



WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY MONTHLY REPORT

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF DECEMBER 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 sixth report of the 2021/22 financial year which should give an indication of how the municipality has performed on its first six months of operation in the indicated year. This is generally a reporting period during which most programs have already taken shape and expenditure patterns improved. The situation is expected to be better this year compared to the same period last year considering that the country was operating under stricter lockdown regulations that made it impossible to operate optimally. This will be the baseline for the budget adjustment and hopefully the contents of each report will help council and its structures to understand fully the status of the municipality's financial performance and decisions that need to be taken to ensure sustainability of the institution and continued service delivery.

1.1 The Political Oversight

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

• Cllr N. Madikizela	Chairperson
• Cllr A. Diya	Committee Whip
• Cllr. N Cengimbo	Committee Member
• Cllr. X. Bhabhazela	Committee Member
• Cllr S. Nomvalo	Committee Member
• Cllr S. Jayiya	Committee Member
• Cllr L. Silangwe	Committee Member
• Cllr. P. Siramza	Committee Member

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 turnover

During the past five months we have been reporting no vacant positions within the department except for the three internship opportunities that were in the recruitment processes. The process as previously reported was expected to have been concluded by 30 June 2021, which unfortunately did not take place. The process was eventually concluded by the end of November 2021. Out of the three appointed candidates, two did not fully meet the minimum requirements as set by National Treasury, meaning only one internship opportunity is filled. This still therefore requires recruitment of two more qualifying young graduates to meet the required number of five.

4. Implementation of mSCOA

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

a) Challenges Identified

i. Version Changes

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, version 6.6 has been released.

Since the introduction of mSCOA, National Treasury has introduced a number of chart versions with the latest version referred to above expected to be used for the draft and final budgets for 2023 and corrections made to the draft budget as per the budget engagements that will be held with Provincial Treasury during the month of May 2022.

The version has introduced a number of improvements from the previous versions 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. 2020/21 Audit Action Plan Formulation

The municipality submitted Annual Financial Statements to the Auditor General for audit on the 31st of August 2021 as required by the MFMA and the outcome was issued on the 1st of December 2021.

The municipality received and responded to the following:

- 36 Requests for information
- 10 Communications of audit findings
 - a) Areas of findings

Errors in the calculation of prior corrections on the cash flow statement,

Competency assessments not done for all employees during the recruitment process,

Doing business with companies linked to persons in the service of the state

Incorrect calculation of electricity distribution losses

Differences in the ageing of receivables

Statutory receivables not tying up

The overall audit outcome was confirmed to be an unqualified audit opinion with no material findings for the first time in the history of the municipality after sustaining an unqualified audit opinion for the past five years.

The municipality is in the process of developing an audit action plan to address issues raised above. The audit action plans will be presented to the municipal council for approval on the 27th of January 2022.

The implementation of the action plan will then be monitored and reported on, monthly.

6. 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 Winnie Madikizela-Mandela 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 were hoping will be delivered by the 30th of June 2021, however all the suppliers could not deliver the vehicle due to shortage of stock for the type of vehicle. One of the suppliers tried to charge the municipality a price higher than that indicated on the price list which the municipality declined as it was not in line with the prescribes of the contract. The process will be reinitiated again after the adjustment budget processes of the municipality.

There is also a bakkie for electricity department that is being procured utilising the process which we hope will be delivered before the end of February 2022.

**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. There are challenges which cause delays in the maintenance processes that we believe will need to be addressed with both National Treasury and Wesbank fleet services as the appointed service provider.

7. Strategic Objectives

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

Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI Weight	Annual Target	Means of Verification	Budget	Budget Source	Mid Year Measurable Performance Target	Actual Performance	Achieved / Not Achieved	Reason for variance	Remedial Action
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 2022	4.1	Metering of all electricity consumption	Electricity meters are read, record and captured manually	Reading of electricity meters	Accurate billing of electricity consumption	4.1.1	0.5	Reading of 78 electric meters utilizing the Automated system by June 2022	Meter reading Report from the AMR System, invoice and GRV	Yes	Reading of electricity meters	86 meters read in July, 117 in Aug, 85 in September, 91 in Oct, 94 in Nov and Dec 92	Achieved		
			4.1.2			Training of meter reader			0.5		Application letter, Attendance register	Yes	n/a				

Sub-Res Unit Area	Issue	Strategic Objective	Objectives No.	Strategies	Baseline Information	Project to be Implemented						Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
				Monthly billing of all consumers for all services	90% billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	Reduced Customer queries - 100% of consumers billed as per consumer master database	4.1.3	0.5	Billing of 246 consumer accounts for Property rates, refuse and electricity by June 2022	12 monthly Billing Report	N/A	0	2 256 accounts billed	Achieved		
					Billing completed beyond the 3rd day of the following month	Completion of billing processes by the 3rd day of each following month	4.1.4	0.5	Billing completed by the 3rd day of each month following the billing month by June 2022	12 Month end closing Reports	N/A	0	Perform month end procedure for consumer debtors and sundry debtors were performed	R0.00	Achieved		
					Manual distribution of consumer statements	Sending of monthly statement using emails and sms's	4.1.5	0.5	Distribution of electronic monthly consumer statements by June 2022	12 Monthly Statements distribution Report	N/A	0	Emailing of monthly consumer statements	R0.00	Achieved		

Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Improved revenue collection and generation	4.1.6	0.5	Implementation of the Revenue Enhancement Strategy	4 Quarterly Revenue Enhancement Strategy Committee and attendance register	R -	Budget Source	Mid Year Measureable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
				Implementation of the Revenue Enhancement Strategy	Revenue Enhancement Strategy review conducted in 2019/20	Monitoring of the Revenue Enhancement Strategy Plan	Improved revenue collection and generation	4.1.6	0.5	Implementation of the Revenue Enhancement Strategy	4 Quarterly Revenue Enhancement Strategy Committee and attendance register	R -	N/A	2	Revenue protection emails were sent to identified departments to sensitise on the revenue performance	Not Achieved	The period coincided with the end of the Audit and the election period which were both very demanding on key personnel on the projects	To draft a schedule of meetings with the pre-termined dates and redistribute for commitments by members and to hold as virtual sessions instead.

Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented						Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
		To achieve at least 95% collection of all debt	4.2	Implementation of credit control measures	Long outstanding debtors, which are more than 365 days	Outsourcing of collection services	Debtors age analysis reflects debtor within 90 days	4.2.1	0.5	Consumer Data analyses and cleansing to ensure readiness for handing over of all accounts beyond 90 days	2 Quarterly Data cleansing report, Progress report on accounts handed over beyond 90 days	Yes	Investigate account information	An investigation was performed and 127 accounts have been attended to for debt collection and as well data cleansing however this was combined as one report as this is done concurrently, Payment file on collected accounts report has been attached that reflect the number of accounts handed over and recovered as from July to December 2021.	Achieved		
	Accounts with errors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	4.3	Performance of monthly debtor and rates investment reconciliations	Monthly reconciliation performed by the 7th day of each month	Monthly review of debtors, rates and investment reconciliation by the 7th working day of each month	Accurate and complete reconciliations	4.3.1	0.5	12 monthly review of debtor s, 12 investment reconciliations and 12 rates reconciliation	12 Signed debtors, 12 investments and 12 rates reconciliation	N/A	Preparation of 6 debtor s, 6 investment reconciliations and 6 rates reconciliation	R0.00	Achieved		

Sub-Res Unit Area	Issue	Strategic Objective	Objectives No.	Strategies	Baseline Information	Project to be Implemented	Accurate and complete commitment register	4. 5. 2	0.5	12 monthly review commitment register by June 2022	12 signed commitment register	R -	N/A	0	Preparation of 6 month commitment register	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
	performed on time																		
	Inaccurate and incomplete commitment register				Commitment register with material misstatements	Monthly review of commitment register by the 7th working day of each month	Accurate and complete commitment register									6 monthly commitments registers were prepared and reviewed	Achieved		
	Creditors and grants with errors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	4.6	Performance of monthly Conditional Grants, creditors, retention and vat reconciliation	Monthly reconciliation of Grants, creditors, vat retention and vat reconciliation by the 7th working day of each month	Monthly review of Conditional Grants, creditors, vat retention and vat reconciliation by the 7th working day of each month	Accurate and complete reconciliations	4. 6. 1	0.5	12 monthly review Conditional Grants, 12 creditors, 12 retention and 12 vat reconciliations by June 2022	12 Signed monthly Conditional Grants, 12 creditors, 12 retention and 12 vat reconciliations	R -	N/A	0	Preparation of 6 monthly creditors, 6 monthly vat retention and 6 monthly vat reconciliation reconciliations were prepared and reviewed	R0.00	Achieved		
	Payroll accounts with errors taking longer to			Performance of monthly payroll reconciliation	Monthly reconciliation of payroll reconciliation by the 7th working day of each month	Monthly review of payroll reconciliation by the 7th working day of each month	Accurate and complete reconciliations	4. 6. 2	0.5	12 monthly review payroll reconciliation by June 2022	12 Signed monthly payroll reconciliation	R -	N/A	0	Preparation of 6 monthly payroll reconciliation reconciliations	6 months monthly payroll recons (July - Dec) submitted	Achieved		

Sub-Res Unit Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
	Identify and resolve				day of each month					June 2022								
Supply Chain Management	Inadequate filing space and system for the volume of documents in the Budget and Treasury office	To have an effective and reliable filing system for documents in the Budget and Treasury office	4.7	Conversion of Supply Chain Management filing to electronic for old documents already audited	Paper based and physical filing	Conversion of information into electronic documents	Electronic filing for Budget and Treasury documents	4.7.1	0.5	Electronic filing system setup and loading of Budget and Treasury Office Documents by June 2022	12 Progress report on BTO scanned documents	R	N/A	0	2503 BTO documents were scanned in this quarter (July - Dec)	R749,097.81	Achieved	
	No clear monitoring of the procurement plan	To have fully capacitated Supply Chain Management personnel	4.8	Monitoring of adherence to the procurement plan	Approved procurement plan with no monitoring plan	Monthly monitoring of the procurement plan	Report on adherence to the procurement plan	4.8.1	0.5	12 monthly reports on the monitoring of the procurement plan by June 2022	Signed report by the SCM Manager	R	N/A	0	6 SCM Reports were prepared and signed	R0.00	Achieved	

Sub-Res Unit Area	Issue	Strategic Objective	Objectives	Strategies	Baseline Information	Project to be Implemented	Updated Supplier Database	4.8.2	0.5	Supplier Database with most bidders information updated during the year by June 2022	Advertisement and Munsoft audit trail	R 5,000.00	Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
	Supplier Database not updated annually	and effective procurement system		Calling of all suppliers to update their information	Supplier database with bidders showing information that expired in the past years	Annual update of the supplier database	Updated Supplier Database							0	The supplier database was updated, the call to suppliers was published. 325 supplier information was updated.	Achieved		
	No scheduled use of bid committee seatings			Developing Mechanisms to monitor seating of the bid committees	Bid committees seating randomly	Schedule of bid committees	Schedule of bid committee seatings with confirmed dates	4.8.3	0.5	Schedule of bid committees ensuring each bid is concluded within 60 days of the tender closing by June 2022	Signed schedule of bid committee, attendance registers of members	R	N/A	Development and approval of the Bid committee schedule. 6 seated bid committees	The Bid committees schedule was developed and 49 bid committees seated	Achieved		
	Procurement documents not uploaded			Monitoring of compliance with publication of documents	Publication documents uploaded on the website	Monthly monitoring of documents uploads	Updated Website will SCM advertisements, closing	4.8.4	0.5	Upload of all Advertisements closing registers and	Screenshots of the website showing documents uploaded	R	N/A	Upload of all tender advertisements from	All adverts for tenders, closing registers and awarded bids were uploaded on the municipal	Achieved		

Sub-Resuit Area	Issue	Strategic Objective	Objectives No.	Strategies	Baseline Information	Project to be Implemented	Signatures	4.9.2	0.5	GRAP compliance as at 30 June 2021 by June 2022	Signed GRAP compliant asset register, Proof of submission to AG, RFI and CoAF Register	R 1,300,000.00	Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
	status and location	by 30 June 2022		Annual review of the asset management policy and update of the fixed asset register	GRAP compliant Asset register as at 30 June 2021	Review of the GRAP compliant asset register	Signed GRAP compliant asset register	4.9.2	0.5	GRAP compliance as at 30 June 2021 by June 2022	Signed GRAP compliant asset register, Proof of submission to AG, RFI and CoAF Register	R 1,300,000.00	Yes	Submission of the Asset Register to AG by 31st August 2021. Submission of Responses to audit requests	Asset Register was submitted to AG by the 31st August 2021. RFI and CoAF were responded to.	Achieved		
	Stores function that is not fully structured and properly managed	To correctly effectvely manage the stores function of the municipality	4.10	Quarterly update of the stock items to ensure adequate levels are kept at all times	Only one stock count performed at the end of the year	Stock updates at least once each quarter	4 stock count reports	4.10.1	0.5	12 monthly Inventory reconciliation and 4 Stock count Report by June 2022	Signed 12 Monthly inventory reconciliation and 4 signed Stock count Reports	R -	N/A	Preparation of 6 inventory reconciliation and performance quarterly stock count	6 Inventory reconciliations were prepared and signed and 2 quarterly stock counts were performed.	Achieved		
Financial Reporting	Financial statements with non-compliance with laws	To complete Annual Financial non-compliance with laws	4.11	Develop sound, strict and effective procedures for the compliance	Audited Annual Financial Statements for 2019/20 with compliance	Development and approval of processes and procedures for completion of annual financial statements by 30 May 2021	Credible Annual Financial Statements submitted by 31	4.11.1	0.5	Credible and fully compliant Annual Financial Statements as at 30	AFS and proof of submission to AG, Proof of payment, Interim Financial statement	R 200,000.00	Yes	Submission of 2020/21 Annual Financial Statements to the	The Annual Financial Statement were submitted to Auditor General by the 31 August 2021	Achieved		

Sub-Res Unit Area	Issue	Strategic Objective	Objectives No.	Strategies	Baseline Information	Project to be Implemented						Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
		By with all requirements as at 30 June 2022		ation of AFS	ance findings		August 2021						AG. Review of new Case ware Licence				
		To achieve a clean audit as at 30 June 2022	4.12	Manage audit and ensure audit readiness	Audited Annual Financial Statement for 2019/20 with compliance findings	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	4.12	0.5	12	0.5	Yes	Submitted 2019/20 Annual Financial Statement to the AG. The RFI and CoAF that were issued by Auditor General were responded to.	R3,301,007.84	Achieved		
				Performance of Monthly bank reconciliations	Reconciliation always completed within times	Performance of monthly reconciliations by the 7th working day of each month	Signed monthly reconciliation	4.12	0.5	12	0.5	N/A	Preparation of 6 Bank Reconciliation	R0.00	Achieved		

Sub-Res Unit Area	Issue	Strategic Objective	Objectives	Baseline Information	Project to be Implemented	Trained interns and finance official staff to meet minimum competency	4.15.1	0.5	Training of 2 financial management interns and 1 finance staff to meet minimum competency requirements by June 2022	Proof of registration and Attendance register	R 403,800.00	Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
Budgeting	The municipality needs to comply with all statutory and budgeting and reporting requirements	Adhere to compliance to Municipal budget and reporting requirements	4.14 Preparation and submission of all in-year statutory reports	Appointed interns and new accountants	Training of 3 financial management interns and 1 finance staff to meet minimum competency requirements by June 2022	Trained interns and finance official staff to meet minimum competency								<p>The interns were only appointed in November and have assumed duties on the 1st December. The enrolment of the appointed interns will be processed on 3rd Quarter</p> <p>R0.00</p>	Not Achieved	<p>The department was expected to intake an intern by end of July, but due to delay on the recruitment process. The request for employment was submitted in March 2021 and only concluded by the end of November</p> <p>The department have been submitted to Skills Development Office to proceed with the application for the interns</p>	

Sub-Res Unit Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented						Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
	To timely produce budgets in line with the National Treasury guidelines and regulations	Develop and monitor processes to ensure timely preparation, adoption and publication of credible municipal budgets	Adjustments budget approved by 28 February 2022 and draft budget approved by 31 March 2022 of each year; final budget approved	Compile three budgets to be approved by council	Council resolutions adopting the budgets	4.15.2	0.5	3 Approved budget by June 2022	Adjustment budget 21/22; Draft budget 22/23; Approved 22/23 Final Budget and Council resolutions	R -	N/A	0	n/a				

Sub-Res Unit Area	Issue	Strategic Objective	Objectives No.	Strategies	Baseline Information	Project to be Implemented						Budget Source	Mid Year Measurable	Actual Measurable Performance	Achieved / Not	Reason for variance	Remedial Action
					ed 31 May 2022												
						Publication of approved budgets	Public ation of at least three approved budgets June 2022	4.15.3	0.5	Public ation of three approved budget s June 2022	3 Adverts	R 60,200.00	Yes	0	n/a		

The table above shows that the department achieved 26 of the 29 targets set for the period. The three targets not achieved will be presented as part of the quarterly reporting requirements.

8. In-year budget statement tables

a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - M06 December

Description	2020/21	Budget Year 2021/22							
	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	20,145	26,171	-	561	17,915	13,086	4,830	37%	26,171
Service charges	40,257	43,474	-	2,987	20,001	21,737	(1,736)	-8%	43,474
Investment revenue	7,604	10,047	-	657	5,305	5,023	282	6%	10,047
Transfers and subsidies	338,001	295,690	-	97,361	221,441	147,845	73,596	50%	295,690
Other own revenue	16,324	14,651	-	1,028	6,100	7,325	(1,225)	-17%	14,651
Total Revenue (excluding capital transfers and contributions)	422,331	390,032	-	102,594	270,763	195,016	75,747	39%	390,032
Employee costs	105,837	126,854	-	9,227	54,341	63,427	(9,086)	-14%	126,854
Remuneration of Councillors	23,964	26,007	-	2,141	11,898	13,003	(1,106)	-9%	26,007
Depreciation & asset impairment	40,180	52,682	-	3,570	21,424	26,341	(4,917)	-19%	52,682
Finance charges	1	150	-	-	-	75	(75)	-100%	150
Inventory consumed and bulk purchases	39,820	48,440	-	3,707	21,914	24,220	(2,306)	-10%	48,440
Transfers and subsidies	4,499	5,907	-	-	273	2,953	(2,680)	-91%	5,907
Other expenditure	128,012	173,490	-	9,567	64,417	86,745	(22,328)	-26%	173,490
Total Expenditure	342,313	433,529	-	28,211	174,266	216,765	(42,499)	-20%	433,529
Surplus/(Deficit)	80,018	(43,497)	-	74,383	96,497	(21,748)	118,246	-544%	(43,497)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77,425	99,296	-	5,402	37,765	49,648	###	-24%	99,296
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	157,443	55,799	-	79,785	134,263	27,899	106,363	381%	55,799
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	157,443	55,799	-	79,785	134,263	27,899	106,363	381%	55,799
Capital expenditure & funds sources									
Capital expenditure	141,432	117,727	-	4,626	40,164	58,863	(18,699)	-32%	117,727
Capital transfers recognised	67,976	86,399	-	3,583	25,043	43,199	(18,156)	-42%	86,399
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	73,456	31,328	-	1,043	15,121	15,664	(543)	-3%	31,328
Total sources of capital funds	141,432	117,727	-	4,626	40,164	58,863	(18,699)	-32%	117,727
Financial position									
Total current assets	364,659	277,032	-	-	479,478	-	-	-	277,032
Total non current assets	739,453	789,359	-	-	757,897	-	-	-	789,359
Total current liabilities	69,907	49,384	-	-	68,889	-	-	-	49,384
Total non current liabilities	5,246	5,495	-	-	5,246	-	-	-	5,495
Community wealth/Equity	1,028,958	1,011,512	-	-	1,163,239	-	-	-	1,011,512
Cash flows									
Net cash from (used) operating	209,606	129,537	-	91,515	142,191	64,769	(77,423)	-120%	129,537
Net cash from (used) investing	(125,089)	(119,176)	-	(105,539)	(45,955)	(59,588)	(13,633)	23%	(119,176)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	258,161	191,598	-	-	354,397	186,417	(167,980)	-90%	268,522
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	4,600	2,747	2,638	2,585	2,574	68,873	-	-	84,016
Creditors Age Analysis									
Total Creditors	26	-	-	-	-	-	-	-	26

The table above shows a summary of the municipality's financial performance for the period ended 31 December 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 Winnie Madikizela Mandela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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>		374,264	335,534	-	98,718	245,441	167,767	77,674	46%	335,534
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		374,264	335,534	-	98,718	245,441	167,767	77,674	46%	335,534
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4,828	5,479	-	288	2,203	2,740	(537)	-20%	5,479
Community and social services		544	681	-	24	206	340	(134)	-39%	681
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4,285	4,798	-	264	1,996	2,399	(403)	-17%	4,798
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45,586	71,475	-	1,279	14,149	35,737	(21,589)	-60%	71,475
Planning and development		127	20,452	-	23	74	10,226	(10,152)	-99%	20,452
Road transport		45,459	51,023	-	1,255	14,074	25,512	(11,437)	-45%	51,023
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		75,078	76,840	-	7,712	46,736	38,420	8,316	22%	76,840
Energy sources		67,709	68,576	-	6,773	41,491	34,288	7,203	21%	68,576
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,369	8,264	-	940	5,245	4,132	1,113	27%	8,264
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	499,756	489,328	-	107,996	308,529	244,664	63,865	26%	489,328
Expenditure - Functional										
<i>Governance and administration</i>		144,640	195,801	-	13,101	71,285	97,900	(26,616)	-27%	195,801
Executive and council		54,961	62,138	-	4,815	26,219	31,069	(4,850)	-16%	62,138
Finance and administration		86,227	127,983	-	7,813	43,287	63,991	(20,705)	-32%	127,983
Internal audit		3,452	5,679	-	474	1,778	2,840	(1,061)	-37%	5,679
<i>Community and public safety</i>		24,150	31,625	-	2,454	13,425	15,813	(2,387)	-15%	31,625
Community and social services		7,338	11,967	-	666	3,989	5,983	(2,014)	-34%	11,967
Sport and recreation		1,968	2,853	-	189	1,415	1,426	(11)	-1%	2,853
Public safety		14,083	15,769	-	1,584	7,739	7,884	(146)	-2%	15,769
Housing		762	1,037	-	15	302	518	(216)	-42%	1,037
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		67,912	105,923	-	6,164	42,264	52,961	(10,697)	-20%	105,923
Planning and development		21,005	31,356	-	1,058	8,817	15,678	(6,861)	-44%	31,356
Road transport		45,335	72,029	-	4,925	32,728	36,014	(3,286)	-9%	72,029
Environmental protection		1,572	2,539	-	181	719	1,269	(550)	-43%	2,539
<i>Trading services</i>		102,932	96,328	-	6,282	45,892	48,164	(2,272)	-5%	96,328
Energy sources		79,676	68,375	-	4,081	35,214	34,188	1,026	3%	68,375
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23,256	27,952	-	2,200	10,678	13,976	(3,298)	-24%	27,952
<i>Other</i>		2,678	3,853	-	210	1,401	1,927	(526)	-27%	3,853
Total Expenditure - Functional	3	342,313	433,529	-	28,211	174,266	216,765	(42,499)	-20%	433,529
Surplus/ (Deficit) for the year		157,443	55,799	-	79,785	134,263	27,899	106,363	381%	55,799

The table above shows the municipality's financial performance for the period ended 31 December 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 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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		20,145	26,171	–	561	17,915	13,086	4,830	37%	26,171
Service charges - electricity revenue		35,679	38,809	–	2,621	17,776	19,405	(1,629)	-8%	38,809
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		4,578	4,665	–	366	2,226	2,332	(107)	-5%	4,665
					–		–			
Rental of facilities and equipment		5,876	3,093	–	328	1,924	1,546	378	24%	3,093
Interest earned - external investments		7,604	10,047	–	657	5,305	5,023	282	6%	10,047
Interest earned - outstanding debtors		4,275	5,133	–	398	2,163	2,566	(403)	-16%	5,133
Dividends received			–	–	–	–	–	–		–
Fines, penalties and forfeits		688	938	–	3	30	469	(439)	-94%	938
Licences and permits		2,343	2,756	–	130	993	1,378	(385)	-28%	2,756
Agency services		1,291	1,265	–	133	699	633	66	10%	1,265
Transfers and subsidies		338,001	295,690	–	97,361	221,441	147,845	73,596	50%	295,690
Other revenue		781	1,466	–	36	291	733	(442)	-60%	1,466
Gains		1,069	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		422,331	390,032	–	102,594	270,763	195,016	75,747	39%	390,032

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

- PROPERTY RATES:** The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R15 million in the 1st month and a decrease to R561 thousand for the following months to the end 30 June 2022. 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 government 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

R2.6 million for the month and a year to date actual of R17.7 million. This is below the projection by about 8% (over R1.6 million) which may add up to R3.2 million by the end of the year if attempts to remedy the situation do not yield and results. It is worth mentioning that the 8% report is a regression from the 6% reported 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, there are however some disturbing observations that have been made by the professional service provider contracted by the municipality to install automated meter reading system. Some of the large power users in town that are owned by the different persons seem to have a way to lower the way in which our meters read consumption leading to less billing and more consumption from their side. The municipality has made some research and learnt that a solution might be installing a automated meter reading system that is able to identify when a meter changes its reading in real time. The installation process has assessments reports that have been shared with the municipality's Electricity Section with findings that also require action from the municipality to protect revenue losses.

- **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 R366 thousand which is less than the projection by 5% which is a regression from the 4% reported in the previous month which will be monitored against performance of other periods to follow.
- **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 R657 thousand worth of interest on investments with a year to date actual that is above the projection by 6% which is a regression from the 11% reported in the previous months. This is still less than the normal performance in the previous years at the same time. 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 funds coming in.

- **Interest on outstanding debtors:** The municipality charges interest on debtors owing for more than 30 days at a rate of prime plus 2% as per the municipality's credit control and debt collection policy. This has yielded interest of R398 thousand for the period ended 31 December 2021 which is less than the amount projected for the period by 16%, a regression from the 17% reported last month. This requires intense debt collection initiatives. A higher interest generation means the municipality's debtors are more than what they were projected to be.
- **Fines:** The municipality has a traffic department which enforces traffic laws and the municipality's by-laws. Anyone found to have contravened these laws is charged a fine accordingly. These fines also include fines for electricity tempering. The municipality generate around R3 thousand for the month of December 2021. 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 in the previous year 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 R328 thousand for the month which has pushed the actual performance to a level above the projection by 24% which is a result of other revised contracts that have been concluded.
- **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 R130 thousand worth of revenue for the period. The municipality has collected below the projected collection by 28% which is a regression from 25% recorded in the previous month and the situation is expected to improve as the testing center begins operating fully and the lockdown restrictions are further eased.
- **Transfers and subsidies:** The municipality receives grants, both conditional and those without conditions. The report shows that an amount of over R97.3 million has been transferred to revenue for the period ended 31 December 2021 from the operating grants whose conditions have been met. This has recorded a year to date performance of R221 million. 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 equitable share that was received during the months of July and December 2021.

d) Debt Collection

The table below shows a 70% overall collection rate for the month ended 31 December 2021. However, we note a 74% collection rate on leasehold fees, 73% on electricity and 63% on refuse removal for the period.

WINNIE MADIKIZELA MANDELA LM : MONTHLY BILLING & RECEIPTS (including VAT)

YEAR ENDING: 30 June 2022

INCOME TYPE	JULY	AUG	SEP	1st QUARTER	OCT	Nov-21	DEC	2nd QUARTER	TOTAL
RATES									
billed	15,281,245	845,277	780,328	16,906,850	780,184	780,383	781,290	2,341,857	19,248,707
payment received	682,650	2,428,724	10,397,016	13,508,390	643,972	624,348	512,226	1,780,546	15,288,936
% of billing received	4%	287%	1332%	80%	83%	80%	66%	76%	79%
ELECTRICITY									
billed	2,485,637	2,412,039	2,534,081	7,431,756	2,541,740	2,439,727	2,555,595	7,537,061	14,968,817
payment received	1,278,856	1,371,930	3,382,909	6,033,695	2,009,470	1,929,996	1,872,370	5,811,837	11,845,532
% of billing received	51%	57%	133%	81%	79%	79%	73%	77%	79%
LEASEHOLD FEES									
billed	320,729	251,916	308,289	880,935	308,289	322,243	326,384	956,916	1,837,851
payment received	208,557	368,759	257,635	834,950	260,295	250,494	240,548	751,337	1,586,288
% of billing received	65%	146%	84%	95%	84%	78%	74%	79%	86%
VAT									
billed	478,481	457,120	483,882	1,419,482	484,857	471,584	489,560	1,446,000	2,865,483
payment received	269,193	264,570	650,302	1,184,065	358,439	372,689	352,935	1,084,062	2,268,127
% of billing received	56%	58%	134%	83%	74%	79%	72%	75%	79%
INTEREST									
billed	167,391	175,773	166,484	509,648	168,376	173,169	177,565	519,110	1,028,758
payment received	82,143	771,451	1,049,999	1,903,593	109,077	97,047	79,058	285,182	2,188,775
% of billing received	49%	439%	631%	374%	65%	56%	45%	55%	213%
REFUSE REMOVAL									
billed	383,508	383,508	383,508	1,150,525	382,349	381,922	381,752	1,146,024	2,296,550
payment received	253,877	191,263	639,159	1,084,299	258,949	255,774	242,261	756,984	1,841,283
% of billing received	66%	50%	167%	94%	68%	67%	63%	66%	80%
TOTAL INCOME									
billed	19,116,991	4,525,633	4,656,573	28,299,196	4,665,795	4,569,029	4,712,145	13,946,969	42,246,166
payment received	2,775,276	5,396,696	16,377,019	24,548,992	3,640,202	3,530,347	3,299,399	10,469,948	35,018,940
% of billing received	15%	119%	352%	87%	78%	77%	70%	75%	83%

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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		105,837	126,854	–	9,227	54,341	63,427	(9,086)	-14%	126,854
Remuneration of councillors		23,964	26,007	–	2,141	11,898	13,003	(1,106)	-9%	26,007
Debt impairment		5,208	9,600	–	–	–	4,800	(4,800)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	–	3,570	21,424	26,341	(4,917)	-19%	52,682
Finance charges		1	150	–	–	–	75	(75)	-100%	150
Bulk purchases - electricity		35,022	40,777	–	3,052	18,734	20,389	(1,655)	-8%	40,777
Inventory consumed		4,798	7,663	–	654	3,180	3,831	(652)	-17%	7,663
Contracted services		41,065	98,848	–	5,341	44,913	49,424	(4,510)	-9%	98,848
Transfers and subsidies		4,499	5,907	–	–	273	2,953	(2,680)	-91%	5,907
Other expenditure		38,313	65,042	–	4,226	19,503	32,521	(13,018)	-40%	65,042
Losses		43,425	–	–	–	–	–	–	–	–
Total Expenditure		342,313	433,529	–	28,211	174,266	216,765	(42,499)	-20%	433,529

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 December 2021 reflects an amount of R9.2 million for employee costs and R2.1 million for the remuneration of councillors. The remuneration of councillors shows a 9% underspending compared to what is expected at the same period. Employee costs have continued to record a 14% saving that is always expected considering issues like, annual increment, annual and long-term bonuses, resignations, leave provisions 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 R3 million on electricity purchases for the period ended 31 December 2021 and a year to date actual of the same which is below the projected expenditure by 8%. This amount only relates to 20 days of November and 10 days of December as the billing by Eskom only takes place on the 10th of each month.
- Depreciation and asset impairment:** The depreciation run has been performed after the end of each quarter and recently monthly, resulting in the depreciation for November 2021 being R3.5 million 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. This has resulted in the depreciation recorded being below the projection for the month by about 19%.
- 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 R5.3 million worth of expenditure during the month. 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 less activity was recorded for the municipality and some events being cancelled or held virtually.

- **Other Expenditure:** This also shows a saving of about 40% 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.

f) Revenue by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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		354,705	309,070	-	98,145	227,359	154,535	72,825	47.1%	309,070
Vote 3 - Corporate Services		405	293	-	11	166	147	19	13.2%	293
Vote 4 - Community Services		12,198	13,743	-	1,227	7,447	6,871	576	8.4%	13,651
Vote 5 - Development Planning		19,267	46,466	-	585	17,990	23,233	(5,243)	-22.6%	46,467
Vote 6 - Engineering Services		113,181	119,755	-	8,028	55,566	59,878	(4,312)	-7.2%	119,755
Total Revenue by Vote	2	499,756	489,328	-	107,996	308,529	244,664	63,865	26.1%	489,236

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 R8 million for the month with Budget and Treasury showing generation of over R98.1 million which may be attributable to grants that have been received or spent more than the projected amounts and the interest on investments as well as Community services at over R1.2 million.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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		71,489	83,323	–	5,446	33,436	41,661	(8,225)	-19.7%	83,323
Vote 2 - Budget and Treasury		21,935	37,982	–	2,658	13,079	18,991	(5,912)	-31.1%	37,982
Vote 3 - Corporate Services		38,505	59,154	–	3,305	17,471	29,577	(12,106)	-40.9%	59,154
Vote 4 - Community Services		62,815	78,225	–	6,233	32,244	39,113	(6,868)	-17.6%	78,225
Vote 5 - Development Planning		15,969	29,062	–	1,168	7,995	14,531	(6,536)	-45.0%	29,061
Vote 6 - Engineering Services		131,601	145,783	–	9,402	70,040	72,892	(2,852)	-3.9%	145,783
Total Expenditure by Vote	2	342,313	433,529	–	28,211	174,266	216,765	(42,499)	-19.6%	433,529
Surplus/ (Deficit) for the year	2	157,443	55,798	–	79,785	134,263	27,899	106,363	381.2%	55,706

The table above shows the expenditure by municipal vote. The total expenditure for the month of December 2021 amounted to above R28.2 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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		20,145	26,171	–	561	17,915	13,086	4,830	37%	26,171
Service charges - electricity revenue		35,679	38,809	–	2,621	17,776	19,405	(1,629)	-8%	38,809
Service charges - water revenue		–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		4,578	4,665	–	366	2,226	2,332	(107)	-5%	4,665
Rental of facilities and equipment		5,876	3,093	–	328	1,924	1,546	378	24%	3,093
Interest earned - external investments		7,604	10,047	–	657	5,305	5,023	282	6%	10,047
Interest earned - outstanding debtors		4,275	5,133	–	398	2,163	2,566	(403)	-16%	5,133
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		688	938	–	3	30	469	(439)	-94%	938
Licences and permits		2,343	2,756	–	130	993	1,378	(385)	-28%	2,756
Agency services		1,291	1,265	–	133	699	633	66	10%	1,265
Transfers and subsidies		338,001	295,690	–	97,361	221,441	147,845	73,596	50%	295,690
Other revenue		781	1,466	–	36	291	733	(442)	-60%	1,466
Gains		1,069	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		422,331	390,032	–	102,594	270,763	195,016	75,747	39%	390,032
Expenditure By Type										
Employee related costs		105,837	126,854	–	9,227	54,341	63,427	(9,086)	-14%	126,854
Remuneration of councillors		23,964	26,007	–	2,141	11,898	13,003	(1,106)	-9%	26,007
Debt impairment		5,208	9,600	–	–	–	4,800	(4,800)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	–	3,570	21,424	26,341	(4,917)	-19%	52,682
Finance charges		1	150	–	–	–	75	(75)	-100%	150
Bulk purchases - electricity		35,022	40,777	–	3,052	18,734	20,389	(1,655)	-8%	40,777
Inventory consumed		4,798	7,663	–	654	3,180	3,831	(652)	-17%	7,663
Contracted services		41,065	98,848	–	5,341	44,913	49,424	(4,510)	-9%	98,848
Transfers and subsidies		4,499	5,907	–	–	273	2,953	(2,680)	-91%	5,907
Other expenditure		38,313	65,042	–	4,226	19,503	32,521	(13,018)	-40%	65,042
Losses		43,425	–	–	–	–	–	–	–	–
Total Expenditure		342,313	433,529	–	28,211	174,266	216,765	(42,499)	-20%	433,529
Surplus/(Deficit)		80,018	(43,497)	–	74,383	96,497	(21,748)	118,246	(0)	(43,497)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		77,425	99,296	–	5,402	37,765	49,648	(11,882)	(0)	99,296
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		157,443	55,799	–	79,785	134,263	27,899			55,799
Taxation								–		
Surplus/(Deficit) after taxation		157,443	55,799	–	79,785	134,263	27,899			55,799
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		157,443	55,799	–	79,785	134,263	27,899			55,799
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		157,443	55,799	–	79,785	134,263	27,899			55,799

The municipality has so far recorded a surplus of over R134.2 million for the period ended 31 December 2021 with a surplus of R79 million for the month. 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.

9. Capital programme performance

a) Capital expenditure by asset class and sub-class

EC443 Winnie Madikizela Mandela - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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		64,182	34,277	-	2,929	18,490	17,139	(1,352)	-7.9%	34,277
Roads Infrastructure		31,539	13,070	-	-	4,856	6,535	1,679	25.7%	13,070
Roads		31,539	13,070	-	-	4,856	6,535	1,679	25.7%	13,070
Electrical Infrastructure		32,643	20,957	-	2,929	13,476	10,479	(2,998)	-28.6%	20,957
MV Networks		30,937	18,107	-	2,929	13,476	9,054	(4,423)	-48.9%	18,107
LV Networks		1,707	2,850	-	-	-	1,425	1,425	100.0%	2,850
Solid Waste Infrastructure		-	250	-	-	158	125	(33)	-26.1%	250
Waste Drop-off Points		-	250	-	-	158	125	(33)	-26.1%	250
Community Assets		2,803	13,500	-	1,248	4,922	6,750	1,828	27.1%	13,500
Community Facilities		2,803	13,500	-	1,248	4,922	6,750	1,828	27.1%	13,500
Halls		1,356	8,400	-	654	3,385	4,200	815	19.4%	8,400
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	3,500	-	594	1,537	1,750	213	12.2%	3,500
Markets		1,447	1,600	-	-	-	800	800	100.0%	1,600
Other assets		736	19,820	-	-	-	9,910	9,910	100.0%	19,820
Operational Buildings		736	19,820	-	-	-	9,910	9,910	100.0%	19,820
Yards		736	-	-	-	-	-	-	-	-
Manufacturing Plant		-	19,820	-	-	-	9,910	9,910	100.0%	19,820
Computer Equipment		5,784	1,248	-	-	-	624	624	100.0%	1,248
Computer Equipment		5,784	1,248	-	-	-	624	624	100.0%	1,248
Furniture and Office Equipment		1,154	6,280	-	-	70	3,140	3,070	97.8%	6,280
Furniture and Office Equipment		1,154	6,280	-	-	70	3,140	3,070	97.8%	6,280
Machinery and Equipment		1,987	300	-	-	-	150	150	100.0%	300
Machinery and Equipment		1,987	300	-	-	-	150	150	100.0%	300
Transport Assets		1,974	1,400	-	-	-	700	700	100.0%	1,400
Transport Assets		1,974	1,400	-	-	-	700	700	100.0%	1,400
Total Capital Expenditure on new assets	1	78,620	76,825	-	4,177	23,483	38,412	14,929	38.9%	76,825

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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		16,495	-	-	-	-	-	-	-	-
Roads Infrastructure		16,495	-	-	-	-	-	-	-	-
Roads		16,495	-	-	-	-	-	-	-	-
Community Assets		12,588	11,000	-	-	5,343	5,500	157	2.9%	11,000
Community Facilities		12,588	11,000	-	-	5,343	5,500	157	2.9%	11,000
Taxi Ranks/Bus Terminals		12,588	11,000	-	-	5,343	5,500	157	2.9%	11,000
Total Capital Expenditure on renewal of existing assets	1	29,083	11,000	-	-	5,343	5,500	157	2.9%	11,000

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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		4,152	-	-	-	-	-	-		-
Roads Infrastructure		3,543	-	-	-	-	-	-		-
Roads		3,543						-		
Electrical Infrastructure		609	-	-	-	-	-	-		-
LV Networks		609						-		
Community Assets		29,576	29,902	-	449	11,338	14,951	3,613	24.2%	29,902
Community Facilities		19,643	28,402	-	-	4,259	14,201	9,942	70.0%	28,402
Halls		19,643	28,402	-	-	4,259	14,201	9,942	70.0%	28,402
Sport and Recreation Facilities		9,933	1,500	-	449	7,079	750	(6,329)	-843.9%	1,500
Outdoor Facilities		9,933	1,500	-	449	7,079	750	(6,329)	-843.9%	1,500
Total Capital Expenditure on upgrading of existing assets	1	33,728	29,902	-	449	11,338	14,951	3,613	24.2%	29,902

The above tables indicate that the municipality spent R4.6 million for the month from its capital budget for the period ended 31 December 2021. Although this has much improved, it is still performance that cannot be encouraged, especially on the two major capital programmes being implemented by the municipality as it poses a number of risks for the institution including paying for work that has not been completed come the end of the year chasing targets and expenditure performance.

b) Capital Expenditure by municipal vote

EC443 Winnie Madikizela Mandela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 6 - Engineering Services		29,576	29,902	—	449	11,338	14,951	(3,613)	-24%	29,902
Total Capital Multi-year expenditure	4,7	29,576	29,902	—	449	11,338	14,951	(3,613)	-24%	29,902
Single Year expenditure appropriation	2									
Vote 2 - Budget and Treasury		2,096	—	—	—	—	—	—	—	—
Vote 3 - Corporate Services		6,269	7,028	—	—	70	3,514	(3,444)	-98%	7,028
Vote 4 - Community Services		3,035	3,150	—	—	158	1,575	(1,417)	-90%	3,150
Vote 5 - Development Planning		1,447	21,420	—	—	—	10,710	(10,710)	-100%	21,420
Vote 6 - Engineering Services		99,009	56,227	—	4,177	28,598	28,114	484	2%	56,227
Total Capital single-year expenditure	4	111,856	87,825	—	4,177	28,826	43,912	(15,086)	-34%	87,825
Total Capital Expenditure		141,432	117,727	—	4,626	40,164	58,863	(18,699)	-32%	117,727
Capital Expenditure - Functional Classification										
Governance and administration		8,470	7,028	—	—	70	3,514	(3,444)	-98%	7,028
Finance and administration		8,470	7,028	—	—	70	3,514	(3,444)	-98%	7,028
Community and public safety		1,875	2,450	—	—	158	1,225	(1,067)	-87%	2,450
Community and social services		980	1,650	—	—	158	825	(667)	-81%	1,650
Public safety		896	800	—	—	—	400	(400)	-100%	800
Economic and environmental services		95,848	85,891	—	1,697	26,460	42,946	(16,486)	-38%	85,891
Planning and development		44,271	72,822	—	1,697	21,604	36,411	(14,807)	-41%	72,822
Road transport		51,577	13,070	—	—	4,856	6,535	(1,679)	-26%	13,070
Trading services		34,185	22,357	—	2,929	13,476	11,179	2,298	21%	22,357
Energy sources		34,185	21,657	—	2,929	13,476	10,829	2,648	24%	21,657
Waste management		—	700	—	—	—	350	(350)	-100%	700
Other		1,054	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	141,432	117,727	—	4,626	40,164	58,863	(18,699)	-32%	117,727
Funded by:										
National Government		67,776	86,399	—	3,583	25,043	43,199	(18,156)	-42%	86,399
Provincial Government		200	—	—	—	—	—	—	—	—
Transfers recognised - capital		67,976	86,399	—	3,583	25,043	43,199	(18,156)	-42%	86,399
Borrowing		—	—	—	—	—	—	—	—	—
Internally generated funds	6	73,456	31,328	—	1,043	15,121	15,664	(543)	-3%	31,328
Total Capital Funding		141,432	117,727	—	4,626	40,164	58,863	(18,699)	-32%	117,727

The above table indicate that the municipality spent R4.6 million from its capital budget for the period ended 31 December 2021 which, although improved is still very 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 year.

10. Supply chain management

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

a. Acquisition management

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

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

b. Handling of tenders during COVID-19

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

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

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

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

- After each live Facebook briefing a register is generated of all those who interacted with the presentation as instructed and posted on the municipal website so that all interested parties know who is considered to have fully complied

- Once the tender closing time passes, a register indicating the name of the company, tender amount, email address, date and time is prepared and posted on the municipal website for all bidders to know if their tenders will be considered
- All tenders are evaluated in electronic versions
- The recommended bidders are then requested to make a submission of the hard copies of their submission (originals)
- Only the hard copy of the winning bidder is then filed which also addresses issues with filing space and safety of the documents.

c. Procurement requests below R2000.00

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

Creditor Name	Function Name	Order Date	Value	Specifications
MR FABULOUS HOLDINGS	Non-core Function:Population Development	2021/12/03	968,00	REQUEST 44 X 1,6 LARGER THERMOMETER BATTIES FOR RECREATIONAL FACILITIES
LIKIHO TRADING CC	Ccre Function:Mayor and Council	2021/11/25	1 820,00	REQUEST LUNCH PACKS FOR WORLD AIDS DAY TO BE HELD ON THE 25 NOVEMBER 2 AT MZIMVUBU LOCAL MUNICIPALITY (NGWETSHENI VILLAGE)
GROUP TWO MEDIA COMPANY	Ccre Function:Economic Development/Plann	2021/12/03	2 000,00	REQUEST FOR APPOINTMENT OF SERVICE PROVIDER FOR THE CONSTRUCTION ON BI MINI-MARKET PHASE 1

4 788,00

d. 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	Function Name	Order Date	Value	Specifications
ZAMANTAMBO CONSTRUCTION	Core Function:Mayor and Council	2021/12/14	2 925,00	10 KG RICE FOR THE NONDABA FUNERAL
PONDO NEWS	Core Function:Municipal Manager Town Se	2021/12/09	3 956,00	RE-ADVERT FOR SOCIO-ECONOMIC INFRASTRUCTURE ASSESSMENT STUDY
UMGENI WATER	Core Function:Biodiversity and Landscape	2021/12/21	5 497,00	LABORATORY TESTING SERVICES - CERT NO 2021-1152
GROUP TWO MEDIA COMPANY	Core Function:Human Resources	2021/12/06	6 100,00	REQUEST FOR FOUR POSTS TWO CONTRACT POSTS AND TWO PERMANENT POSTS N EXECUTIVE SECRETARY TO THE MAYOR AND EXECUTIVE SECRETARY TO THE SPEAKER MM'S OFFICE THEN PERMANENT POSTS ; HR OFFICER: IPMS AND HR OFFICER:R
MEYIFE CONSTRUCTION AND PROJEC	Core Function:Finance	2021/12/14	7 500,00	REQUEST FOR FIVE 20 LITERS OF SANITERS
ARENA HOLDINGS	Core Function:Human Resources	2021/11/11	7 783,20	ADVERT FOR POST OF MANAGER SOCIAL & INDIGENT SUPPORT SERVICES UNDER COMMUNITY SERVICES
ARENA HOLDINGS	Core Function:Project Management Unit	2021/09/07	8 649,15	REQUEST FOR ADVERTISING UPGRADE OF TAXI RANK PHASE 2
ARENA HOLDINGS	Core Function:Supply Chain Management	2021/11/11	9 401,25	ADVERT FOR MUNICIPAL INSURANCE FOR A PERIOD OF 3 YEARS
MVAZANAS CONSTRUCTION	Core Function:Mayor and Council	2021/12/20	10 800,00	REUEST QUONTUMS FOR CONSTITUENCY INDUCTION WORKSHOP ON THE 20 AND 21 D 2021 AT MT AYLIFF HALL,
FAKADE CONSTRUCTION (PTY) LTD	Core Function:Mayor and Council	2021/12/20	12 750,00	REQUEST CATERING (LUNCH) FOR THE ELDERLY AWARENESS TO BE HELD ON THE 2
TYV CONSTRUCTION AND PROJECTS	Core Function:Marketing Customer Relati	2021/12/06	13 200,00	REQUEST THE SERVICES OF A PROFESSIONAL PHOTOGRAPHER TO CONDUCT PHOTOSH THE NEW COUNCILLORS INAUGURATION AT MUNICIAPL PREMISES ON THE 22/11/21 PLEASE SEE ATTACHED SPECIFICATION,
NONGCULA AIRCONDITIONS AND REF	Core Function:Roads	2021/12/06	19 800,00	REQUEST FOR REPAIR OF AIR CONDITIONER IN SERVER ROOM MUNICIPALITY (X1)
ONGEZA HOLDINGS PTY	Core Function:Roads	2021/11/30	23 525,00	REQUEST TO PURCHASING THE BI PADLOCK STEEL 60mm x10

Creditor Name	Function Name	Order Date	Value	Specifications
LTD				
VDS CONCEPT	Core Function:Mayor and Council	2021/12/06	300,00	REQUEST CATERING FOR 150 PEOPLE
KWIK-FIT BIZANA	Core Function:Roads	2021/12/09	507,50	REQUEST FOR REPLACEMENT OF ONE FRONT LEFT TYRE FOR CAT GRADER REF NO: SIZE 17,5-25L-4
			183 694,10	

e. 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.

Creditor Name	Function Name	Order Date	Value	Specifications
NCAIANA TRADING AND PROJECTS	Core Function: Mayor and Council	2021/12/20	42 800,00	PAYMENT FOR MR, AND MRS PROF, LAPTOPS
DOSVENTS TD PTY LTD	Core Function: Mayor and Council	2021/12/21	48 000,00	PAYMENT FOR 16 DAYS OF ACTIVISM - PA SYSTEM
IMIDIHLUME GENERAL TRADING (PT)	Core Function: Solid Waste Removal	2021/12/20	52 000,00	SORTING BAYS/CUBICLES
MASINYANE AND SON (PTY) LTD	Libraries and Archives: Libraries and Archives	2021/12/20	70 000,00	CATERING STREETWISE 1(1 PIECE; CHIPS; AND MINI LOAF) 100% FRUIT JUICE 500 ml X 352 500 ml STILL WATER X 350
QUMBA TRADING AND PROJECTS PTY	Core Function: Mayor and Council	2021/12/14	84 350,00	PAYMENT FOR CHILD HEADED HOUSEHOLDS- RICE 10KG
ENTERPRISES UNIVERSITY OF PRET	Core Function: Finance	2021/12/09	92 000,00	PAREQUEST FOR TRAINING ON GRAP/IPSAS FOR GONTSANA; NDIMENI; PATO AND SODUZUKA
KERVEL GROUP	Core Function: Human Resources	2021/12/09	97 896,90	PAYMENT FOR SUPPLY OF FIRE EXTINGUISHERS-FIRE EXTINGUISHERS PLUS METALLI
DOSVENTS TD PTY LTD	Core Function: Mayor and Council	2021/12/20	99 300,00	CHOICE ASSORTED (1KG)
EZAMAVOVO TRADING (PTY) LTD	Core Function: Police Forces - Traffic and	2021/12/14	154 350,00	PAYMENT FOR PROCUREMENT OF ROAD MARKING PAINT AND ROAD SIGNS WHITE PAINT
NCAIANA TRADING AND PROJECTS	Core Function: Finance	2021/12/14	175 000,00	payment request of ncaiana trading and projects for supply and deliver animal feed
LUDWALA INVESTMENT SERVICES	Core Function: Police Forces - Traffic and	2021/12/20	181 500,00	HIGH TEA(MUFFINS;SCONES;SANDWICHES;ROASTED CHICKEN;JUICE;FRUIT; &TEA) 100 PEOPLE
SOLANGA SYDNEY PROJECTS	Core Function: Mayor and Council	2021/12/20	198 000,00	PAYMENT FOR PURCHASE OF LOCAL GOVERNMENT MUNICIPALITY LEGISLATION DOCUMENTS
			1 295 196,90	

11. 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 December 2021

N O	SUCCESSFUL TENDERER	AMOUNT	TENDER NO	DESCRIPTION		DATE AWARDED	END USER DEPARTMENT
				DESCRIPTION	DESCRIPTION		
28	EZAMAVOVO TRADING	R 350,00	WMM LM/04/10/21 PRMP&RS	PROCUREMENT OF ROAD MARKING PAINT AND ROAD SIGNS		Wednesday, 01 December 2021	Community Services
29	NCAIANA TRADING & PROJECTS	R 800,00	WMM LM 18/11/21/01 MPB	MR & MRS BIZANA WMM LM 18/11/12/01 MPB		Thursday, 09 December 2021	Municipal Manager
30	QUMBA TRADING	R 350,00	WMM LM/28/10/21/01/CHH	CHILD HEADED HOUSEHOLDS SUPPORT		Friday, 03 December 2021	Municipal Manager
31	IMIDHILUME GENERAL TRADING	R 000,00	WMM LM 04/10/21/CLRM	CENTER LINE ROAD MARKING		Monday, 20 December 2021	Community Services
32	DOSVENTS TD	R 000,00	WMM LM 18/11/21/02 1DA	16 DAYS OF ACTIVISM AGAINST WOMAN ABUSE		Monday, 20 December 2021	Municipal Manager
33	MASINYANE AND SONS	R 000,00	WMM LM 24/11/12/02 RAD	LIBRARY AWARENESS CAMPAIGN		Friday, 10 December 2021	Community Services
34	STHE NTEYI PROJECTS	R 700,00	WMM LM 28/10/21/03 PBC	SUPPLY AND DELIVERY OF ASPHALT AND TWO TUCK COAT		Thursday, 09 December 2021	Engineering Services
35	DOSVENTS TD	R 300,00	WMM LM/27/10/21/01 EAC	ERDERLY AWARENESS CAMPAIGN		Friday, 03 December 2021	Municipal Manager
36	UMANYANO LWE AFRIKA TRADING	R 700,00	WMM LM 24/11/12/01	SUPPLY AND DELIVERY AGRICULTURAL INPUTS		Monday, 20 December 2021	Development Planning
Total		R 993 200,00					

b) Tenders awarded during the month of December 2021

Competitive Bidding

	Successful Tenderer	Amount	Bid Number	Description	Date	Department
12	Ncaiana Trading and Projects	R 540 400,00	MBIZ LM 21/07/21/02 PSL	Supply and Delivery of LED Streetlight Fittings, Cables and Poles	02/12/2021	Engineering Services
13	Thake Electrical	R 790 493,13	WMM LM 10/08/21/02 PPMU	Replacement Of Ring Main Unit For Mbiko Centre	02/12/2021	Engineering Services
14	Reviewal of Climate Change Strategy	R 390 000,00	WMM LM 11/02/21/01 CCS	Reviewal of Climate Change Strategy	09/12/2021	Community Services
15	Sword Group	R 477 000,00	WMM LM 06/10/21/01 PME	Procurement of Materila and Equipment	13/12/2021	Development Planning
Total		R 2 197 893,13				

c) Status of current tenders

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
Social Relief Material	WMM LM 0064 SRM	Mr.D.N.Lupho ko	Monday, 23 August 2021	Friday, 13 August 2021	91	Monday, 22 November 2021	To be re-advertised
Panel for Land Survey Services	MBIZLM00069PLS	Not Appointed	Sunday, 17 January 2021	Wednesday, 11 August 2021	90	Saturday, 17 April 2021	Advertised
Supply & Installation of High Mast Lights	MBIZ LM 00074 ISL&P	Not Appointed	Not Advertised Yet	Not Appointed	90	N/A	To be re-advertised
Fencing of Mzamba Community Hall & Extension of Dudumeni Hall	MBIZ LM /02/02/01 FEW	Ms. N. Xoko	Thursday, 02 December 2021	Wednesday, 06 January 2021	90	Wednesday, 02 March 2022	to be evaluated
Reviewal of Disaster Management plan	MBIZ LM 29/09/20/ DRMP	Not Appointed	Friday, 14 January 2022	Not Appointed	90	Thursday, 14 April 2022	Advertised
Minor Maintenance cf Recreational Facilities (1GB)	MBIZ LM 16/09/20/01 MRF	Ms. N. Xoko	Monday, 13 December	Monday, 13 December 2021	90	Sunday, 13 March 2022	to be evaluated

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
			2021				
Supply and Delivery of Furniture	WMM LM 05/05/21/01 OFF	Ms. N. Xoko	Thursday, 02 December 2021	Thursday, 06 January 2022	90	Wednesday, 02 March 2022	to be evaluated
Socio-Economic Infrastructure Assessment Study	WMM LM 004/ S-EIAS	Not Appointed	Friday, 14 January 2022	Not Appointed	90	Thursday, 14 April 2022	Advertised
Mapheleni via Mbumbazi to dutyini Access Road	WMM LM 08/10/21/02 MDA	Mr. V. Nontanda	Monday, 04 October 2021	Monday, 08 November 2021	90	Sunday, 02 January 2022	to be adjudicated
Leonard to Simakadeni Access Road	WMM LM 08/10/21/01 LSA	Mr. V. Nontanda	Tuesday, 05 October 2021	Monday, 08 November 2021	90	Monday, 03 January 2022	to be adjudicated
VAV Memorial College Access Road	WMM LM 08/10/21/03	Mr. V. Nontanda	Wednesday, 06 October 2021	Monday, 08 November 2021	90	Tuesday, 04 January 2022	to be adjudicated
Review of Registry Policy, Procedure Manual & Development of Records Strategy	WMM LM 00123 IRM	Ms. N. Rabie	Friday, 01 October 2021	Monday, 08 November 2021	90	Thursday, 30 December 2021	to be appointed
Repairs and Maintenance of Municipal Main Building	WMM LM 17/09/21/01 RMW	Mr. V. Nontanda	Monday, 25 October 2021	Tuesday, 05 October 2021	90	Sunday, 23 January 2022	to be evaluated
Repairs and Maintenance of Cultural Village	WMM LM 17/09/21/02 RCV	Mr. V. Nontanda	Tuesday, 26 October 2021	Wednesday, 06 October 2021	90	Monday, 24 January 2022	to be evaluated
Repairs and Maintenance of DLTC	WMM LM 17/09/21/02 RDL	Mr. V. Nontanda	Wednesday, 27 October 2021	Thursday, 07 October 2021	90	Tuesday, 25 January 2022	To be appointed
Supply and Delivery of Electricity Material and Tools	WMM LM 12/10/21/01 EMT	Mr. S. Mbusi	Friday, 05 November 2021	Tuesday, 09 November 2021	90	Thursday, 03 February 2022	to be appointed
Bizana Mini Market	WMM LM 001/MS-21	Not Appointed	Wednesday, 06 January 2021	Not Appointed	90	Tuesday, 06 April 2021	
Supply and Delivery of SMME Goods	WMM LM 30/11/21/01 SMM	Not Appointed	Thursday, 06 January 2022	Not Appointed	90	Wednesday, 06 April 2022	To be evaluated

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
Supply and Delivery of Laptops, Desktops and Communication Tools	WMM 00071 UCT RF&C	Ms. N. Ngejane	Thursday, 06 January 2022	Thursday, 06 January 2022	90	Wednesday, 06 April 2022	To be Adjudicated
Procurement of EPWP Protective Clothing	WMM LM 00074 EPWP PC	Not Appointed	Friday, 14 January 2022	Not Appointed	90	Thursday, 14 April 2022	Advertised
Procurement of Printers	WMM LM 21/12/21/01 PRI	Not Appointed	Monday, 24 January 2022	Not Appointed	90	Sunday, 24 April 2022	Advertised
Supply and Delivery of Stationery for 12 Months	WMM LM 09/09/1/01 PST	Not Appointed	Monday, 24 January 2022	Not Appointed	90	Sunday, 24 April 2022	Advertised
Provision of Insurance for 3 Years	WMM LM 27/10/21/01 PIS	Mr. S. Mbusi	Wednesday, 15 December 2021	Tuesday, 13 December 2022	90	Tuesday, 15 March 2022	to be evaluated
Legal Services	WMM LM 25/08/21	Ms. O. Nodangala	Thursday, 28 October 2021	Monday, 15 November 2021	90	Wednesday, 26 January 2022	to be adjudicated

d) Deviations

The Mbizana community was not spared in the road fatalities that took place during the festive season. The Tobo family from ward 7 lost 4 family members who were traveling home from Cape Town and the Tshezi family from ward 13 who also lost 4 family members in an accident that was in Msarhweni on the 24th of December 2021. The office of the Mayor received a request to assist these two families to bury their loved ones. The approval was for groceries only on the other family and groceries, tent, chairs and a toilet on the other. This happened during the recess period and the items were required at very short notice. It was impossible to obtain the required quotations and the only received quotations were approved as sufficient because they were also within the approved limits by the accounting officer for the municipality to assist up to. Below are the details of the transactions:

NO	COMPANY APPROVED	AMOUNT	TRANSACTION DATE	REASON	DEPARTMENT
1	NDIZANOYOLO TRADING ENTERPRISE	R 5 580.00	30 DECEMBER 2021	EMERGENCY	OFFICE OF THE MUNICIPAL MANAGER
2	THE MIDDLE MAN TRADING ENTERPRISE	R 15 000.00	30 DECEMBER 2021	EMERGENCY	OFFICE OF THE MUNICIPAL MANAGER
		R 20 580.00			

e) Fruitless and Wasteful Expenditure

No fruitless and wasteful expenditure identified during the month.

12. Database rotation

The following table indicates the service providers that have been utilised for the month of December 2021. This is in keeping in line 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	Quote Code	Order Date	Value	Status	WARD NO	CSDRefNumber
MR FABULOUS HOLDINGS GROUP TWO MEDIA COMPANY	PO BOX 495 PORT EDWARD 4295	Non-core Function:Population Development	01 WRITTEN QUOTES	2021/12/03	968,00	RECEIVED	WARD 23	MAAA0292862
TYV CONSTRUCTION AND PROJECTS	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Economic Development/Plann	01 WRITTEN QUOTES	2021/12/03	2 000,00	RECEIVED	KOKSTAD	MAAA0943404
NONGCULA AIRCONDITIONS AND REF	P.O. BOX 190 BIZANA WARD 17 4800	Core Function:Marketing Customer Relati	03 WRITTEN QUOTES	2021/12/06	13 200,00	RECEIVED	WARD 17	MAAA0465026
VDS CONCEPT	8 DAHRAM COURT WARD 26 WARD 26 4800	Core Function:Roads	03 WRITTEN QUOTES	2021/12/06	19 800,00	RECEIVED	WARD 26	MAAA0184040
PONDO NEWS	P O BOX 210274 WARD 17 BIZANA 4800	Core Function:Mayor and Council	03 WRITTEN QUOTES	2021/12/06	25 300,00	RECEIVED	WARD 17	MAAA0581564
KWIK-FIT BIZANA	BOX 1275 KOKSTAD	Core Function:Municipal Manager Town Se	03 WRITTEN QUOTES	2021/12/09	3 956,00	RECEIVED	KOKSTAD	
ZAMANTAMBO CONSTRUCTION	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Roads	05 Competitive Bidding	2021/12/09	26 507,50	RECEIVED	BIZANA	MAAA0408288
MEYIFE CONSTRUCTION AND PROJEC	P.O.BOX 296 BIZANA WARD 1 4800	Core Function:Mayor and Council	03 WRITTEN QUOTES	2021/12/14	2 925,00	RECEIVED	WARD 01	MAAA0168017
MVAZANAS CONSTRUCTION	P O BOX 210168 WARD 9 BIZANA 4800	Core Function:Finance	03 WRITTEN QUOTES	2021/12/14	7 500,00	RECEIVED	WARD 09	MAAA0108394
FAKADE CONSTRUCTION (PTY) LTD	P O BOX 2105170 WARD 1 BIZANA 4800	Core Function:Mayor and Council	03 WRITTEN QUOTES	2021/12/20	10 800,00	RECEIVED	WARD 01	MAAA0015090
	P.O.BOX 307 BIZANA WARD 1 4800	Core Function:Mayor and Council	03 WRITTEN QUOTES	2021/12/20	12 750,00	RECEIVED	WARD 01	MAAA0125170

125 706,50

PART 2 – SUPPORTING DOCUMENTATION

1. The impact of COVID-19 to the municipality

The President of South Africa declared a nationwide lockdown, where all citizens, except those that form part of essential services, were ordered to stay home for a period of 21 days. Those working in essential services, as defined in the latter announcement, were exempted from the nationwide lockdown declaration. The nationwide lockdown commenced at midnight on Thursday, 26 March 2020. This was eventually extended to the end of April 2020. The president then announced that the country will continue being on a risk adjusted lockdown with level 4 alert expected to take until the end of May 2020. This announcement has broadly 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 may not be generating normal revenues from some services. The most affected areas are as follows:

i. Refuse removal

Due to the number of businesses currently being closed, it means the municipality is not providing any service to those as they do not generate any refuse. This required the municipality to exempt those from paying during the period of the lockdown. The impact of this continues to be felt by the municipality as it was a decline in the revenue that will never be recovered.

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 currently operating at reduced capacity, it means less electricity will be consumed and therefore less revenue generated.

iii. Licences and permits

The municipality as indicated earlier in the report runs a driver's license testing center which unfortunately did not operate during the lockdown and the limitations in numbers and movement will continue to affect revenue generation capacity for the duration of the lockdown. This means loss of income to the municipality.

2. Audit progress

The municipality prepared and submitted Annual Financial Statements for the year ended 30 June 2021 to the Auditor General of South Africa on 31 August 2021 as required.

Due to the extensions that were granted for last year's audits for both MFMA and PFMA as a result of the outbreak of Covid-19 and subsequent lockdown regulations, the office of the Auditor General could not conduct planning as per their usual schedule. This means that they will have to conduct their planning and execution at the same time whilst targeting the same due date of 30 November 2021. This will require a lot more effort in assisting the process than is normally required, they will be very strict on timeframes and have no tolerance for any type of delays.

The following milestones have been covered:

- Presentation of the engagement letter and signing by the MM
- Presentation of the audit strategy and planning report

By the end of November 2021, 36 RFIs had been issued and responded to. 10 communication of audit findings have been raised so far.

The audit process was then concluded and the audit report was signed by 01 December due to additional audit requirements by the National Office of the Auditor General for all municipalities in the Eastern Cape that were in the process of constructing a stadium, following the bad media publicity on the matter during the build up to November 2021.

3. 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 June 2021.

The municipality is also in the process of recruiting two additional Financial Management Interns to make the required number of 5. This was anticipated to be concluded by 30 June 2021 but due to unconfirmed reasons the process has not been concluded. Shortlisting and interviews were then concluded during the month of November with the commencement of successful candidates being in December 2021. During this period, we identified that two of the three candidates did not meet the minimum requirements as stipulated by the funder of the programme and required approval from the funder before finalisation of the process. This is a matter that the Chief Financial Officer brought to the attention of the Senior Manager: Corporate Services and the Manager: Human Resources before the process was finalised. On commencement of the successful candidates there was no approval granted by

the funder to proceed with the appointments and therefore the assumptions of duties could not be signed by the Chief Financial Officer for the two candidates. The matter was brought ton the attention of the Senior Manager: Corporate Services again to ensure a proper process is followed or remedial action taken to avoid the funding being stopped and therefore disadvantaging future young graduates and also incurring irregular expenditure.

4. Debtors' analysis

Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description			Budget Year 2021/22										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.e. Council Policy
R thousands	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					
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trade and Other Receivables from Ex change Transactions - Electricity	1300	2,556	1,525	1,416	1,438	1,346	11,644	—	—	—	19,924	14,428	—	—	—
Receivables from Non-ex change Transactions - Property Rates	1400	781	566	543	536	595	33,049	—	—	—	36,071	34,180	—	—	—
Receivables from Ex change Transactions - Waste Water Management	1500	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receivables from Ex change Transactions - Waste Management	1600	382	289	269	264	261	8,114	—	—	—	9,579	8,639	—	—	—
Receivables from Ex change Transactions - Property Rental Debtors	1700	326	20	6	6	19	436	—	—	—	815	462	—	—	—
Interest on Arrear Debtor Accounts	1810	178	173	168	166	166	12,410	—	—	—	13,261	12,742	—	—	—
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	1900	377	173	236	175	187	3,218	—	—	—	4,366	3,581	—	—	—
Total By Income Source	2000	4,600	2,747	2,638	2,585	2,574	68,873	—	—	—	84,016	74,032	—	—	—
2020/21 - totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200	829	862	897	889	916	36,512	—	—	—	40,905	38,317	—	—	—
Commercial	2300	3,458	1,614	1,474	1,443	1,436	20,249	—	—	—	29,674	23,128	—	—	—
Households	2400	313	270	267	254	222	12,111	—	—	—	13,437	12,587	—	—	—
Other	2500	(0)	(0)	—	(0)	(0)	(0)	—	—	—	(0)	(0)	—	—	—
Total By Customer Group	2600	4,600	2,747	2,638	2,585	2,574	68,873	—	—	—	84,016	74,032	—	—	—

The table above shows municipal debtors for the month of December 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.

5. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2021/22									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)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	26								26	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	26	-	-	-	-	-	-	-	26	-

The above table shows the municipality's creditors and their ageing. All creditors recorded are within the 30 days requirement with no creditors beyond the 30 days. The municipality continues to find ways to ensure that this status quo is maintained at all times.

6. Investment portfolio analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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)		Notfixed	Call Deposit	No	Variable	#DIV/0!	0	N/A	notfixed	-	14	(686)	15,755	15,083
FNB CALL DEPOSIT ACCOUNT(62459758078)		Notfixed	Call Deposit	No	Variable	#DIV/0!	0	N/A	notfixed	-	0	-	-	0
FNB CALL DEPOSIT ACCOUNT(62028477992)		Notfixed	Call Deposit	No	Variable	0.001745038	0	N/A	notfixed	356,830	623	(119,410)	97,163	335,206
FNB CALL DEPOSIT ACCOUNT(62816769220)		Notfixed	Call Deposit	No	Variable	0.002335622	0	N/A	notfixed	922	2	-	-	924
FNB CALL DEPOSIT ACCOUNT(62816773073)		Notfixed	Call Deposit	No	Variable	0.002335613	0	N/A	notfixed	900	2	-	-	902
FNB CALL DEPOSIT ACCOUNT(62896110170)		Notfixed	Call Deposit	No	Variable	0.002335685	0	N/A	notfixed	38	0	-	-	38
FNB CALL DEPOSIT ACCOUNT(62852108531)		Notfixed	Call Deposit	No	Variable	0.002335647	0	N/A	notfixed	68	0	-	-	68
FNB CALL DEPOSIT ACCOUNT(62550715828)		Notfixed	Call Deposit	No	Variable	0.002335617	0	N/A	notfixed	1,717	4	(4)	-	1,717
Municipality sub-total										360,475		(120,099)	112,918	353,938
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									360,475		(120,099)	112,918	353,938

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents increased during the month by over R75.5 million which lead to an increase in its investments for the month of December 2021. It should however be noted that this only reflects the difference between what was received and what was spent.

7. Allocation and grant receipts and expenditure

a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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:		–	323,643	369,319	98,146	239,714	161,822	77,893	48.1%	323,643
Local Government Equitable Share			289,620	332,422	96,540	217,215	144,810	72,405	50.0%	289,620
Finance Management			2,000	2,000	–	2,000	1,000	1,000	100.0%	2,000
EPWP Incentive			3,570	2,389	1,606	2,499	1,785	714	40.0%	3,570
Integrated National Electrification Programme			28,453	32,508	–	18,000	14,227	3,774	26.5%	28,453
	3				–		–	–		
					–		–	–		
Other transfers and grants [insert description]										
Provincial Government:		–	500	500	–	500	250	250	100.0%	500
Sport and Recreation			500	500	–	500	250	250	100.0%	500
	4							–		
								–		
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total Operating Transfers and Grants	5	–	324,143	369,819	98,146	240,214	162,072	78,143	48.2%	324,143
Capital Transfers and Grants										
National Government:		–	70,843	62,478	15,755	25,513	35,421	2	0.0%	70,843
Municipal Infrastructure Grant (MIG)			51,023	45,459	15,755	25,513	25,512	2	0.0%	51,023
Neighbourhood Development Partnership			19,820	17,019	–	–	9,910			19,820
								–		–
								–		–
								–		–
Other capital transfers [insert description]								–		–
Provincial Government:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total Capital Transfers and Grants	5	–	70,843	62,478	15,755	25,513	35,421	2	0.0%	70,843
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	394,986	432,296	113,901	265,727	197,493	78,144	39.6%	394,986

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		368,781	323,643	–	19,585	115,658	161,822	(46,164)	-28.5%	323,643
Local Government Equitable Share		332,421	289,620	–	14,640	85,027	144,810	(59,783)	-41.3%	289,620
Finance Management		2,000	2,000	–	225	1,057	1,000	57	5.7%	2,000
EPWP Incentive		2,389	3,570	–	574	3,019	1,785	1,234	69.1%	3,570
Integrated National Electrification Programme		31,966	28,453		4,147	26,554	14,227	12,327	86.7%	28,453
					–		–	–		
Disaster Grant	5							–		
Provincial Government:		912	500	–	12	99	250	(151)	-60.5%	500
Sport and Recreation		511	500	–	12	99	250	(151)	-60.5%	500
								–		
								–		
Greenest Municipality		402						–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		369,694	324,143	–	19,597	115,756	162,072	(46,315)	-28.6%	324,143
Capital expenditure of Transfers and Grants										
National Government:		45,459	70,843	–	1,255	15,701	35,421	(19,721)	-55.7%	70,843
Municipal Infrastructure Grant (MIG)		45,459	51,023	–	1,255	15,701	25,512	(9,811)	-38.5%	51,023
Neighbourhood Development Partnership		–	19,820	–	–	–	9,910	(9,910)	-100.0%	19,820
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
Total capital expenditure of Transfers and Grants		45,459	70,843	–	1,255	15,701	35,421	(19,721)	-55.7%	70,843
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		415,153	394,986	–	20,852	131,457	197,493	(66,036)	-33.4%	394,986

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

c) Expenditure on approved rollovers

EC443 Winnie Madikizela Mandela - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Ref	Budget Year 2021/22				
		Approved Rollover 2020/21	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share					-	
Finance Management					-	
EPWP Incentive					-	
Integrated National Electrification Programme					-	
0					-	
0					-	
Other transfers and grants [insert description]					-	
Provincial Government:		-	-	-	-	
Sport and Recreation					-	
0					-	
0					-	
0					-	
Other transfers and grants [insert description]					-	
District Municipality:		-	-	-	-	
[insert description]					-	
[insert description]					-	
Other grant providers:		-	-	-	-	
[insert description]					-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Municipal Infrastructure Grant (MIG)					-	
0					-	
0					-	
0					-	
0					-	
Other capital transfers [insert description]					-	
Provincial Government:		-	-	-	-	
0					-	
District Municipality:		-	-	-	-	
0					-	
Other grant providers:		-	-	-	-	
0					-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

The table above shows spending progress on the approved rollovers for the year being implemented. The municipality has no rollover application that has been approved as application processes are still in taking place.

8. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2020/21	Budget Year 2021/22							
		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		15,110	56,951	–	412	16,570	28,476	(11,905)	-42%	56,951
Service charges		23,019	29,346	–	2,613	20,017	14,673	5,344	36%	29,346
Other revenue		9,342	8,896	–	664	3,883	4,448	(565)	-13%	8,896
Transfers and Subsidies - Operational		335,485	295,690	–	98,146	222,214	147,845	74,369	50%	295,690
Transfers and Subsidies - Capital		77,425	99,296	–	15,755	44,268	49,648	(5,379)	-11%	99,296
Interest		11,879	10,047	–	650	5,294	5,023	271	5%	10,047
Dividends					–		–	–		
Payments										
Suppliers and employees		(262,653)	(370,638)	–	(26,725)	(170,055)	(185,319)	(15,264)	8%	(370,638)
Finance charges		(1)	(50)	–	–	–	(25)	(25)	100%	(50)
Transfers and Grants							–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		209,606	129,537	–	91,515	142,191	64,769	(77,423)	-120%	129,537
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		276						–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments		–	–	–	(100,000)	–	–	–		–
Payments										
Capital assets		(125,365)	(119,176)	–	(5,539)	(45,955)	(59,588)	(13,633)	23%	(119,176)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(125,089)	(119,176)	–	(105,539)	(45,955)	(59,588)	(13,633)	23%	(119,176)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits			–	–	–	–	–	–		–
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		84,516	10,361	–	(14,024)	96,236	5,181			10,361
Cash/cash equivalents at beginning:		173,644	181,236		368,421	258,161	181,236			258,161
Cash/cash equivalents at month/year end:		258,161	191,598	–		354,397	186,417			268,522

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

9. Statement of Financial Position

EC443 Winnie Madikizela Mandela - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		9,353	12,892	–	459	12,892
Call investment deposits		248,808	178,706	–	353,938	178,706
Consumer debtors		56,546	46,512	–	61,633	46,512
Other debtors		47,905	37,398	–	62,568	37,398
Current portion of long-term receivables		–	–	–	–	–
Inventory		2,046	1,524	–	880	1,524
Total current assets		364,659	277,032	–	479,478	277,032
Non current assets						
Long-term receivables					1	
Investments						
Investment property		36,655	32,436	–	36,655	32,436
Investments in Associate			–	–	–	–
Property, plant and equipment		701,498	755,509	–	719,994	755,509
Biological						
Intangible		69	73	–	16	73
Other non-current assets		1,231	1,341	–	1,231	1,341
Total non current assets		739,453	789,359	–	757,897	789,359
TOTAL ASSETS		1,104,112	1,066,391	–	1,237,374	1,066,391
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits		505	503	–	460	503
Trade and other payables		49,412	28,928	–	50,128	28,928
Provisions		19,990	19,953	–	18,301	19,953
Total current liabilities		69,907	49,384	–	68,889	49,384
Non current liabilities						
Borrowing						
Provisions		5,246	5,495	–	5,246	5,495
Total non current liabilities		5,246	5,495	–	5,246	5,495
TOTAL LIABILITIES		75,153	54,879	–	74,135	54,879
NET ASSETS	2	1,028,958	1,011,512	–	1,163,239	1,011,512
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,028,958	1,011,512	–	1,163,239	1,011,512
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	1,028,958	1,011,512	–	1,163,239	1,011,512

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

10. Municipal Manager's quality certification

Quality Certificate

I, LUNUJO MAHLAKA, the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

☒ The monthly budget statement

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

Print name: LUNUJO MAHLAKA

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

Signature: 

Date: 13/01/2022