the end of May 2021. We continue to be hopeful that the successful candidate will be able to commence with duties before the end of June 2021 or July 2021.

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

- Manager: Assets and Stores Management – verification of qualifications and security clearance.

4. Implementation of mSCOA

As mentioned in the executive summary of the report, the municipality is implementing mSCOA as required by the relevant regulations from 1 July 2017. Following are some of the challenges that the implementation has posed to the municipality over the years since implementation:

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 6.5 has been released and introduced with MFMA Circular 107.

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 the draft and final budgets for 2022 and corrections made to the draft budget as per the budget engagements that were held with Provincial Treasury during the month of May 2021.

The version has introduced a number of changes which are expected to pose 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 agreed upon 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 in the past been discovered to only work well with income and expenditure, other modules like balance sheet and cashflow budgeting still continue to produce aligning reports even though some principles are incorrect. 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 and will continue to attend as the municipality to ensure full compliance during the upcoming 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 municipality successfully procured a refuse skip bean truck during the year. There is currently a request for procurement for procurement of a bakkie for the refuse section which we hope will be delivered by the 30th of June 2021.

**b) Provision of vehicle fleet management services for the period 1 April
2021 to 31 March 2026**

As part of both cost containment and operational needs of the municipality, the municipality has been approved to be a participant of RT-46 2020 arranged by National Treasury. The contract covers a range of services including the following:

- a) Fleet data integration
- b) Fuel, oil and Toll services
- c) Managed Maintenance, Repairs and Accident Reports
- d) Vehicle Tracking and Monitoring
- e) Driver, Vehicle Condition and Fine Management

We are hoping the approval in this contract will greatly assist the municipality in addressing the delays in procurement processes in cases where vehicles are required to be available for use in the short space of time.

6. Strategic Objectives

The Budget and 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 which 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 and the revised one approved by the Mayor within 30 days after the adjusted budget was approved by 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	Issue	Strategic Objective	Obj ective No.	Strateg ic Plan	Baseline Informat ion	Project to be Implement ed	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Bud get	Adjus ted Budget	Budget Source		Measurable Performance				Ward	Responsible Section	Responsible Manager
														Inter nal	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 2020	4.1	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 by June 2021	Terms of Reference, Publication, Appointment letter, Progress Report	R 500 000.00	N/A	yes		Develop terms of reference and Publication	Sourcing of suitable service provider	N/A	Linking of electricity meters to automated metering reading system	Ward 1	Revenue	Manager, Revenue and Expenditure
				Monthly billing of all consumers for services	90% billing on property rates, 60% on electricity and 50% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	Reduced Customer queries - 100% of consumer s billed as per consumer master database	4.1.2	Billing of 2 136 consumer accounts for Property rates, refuse and electricity by June 2021	12 Monthly Billing Reports	N/A	N/A	N/A	Bill 2 136 consumer accounts for Property rates, refuse and electricity	Bill 2 136 consumer accounts for Property rates, refuse and electricity	Bill 2 136 consumer accounts for Property rates, refuse and electricity	Bill 2 136 consumer accounts for Property rates, refuse and electricity	Ward 1	Revenue	Manager, Revenue and Expenditure		

KPA No 4: Budget & Treasury																						
Outcome 9 Objective																						
Sub-Result	Issue	Strategic Objective	Objectives	Strategies	Baseline Information	Project to be	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Adjusted	Budget Source	Measurable Performance		Ward	Responsible Section	Responsible Manager			
						Consumer Awareness - Catering and promotional all items		4.1.4		Implemented consumer awareness program on credit control information by June 2021	Sample of 5 monthly redesigned consumer statements	R 100 000.00	-R 100 000.00	Yes	N/A	Draft Public Notice	Hosting of awareness program	Redesign 2 consumer statements to include the credit control information	Redesign 3 consumer statements to include the credit control information	Ward 1	Revenue	Manager: Revenue and Expenditure
				Development and implementation of the Revenue Enhancement Strategy	Revenue Enhancement Strategy reviewed in 2019/20	Development and implementation of the Revenue Enhancement Strategy	Development and implementation of the Revenue Enhancement Strategy	4.1.5	0.52	Development and implementation of the Revenue Enhancement Strategy by June 2021	Revenue Enhancement Strategy, Implementation plan, 3 Appointment letters, Attendance register and minutes	R -	N/A	Yes	N/A	Develop Revenue Enhancement Strategy and Implementation Plan	Present Revenue Enhancement Strategy and Implementation plan to council	Appointment of revenue and debt steering committee consisting of at least 3 Senior Managers	1 meeting of revenue and debt steering committee	Ward 1	Revenue	Manager: Revenue and Expenditure
				Implementation of credit control measures	Long outstanding debtors, which are more than 365 days	Outsourcing of collection services	Debtors age analysis reflecting debtors within 90 days	4.1.6	0.52	Consumer Data analyses and cleansing to ensure readiness for handing over of all accounts beyond 90 days by June 2021	2 Data cleansing report	R 500 000.00	N/A	Yes	N/A	Progress report on accounts handed over beyond 90 days	Progress report on accounts handed over beyond 90 days	Investigate account information	Investigate account information	Ward 1	Revenue	Manager: Revenue and Expenditure

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Financial Reporting	Financial statements with non-compliance with laws	To compile Annual Financial Statements that comply with all requirements as at 30 June 2021	4.5	Develop sound, strict and effective procedures for the compilation of the compliance findings of AFS	Audited Annual Financial Statements for 2018/19 with compliance findings	Development of processes and procedures for compilation of Compliant annual financial statements	Credible Annual Financial Statements submitted by 31 August 2020	4.5.1	1.5	Credible and fully compliant Annual Financial Statements submitted 31 August 2020 by June 2021	AFS and proof of submission to AG, Proof of payment, Interim Financial statements	R 200 000.00	N/A	N/A	Yes	N/A	Submit 2019/20 Annual Financial Statements to the AG for Renew Caseware Licenses	N/A	Completion of Interim Financial Statements	Ward 1	Reporting	Manager: Budgeting and Reporting																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
																							Review of useful life of movable assets	Asset Management unit with its own manager	Establishment of the Asset Management unit	Approved Organisational Structure, Advert, Appointment letter	Functional and Fully Fledged Asset Management Unit by June 2021	Submission of the reviewed organisational structure to Council for approval	Advertisement, Procurement of working tools	N/A	Assumption of duties by the Asset and Stores Manager	N/A	Submission of the Asset Register to AG by 31st October 2020. Submission of Responses to audit requests	Development of Terms of Reference and Publication, Appointment of the Service Provider	Yes	R 210 000.00	N/A																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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Sub-Result	Issue	Strategic Objective	Objectives	Strategies	Baseline Information	Project to be	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Adjusted	Budget Source	Measurable Performance		Ward	Responsible Section	Responsible Manager
		To timely produce budgets in line with the National Treasury guidelines and regulations	4.7	Developing and monitor process as to ensure timely preparation, adoption and publication of credible municipal budgets	Adjustment is budget approved by 27 February 2019 and draft budget approved by 31 March 2019 of each year, final budget approved 31 May 2019	Complete at least three budgets to be approved by council	Council resolutions adopting the budgets	4.7.1	1.5	3 Approved budgets by June 2021	Adjustment budget 2021; Draft budget 21/22; Approved 21/22 Final Budget and Council resolutions	N/A	N/A	N/A	N/A	Adopted budget adjustment 2020/21; Draft budget 2021/2022	Ward 1	Budgeting	Manager: Budgeting and Reporting
						Publication of approved budgets	Advertisement of approved budgets and tariffs	4.7.2	1.5	Publication of at least three approved budgets by June 2021	3 Adverts	R 57 940, 78	N/A	Yes	N/A	Adjustment budget advert	Ward 1	Budgeting	Manager: Budgeting and Reporting

The above information has been revised to reflect changes necessitated by both Covid-19, the special adjustments budget that was passed at the end of September 2020 as well as the adjustment budget passed on 26 February 2021. The process was finalised within 30 days from the date of approval of the adjusted budget.

7. In-year budget statement tables

a) Budget Statement Summary

EC443 Mbizana - Table C1 Monthly Budget Statement Summary - M11 May

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	21 251	25 189	25 189	771	24 671	23 090	1 581	7%	25 189
Service charges	38 374	37 015	37 144	2 727	33 082	34 048	(966)	-3%	37 144
Investment revenue	9 660	10 364	10 364	691	6 862	9 500	(2 637)	-28%	10 364
Transfers and subsidies	268 843	282 528	355 440	254	336 920	325 820	11 100	3%	355 440
Other own revenue	23 818	13 646	13 476	1 101	11 731	12 353	(622)	-5%	13 476
Total Revenue (excluding capital transfers and contributions)	361 946	388 742	441 612	5 546	413 267	404 811	8 456	2%	441 612
Employee costs	104 852	119 133	119 194	8 582	95 970	109 261	(13 292)	-12%	119 194
Remuneration of Councillors	23 970	25 036	25 036	2 008	21 991	22 949	(958)	-4%	25 036
Depreciation & asset impairment	39 437	52 581	52 681	3 510	38 725	48 291	(9 566)	-20%	52 681
Finance charges	11	150	150	-	1	138	(136)	-99%	150
Materials and bulk purchases	41 417	39 573	42 314	3 050	32 137	38 788	(6 651)	-17%	42 314
Transfers and subsidies	1 418	1 835	7 018	121	2 377	6 433	(4 056)	-63%	7 018
Other expenditure	159 372	184 883	202 410	14 495	93 389	185 542	(92 153)	-50%	202 410
Total Expenditure	370 477	423 190	448 803	31 775	284 591	411 403	(126 811)	-31%	448 803
Surplus/(Deficit)	(8 531)	(54 449)	(7 191)	(26 229)	128 675	(6 592)	135 267	-2052%	(7 191)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	78 881	77 335	77 967	7 856	63 697	71 469	(7 773)	-11%	77 967
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	70 350	22 886	70 776	(18 373)	192 372	64 878	127 494	197%	70 776
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	70 350	22 886	70 776	(18 373)	192 372	64 878	127 494	197%	70 776
Capital expenditure & funds sources									
Capital expenditure	87 590	75 808	199 390	15 145	91 176	146 108	(54 931)	-38%	199 390
Capital transfers recognised	60 016	45 647	70 336	11 689	55 463	64 475	(9 012)	-14%	70 336
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	27 575	30 162	89 054	3 457	35 713	81 633	(45 920)	-56%	89 054
Total sources of capital funds	87 590	75 808	199 390	15 145	91 176	146 108	(54 931)	-38%	199 390
Financial position									
Total current assets	279 015	288 379	301 674		455 005				301 674
Total non current assets	679 499	708 556	749 931		716 035				749 931
Total current liabilities	58 261	36 636	80 577		78 397				80 577
Total non current liabilities	5 495	3 920	5 495		5 495				5 495
Community wealth/Equity	894 758	956 378	965 533		1 087 148				965 533
Cash flows									
Net cash from (used) operating	136 178	65 440	146 046	(25 265)	222 801	133 875	(88 926)	-66%	146 046
Net cash from (used) investing	(85 996)	(70 114)	(120 843)	(17 912)	(105 270)	(110 773)	(5 503)	5%	(120 843)
Net cash from (used) financing	-	-	43	1	-	39	39	100%	43
Cash/cash equivalents at the month/year end	173 644	210 467	198 890	-	305 730	196 786	(108 944)	-55%	213 444
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	4 722	3 140	2 974	3 268	3 012	73 288	-	-	90 404
Creditors Age Analysis									
Total Creditors	388	-	-	-	-	-	-	-	388

The table above shows a summary of the municipality's financial performance for the period ended 31 May 2021. 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) - M11 May

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>		311 887	321 684	375 849	2 621	373 437	344 528	28 909	8%	375 849
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		311 887	321 684	375 849	2 621	373 437	344 528	28 909	8%	375 849
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5 779	4 942	6 046	195	3 795	5 542	(1 748)	-32%	6 046
Community and social services		328	181	1 383	2	37	1 268	(1 231)	-97%	1 383
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 451	4 761	4 663	193	3 758	4 274	(516)	-12%	4 663
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		54 440	48 612	63 107	4 567	31 421	57 848	(26 427)	-46%	63 107
Planning and development		307	563	17 648	1	96	16 177	(16 082)	-99%	17 648
Road transport		54 133	48 049	45 459	4 566	31 325	41 671	(10 346)	-25%	45 459
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68 722	70 839	74 577	6 019	68 311	68 362	(51)	0%	74 577
Energy sources		58 896	63 969	67 191	5 601	61 324	61 591	(267)	0%	67 191
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		9 826	6 870	7 386	417	6 987	6 770	216	3%	7 386
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	440 828	446 077	519 579	13 402	476 963	476 280	683	0%	519 579
Expenditure - Functional										
<i>Governance and administration</i>		154 836	184 624	186 635	11 521	122 979	171 082	(48 103)	-28%	186 635
Executive and council		54 296	63 018	60 829	4 673	46 541	55 760	(9 219)	-17%	60 829
Finance and administration		97 700	116 150	119 884	6 530	73 570	109 894	(36 324)	-33%	119 884
Internal audit		2 841	5 457	5 921	317	2 868	5 428	(2 559)	-47%	5 921
<i>Community and public safety</i>		29 327	30 879	30 735	2 293	19 997	28 173	(8 177)	-29%	30 735
Community and social services		8 044	12 117	11 494	526	6 087	10 536	(4 448)	-42%	11 494
Sport and recreation		7 497	2 769	3 039	205	2 053	2 785	(733)	-26%	3 039
Public safety		13 777	15 014	15 222	1 484	11 082	13 954	(2 872)	-21%	15 222
Housing		9	980	980	79	775	898	(124)	-14%	980
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		68 983	100 216	108 211	11 031	67 012	99 194	(32 181)	-32%	108 211
Planning and development		19 309	28 221	34 695	2 799	17 209	31 804	(14 595)	-46%	34 695
Road transport		47 085	69 641	71 202	8 137	48 447	65 268	(16 822)	-26%	71 202
Environmental protection		2 589	2 353	2 315	96	1 357	2 122	(765)	-36%	2 315
<i>Trading services</i>		115 111	103 891	119 886	6 648	72 428	109 895	(37 467)	-34%	119 886
Energy sources		96 839	77 927	93 174	4 681	51 161	85 410	(34 249)	-40%	93 174
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		18 271	25 964	26 712	1 966	21 267	24 486	(3 218)	-13%	26 712
<i>Other</i>		2 220	3 580	3 336	281	2 175	3 058	(884)	-29%	3 336
Total Expenditure - Functional	3	370 477	423 190	448 803	31 775	284 591	411 403	#####	-31%	448 803
Surplus/ (Deficit) for the year		70 350	22 886	70 776	(18 373)	192 372	64 878	127 494	197%	70 776

The table above shows the municipality's financial performance for the period ended 31 May 2021 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) - M11 May

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		21 251	25 189	25 189	771	24 671	23 090	1 581	7%	25 189
Service charges - electricity revenue		33 884	32 578	32 578	2 310	28 886	29 863	(977)	-3%	32 578
Service charges - water revenue		—	—	—	—	—	—	—		—
Service charges - sanitation revenue		—	—	—	—	—	—	—		—
Service charges - refuse revenue		4 490	4 437	4 566	417	4 196	4 186	10	0%	4 566
Rental of facilities and equipment		5 097	2 851	2 851	529	2 845	2 613	232	9%	2 851
Interest earned - external investments		9 660	10 364	10 364	691	6 862	9 500	(2 637)	-28%	10 364
Interest earned - outstanding debtors		4 912	4 404	4 404	350	4 507	4 037	471	12%	4 404
Dividends received		—	—	—	—	—	—	—		—
Fines, penalties and forfeits		2 066	948	850	1	340	779	(439)	-56%	850
Licences and permits		2 237	2 756	2 756	162	2 185	2 526	(341)	-14%	2 756
Agency services		1 021	1 218	1 218	31	1 270	1 116	153	14%	1 218
Transfers and subsidies		268 843	282 528	355 440	254	336 920	325 820	11 100	3%	355 440
Other revenue		960	1 470	1 398	29	583	1 281	(698)	-54%	1 398
Gains		7 526	—	—	—	—	—	—		—
Total Revenue (excluding capital transfers and contributions)		361 946	368 742	441 612	5 546	413 267	404 811	8 456	2%	441 612

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 the Department of 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 R771 thousand up to the end 30 June 2021. The current revenue recognised on this stream may seem to be 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 R2.3 million for the month and a year to date actual of R28.8 million. This is below the revised projection by 3% which is a decline from the 2% deficit recorded in the previous month. 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 patterns in real time. In response to this, the municipality is in the processes of procuring services of a professional service provider to install and operate the system. During the month of January, it was identified that there is a need to conduct a professional re-assessment of the existing credit meters to ensure they have not been tampered with and are still reading correctly. The process was concluded during the month of March with a report indicating some areas of concern including installation of meters that do not meet the minimum requirements in some properties by the municipal staff and other providers.

- **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 R417 thousand which is in line with the revised projection. 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 R6.8 million worth of interest on investments with a year to date actual that is below the projection by 28%. This is a slight improvement from the 29% underperformance that was recorded in the previous month. This underperformance 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 R350 thousand for the period ended 31 May 2021 which is more than the amount projected for the period by 12%. This should be a cause for concern considering that it continues to grow which can only mean that more debts continue to be unpaid and will eventually lead to these being uncollectible. This requires intense debt collection initiatives and consumer education of alternative ways to manage debt. 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 current month's generation is at R1 thousand which is the continuation of the picture that has been seen throughout the year where there was no revenue generated in most of the months during the year. This resulted in a 56% less than projected amount performance 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 R529 thousand for the month which has pushed the actual performance to a level above the projection by 9% 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 R162 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 a regression from 12% 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 R336.9 million as this is the eleventh 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, December 2020 and March 2021.

d) Debt Collection

The table below shows a 47% overall collection rate for the month ended 31 May 2021. However, we note a 72% collection rate on leasehold fees, 58% on electricity and 36% on refuse removal for the period. This kind of performance has resulted in an increase from just over 23% at the end of the first quarter to 65% overall collection since the start of the financial year.

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

YEAR ENDING: 30 June 2021

INCOME TYPE	SEP	1st QUARTER	OCT	NOV	DEC	2nd QUARTER	Jan-21	Feb-21	Mar-21	3rd QUARTER	Apr-21	May-21	TOTALS
RATES													
billed	990 906	16 963 532	990 906	990 906	990 906	2 972 719	990 906	990 906	990 906	2 972 719	990 906	1 029 757	25 959 391,69
payment received	284 292	972 433	9 528 781	249 991	537 087	10 315 858	389 989	426 784	353 172	1 169 945	1 812 857	354 294	14 625 386,74
% of billing received	29%	6%	962%	25%	54%	347%	39%	43%	36%	39%	183%	34%	56%
ELECTRICITY													
billed	2 288 848	6 790 291	3 225 859	2 247 534	2 242 143	7 715 536	2 349 708	2 159 951	2 204 732	6 714 390	2 157 320	2 189 612	25 567 148,49
payment received	1 235 004	3 495 575	2 151 617	1 566 753	2 008 519	5 726 890	1 310 804	2 254 279	1 685 770	5 250 853	3 295 791	1 260 290	17 769 109,44
% of billing received	54%	51%	67%	70%	90%	74%	56%	104%	76%	78%	153%	58%	69%
LEASEHOLD FEES													
billed	224 507	673 520	225 908	225 908	228 635	680 451	228 635	228 937	240 172	697 744	240 172	287 875	2 579 761,34
payment received	194 594	584 567	1 069 773	194 594	194 594	1 458 961	197 322	197 322	197 322	591 965	208 557	208 557	3 052 605,94
% of billing received	87%	87%	474%	86%	85%	214%	86%	86%	82%	85%	87%	72%	118%
VAT													
billed	434 998	1 293 838	573 358	428 859	428 460	1 430 676	434 500	415 201	423 603	1 273 304	416 492	435 067	4 849 377,37
payment received	251 794	699 716	530 101	338 070	373 647	1 241 817	256 184	417 118	393 561	1 066 864	575 009	242 040	3 825 446,10
% of billing received	58%	54%	92%	79%	87%	87%	59%	100%	93%	84%	138%	56%	79%
INTEREST													
billed	451 698	1 225 603	395 574	406 039	412 584	1 214 197	424 797	429 122	437 833	1 291 752	158 620	166 162	4 056 333,77
interest billed on rates													
payment received	22 156	86 469	1 160 261	51 350	98 741	1 310 353	35 920	200 034	79 856	315 810	318 811	49 166	2 080 608,32
% of billing received	5%	7%	293%	13%	24%	108%	8%	47%	18%	24%	75%	11%	45%
REFUSE REMOVAL													
billed	386 639	1 161 800	385 626	385 626	385 626	1 156 877	385 626	379 126	379 126	1 143 877	379 126	422 967	4 264 647,30
payment received	199 828	512 077	305 256	278 869	248 948	833 073	162 231	326 894	229 128	718 254	239 307	152 156	2 454 866,94
% of billing received	52%	44%	79%	72%	65%	72%	42%	86%	60%	63%	63%	36%	58%
TOTAL INCOME													
billed	4 777 596	28 108 583	5 797 230	4 684 871	4 688 355	15 170 457	4 814 173	4 603 242	4 676 372	14 093 787	4 609 933	4 800 206	67 812 723
payment received	2 187 669	6 350 837	14 745 789	2 679 627	3 461 536	20 886 953	2 352 450	3 822 431	2 938 809	9 113 689	6 450 332	2 266 503	43 808 023
% of billing received	46%	23%	254%	57%	74%	138%	49%	83%	63%	65%	140%	47%	65%

e) Review of the Revenue enhancement strategy implementation

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 has undergone reviews by all departments affected by the recommendations to ensure accuracy and implementability.

A presentation of the draft strategy was made to the Budget and Treasury standing as a structure of council and to the Executive committee of the municipality as a recommendation from the standing committee. The report of the executive committee on the strategy was also presented in the council meeting held of the 7th of December 2020.

The municipality has finalised the process of formulating the proposed structures to implement and monitor the implementation of the strategy and the first meeting of the structure is expected before the end June 2021.

f) Expenditure by Type

EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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		104 852	119 133	119 194	8 582	95 970	109 261	(13 292)	-12%	119 194
Remuneration of councillors		23 970	25 036	25 036	2 008	21 991	22 949	(958)	-4%	25 036
Debt impairment		8 570	4 500	8 600	0	—	7 883	(7 883)	-100%	8 600
Depreciation & asset impairment		39 437	52 581	52 681	3 510	38 725	48 291	(9 566)	-20%	52 681
Finance charges		11	150	150	—	1	138	(136)	-99%	150
Bulk purchases		33 255	31 896	34 616	2 568	29 028	31 731	(2 703)	-9%	34 616
Other materials		8 162	7 677	7 699	492	3 109	7 057	(3 948)	-56%	7 699
Contracted services		50 929	110 404	93 388	10 789	50 453	85 605	(35 152)	-41%	93 388
Transfers and subsidies		1 418	1 835	7 018	121	2 377	6 433	(4 055)	-63%	7 018
Other expenditure		44 470	69 979	64 146	3 706	31 147	58 800	(27 653)	-47%	64 146
Losses		55 402	—	36 277		11 789	33 253	(21 465)	-65%	36 277
Total Expenditure		370 477	423 190	448 803	31 775	284 591	411 403	(126 811)	-31%	448 803

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 May 2021 reflects an amount of R8.5 million for employee costs and R2 million for the remuneration of councillors. The remuneration of councillors shows a 4% underspending compared to what is expected at the same period. Employee costs have continued to record a 12% saving that is always expected considering issues like annual bonuses, resignations 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 R2.5 million on electricity purchases for the period ended 31 May 2021 and a year to date actual of R29 million which is below the revised projected expenditure by 9%. This amount only relates to the last 21 days of July up to the first 10 days of May 2021 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 runs, 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 depreciation was recorded for at R3.5

million the period ended 31 May 2021 with a year to date actual of R38.7 million which is below the projected amount by 20% 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 R10.7 million worth of expenditure for the month. This has resulted in a recorded saving of over R35.1 million which translates to 41% 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 47%, which is a slight improvement compared 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) - M11 May

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									%	
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury		311 534	296 215	350 379	1 838	349 363	321 181	28 182	8,8%	350 379
Vote 3 - Corporate Services		352	280	280	11	393	257	136	53,0%	280
Vote 4 - Community Services		15 605	11 811	13 432	612	10 781	12 313	(1 531)	-12,4%	13 432
Vote 5 - Development Planning		111	25 621	42 680	772	23 762	39 124	(15 361)	-39,3%	42 680
Vote 6 - Engineering Services		113 226	112 149	112 806	10 167	92 663	103 144	(10 481)	-10,2%	112 806
Total Revenue by Vote	2	440 828	446 077	519 579	13 402	476 963	476 019	945	0,2%	519 579

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 R10.1 million for the month with Budget and Treasury showing generation of over R1.8 million for the month and R349 million for the period which is attributable to the last trench of the equitable share that was received during the month, Community and Social services at over R612 thousand as well as Development planning at R772 thousand.

h) Expenditure by Municipal Vote

EC443 Mbizana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

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		69 497	83 121	81 598	5 908	60 820	74 798	(13 978)	-18,7%	81 598
Vote 2 - Budget and Treasury		26 759	30 707	34 797	1 397	15 936	31 897	(15 962)	-50,0%	34 797
Vote 3 - Corporate Services		48 181	57 123	56 612	3 393	35 075	51 894	(16 820)	-32,4%	56 612
Vote 4 - Community Services		62 453	74 211	74 925	5 426	55 013	68 681	(13 669)	-19,9%	74 925
Vote 5 - Development Planning		16 060	25 425	31 488	2 393	13 892	28 864	(14 972)	-51,9%	31 488
Vote 6 - Engineering Services		147 526	152 604	169 383	13 257	103 856	155 268	(51 411)	-33,1%	169 383
Total Expenditure by Vote	2	370 476	423 190	448 803	31 775	284 591	411 403	(126 811)	-30,8%	448 803
Surplus/ (Deficit) for the year	2	70 352	22 886	70 776	(18 373)	192 372	64 616	127 756	197,7%	70 776

The table above shows the municipal expenditure by municipal vote. The total expenditure for the month of May 2021 amounted to just above R31.7 million.

i) Municipality's financial performance

EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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		21 251	25 189	25 189	771	24 671	23 090	1 581	7%	25 189
Service charges - electricity revenue		33 884	32 578	32 578	2 310	28 886	29 863	(977)	-3%	32 578
Service charges - water revenue		—	—	—	—	—	—	—		—
Service charges - sanitation revenue		—	—	—	—	—	—	—		—
Service charges - refuse revenue		4 490	4 437	4 566	417	4 196	4 186	10	0%	4 566
Rental of facilities and equipment		5 097	2 851	2 851	529	2 845	2 613	232	9%	2 851
Interest earned - external investments		9 660	10 364	10 364	691	6 862	9 500	(2 637)	-28%	10 364
Interest earned - outstanding debtors		4 912	4 404	4 404	350	4 507	4 037	471	12%	4 404
Dividends received		—	—	—	—	—	—	—		—
Fines, penalties and forfeits		2 066	948	850	1	340	779	(439)	-56%	850
Licences and permits		2 237	2 756	2 756	162	2 185	2 526	(341)	-14%	2 756
Agency services		1 021	1 218	1 218	31	1 270	1 116	153	14%	1 218
Transfers and subsidies		268 843	282 528	355 440	254	336 920	325 820	11 100	3%	355 440
Other revenue		960	1 470	1 398	29	583	1 281	(698)	-54%	1 398
Gains		7 526	—	—	—	—	—	—		—
Total Revenue (excluding capital transfers and contributions)		361 946	368 742	441 612	5 546	413 267	404 811	8 456	2%	441 612
Expenditure By Type										
Employee related costs		104 852	119 133	119 194	8 582	95 970	109 261	(13 292)	-12%	119 194
Remuneration of councillors		23 970	25 036	25 036	2 008	21 991	22 949	(958)	-4%	25 036
Debt impairment		8 570	4 500	8 600	0	—	7 883	(7 883)	-100%	8 600
Depreciation & asset impairment		39 437	52 581	52 681	3 510	38 725	48 291	(9 566)	-20%	52 681
Finance charges		11	150	150	—	1	138	(136)	-99%	150
Bulk purchases		33 255	31 896	34 616	2 568	29 028	31 731	(2 703)	-9%	34 616
Other materials		8 162	7 677	7 699	492	3 109	7 057	(3 948)	-56%	7 699
Contracted services		50 929	110 404	93 388	10 789	50 453	85 605	(35 152)	-41%	93 388
Transfers and subsidies		1 418	1 835	7 018	121	2 377	6 433	(4 055)	-63%	7 018
Other expenditure		44 470	69 979	64 146	3 706	31 147	58 800	(27 653)	-47%	64 146
Losses		55 402	—	36 277	—	11 789	33 253	(21 465)	-65%	36 277
Total Expenditure		370 477	423 190	448 803	31 775	284 591	411 403	(126 811)	-31%	448 803
Surplus/(Deficit)		(8 531)	(54 449)	(7 191)	(26 229)	128 675	(6 592)	135 267	(0)	(7 191)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		78 881	77 335	77 967	7 856	63 697	71 469	(7 773)	(0)	77 967
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		—	—	—	—	—	—	—		—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—		—
Surplus/(Deficit) after capital transfers & contributions		70 350	22 886	70 776	(18 373)	192 372	64 878			70 776
Taxation		—	—	—	—	—	—	—		—
Surplus/(Deficit) after taxation		70 350	22 886	70 776	(18 373)	192 372	64 878			70 776
Attributable to minorities		—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality		70 350	22 886	70 776	(18 373)	192 372	64 878			70 776
Share of surplus/ (deficit) of associate		—	—	—	—	—	—			—
Surplus/ (Deficit) for the year		70 350	22 886	70 776	(18 373)	192 372	64 878			70 776

The municipality has so far recorded a deficit of over R18.3 million for the period ended 31 May 2021. 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 - M11 May

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		50 758	30 775	74 891	9 037	52 304	68 650	16 346	23,8%	74 891
Roads Infrastructure		31 165	28 475	45 940	5 757	24 536	42 112	17 576	41,7%	45 940
Roads		31 165	28 475	45 940	5 757	24 536	42 112	17 576	41,7%	45 940
Electrical Infrastructure		19 592	2 300	28 950	3 280	27 768	26 538	(1 230)	-4,6%	28 950
MV Networks		19 592	–	26 950	2 886	26 062	24 705	(1 357)	-5,5%	26 950
LV Networks		–	2 300	2 000	393	1 707	1 833	127	6,9%	2 000
Community Assets		4 003	1 100	2 383	125	1 649	2 185	535	24,5%	2 383
Community Facilities		4 003	1 100	2 383	125	1 649	2 185	535	24,5%	2 383
Halls		4 003	–	783	–	660	718	58	8,1%	783
Markets		–	1 100	1 600	125	990	1 467	477	32,5%	1 600
Heritage assets		–	50	110	–	–	101	101	100,0%	110
Other Heritage		–	50	110	–	–	101	101	100,0%	110
Other assets		1 289	2 500	3 000	–	697	2 750	2 053	74,7%	3 000
Operational Buildings		1 289	2 500	3 000	–	697	2 750	2 053	74,7%	3 000
Yards		1 289	2 500	3 000	–	697	2 750	2 053	74,7%	3 000
Computer Equipment		3 400	6 800	8 400	–	3 562	7 700	4 138	53,7%	8 400
Computer Equipment		3 400	6 800	8 400	–	3 562	7 700	4 138	53,7%	8 400
Furniture and Office Equipment		1 101	1 650	1 910	–	439	1 751	1 312	74,9%	1 910
Furniture and Office Equipment		1 101	1 650	1 910	–	439	1 751	1 312	74,9%	1 910
Machinery and Equipment		2 537	2 101	2 482	–	1 054	2 276	1 221	53,7%	2 482
Machinery and Equipment		2 537	2 101	2 482	–	1 054	2 276	1 221	53,7%	2 482
Transport Assets		1 772	2 660	2 218	–	1 718	2 034	315	15,5%	2 218
Transport Assets		1 772	2 660	2 218	–	1 718	2 034	315	15,5%	2 218
Total Capital Expenditure on new assets	1	64 860	47 637	95 395	9 161	61 423	87 445	26 022	29,8%	95 395

EC443 Mbizana - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M11 May

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										
Infrastructure		248	–	–	–	–	–	–	–	–
Roads Infrastructure		248	–	–	–	–	–	–	–	–
Roads		248	–	–	–	–	–	–	–	–
Community Assets		541	6 000	8 614	3 246	9 089	7 896	(1 193)	-15,1%	8 614
Community Facilities		541	6 000	8 614	3 246	9 089	7 896	(1 193)	-15,1%	8 614
Taxi Ranks/Bus Terminals		541	6 000	8 614	3 246	9 089	7 896	(1 193)	-15,1%	8 614
Total Capital Expenditure on renewal of existing assets	1	789	6 000	8 614	3 246	9 089	7 896	(1 193)	-15,1%	8 614

EC443 Mbizana - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M11 May

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										
Roads Infrastructure		-	2 000	4 800	867	867	4 400	3 533	80,3%	4 800
Roads		-	2 000	4 800	867	867	4 400	3 533	80,3%	4 800
Community Assets										
Community Facilities		21 941	20 172	50 581	1 871	19 797	46 366	26 570	57,3%	50 581
Halls		16 058	11 251	25 557	755	13 008	23 428	10 419	44,5%	25 557
Sport and Recreation Facilities		5 884	8 921	25 024	1 116	6 788	22 939	16 150	70,4%	25 024
Outdoor Facilities		5 884	8 921	25 024	1 116	6 788	22 939	16 150	70,4%	25 024
Total Capital Expenditure on upgrading of existing assets	1	21 941	22 172	55 381	2 738	20 664	50 766	30 102	59,3%	55 381

The above tables indicate that the municipality spent R15.1 million for the month of its capital budget for the period ended 31 May 2021. The two major projects continue to underperform due to a number of reasons ranging from accidents and delays in agreeing on the correct designs between the contractor and the consultants. There is a positive side though as electrification projects have began picking up the pace and expenditure to at least make sure the rollovers are spent.

b) Capital Expenditure by municipal vote

EC443 Mbizana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

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 2 - Budget and Treasury		2 304	2 100	2 000	—	1 257	1 833	(576)	-31%	2 000
Vote 6 - Engineering Services		21 941	18 172	48 581	1 871	19 797	44 533	(24 736)	-56%	48 581
Total Capital Multi-year expenditure	4,7	24 245	20 272	50 581	1 871	21 054	46 366	(25 312)	-55%	50 581
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		—	50	110	—	—	101	(101)	-100%	110
Vote 2 - Budget and Treasury		—	—	200	—	0	183	(183)	-100%	200
Vote 3 - Corporate Services		2 630	10 210	10 768	—	4 218	9 871	(5 653)	-57%	10 768
Vote 4 - Community Services		5 164	5 401	5 970	—	1 994	5 473	(3 479)	-64%	5 970
Vote 5 - Development Planning		—	1 100	1 600	125	990	1 467	(477)	-33%	1 600
Vote 6 - Engineering Services		55 550	38 775	90 160	13 149	62 920	82 647	(19 727)	-24%	90 160
Total Capital single-year expenditure	4	63 345	55 537	108 809	13 274	70 122	99 741	(29 619)	-30%	108 809
Total Capital Expenditure		87 590	75 808	159 390	15 145	91 176	146 108	(54 931)	-38%	159 390
Capital Expenditure - Functional Classification										
Governance and administration		5 265	12 760	13 479	—	5 476	12 355	(6 879)	-56%	13 479
Executive and council		—	50	110	—	—	101	(101)	-100%	110
Finance and administration		5 265	12 710	13 369	—	5 476	12 254	(6 778)	-55%	13 369
Community and public safety		1 902	3 191	3 660	—	940	3 355	(2 415)	-72%	3 660
Community and social services		160	1 300	1 900	—	780	1 742	(962)	-55%	1 900
Public safety		1 742	1 891	1 760	—	160	1 613	(1 453)	-90%	1 760
Economic and environmental services		57 899	55 747	110 319	11 866	55 938	101 126	(45 187)	-45%	110 319
Planning and development		26 486	25 272	59 579	5 242	30 535	54 614	(24 078)	-44%	59 579
Road transport		31 413	30 475	50 740	6 624	25 403	46 512	(21 109)	-45%	50 740
Trading services		22 524	4 110	31 933	3 280	28 822	29 272	(449)	-2%	31 933
Energy sources		19 592	2 300	30 023	3 280	27 768	27 521	247	1%	30 023
Water management		—	—	—	—	—	—	—	—	—
Waste management		2 932	1 810	1 910	—	1 054	1 751	(697)	-40%	1 910
Other		—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	87 590	75 808	159 390	15 145	91 176	146 108	(54 931)	-38%	159 390
Funded by:										
National Government		60 016	45 647	70 136	11 689	55 463	64 292	(8 828)	-14%	70 136
Provincial Government		—	—	200	—	—	183	(183)	-100%	200
Transfers recognised - capital		60 016	45 647	70 336	11 689	55 463	64 475	(9 012)	-14%	70 336
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		27 575	30 162	89 054	3 457	35 713	81 633	(45 920)	-56%	89 054
Total Capital Funding		87 590	75 808	159 390	15 145	91 176	146 108	(54 931)	-38%	159 390

The above table indicates that the municipality spent R15.1 million of its capital budget for the period ended 31 May 2021 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 have been finalised for outstanding infrastructure projects to ensure that current year projects start being implemented so that our expenditure improves and services delivered to the communities of Mbizana.

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) 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.

No.	Creditor Name	Order Date	Value	Specifications	Function Name	Segmentdesc
52	South African Qualifications A	2021/05/17	R810,00	Qualification Verification For Fleet Management Officer	Core Function:Human Resources	Personnel Recruitment Cost 1010
53	South African Qualifications A	2021/05/17	R810,00	Qualification Verification For Position Of Manager Mun Operations	Core Function:Human Resources	Personnel Recruitment Cost 1010
25	Ku-Bha Service Station	2021/05/26	R975,00	Request For 50lt Of Grass Cutting Fuel	Core Function:Solid Waste Removal	Grass Cutting Fuel 5020
107	Alcohol Breathalysers Cc	2021/05/07	R1 607,36	Request For Recalibration Of Pr Laser Speed Machine And Breathalyser	Core Function:Police Forces Traffic And	Traffic Equipment Maintenance
106	Pondoland Times	2021/05/07	R2 000,00	Request For Re-Advelisment Of Ups And Server Room Infrastructure	Core Function:Human Resources	Advertising Skills Program 1010
			R6 202,36			

c) 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

Creditor Name	Date	Amount	Specification	Function	Segment
The Institute Of Directors In	2021/05/06	R2 940.00	Payment Request For Directors Training On Corporate Governance	Core Function:Human Resources	Tuition Fees
Dlamaturn Trading	2021/05/13	R2 970.00	Request Lunch Packs For Constituency Workshop To Be Held On The 15 May 2021 At Multi Purpose Youth Centre At 10h00	Core Function:Mayor And Council	Whipery Support Catering Costs 505260175
Fakade Construction (Pty) Ltd	2021/05/10	R4 000.00	Request Lunch Packs For Traditional Leaders Meeting To Be Held On The 2021 At Council Chamber At 10h00	Core Function:Mayor And Council	Support To Traditional Leaders Catering
Iso News (Pty) Ltd	2021/05/07	R4 080.00	Request For Advertising Of The 3rd Adjustment Budget On The Local News	Core Function:Finance	Advertising Finance
Kwakha's 065 Trading Enterpris	2021/05/06	R4 550.00	Catering Lunch Packs For 50 People In Ward 19 For Idp & Budget Road Sh Ntabezulu Community Hall On 28/04/2021	Core Function:Corporate Wide Strategic P	Idp Catering 515260555
Kwakha's 065 Trading Enterpris	2021/05/05	R4 550.00	Catering Lunch Packs For 50 People In Ward 19 For Idp & Budget Road Sh Ntabezulu Community Hall On 28/04/2021	Core Function:Corporate Wide Strategic P	Idp Catering 515260555
Pondo News	2021/05/21	R4 945.00	Request Advertisement For Virtual Ordinary Council Meeting On The 28 M At 09h30	Core Function:Municipal Manager Town Se	Advertising Mm
Guyana Trading	2021/05/12	R5 100.00	Catering Lunch Packs For 50 People In Ward 05 For Idp & Budget Road Sh Nonkulana Community Hall On 29/04/2021	Core Function:Corporate Wide Strategic P	Idp Catering 515260555
Magholo Trading& Projects	2021/05/26	R5 200.00	Request Purchase Of Grocery For Magqabi Family That Will Be Buried On 23/05/2021 At Mdikiso Village Ward 04 At 10:00.	Non-Core Function:Population Development	Social Relief Promotional Material 2505
Pondo News	2021/05/14	R5 520.00	Request Advert For Office Furniture	Administrative And Corporate Support:Cor	Advertising Publicity And Marketing:Corpora te And Municipal
Usindiso Transport And Project	2021/05/12	R5 825.00	Catering Lunch Packs For 50 People In Ward 06 For Idp & Budget Road Sh Ntshamathe Community Hall On 30/04/2021	Core Function:Corporate Wide Strategic P	Idp Catering 515260555
Usindiso Transport And Project	2021/05/12	R5 825.00	Catering Lunch Packs For 50 People In Ward 06 For Idp & Budget Road Sh Tnshamathe Community Hall On 30/04/2021	Core Function:Corporate Wide Strategic P	Idp Catering 515260555
Pondo News	2021/05/21	R5 980.00	Request Advertising Of Pounded Livestock On A Local News Paper	Licensing And Control Of Animals:Licensi	Advertising Fees Licencing 2505260540
Pondo News	2021/05/21	R6 900.00	Request For Re-Advert For Labour Relations Officer(One Post)	Core Function:Human Resources	Advertising Fees Human Resources 1010260540
Your Media Today Communicatio	2021/06/03	R7 000.00	Public Notice For The Adoption Of Final Idp For 2021/2022 And Annual B 2021/2024 Financial Year	Core Function:Municipal Manager Town Se	Advertising Mm

Creditor Name		Date	Amount	Specification		Function	Segment
Your Media Today Communicatio		2021/06/03	R7 000,00	Public Notice For Adopted Oversight Report On The Annual Report For 20 Financial Year		Core Function:Municipal Manager Town Se	Advertising Fees Annual Report 515260554
Kwik-Fit Bizana		2021/05/21	R7 052,49	Request For Supply & Delivery Of 1 X 265/60r 18 A/T K02 Go Rbl Tyre Fo Bakkie Registration Number Jkj 146 Ec		Core Function:Police Forces Traffic And	Police- Vehicle Maintenance
Sebekho Holdings		2021/05/07	R7 844,00	Request For Royal Blue Work Suit With Reflector Tape		Core Function:Finance	Protective Clothinguniform 1005
Athi Vezi		2021/05/12	R9 000,00	Request Lunch Packs For Annual Report Consultations To Be Held On The 2021 At Mzamba Ch At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554
Robobo Trading (Pty) Ltd		2021/05/11	R9 000,00	Request Lunch Packs For Annual Report Consultations To Be Held On The 2021 At Afrm Church At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554
Sizisa Ukhanyo Trading 1119		2021/05/12	R9 500,00	Request Lunch Packs For Annual Report Consultation To Held On The 12 May 2021 At Afrm Church At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554
Macedlwana Construction		2021/05/12	R9 500,00	Request Luch Packs For Annual Report Consultations To Be Held On The 1 At Sikhumba Sika Mzithane Ch At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554
Ludwala Investment Services		2021/05/12	R9 700,00	Request Lunch Packs For Annual Report Consultation To Be Held On The 1 At Nonangesi Malunga-Mlomo Ch At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554
Mthi-Omhle Trading		2021/05/18	R10 000,00	Request Lunch Packs For Annual Report Consultations On The 14 May 2021 Tshutsha Majola Ch At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554
Qobo And Partners		2021/05/10	R10 000,00	Payment For Supply And Delivery Of Periodicals Month Of April 2021		Non-Core Function:Libraries And Archives	Newspaper Library 2505
Inzalabantu Primary Co-Operati		2021/05/13	R10 600,00	Request Lunch Packs For Annual Report Consultations To Be Held On The 2021at Multi Purpose Youth Centre At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554
Nathina Project		2021/05/13	R11 700,00	Request Lunch Packs For Annual Report Consultations To Be Held On The 2021 At Kubha Community Hall At 10h00		Core Function:Mayor And Council	Annual Report Consultations Catering 505260554

Creditor Name	Date	Amount	Specification	Function	Segment
Amabanjwa Co-Op	2021/06/01	R13 500,00	Request Lunch Packs For Community Education On The 01 June 2021	Core Function:Mayor And Council	Community Education Catering 505260695
Umgeni Water	2021/05/14	R13 570,00	Payment For Laboratory Testing Services- Cert No: 2021-0360	Core Function:Biodiversity And Landscape	Blue Flag Water Sampling
Auditor General	2021/05/07	R18 301,33	Payment To A.G South Africa For Audit Services	Core Function:Finance	Operational Cost:External Audit Fees
Kwik-Fit Bizana	2021/05/12	R18 949,98	Request For Four Tyres For Hyp 289 Ec Audi Q5 Size 255/45/20 All	Core Function:Fleet Management	Vehicle Maintenance Outsourced 1010235115
Zongs Mshasvelafuthi	2021/05/13	R19 200,00	Request For Four Taxis To Matatfel For Anc Clirs Attending Anc Regiona On The 12th May 2021.	Core Function:Mayor And Council	Whippery Support Transport Hire
Tanati Transport Pty Ltd	2021/05/14	R20 000,00	Request 2 Quontums On The 15 May 2021 For Constituency Workshop At Mat Request 2 Quontums On The 16 May 2021 For Constituency Workshop At Mat	Core Function:Mayor And Council	Whippery Support Transport Hire
The Chossen Trading & Project	2021/06/03	R20 350,00	Request For Ten 20 Litres Of Liquid Sanitizers With Anti Bacterial & 7 L	Core Function:Human Resources	Covid -Ppe
Odd's Koria Construction	2021/05/26	R21 250,00	Request 3 Fruits	Core Function:Mayor And Council	Catering Councillors Meetings
Your Media Today Communicatio	2021/06/03	R23 000,00	Request For Advertisement Of Final Budget And Tariff For The 2021-22 To News Papers	Core Function:Finance	Advertising Finance
Ahlenathi Trading (Pty) Ltd	2021/06/03	R24 500,00	Request Lunch Packs For Lgbtq And Community Education On The 10 June Multi Purpose Youth Centre	Core Function:Mayor And Council	Catering Special Progrrams Women 505260191
Phumies Devine Trading Pty Ltd	2021/05/18	R25 300,00	Request 100 X Fruit Packs For Fbs Awareness On The 25/05/2021 At 10:00 Centre	Non-Core Function:Population Development	Catering Indigent
Wavelength 1125 Cc	2021/05/18	R25 400,00	Request For Provision Of Catering By Means Of Lunch Pack With Bottled 150 People That Will Be Attending Scm Day To Be Held On The 18/05/2021 & Adelaide Tambo Regional Hospital. Bottled Water To Be Served At 08h3	Core Function:Economic Development/Planm	Business Conference Hiring Charges 1505
Clarkville Poultry Projects	2021/05/18	R26 000,00	Request For Provision Of Catering By Means Of Lunch Packs With Bootled 150 People That Will Be Attending Business Engagement On The 17/05/202 Oliver & Adelaide Tambo Regional Hospital. Bottled Water To Be Served	Core Function:Economic Development/Planm	Led Programme Support Hiring 1505
Ezamazovo Trading (Pty) Ltd	2021/05/27	R26 050,00	Fs 450cutter Repairs And Service	Core Function:Solid Waste Removal	R&M Refuse Powertools
Base Line Enterprise	2021/05/31	R26 350,00	Request Lunch Packs For Community Education On The 12 June 2021	Core Function:Mayor And Council	Community Education Catering 505260695

Creditor Name	Date	Amount	Specification	Function	Segment
The Middle Man Enterprise 485	2021/05/26	R28 800,00	Request For A Stretch Tent To Accomodate 20 People	Core Function:Mayor And Council	Hiring-Public Participation
The Mane's Pty Ltd	2021/05/21	R29 850,00	Request For Hiring Of 3 Artist That Will Be Performing On Business Con Scheduled To Be At Wild Coast Sun On The 21st Of May 2021	Core Function:Economic Development/Plann	Business Conference Hiring Charges 1505
		R566 652,80			

d) 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.

No	Supplier	Date	Amount	Specification	Function	Segment
74	Imidlume General Trading (Pt)	2021/05/12	R51 230,00	Payment For Supply And Delery Of Cold Ashalt	Core Function:Roads	Cbd Road Maintenance 5505235140
77	Wits Business School	2021/05/12	R58 000,00	Payment For Ms Nodangala	Core Function:Human Resources	Municipal Finance Management Tuition
100	Wits Business School	2021/05/07	R58 000,00	Payment Request For Ms Pindeka Luhabe At Wits	Core Function:Human Resources	Tuition Fees
75	Imidlume General Trading (Pt)	2021/05/12	R64 770,00	Payment For Big Sauce Pan	Core Function:Mayor And Council	Kitchen Tools Elderly Programme 505260189
114	Enterprises University Of Pret	2021/05/05	R69 000,00	CPMD	Core Function:Finance	Afs Preparation & Caseware Training
115	Enterprises University Of Pret	2021/05/05	R69 000,00	CPMD	Core Function:Finance	Afs Preparation & Caseware Training
62	Dosvenis Td Pty Ltd	2021/05/13	R85 000,00	Payment Request For Supply And Delivery Of Product Owner Equipment For Homestays	Core Function: Tourism	Product Owner Involvement Promotional Material 1505
58	Als Civils & Trading Pty Ltd	2021/05/14	R97 600,00	Payment For 6 Ton Truck Ready Mix Crushed Stone	Core Function:Licensing And Control Of A	Maintenance Of Pound
17	Masilo Imbawua Jv	2021/05/28	R98 137,17	5 Percent Retention For Installation Of High Mast Lights	Core Function:Finance	High Mast Retention Withdrawal
45	Mvazanas Construction	2021/05/18	R110 000,00	Transportation Of People From 31 Wards For Annual Report Consultation 2019/21	Core Function: Mayor And Council	Annual Report Consultations Transport Hire 505260554
55	Imidlume General Trading (Pt)	2021/05/14	R111 100,00	Payment For Repainting Of Centre Line	Core Function:Police Forces Traffic And	Road Markings
113	Wits Business School	2021/05/05	R116 000,00	Payment Request For Mr Zwelile Tikilili And Mr Siphamandla Mfenga At Wits Business School	Finance:Budget And Treasury	Municipal Finance Management Tuition
20	Mfimt Trading	2021/05/27	R120 870,00	Heavy Duty Gumboots	Core Function:Economic Development/Plann	Anchor Led Projects
76	Sne Jay Constuction (Pty) Ltd	2021/05/12	R130 000,00	Payment For Mbizana Schools Achievements Awards	Core Function:Mayor And Council	Awards Youth Programme 505260190
34	Masinyane Anc Son (Pty) Ltd	2021/05/21	R133 470,00	Payment For Repairing Of Ward 20 Ecdc	Core Function:Project Management Unit	Rm Buildings Maintenance Roads 5505
64	Moya Training And Projects	2021/05/13	R161 000,00	Payment Request For 60 Mops	Core Function:Solid Waste Removal	Acquisitions
63	Lions Den Projects	2021/05/13	R198 575,00	Payment Request For Supply And Delivery For Animal Feed And Consumable	Core Function:Licensing And Control Of A	Acquisitions

No	Supplier	Date	Amount	Specification		Function	Segment
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R1 731 752,17

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 May 2021

N O	SUCCESSFUL TENDERER	AMOUNT	PAYMENTS	BALANCE	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
53	Ncaliana Trading & Projects	R 187 000,00	R 0,00	R 187 000,00	MBIZLM/09/04/2021S&DTC	SUPPLY AND DELIVERY OF TRAFFIC CONSUMABLES	05/05/2021	COMMUNITY SERVICES
54	Lions Den Projects	R 198 575,00	R 198 575,00	R 0,00	MBIZLM/08/04/21	SUPPLY & DELIVERY OF ANIMAL FEED AND CONSUMABLES	05/05/2021	COMMUNITY SERVICES
55	Iyanzi Pty Ltd	R 187 237,00	R 0,00	R 187 237,00	MBIZLM08/04/21BM	PROCUREMENT OF BRANDING MATERIAL	11/05/2021	MUNICIPAL MANAGER'S OFFICE
56	Mvazanas Construction cc	R 110 000,00	R 110 000,00	R 0,00	MBIZLM2/04/21TAR31W	TRANSPORT FOR 31 WARDS IN WMMLM28/04/21TAR31 W	11/05/2021	MUNICIPAL MANAGER'S OFFICE
57	ATS Civils and Trading	R 73 250,00	R 0,00	R 73 250,00	MBILZM/29/04/21/ DAC 21	DISASTER AWARENESS CAMPAIGN	25/05/2021	COMMUNITY SERVICES
58	Wandile & Sons Trading	R 159 250,00	R 0,00	R 159 250,00	WMML28/04/21EA-MRC	ENVIRONMENTAL AWARENESS MZAMBA RIVER CLEAN-UP CAMPAIGN	25/05/2021	COMMUNITY SERVICES
59	Sebekho Holdings	R 187 250,00	R 0,00	R 187 250,00	WMML/06/05/21LACMAY21	LIBRARY AWARENESS CAMPAIGN	26/05/2021	COMMUNITY SERVICES
60	Evethe Trading	R 197 500,00	R 0,00	R 197 500,00	MBIZLM/25/01/21S8&BSSM ME'S	SUPPLY AND INSTALLATION OF SIGN BOARDS AND BANNERS FOR SMMEs	26/05/2021	ECONOMIC DEVELOPMENT
Total		R 1 300 062,00	R 308 575,00	R 991 487,00				

b) Tenders awarded during the month of May 2021

Competitive Bidding

	SUCCESSFUL TENDERER	AWARDED AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
3	Nikhwe Group PTY LTD	R 642 628.24	MBIZ LM 03/03/21/03 FEN	DLTC Palisade fencing	Wednesday, 26 May 2021	Protection Services
3	Masinyane and Son	R 945 000.00	MBIZ LM 03/02/21/04 AGR	Supply and delivery of agricultural inputs	Sunday, 23 May 2021	Local Economic Development
3	Show love T/A alutha holdings 82 PTY LTD	R 350 000.00	MBIZ LM 0009 MLF	Maintanace of Mbizana Libraries	Monday, 31 May 2021	Community services
3	Emerald Metering and Utility Management Pty Ltd	R 2 129 902.23	MBIZ LM 0085 AMRS	Supply and maintenance of automated meter reading system for 3 years	Friday, 28 May 2021	Budget and Treasury
3	Emerald Metering and Utility Management Pty Ltd	1072369.52%	MBIZ LM 0090 PMBG	Procurement of 350 KVA municipal backup generator	Friday, 28 May 2021	Engineering Services
		R 4 438 937,17				

c) Status of current tenders

Name of the Project	Bid Number	Chairperson	Closing Date	Validity	Validity Period	Status
Customer Satisfactory Survey	MBIZ LM 00072 CSS	Ms S.N.Majova	Friday, 14 May 2021	91	Friday, 13 August 2021	No Submission
Equipment and Material to Capacitate Mbizana Fisheries	MBIZLM20/05/20/02FSH	Mr V.Nontanda	Thursday, 29 October 2020	90	Wednesday, 27 January 2021	To be appointed
Supply & Installation of Lights and Panels	MBIZ LM 00074 ISL&P	Mr.V.Mqina	Monday, 16 November 2020	90	Sunday, 14 February 2021	To be re-advertised
Procurement of Server Foom-UPS	MBIZ LM 00071 P SR-UPS	Miss.N.Ngnjane	Friday, 28 May 2021	90	Thursday, 26 August 2021	Re-advertised
Procurement of Server Foom-Infrastructure	MBIZ LM 00070 P SR-1	Miss.N.Ngnjane	Monday, 01 March 2021	90	Sunday, 30 May 2021	To be Evaluated
Review Disaster Recovery Plan	MBIZ LM 0069 R DRP	Mr.B.Hlangabez	Monday, 01 March 2021	90	Sunday, 30 May 2021	To be re-advertised
Online Web Services	MBIZ LM 0084 OWS	Mr.V.Mqina	Tuesday, 09 March 2021	90	Monday, 07 June 2021	To be re-advertised
Replacement of LV & MV lines	MBIZ LM 00059 LV & MV L	Mr.V.ONontana	Friday, 21 May 2021	90	Thursday, 19 August 2021	To be Evaluated

Name of the Project	Bid Number	Chairperson	Closing Date	Validity	Validity Period	Status
Fencing of Mzamba Community Hall & Extension of Dudumeni Hall	MBIZ LM /02/02/01 FEW	Mr.V.ONontana da	Tuesday, 02 March 2021	90	Monday, 31 May 2021	To be re-advertised
Reviewal of Disaster Management plan	MBIZ LM 29/09/20/ R DRMP	Mr.V.Mqina	Thursday, 04 March 2021	90	Wednesday, 02 June 2021	To be re-advertised
Reviewal of Climate change strategy	MBIZ LM 11/02/21/01 CCS	Mr.V.Mqina	Thursday, 04 March 2021	90	Wednesday, 02 June 2021	To be re-advertised
Minor Maintenance of Recreational Facilities (1GB)	MBIZ LM 16/09/20/01 MRF	Miss.N.Xoko	Thursday, 04 March 2021	90	Wednesday, 02 June 2021	To be re-advertised
Disaster Socila Relief	MBIZ LM 0064 SRM	Miss.N.Xoko	Thursday, 04 March 2021	90	Wednesday, 02 June 2021	To be re-advertised
Private Security Company	MBIZ LM 08/12/20/03/PSC	Mr.D.N.Luphoko	Monday, 25 January 2021	90	Sunday, 25 April 2021	To be adjudicated
Septic Tank	WMM LM 04/21/ RST DLTC	Mr.V.ONontana da	Friday, 14 May 2021	90	Thursday, 12 August 2021	To be Evaluated
Mintanance of Bulk Metering	WMM LM 04/21/ RST DLTC	Mr.V.ONontana da	Thursday, 20 May 2021	90	Wednesday, 18 August 2021	To be Evaluated
Supply and Delivery of laptops and Desktops	WMM LM 04/05/21/ 01 ICT	Miss.N.Ngnjane	Friday, 28 May 2021	90	Thursday, 26 August 2021	To be Evaluated

d) Deviations

No deviations were recorded during the month of May 2021.

11. Database rotation

The following table indicates the service providers that have been utilised for the month of May 2021. 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.

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status
SOUTH AFRICAN QUALIFICATIONS A	PRIVATE BAG X06 WATERKLOOF 014 HATFIELD WARD 92 PRETORIA 0145	Core Function:Human Resources	2021/0 5/17	810,00	OPEN
SOUTH AFRICAN QUALIFICATIONS A	PRIVATE BAG X06 WATERKLOOF 014 HATFIELD WARD 92 PRETORIA 0145	Core Function:Human Resources	2021/0 5/17	810,00	OPEN
KU-BHA SERVICE STATION	P O BOX 20024 WARD 30 BIZANA 4800	Core Function:Solid Waste Removal	2021/0 5/26	975,00	OPEN
ALCOHOL BREATHALYSERS CC	PO BOX 1935 NORTHCLIFF 2115	Core Function:Police Forces Traffic and	2021/0 5/07	1 607,36	RECEI VED
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Human Resources	2021/0 5/07	2 000,00	RECEI VED
THE INSTITUTE OF DIRECTORS IN	P.O BOX 908 PARKLANDS 2121	Core Function:Human Resources	2021/0 5/06	2 940,00	RECEI VED
DLAMATURN TRADING	P.O.BOX 461 FLAGSTAFF EASTERN CAPE 4810	Core Function:Mayor and Council	2021/0 5/13	2 970,00	RECEI VED
FAKADE CONSTRUCTION (PTY) LTD	P.O. BOX 307 BIZANA WARD 1 4800	Core Function:Mayor and Council	2021/0 5/10	4 000,00	RECEI VED
ISO NEWS (PTY) LTD	P.O BOX 257 KOKSTAD WARD 1 4700	Core Function:Finance	2021/0 5/07	4 080,00	RECEI VED
KWAKHA'S 065 TRADING ENTERPRIS	P O BOX 578 WARD 19 BIZANA 4800	Core Function:Corporate Wide Strategic P	2021/0 5/06	4 550,00	RECEI VED
KWAKHA'S 065 TRADING ENTERPRIS	P O BOX 578 WARD 19 BIZANA 4800	Core Function:Corporate Wide Strategic P	2021/0 5/05	4 550,00	RECEI VED
PONDO NEWS	BOX 1275 KOKSTAD	Core Function:Municipal Manager Town Se	2021/0 5/21	4 945,00	RECEI VED
GUYANA TRADING	ISIKELO A/A BIZANA WARD 5 4800	Core Function:Corporate Wide Strategic P	2021/0 5/12	5 100,00	RECEI VED
MAGHOLO TRADING& PROJECTS	PO BOX 698 BIZANA WARD 13 4800	Non-core Function:Population Development	2021/0 5/26	5 200,00	RECEI VED
PONDO NEWS	BOX 1275 KOKSTAD	Administrative and Corporate Support:Cor	2021/0 5/14	5 520,00	RECEI VED
USINDISO TRANSPORT AND PROJECT	P.O. BOX 239 WARD 6 BIZANA 5099	Core Function:Corporate Wide Strategic P	2021/0 5/12	5 825,00	RECEI VED

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	
USINDISO TRANSPORT AND PROJECT	P.O. BOX 239 WARD 6 BIZANA 5099	Core Function:Corporate Wide Strategic P	2021/05/12	5 825,00	RECEI VED	Ward
PONDO NEWS	BOX 1275 KOKSTAD	Licensing and Control of Animals:Licensi	2021/05/21	5 980,00	RECEI VED	Kokstad
PONDO NEWS	BOX 1275 KOKSTAD	Core Function:Human Resources	2021/05/21	6 900,00	RECEI VED	Kokstad
YOUR MEDIA TODAY COMMUNICATIC	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Core Function:Municipal Manager Town Se	2021/06/03	7 000,00	RECEI VED	Kokstad
YOUR MEDIA TODAY COMMUNICATIC	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Core Function:Municipal Manager Town Se	2021/06/03	7 000,00	RECEI VED	Kokstad
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Police Forces Traffic and	2021/05/21	7 052,49	OPEN	Bizana
SEBEKHO HOLDINGS	P.O BOX 31 BALASI QUMBU 5180	Core Function:Finance	2021/05/07	7 844,00	CLOSE D	Ward 04
ATHI VEZI	P.O.BOX 210765 WARD 07 BIZANA 4800	Core Function:Mayor and Council	2021/05/12	9 000,00	RECEI VED	Ward 07
ROBOBO TRADING (PTY) LTD	P/BAG X542 BIZANA WARD 16 4800	Core Function:Mayor and Council	2021/05/11	9 000,00	DELET ED	Ward 1
SIZISA UKHANYO TRADING 1119	P O BOX 12 BIZANA WARD 16 4800	Core Function:Mayor and Council	2021/05/12	9 500,00	RECEI VED	Ward 16
MACEDLWANA CONSTRUCTION	P O BOX 98 BIZANA LUDEKE ESIKHUMBENI 4800	Core Function:Mayor and Council	2021/05/12	9 500,00	RECEI VED	Ward 7
LUDWALA INVESTMENT SERVICES	NYAKA LOCATION WARD 18 BIZANA 4800	Core Function:Mayor and Council	2021/05/12	9 700,00	RECEI VED	Ward 18
MTHI-OMHLE TRADING	MARINA LOCATION MZAMBA LOCATION WARD 23 4800	Core Function:Mayor and Council	2021/05/18	10 000,00	RECEI VED	Ward 23
QOBO AND PARTNERS	SKHUMBENI BIZANA WARD 7 4800	Non-core Function:Libraries and Archives	2021/05/10	10 000,00	RECEI VED	Ward 7
INZALABANTU PRIMARY CO-OPERATI	ERF 705 EXTENSION 3 BIZANA 4800	Core Function:Mayor and Council	2021/05/13	10 600,00	RECEI VED	Ward 04
NATHINA PROJECT	P O BOX 1313 FLAGSTAFF WARD 08 4810	Core Function:Mayor and Council	2021/05/13	11 700,00	RECEI VED	Ward 08
AMABANIWA CC-OP	P O BOX 58 FLAGSTAFF WARD 3 4810	Core Function:Mayor and Council	2021/06/01	13 500,00	OPEN	Ward 03
UMGENI WATER	P O BOX 9 PIETERMARITZBURG 3200	Core Function:Biodiversity and Landscape	2021/05/14	13 570,00	RECEI VED	Pietermarit zburg
AUDITOR GENERAL	P O BOX 466 PRETORIA GP	Core Function:Finance	2021/05/07	18 301,33	RECEI VED	Pretoria
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Fleet	2021/05/21		RECEI	Ward 01

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	
ZONGS		Management	5/12	18 949,98	VED	
MTSHASVELAFUTHI		Core Function:Mayor and Council	2021/0 5/13		RECEI VED	Ward 13
TAMATI TRANSPORT PTY LTD	P.O. BOX 210073 WARD 13 BIZANA 4800	Core Function:Mayor and Council	2021/0 5/14	19 200,00	RECEI VED	Ward 17
THE CHOSEN TRADING & PROJECT	P.O. BOX 77 BIZANA WARD 17 4800	Core Function:Human Resources	2021/0 6/03	20 000,00	OPEN	Ward 10
ODD'S KORJA CONSTRUCTION	P.O. BOX 21002 LUJECWENI NGQELENI 5140	Core Function:Mayor and Council	2021/0 5/26	20 350,00	RECEI VED	Ward 13
YOUR MEDIA TODAY COMMUNICATIO	P.O. BOX 210114 BIZANA WARD 13 4800	Core Function:Finance	2021/0 6/03	21 250,00	RECEI VED	Kokstad
AHLENATHI TRADING (PTY) LTD	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Core Function:Mayor and Council	2021/0 6/03	23 000,00	OPEN	Ward 14
PHUMIES DEVINE TRADING PTY LTD	P O BOX 210200 BIZANA WARD 14 4800	Non-core Function:Population Development	2021/0 5/18	24 500,00	OPEN	Ward 08
WAVELENGTH 1:25 CC	P O BOX 467 BOKUVENI SP BIZANA 4800	Core Function:Economic Development/Plann	2021/0 5/18	25 300,00	RECEI VED	Ward 22
CLARKVILLE POULTRY PROJECTS	P.O. BOX 574 BIZANA WARD 22 4800	Core Function:Economic Development/Plann	2021/0 5/18	25 400,00	RECEI VED	Ward 27
EZAMAVOVO TRADING (PTY) LTD	CLARKVILLE LOCATION P/BAG X 594 WARD 27 4800	Core Function:Solid Waste Removal	2021/0 5/27	26 000,00	RECEI VED	Ward 17
BASE LINE ENTERPRISE	P O BOX 229 BIZANA WARD 17 4800	Core Function:Mayor and Council	2021/0 5/31	26 050,00	OPEN	Ward 20
THE MIDDLE MAN ENTERPRISE 485	IMIZIZI LOCATION BIZANA WARD 20 4800	Core Function:Mayor and Council	2021/0 5/26	26 350,00	RECEI VED	Ward 1
THE MANE'S PTY LTD	P.O. BOX 14 BIZANA WARD 01 4800	Core Function:Economic Development/Plann	2021/0 5/21	28 800,00	RECEI VED	Ward 17
	P O BOX 39274 KOKSTAD WARD 17 4800			29 850,00		

572 855,16

PART 2 – SUPPORTING DOCUMENTATION

12. 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 affected 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.

During the month of December 2020, the president of the Republic announced government's decision to place the country back to adjusted level as a result of the rising numbers of infections and deaths due to Covid-19.

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.

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. Those have since been deducted from the municipality's equitable share transferred in March 2021.

13. Audit action plan

The municipality submitted Annual Financial Statements to the Auditor General for audit on the 30th October 2020 as required by the revised government gazette. The audit then commenced in November 2020 and the outcome was issued by the 26th February 2020.

The municipality received and responded to the following:

- 34 Requests for information
- 16 Communications of audit findings
 - a) Areas of findings

Errors in the valuation of investment properties,

Non-cash items included in the presentation of the cashflow statement,

Prevention of irregular and fruitless expenditure

Understatement of commitments

Inconsistency in the comparative reporting of the notes on Employee costs

Appropriation statement included in the financial statements

Comparative contingent liabilities understatement

The overall audit outcome was confirmed to be an unqualified audit opinion that has been maintained for the past five years. The only area that resulted in the opinion not changing was confirmed to be prevention of irregular expenditure.

The municipality developed an audit action plan to address issues raised above to assist the municipality to get closer to clean governance. The audit action plan has been presented to the municipal council for approval on the 30th of March 2021.

The implementation of the action plan has already commenced with one of the items relating to commitments already included in the 2022 Draft SDBIP to ensure it is monitored at least quarterly.

14. Implementation of the Finance Management Internship Programme

The municipality implements the Finance Management Internship from funded through the Financial Management Grant as one of the conditions indicated in the grant framework. The program is implemented in line with the guidelines that govern the following:

- a) Number of interns, which is 5 at all times
- b) The minimum requirements for recruitment of the interns
- c) The recruitment process to be followed
- d) The duration of the programme
- e) The remuneration structure and limits
- f) The reporting requirements
- g) The structure of the programme

The municipality currently has one intern enrolled in the programme with the four currently being recruited.

We have noted with concern that the municipality has not been following the guidelines in full when these are being recruited which may resulting in funding being withheld should this be picked up by the funder. Some of the candidates that get shortlisted do not meet the minimum requirements and no proscribed process is followed as prescribed when the municipality decides not to follow the guidelines.

A meeting has been held with Corporate Services to assist each other in understanding and correctly implementing the programme.

The municipality has since enrolled two financial management interns on the programme who have will start attending classes during the month of May 2021.

The municipality is also in the process of recruiting two additional Financial Management Interns to make the required number of 5. This is anticipated that it will be concluded by 30 June 2021.

15. Debtors' analysis

Summary of all Debtors

EC443 Mbizana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description		Budget Year 2020/21										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
NT Code		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				
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	2 190	1 352	1 283	1 465	1 267	10 573	—	18 129	13 305	—	—	—
	Receivables from Non-exchange Transactions - Property Rates	1400	1 299	1 117	822	821	820	38 066	—	42 945	39 707	—	—	—
	Receivables from Exchange Transactions - Waste Water Management	1500	—	—	—	—	—	—	—	—	—	—	—	—
	Receivables from Exchange Transactions - Waste Management	1600	423	316	266	288	286	7 575	—	9 153	8 148	—	—	—
	Receivables from Exchange Transactions - Property Rental Debtors	1700	288	19	19	19	19	410	—	773	447	—	—	—
	Interest on Arrear Debtor Accounts	1810	166	158	435	425	420	13 691	—	15 296	14 536	—	—	—
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	—	—	—	—	—	—	—	—	—	—	—	—
	Other	1900	357	177	149	251	200	2 974	—	4 109	3 425	—	—	—
	Total By Income Source	2000	4 722	3 140	2 974	3 268	3 012	73 288	—	90 404	79 569	—	—	—
2019/20 - totals only														
Debtors Age Analysis By Customer Group														
	Organs of State	2200	781	707	723	690	681	30 832	—	34 414	32 203	—	—	—
	Commercial	2300	3 608	2 198	2 027	2 356	2 109	29 910	—	42 208	34 375	—	—	—
	Households	2400	333	235	223	223	222	12 535	—	13 771	12 979	—	—	—
	Other	2500	—	(0)	(0)	(0)	(0)	11	—	11	11	—	—	—
	Total By Customer Group	2600	4 722	3 140	2 974	3 268	3 012	73 288	—	90 404	79 569	—	—	—

The table above shows municipal debtors for the month of May 2021 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.

16. Creditors' analysis

EC443 Mbizana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2020/21									Prior year
		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	totals for chart (same period)
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	388								388	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	388	-	-	-	-	-	-	-	388	-

The above table shows the municipality's creditors and their ageing. The report shows that the municipality managed 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 certified to be fully compliant.

17. Investment portfolio analysis

EC443 Mbizana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	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
Municipality														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0	0	N/A	not fixed	20 026	-	(2 871)	-	17 155
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0,001760101	0	N/A	not fixed	3 090	5	(1 552)	-	1 544
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0	0	N/A	not fixed	312 468	-	(29 700)	-	282 768
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0,002123284	0	N/A	not fixed	793	2	-	-	794
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0,002124625	0	N/A	not fixed	2	0	-	-	2
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	0	0	N/A	not fixed	1 307	-	(941)	-	366
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0,002123183	0	N/A	not fixed	67	0	-	-	67
Municipality sub-total										337 754		(35 064)	-	302 697
Entities														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									337 754		(35 064)	-	302 697

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 over R35 million which lead to an decrease in its investments for the month of May 2021.

18. Allocation and grant receipts and expenditure

a) Transfers & Grants Receipts

EC443 Mbizana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

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:		297 006	311 814	380 032	–	367 267	348 363	18 904	5,4%	380 032
Local Government Equitable Share		260 384	278 139	332 422	–	332 421	304 720	27 701	9,1%	332 422
Finance Management		2 215	2 000	2 000	–	2 000	1 833	167	9,1%	2 000
EPWP Incentive		2 452	2 389	2 389	–	2 389	2 190	199	9,1%	2 389
Integrated National Electrification Programme		31 240	29 286	26 202	–	26 202	24 019	2 184	9,1%	26 202
Disaster Grant	3	715	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Neighborhood Grants		–	–	17 019	–	4 255	15 601	(11 346)	-72,7%	17 019
Provincial Government:		3 786	–	500	500	500	458	42	9,1%	500
Sport and Recreation		500	–	500	500	500	458	42	9,1%	500
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Greenest Municipality	4	3 286	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	300 792	311 814	380 532	500	367 767	348 821	18 946	5,4%	380 532
Capital Transfers and Grants										
National Government:		54 489	48 049	45 459	–	45 459	41 671	3 788	9,1%	45 459
Municipal Infrastructure Grant (MIG)		54 489	48 049	45 459	–	45 459	41 671	3 788	9,1%	45 459
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other capital transfers [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	54 489	48 049	45 459	–	45 459	41 671	3 788	9,1%	45 459
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	355 281	359 863	425 991	500	413 226	390 492	22 734	5,8%	425 991

The above table shows grants received during the month of May 2021.

b) Transfers & Grants Expenditure

EC443 Mbizana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

[illegible]

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 - M11 May

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:		6 311	1 268	6 311	-	
Local Government Equitable Share					-	
Finance Management					-	
EPWP Incentive					-	
Integrated National Electrification Programme		6 306	1 263	6 306	-	
Disaster Grant		5	5	5	-	
Neighborhood Grants					-	
Provincial Government:		1 104	-	402	703	63,6%
Sport and Recreation		703	-	-	703	100,0%
Greenest Municipality		402	-	402	0	0,0%
Other transfers and grants [insert description]					-	
District Municipality:		-	-	-	-	
[insert description]					-	
Other grant providers:		-	-	-	-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		7 416	1 268	6 713	703	9,5%
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		7 416	1 268	6 713	703	9,5%

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

19. Cash flow Statement

EC443 Mbizana - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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		12 522	26 341	22 853	278	14 556	20 949	(6 393)	-31%	22 853
Service charges		19 124	36 579	34 838	1 791	30 459	31 935	(1 476)	-5%	34 838
Other revenue		2 142	11 515	11 443	236	4 387	10 489	(6 103)	-58%	11 443
Transfers and Subsidies - Operational		270 716	282 528	355 038	-	341 006	325 451	15 555	5%	355 038
Transfers and Subsidies - Capital		78 660	77 335	77 967	-	71 661	71 469	192	0%	77 967
Interest		14 572	10 364	10 364	695	6 866	9 500	(2 634)	-28%	10 364
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(261 547)	(379 171)	(366 406)	(28 265)	(246 134)	(335 873)	(89 739)	27%	(366 406)
Finance charges		(11)	(50)	(50)	-	-	(46)	(46)	100%	(50)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		136 178	65 440	146 046	(25 265)	222 801	133 875	(88 926)	-66%	146 046
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		196	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(86 192)	(70 114)	(120 843)	(17 912)	(105 270)	(110 773)	(5 503)	5%	(120 843)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(85 996)	(70 114)	(120 843)	(17 912)	(105 270)	(110 773)	(5 503)	5%	(120 843)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	43	1	-	39	(39)	-100%	43
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	43	1	-	39	39	100%	43
NET INCREASE/ (DECREASE) IN CASH HELD		50 182	(4 674)	25 245	(43 176)	117 531	23 142			25 245
Cash/cash equivalents at beginning:		123 463	215 140	173 644		188 199	173 644			188 199
Cash/cash equivalents at month/year end:		173 644	210 467	198 890		305 730	196 786			213 444

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.

20. Statement of Financial Position

EC443 Mbizana - Table C6 Monthly Budget Statement - Financial Position - M11 May

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		3 611	3 476	28 856	3 032	28 856
Call investment deposits		170 033	206 991	170 033	302 697	170 033
Consumer debtors		35 526	32 970	33 517	82 341	33 517
Other debtors		67 802	43 763	67 886	65 122	67 886
Current portion of long-term receivables		—	—	—	—	—
Inventory		2 042	1 179	1 381	1 812	1 381
Total current assets		279 015	288 379	301 674	455 005	301 674
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	(4 255)	—
Investment property		32 436	25 097	32 436	32 436	32 436
Investments in Associate		—	—	—	—	—
Property, plant and equipment		645 633	682 178	716 056	686 456	716 056
Biological		—	—	—	—	—
Intangible		198	—	98	166	98
Other non-current assets		1 231	1 281	1 341	1 231	1 341
Total non current assets		679 499	708 556	749 931	716 035	749 931
TOTAL ASSETS		958 514	996 934	1 051 605	1 171 040	1 051 605
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		503	460	503	457	503
Trade and other payables		37 805	17 705	60 120	58 373	60 120
Provisions		19 953	18 471	19 953	19 567	19 953
Total current liabilities		58 261	36 636	80 577	78 397	80 577
Non current liabilities						
Borrowing		—	—	—	—	—
Provisions		5 495	3 920	5 495	5 495	5 495
Total non current liabilities		5 495	3 920	5 495	5 495	5 495
TOTAL LIABILITIES		63 756	40 556	86 072	83 892	86 072
NET ASSETS	2	894 758	956 378	965 533	1 087 148	965 533
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		894 758	956 378	965 533	1 087 148	965 533
Reserves		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	894 758	956 378	965 533	1 087 148	965 533

This is the report for May 2021 and we would like the Committee to consider its contents.

21. Municipal Manager's quality certification

Quality Certificate

I, Luvuyo Mahlolo, the municipal manager of Winnie Madikizela-Mandela (Mbizana) Local Municipality, hereby certify that –

☒ The monthly budget statement

for the month of May 2021 has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print name: Luvuyo Mahlolo

Municipal manager of Winnie Madikizela-Mandela (Mbizana) Local Municipality (EC443)

Signature: [Signature]

Date: 09/06/2021