



WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY MONTHLY REPORT

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF JANUARY 2022**

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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 seventh report of the 2021/22 financial year which should give an indication of how the municipality has performed on its first seven 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 six 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 was filled. During the month of January, we also received a resignation of one of the interns previously enrolled who has opted for pursuing other career opportunities. This still therefore requires recruitment of three 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 municipality has developed a audit action plan to address issues raised above. The audit action plan was presented to the Executive Lekgotla and presented to the municipal council for approval on the 27th of January 2022.

6. Implementation of the Municipal Cost containment regulations

During the month of June 2019, the minister of finance approved Municipal Cost 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. The council of Winnie Madikizela-Mandela Local municipality developed and adopted a policy on cost containment that is now being implemented and is being reviewed annually.

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 by National Treasury
- 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 has assisted 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 2021 financial year.

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 were hoping the approval in this contact 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. Meetings are held quarterly with the appointed service provider to raise challenges faced. Some of the challenges are as follows:

- Shoddy work performed by some appointed mechanics
- Delays in assessments conducted by the service provider before approval of the repair work required
- Mechanics taking longer than expected to complete approved maintenance work
- Locations of service providers not confirmed before work is allocated

As part of the meetings with the service provider appointed by National Treasury we have been able to get clarity on some of the issues with their proposed solutions:

- Allocation of work is done according to the contract terms requiring that emerging mechanics and workshops be prioritised
- Mechanics and workshops used are registered in the database of approved workshops with a rotation system required
- More assessors have been recruited to address delays indicated

- The location of the municipality and lack of approved workshops in the area make it difficult to allocate work outside the province
- The municipality to provide a list of workshops that have been used over the years who are quick to respond to our maintenance requirements

We will then monitor the performance of the contract after these and provide more guidance on ways to improve our maintenance work.

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:

| KPA N0 4: Budget & Treasury | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|---|-----------------|---|--|-------------------------------|--|------------|--|---|--------------|---------------|------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------|-----------------------|------------------------|
| Outcome 9 Objective | | | | | | | | | | | | | | | | | | | | |
| Sub-Resu It Area | Issue | Strat egic Objec tive | Obj ectiv e No. | Strateg ies | Baseli ne Inform ation | Project to be Implemented | Output- KPI | KPI Weight | Annua l Target | Means of Verification | Budg et | Budget Source | | Budget: MTRF | | | | W AR D | Resp onsi ble Section | Resp onsi ble Agency/s |
| | | | | | | | | | | | | Int ern al | Ext ern al | Q1 | Q2 | Q3 | | | | |
| 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, recorded, and captured manually | Reading of electricity meters | Accuracy of billing of electricity consumption | 4.1 | Reading of 78 electricity meters utilizing the Automated system by June 2022 | Meter reading Report from the AMR System, invoice and GRV | R 700,000.00 | Yes | 0 | Reading of electricity meters | Reading of electricity meters | Reading of electricity meters | Reading of electricity meters | n/a | | |
| | | | | | | | | | | Application letter, Attendance register | | | | n/a | Attending training | n/a | | | | |

| KPA N0 4: Budget & Treasury | | | | | | | | | | | | | | | | | | |
|-----------------------------|-------|---------------------|---|---|--|---|-------|-----|--|---|-----|---------------|---|---|------|----------------------------------|---------------------|-------------------|
| Outcome 9 Objective | | | | | | | | | | | | | | | | | | |
| Sub-Result Area | Issue | Strategic Objective | Objectives | Baseline Information | Project to be Implemented | Reduced Customer queries - 100% of consumers billed as per consumer master database | | | | | | Budget Source | Budget: MTRF | | | WARD | Responsible Section | Responsible Agent |
| n | | | | 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 | | 4.1.3 | 0.5 | Billing of 246 consumer accounts for Property rates, refuse and electricity by June 2022 | 12 monthly Billing Report | R - | N/A | Billing of 246 consumer accounts for Property rates, refuse and electricity | Billing of 246 consumer accounts for Property rates, refuse and electricity | Ward | Manager: Revenue and Expenditure | | |
| | | | Monthly billing of all consumers for all services | 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 | R - | N/A | Performance month end procedure for consumer debtor sundry debtors | Performance month end procedure for consumer debtor sundry debtors | Ward | Manager: Revenue and Expenditure | | |
| | | | | 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 | R - | N/A | Emailing of monthly consumer statements | Emailing of monthly consumer statements | Ward | Manager: Revenue and Expenditure | | |

KPA N0 4: Budget & Treasury

| Outcome 9 Objective | | | | | | | | | | | | | | Resp onsibl e Sectio | W AR D | Resp onsibl e Sectio | Manag er: Revenue and Expendit ure | |
|----------------------------|---|--|--------------------------|--|--|---|--|-------|-----|--|-----|------------------|--|--|--|-------------------------------|---|----------------------------------|
| Sub- Resu lt Area | Issue | Strat egic Objec tive | Obj ectiv e No. | Strateg ies | Baseli ne Inform ation | Project to be Implemented | | | | | | Budget Source | Budget: MTREF | | | | | |
| | Accounts with errors taking longer to identify and resolve | To achieve a clean audit as at 30 June 2022 | 4.3 | Performance of monthly debtors rates and investment reconciliations | Monthly reconciliations not 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 debtors, investments and rates reconciliation by June 2022 | R - | N/A | Preparation of 3 debtors, investments and rates reconciliation | Preparation of 3 debtors, investments and rates reconciliation | Preparation of 3 debtors, investments and rates reconciliation | Administrative Offices | | Manager: Revenue and Expenditure |
| Expenditure Management | Invoices not submitted within 30 days of receipt for payment | To pay creditors within 30 days in compliance with the MFMA by June 2022 | 4.4 | Enforcement of system descriptions and process as per the Account payable policy | Invoices still taking longer to reach BTO for payment | Centralisation of submission of invoices per department | Age analysis reflecting creditors within 30 days | 4.4.1 | 0.5 | Invoice register and age analysis report | R - | N/A | Payment of creditors within 30 days | Payment of creditors within 30 days | Payment of creditors within 30 days | Administrative Offices | | Manager: Revenue and Expenditure |
| | Datastings that are submitted with incomplete information and month end procedures that are not | To achieve a clean audit as at 30 June 2022 | 4.5 | Development of sound, strict and effective procedures for reporting | Non implementation of all monthly procedures | Implementing of month end procedures for 3 modules (credit ors, cashbook, GL) | Submission of monthly reports | 4.5.1 | 0.5 | 12 confirmations of submission from LG Portal not later than 10 working days after month end | R - | N/A | Submission of 3 monthly datastings to LG Portal | Submission of 3 monthly datastings to LG Portal | Submission of 3 monthly datastings to LG Portal | Administrative Offices | | Manager: Revenue and Expenditure |

| KPA NO 4: Budget & Treasury | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|---|-----------------|--|---|---|---|-------|-----|---|---|---------------|---------------|---|---|--------------------------------------|--------------------------------------|---------------------------------------|--------------------------|-----------------|
| Outcome 9 Objective | | | | | | | | | | | | | | | | | | | | |
| Sub-Resu It Area | Issue | Strat egic Objec tive | Obj ectiv e No. | Strateg ies | Baseli ne Inform ation | Project to be Implemented | | | | | | Budget Source | Budget: MTREF | | | W AR D | Resp onsi ble Secto | Resp onsi ble Agen | | |
| Supply Chain Management | Inadeq uate filing space and system for the SCM volume of documents in the Budget and Treasury office | To have an effective and reliable filing system for the SCM and all awarded tender documents and payments vouch ers | 4.7 | Conver sion of Supply Chain Manag ement filing to electro nic for old docu ments already audited | Paper based and physica l filing | Conversion of information into electronic documents | Electro nic filing for Budget and Treasury docu ments | 4.7.1 | 0.5 | Electro nic filing system setup and loading of Budget and Treasury Office Docum ents by June 2022 | 12 Progress report on BTO scanned documents | R - | N/ A | 0 | scannin g of BTO docum ents | scannin g of BTO docum ents | scannin g of BTO docum ents | Ad min Offi ces | Supply Chain Mana gement | Mana ger: SCM |
| | No clear monit oring of the procur ement plan | To have fully capaci tated Suppl y Chain Mana gement Personnel and effective procurement system | 4.8 | Monito ring of adherence to the procur ement plan | Approv ed procure ment plan with no clear monito ring plan | Monthly monitoring of the procur ement plan | Report on adhere nce to the procur ement plan | 4.8.1 | 0.5 | 12 monthl y reports on the monito ring of the procur ement plan by June 2022 | Signed report by the SCM Manager | R | N/ A | 0 | 3 signed reports | 3 signed reports | 3 signed reports | Ad min Offi ces | | Mana ger: SCM |
| | Suppli er Datab ase not update d annual ly | | | Callin g of all supplie rs to update their inform ation | Supplie r databas e with bidders showin g inform ation that expired in the past | Annual update of the supplier database | Update d Suppli er Databa se | 4.8.2 | 0.5 | Supplie r Databa se with most bidders inform ation update d during the year by | Advertise ment and Munsoft audit trail | R 5,000.00 | | 0 | Public ation of the call to supplie rs to update their inform ation | 300 Supplie rs inform ation update d | 600 Supplie rs inform ation update d | 1200 Supplie rs inform ation update d | | Ad min Offi ces |

| KPA N0 4: Budget & Treasury | | | | | | | | | | | | | | | | | |
|-----------------------------|---|--|----------------|---|---|---|---------|-----|--|---|---------------|---------------|--------------------------|-----------------|--------|----------------------|--------------------|
| Outcome 9 Objective | | | | | | | | | | | | | | | | | |
| Sub-Resu It Area | Issue | Strat egic Objec tive | Obj ective No. | Strateg ies | Baseli ne Inform ation | Project to be Implemented | | | | | Budget Source | Budget: MTREF | | | W AR D | Resp onsibl e Sectio | Resp onsibl e Agen |
| | | | | | years | | | | June 2022 | | | | | | | | |
| | No sched ule of bid comm ittee seatin gs | Develo ping Mecha nisms to monito r seating of the bid comm ittees | | Sched ule of bid comm ittee seating s with confir med dates | Bid comm ittees seating random ly | Schedule of seating of bid committees | 4, 8, 3 | 0.5 | Schedu le of seating of bid comm ittees ensurin g each bid is conclu ded within 60 days of the tender colsing by June 2022 | Signed schedule of bid committee s, attendance registers of members | R | N/ A | 6 seated bid comm ittees | Ad min Off ices | | | Mana ger: SCM |
| | Procur ement docum ents not upload ed on the websit e on time | Monito ring of compli ance with publica tion of docum ents | | Publica tion docum ents upload ed late on the website | Monthly monitoring of documents uploads | Update d Websit e will adver tising registe rs and awarde d tenders | 4, 8, 4 | 0.5 | Upload ing of all Adver tising registers and awarded tenders on the municip al website by June 2022 | Screenshot s of the website showing documents uploaded | R | N/ A | 6 seated bid comm ittees | Ad min Off ices | | | Mana ger: SCM |

| KPA N0 4: Budget & Treasury | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|--|----------------|---|---|--|-------------------------------|--------|--|--|--|----------------|-----|---|---|--|----------------------------------|--------------------------------------|-------------------------------|-------------------------------|
| Outcome 9 Objective | | | | | | | | | | | | | | | | | | | | |
| Sub-Resu It Area | Issue | Strat egic Objec tive | Obj ective No. | Strateg ies | Baseli ne Inform ation | Project to be Implemented | | | | | Budget Source | Budget: MTREF | | | W AR D | Resp onsi ble Sectio | Resp onsi ble Agen | | | |
| Financial Reporting | Financial statements with non-compliance with laws | To comply Annual Financial State ments that compl y with all requir ement s as at 30 June 2022 | 4.11 | Develop sound, strict and effective procedures for the compilation of AFS | Audited Annual Financial State ments for 2019/20 with compliance findings | Development and approval of processes and procedures for compilation of Compliant annual financial statements by 30 May 2021 | 4.11.1 | 0.5 | Credible and fully compliant Annual Financial State ments as at 30 June 2021 submitted by 31 August 2021 | AFS and proof of submission to AG, Proof of payment, Interim Financial statements | R 200,000.00 | Yes | 0 | Submit 2020/21 Annual Financial State ments to the AG | Renew of Casework Licence | n/a | Preparation of Interim Financial | Admin Offices | Manager, Budget and Reporting | |
| | | | | Manage audit and ensure audit readiness | Audited Annual Financial State ments for 2019/20 with compliance findings | Manage the external audit by the office of the Auditor General to ensure smooth running | Signed Audit report | 4.12.1 | 0.5 | Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2022 | Proof of submission to AG, COAF register, Audit Action Plan, updated Audit Action Plan | R 5,295,993.00 | Yes | 0 | Submit 2019/20 Annual Financial State ments to the AG Respond to AG's queries and provide CoAF register | Development of Audit Action plan, Implementation and monitoring of Audit Action Plan | n/a | Preparation of 3 Bank Reconciliation | Admin Offices | Manager, Budget and Reporting |
| | | | | Performance of Monthly bank reconciliations | Reconciliation not always completed within times | Performance of monthly reconciliations by the 7th working day of each month | Signed monthly reconciliation | 4.12.2 | 0.5 | 12 Reviewed bank reconciliations by June 2022 | 12 Signed Bank Reconciliation | R - | N/A | | Preparation of 3 Bank Reconciliation | Preparation of 3 Bank Reconciliation | Admin Offices | Manager, Budget and Reporting | | |

| KPA N0 4: Budget & Treasury | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|-------|-------------------------|--|--|--|--|--------|-----------|---------------------------------|--|-----|---------------|---------------|--------------------------|--|---|-------------------------|-------------------------------|-------------------|-------------------------------|
| Outcome 9 Objective | | | | | | | | | | | | | | | | | | | | |
| Sub-Result Area | Issue | Strategic Objective No. | Strategies | Baseline Information | Project to be Implemented | | | | | | | Budget Source | Budget: MTREF | | | Approved Budget | WARD | Responsible Section | Responsible Agent | |
| | | 4.15 | Develop and monitor process to ensure timely preparation, adoption and final 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 31 May 2022 | Compile three budgets to be approved by council | Council resolutions adopting the budgets | 4.15.2 | 0.5 | 3 Approved budgets 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 | n/a | Adopted budget adjustment 2021/22; Draft budget 2022/23 | Approved 2022/23 Budget | Admin Offices | Budgeting | Manager, Budget and Reporting |
| | | | | Publication of approved budgets | Publication of at least three approved budgets June 2022 | 4.15.3 | 0.5 | 3 Adverts | R 60,200.00 | Yes | 0 | n/a | n/a | Adjustment budget advert | Draft budget advert; Adopted final budget advert | Admin Offices | Budgeting | Manager, Budget and Reporting | | |

Reporting on the above will be done at the end of each quarter as part of the municipality's quarterly reporting requirements.

8. In-year budget statement tables

a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - M07 January

| 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 | – | 504 | 18,419 | 15,267 | 3,153 | 21% | 26,171 |
| Service charges | 40,257 | 43,474 | – | 2,982 | 22,983 | 25,360 | (2,377) | -9% | 43,474 |
| Investment revenue | 7,604 | 10,047 | – | 55 | 5,360 | 5,861 | (501) | -9% | 10,047 |
| Transfers and subsidies | 338,001 | 295,690 | – | 747 | 222,188 | 172,486 | 49,702 | 29% | 295,690 |
| Other own revenue | 16,324 | 14,651 | – | 1,340 | 7,440 | 8,546 | (1,106) | -13% | 14,651 |
| Total Revenue (excluding capital transfers and contributions) | 422,331 | 390,032 | – | 5,628 | 276,391 | 227,519 | 48,872 | 21% | 390,032 |
| Employee costs | 105,837 | 126,854 | – | 6,270 | 60,610 | 73,998 | (13,388) | -18% | 126,854 |
| Remuneration of Councillors | 23,964 | 26,007 | – | 2,062 | 13,960 | 15,171 | (1,210) | -8% | 26,007 |
| Depreciation & asset impairment | 40,180 | 52,682 | – | 25,274 | 46,697 | 30,731 | 15,966 | 52% | 52,682 |
| Finance charges | 1 | 150 | – | – | – | 88 | (88) | -100% | 150 |
| Inventory consumed and bulk purchases | 39,820 | 48,440 | – | 3,019 | 24,933 | 28,257 | (3,324) | -12% | 48,440 |
| Transfers and subsidies | 4,499 | 5,907 | – | 477 | 750 | 3,446 | (2,695) | -78% | 5,907 |
| Other expenditure | 128,012 | 173,490 | – | 8,905 | 73,321 | 101,203 | (27,881) | -28% | 173,490 |
| Total Expenditure | 342,313 | 433,529 | – | 46,006 | 220,272 | 252,892 | (32,620) | -13% | 433,529 |
| Surplus/(Deficit) | 80,018 | (43,497) | – | (40,379) | 56,119 | (25,373) | 81,492 | -321% | (43,497) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 77,425 | 99,296 | – | (46) | 37,719 | 57,922 | (20,203) | -35% | 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 | – | (40,425) | 93,838 | 32,549 | 61,289 | 188% | 55,799 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | 157,443 | 55,799 | – | (40,425) | 93,838 | 32,549 | 61,289 | 188% | 55,799 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 141,432 | 117,727 | – | 536 | 40,700 | 66,674 | (27,974) | -41% | 117,727 |
| Capital transfers recognised | 67,976 | 86,399 | – | 536 | 25,579 | 50,399 | (24,820) | -49% | 86,399 |
| Borrowing | – | – | – | – | – | – | – | – | – |
| Internally generated funds | 73,456 | 31,328 | – | – | 15,121 | 16,275 | (3,154) | -17% | 31,328 |
| Total sources of capital funds | 141,432 | 117,727 | – | 536 | 40,700 | 66,674 | (27,974) | -41% | 117,727 |
| Financial position | | | | | | | | | |
| Total current assets | 364,659 | 277,032 | – | – | 468,107 | – | – | – | 277,032 |
| Total non current assets | 739,453 | 789,359 | – | – | 733,159 | – | – | – | 789,359 |
| Total current liabilities | 69,907 | 49,384 | – | – | 73,204 | – | – | – | 49,384 |
| Total non current liabilities | 5,246 | 5,495 | – | – | 5,246 | – | – | – | 5,495 |
| Community wealth/Equity | 1,028,958 | 1,011,512 | – | – | 1,122,815 | – | – | – | 1,011,512 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 209,606 | 129,537 | – | (10,944) | 131,247 | 75,564 | (55,684) | -74% | 129,537 |
| Net cash from (used) investing | (125,089) | (119,176) | – | (978) | (46,933) | (69,519) | (22,586) | 32% | (119,176) |
| Net cash from (used) financing | – | – | – | – | – | – | – | – | – |
| Cash/cash equivalents at the month/year end | 258,161 | 191,598 | – | – | 342,475 | 187,280 | (155,194) | -83% | 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 | 4,557 | 2,797 | 2,596 | 2,563 | 2,491 | 68,536 | – | – | 83,539 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 124 | – | – | – | – | – | – | – | 124 |

The table above shows a summary of the municipality's financial performance for the period ended 31 January 2022. 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) - M07 January

| 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 | – | 1,612 | 247,053 | 195,728 | 51,325 | 26% | 335,534 |
| Executive and council | | – | – | – | – | – | – | – | – | – |
| Finance and administration | | 374,264 | 335,534 | – | 1,612 | 247,053 | 195,728 | 51,325 | 26% | 335,534 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| <i>Community and public safety</i> | | 4,828 | 5,479 | – | 384 | 2,587 | 3,196 | (609) | -19% | 5,479 |
| Community and social services | | 544 | 681 | – | 107 | 313 | 397 | (84) | -21% | 681 |
| Sport and recreation | | – | – | – | – | – | – | – | – | – |
| Public safety | | 4,285 | 4,798 | – | 278 | 2,274 | 2,799 | (525) | -19% | 4,798 |
| Housing | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| <i>Economic and environmental services</i> | | 45,586 | 71,475 | – | (45) | 14,104 | 41,694 | (27,590) | -66% | 71,475 |
| Planning and development | | 127 | 20,452 | – | 36 | 110 | 11,930 | (11,820) | -99% | 20,452 |
| Road transport | | 45,459 | 51,023 | – | (81) | 13,994 | 29,763 | (15,770) | -53% | 51,023 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| <i>Trading services</i> | | 75,078 | 76,840 | – | 3,630 | 50,366 | 44,823 | 5,543 | 12% | 76,840 |
| Energy sources | | 67,709 | 68,576 | – | 2,679 | 44,170 | 40,003 | 4,168 | 10% | 68,576 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | 7,369 | 8,264 | – | 951 | 6,196 | 4,821 | 1,376 | 29% | 8,264 |
| <i>Other</i> | 4 | – | – | – | – | – | – | – | – | – |
| Total Revenue - Functional | 2 | 499,756 | 489,328 | – | 5,582 | 314,110 | 285,441 | 28,669 | 10% | 489,328 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 144,640 | 195,801 | – | 14,571 | 85,856 | 114,217 | (28,361) | -25% | 195,801 |
| Executive and council | | 54,961 | 62,138 | – | 4,174 | 30,394 | 36,247 | (5,853) | -16% | 62,138 |
| Finance and administration | | 86,227 | 127,983 | – | 10,126 | 53,413 | 74,657 | (21,244) | -28% | 127,983 |
| Internal audit | | 3,452 | 5,679 | – | 271 | 2,049 | 3,313 | (1,264) | -38% | 5,679 |
| <i>Community and public safety</i> | | 24,150 | 31,625 | – | 2,977 | 16,402 | 18,448 | (2,046) | -11% | 31,625 |
| Community and social services | | 7,338 | 11,967 | – | 1,224 | 5,193 | 6,981 | (1,788) | -26% | 11,967 |
| Sport and recreation | | 1,968 | 2,853 | – | 85 | 1,501 | 1,664 | (163) | -10% | 2,853 |
| Public safety | | 14,083 | 15,769 | – | 1,606 | 9,344 | 9,198 | 146 | 2% | 15,769 |
| Housing | | 762 | 1,037 | – | 63 | 365 | 605 | (240) | -40% | 1,037 |
| Health | | – | – | – | – | – | – | – | – | – |
| <i>Economic and environmental services</i> | | 67,912 | 105,923 | – | 21,997 | 64,261 | 61,788 | 2,473 | 4% | 105,923 |
| Planning and development | | 21,005 | 31,356 | – | 2,739 | 11,556 | 18,291 | (6,735) | -37% | 31,356 |
| Road transport | | 45,335 | 72,029 | – | 19,175 | 51,904 | 42,017 | 9,887 | 24% | 72,029 |
| Environmental protection | | 1,572 | 2,539 | – | 82 | 802 | 1,481 | (679) | -46% | 2,539 |
| <i>Trading services</i> | | 102,932 | 96,328 | – | 6,321 | 52,213 | 56,191 | (3,978) | -7% | 96,328 |
| Energy sources | | 79,676 | 68,375 | – | 4,664 | 39,878 | 39,886 | (8) | 0% | 68,375 |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | 23,256 | 27,952 | – | 1,657 | 12,335 | 16,306 | (3,970) | -24% | 27,952 |
| <i>Other</i> | | 2,678 | 3,853 | – | 139 | 1,540 | 2,248 | (708) | -31% | 3,853 |
| Total Expenditure - Functional | 3 | 342,313 | 433,529 | – | 46,006 | 220,272 | 252,892 | (32,620) | -13% | 433,529 |
| Surplus/ (Deficit) for the year | | 157,443 | 55,799 | – | (40,425) | 93,838 | 32,549 | 61,289 | 188% | 55,799 |

The table above shows the municipality's financial performance for the period ended 31 January 2022 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) - M07 January

| 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 | – | 504 | 18,419 | 15,267 | 3,153 | 21% | 26,171 |
| Service charges - electricity revenue | | 35,679 | 38,809 | – | 2,642 | 20,417 | 22,639 | (2,221) | -10% | 38,809 |
| Service charges - water revenue | | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | | – | – | – | – | – | – | – | – | – |
| Service charges - refuse revenue | | 4,578 | 4,665 | – | 340 | 2,566 | 2,721 | (156) | -6% | 4,665 |
| | | | | | – | | – | | | |
| Rental of facilities and equipment | | 5,876 | 3,093 | – | 327 | 2,251 | 1,804 | 447 | 25% | 3,093 |
| Interest earned - external investments | | 7,604 | 10,047 | – | 55 | 5,360 | 5,861 | (501) | -9% | 10,047 |
| Interest earned - outstanding debtors | | 4,275 | 5,133 | – | 419 | 2,582 | 2,994 | (412) | -14% | 5,133 |
| Dividends received | | | – | – | | – | – | – | – | – |
| Fines, penalties and forfeits | | 688 | 938 | – | 289 | 320 | 547 | (227) | -42% | 938 |
| Licences and permits | | 2,343 | 2,756 | – | 159 | 1,151 | 1,608 | (456) | -28% | 2,756 |
| Agency services | | 1,291 | 1,265 | – | 119 | 818 | 738 | 80 | 11% | 1,265 |
| Transfers and subsidies | | 338,001 | 295,690 | – | 747 | 222,188 | 172,486 | 49,702 | 29% | 295,690 |
| Other revenue | | 781 | 1,466 | – | 27 | 318 | 855 | (537) | -63% | 1,466 |
| Gains | | 1,069 | – | – | – | – | – | – | – | – |
| Total Revenue (excluding capital transfers and contributions) | | 422,331 | 390,032 | – | 5,628 | 276,391 | 227,519 | 48,872 | 21% | 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 the Department of Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R15 million in the 1st month and a decrease to R561 thousand for the following months which has been further reduced to R504 thousand during the month of January 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 R20 million. This is below the projection by about 10% (over R2.2 million) which may add up to R3.7 million by the end of the year if attempts to remedy the situation do not yield any results. It is worth mentioning that the 10% report is a regression from the 8% 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 R340 thousand which is less than the projection by 6% which is a regression from the 5% 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 R55 thousand worth of interest on investments with a year to date actual that is below the projection by 9% which is a regression from the 6% above projection 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. We hope to see the impact of the interest rate hikes that have been approved in the past two quarters in the months to follow.

- **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 R419 thousand for the period ended 31 January 2022 which is less than the amount projected for the period by 14%, an improvement from the 16% 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 R289 thousand for the month of January 2022. 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 years 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 R327 thousand for the month which has pushed the actual performance to a level above the projection by 25% 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 R159 thousand worth of revenue for the period. The municipality has collected below the projected collection by 28% which is in line with the performance 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 R747 thousand has been transferred to revenue for

the period ended 31 January 2022 from the operating grants whose conditions have been met. This has recorded a year to date performance of about R222 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 109% overall collection rate for the month ended 31 January 2022. However, we note a 77% collection rate on leasehold fees, 84% on electricity and 101% on refuse removal for the period.

WINNIE MADIKIZELA MAHDELA LM : MONTHLY BILLING & RECEIPTS (including VAT)
YEAR ENDING: 30 June 2022

| INCOME TYPE | JULY | AUG | SEP | 1st QUARTER | OCT | Nov-21 | DEC | 2nd QUARTER | Jan-22 | TOTAL |
|-----------------------|------------|-----------|------------|-------------|-----------|-----------|-----------|-------------|-----------|------------|
| RATES | | | | | | | | | | |
| billed | 15,281,245 | 845,277 | 780,328 | 16,906,850 | 780,184 | 780,383 | 781,290 | 2,341,857 | 788,359 | 20,037,066 |
| payment received | 682,650 | 2,428,724 | 10,397,016 | 13,508,390 | 643,972 | 624,348 | 512,226 | 1,780,546 | 1,606,047 | 16,894,983 |
| % of billing received | 4% | 287% | 1332% | 80% | 83% | 80% | 66% | 76% | 204% | 84% |
| 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 | 2,549,951 | 17,518,769 |
| 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 | 2,154,073 | 13,999,604 |
| % of billing received | 51% | 57% | 133% | 81% | 79% | 79% | 73% | 77% | 84% | 80% |
| LEASEHOLD FEES | | | | | | | | | | |
| billed | 320,729 | 251,916 | 308,289 | 880,935 | 308,289 | 322,243 | 326,384 | 956,916 | 326,384 | 2,164,235 |
| payment received | 208,557 | 368,759 | 257,635 | 834,950 | 260,295 | 250,494 | 240,548 | 751,337 | 250,326 | 1,836,614 |
| % of billing received | 65% | 146% | 84% | 95% | 84% | 78% | 74% | 79% | 77% | 85% |
| VAT | | | | | | | | | | |
| billed | 478,481 | 457,120 | 483,882 | 1,419,482 | 484,857 | 471,584 | 489,560 | 1,446,000 | 494,162 | 3,359,645 |
| payment received | 269,193 | 264,570 | 650,302 | 1,184,065 | 358,439 | 372,689 | 352,935 | 1,084,062 | 399,823 | 2,667,950 |
| % of billing received | 56% | 58% | 134% | 83% | 74% | 79% | 72% | 75% | 81% | 79% |
| INTEREST | | | | | | | | | | |
| billed | 167,391 | 175,773 | 166,484 | 509,648 | 168,376 | 173,169 | 177,565 | 519,110 | 191,690 | 1,220,448 |
| payment received | 82,143 | 771,451 | 1,049,999 | 1,903,593 | 109,077 | 97,047 | 79,058 | 285,182 | 355,137 | 2,543,912 |
| % of billing received | 49% | 439% | 631% | 374% | 65% | 56% | 45% | 55% | 185% | 208% |
| REFUSE REMOVAL | | | | | | | | | | |
| billed | 383,508 | 383,508 | 383,508 | 1,150,525 | 382,349 | 381,922 | 381,752 | 1,146,024 | 339,696 | 2,636,246 |
| payment received | 253,877 | 191,263 | 639,159 | 1,084,299 | 258,949 | 255,774 | 242,261 | 756,984 | 343,205 | 2,184,488 |
| % of billing received | 66% | 50% | 167% | 94% | 68% | 67% | 63% | 66% | 101% | 83% |
| 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 | 4,690,243 | 46,936,409 |
| 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 | 5,108,610 | 40,127,550 |
| % of billing received | 15% | 119% | 352% | 87% | 78% | 77% | 70% | 75% | 109% | 85% |

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

| 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 | – | 6,270 | 60,610 | 73,998 | (13,388) | -18% | 126,854 |
| Remuneration of councillors | | 23,964 | 26,007 | – | 2,062 | 13,960 | 15,171 | (1,210) | -8% | 26,007 |
| Debt impairment | | 5,208 | 9,600 | – | – | – | 5,600 | (5,600) | -100% | 9,600 |
| Depreciation & asset impairment | | 40,180 | 52,682 | – | 25,274 | 46,697 | 30,731 | 15,966 | 52% | 52,682 |
| Finance charges | | 1 | 150 | – | – | – | 88 | (88) | -100% | 150 |
| Bulk purchases - electricity | | 35,022 | 40,777 | – | 2,852 | 21,586 | 23,787 | (2,201) | -9% | 40,777 |
| Inventory consumed | | 4,798 | 7,663 | – | 167 | 3,347 | 4,470 | (1,123) | -25% | 7,663 |
| Contracted services | | 41,065 | 98,848 | – | 5,257 | 50,171 | 57,661 | (7,490) | -13% | 98,848 |
| Transfers and subsidies | | 4,499 | 5,907 | – | 477 | 750 | 3,446 | (2,695) | -78% | 5,907 |
| Other expenditure | | 38,313 | 65,042 | – | 3,647 | 23,150 | 37,941 | (14,791) | -39% | 65,042 |
| Losses | | 43,425 | – | – | – | – | – | – | | – |
| Total Expenditure | | 342,313 | 433,529 | – | 46,006 | 220,272 | 252,892 | (32,620) | -13% | 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 January 2022 reflects an amount of R6.2 million for employee costs and R2 million for the remuneration of councillors. The remuneration of councillors shows a 8% underspending compared to what is expected at the same period. Employee costs have continued to record a 18% 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 R2.8 million on electricity purchases for the period ended 31 January 2022 and a year to date actual of the same which is below the projected expenditure by 9%. This amount only relates to 20 days of December and 10 days of January as the billing by Eskom only takes place on the 10th of each month.
- Depreciation and asset impairment:** The municipality's depreciation run is performed at the end of each month, resulting in the depreciation for January 2022 being R25.2 million. The monthly depreciation calculations have been performed and recorded manually for the six months from July to December 2021 and when this was corrected to record these movements through the assets module, seven months were recorded as the movement for one month which will then be corrected through processing of journals and therefor correcting the months to come. This has resulted in the depreciation recorded being above the projection for the period by about 52%.
- 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 R5.2 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.

- **Other Expenditure:** This also shows a saving of about 39% 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) - M07 January

| 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 | - | 1,096 | 228,456 | 154,535 | 73,921 | 47.8% | 309,070 |
| Vote 3 - Corporate Services | | 405 | 293 | - | 12 | 178 | 147 | 31 | 21.2% | 293 |
| Vote 4 - Community Services | | 12,198 | 13,743 | - | 1,336 | 8,783 | 6,871 | 1,912 | 27.8% | 13,651 |
| Vote 5 - Development Planning | | 19,267 | 46,466 | - | 539 | 18,529 | 23,233 | (4,704) | -20.2% | 46,467 |
| Vote 6 - Engineering Services | | 113,181 | 119,755 | - | 2,598 | 58,164 | 59,878 | (1,714) | -2.9% | 119,755 |
| Total Revenue by Vote | 2 | 499,756 | 489,328 | - | 5,582 | 314,110 | 244,664 | 69,446 | 28.4% | 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 R2.5 million for the month with Budget and Treasury showing generation of over R1 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 R1.3 million.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

| 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 | – | 5,060 | 38,496 | 41,661 | (3,165) | -7.6% | 83,323 |
| Vote 2 - Budget and Treasury | | 21,935 | 37,982 | – | 1,228 | 14,307 | 18,991 | (4,684) | -24.7% | 37,982 |
| Vote 3 - Corporate Services | | 38,505 | 59,154 | – | 7,169 | 24,640 | 29,577 | (4,937) | -16.7% | 59,154 |
| Vote 4 - Community Services | | 62,815 | 78,225 | – | 5,811 | 38,055 | 39,113 | (1,057) | -2.7% | 78,225 |
| Vote 5 - Development Planning | | 15,969 | 29,062 | – | 2,632 | 10,627 | 14,531 | (3,903) | -26.9% | 29,061 |
| Vote 6 - Engineering Services | | 131,601 | 145,783 | – | 24,106 | 94,146 | 72,892 | 21,254 | 29.2% | 145,783 |
| Total Expenditure by Vote | 2 | 342,313 | 433,529 | – | 46,006 | 220,272 | 216,765 | 3,508 | 1.6% | 433,529 |
| Surplus/ (Deficit) for the year | 2 | 157,443 | 55,798 | – | (40,425) | 93,838 | 27,899 | 65,939 | 236.3% | 55,706 |

The table above shows the expenditure by municipal vote. The total expenditure for the month of January 2022 amounted to above R46 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

| 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 | – | 504 | 18,419 | 15,267 | 3,153 | 21% | 26,171 |
| Service charges - electricity revenue | | 35,679 | 38,809 | – | 2,642 | 20,417 | 22,639 | (2,221) | -10% | 38,809 |
| Service charges - water revenue | | – | – | – | – | – | – | – | – | – |
| Service charges - sanitation revenue | | – | – | – | – | – | – | – | – | – |
| Service charges - refuse revenue | | 4,578 | 4,665 | – | 340 | 2,566 | 2,721 | (156) | -6% | 4,665 |
| Rental of facilities and equipment | | 5,876 | 3,093 | – | 327 | 2,251 | 1,804 | 447 | 25% | 3,093 |
| Interest earned - external investments | | 7,604 | 10,047 | – | 55 | 5,360 | 5,861 | (501) | -9% | 10,047 |
| Interest earned - outstanding debtors | | 4,275 | 5,133 | – | 419 | 2,582 | 2,994 | (412) | -14% | 5,133 |
| Dividends received | | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | 688 | 938 | – | 289 | 320 | 547 | (227) | -42% | 938 |
| Licences and permits | | 2,343 | 2,756 | – | 159 | 1,151 | 1,608 | (456) | -28% | 2,756 |
| Agency services | | 1,291 | 1,265 | – | 119 | 818 | 738 | 80 | 11% | 1,265 |
| Transfers and subsidies | | 338,001 | 295,690 | – | 747 | 222,188 | 172,486 | 49,702 | 29% | 295,690 |
| Other revenue | | 781 | 1,466 | – | 27 | 318 | 855 | (537) | -63% | 1,466 |
| Gains | | 1,069 | – | – | – | – | – | – | – | – |
| Total Revenue (excluding capital transfers and contributions) | | 422,331 | 390,032 | – | 5,628 | 276,391 | 227,519 | 48,872 | 21% | 390,032 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 105,837 | 126,854 | – | 6,270 | 60,610 | 73,998 | (13,388) | -18% | 126,854 |
| Remuneration of councillors | | 23,964 | 26,007 | – | 2,062 | 13,960 | 15,171 | (1,210) | -8% | 26,007 |
| Debt impairment | | 5,208 | 9,600 | – | – | – | 5,600 | (5,600) | -100% | 9,600 |
| Depreciation & asset impairment | | 40,180 | 52,682 | – | 25,274 | 46,697 | 30,731 | 15,966 | 52% | 52,682 |
| Finance charges | | 1 | 150 | – | – | – | 88 | (88) | -100% | 150 |
| Bulk purchases - electricity | | 35,022 | 40,777 | – | 2,852 | 21,586 | 23,787 | (2,201) | -9% | 40,777 |
| Inventory consumed | | 4,798 | 7,663 | – | 167 | 3,347 | 4,470 | (1,123) | -25% | 7,663 |
| Contracted services | | 41,065 | 98,848 | – | 5,257 | 50,171 | 57,661 | (7,490) | -13% | 98,848 |
| Transfers and subsidies | | 4,499 | 5,907 | – | 477 | 750 | 3,446 | (2,695) | -78% | 5,907 |
| Other expenditure | | 38,313 | 65,042 | – | 3,647 | 23,150 | 37,941 | (14,791) | -39% | 65,042 |
| Losses | | 43,425 | – | – | – | – | – | – | – | – |
| Total Expenditure | | 342,313 | 433,529 | – | 46,006 | 220,272 | 252,892 | (32,620) | -13% | 433,529 |
| Surplus/(Deficit) | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 80,018 | (43,497) | – | (40,379) | 56,119 | (25,373) | 81,492 | (0) | (43,497) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | | 77,425 | 99,296 | – | (46) | 37,719 | 57,922 | (20,203) | (0) | 99,296 |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | – | | |
| | | | | | | | | – | | |
| Surplus/(Deficit) after capital transfers & contributions | | 157,443 | 55,799 | – | (40,425) | 93,838 | 32,549 | | | 55,799 |
| Taxation | | | | | | | | – | | |
| Surplus/(Deficit) after taxation | | 157,443 | 55,799 | – | (40,425) | 93,838 | 32,549 | | | 55,799 |
| Attributable to minorities | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 157,443 | 55,799 | – | (40,425) | 93,838 | 32,549 | | | 55,799 |
| Share of surplus/ (deficit) of associate | | | | | | | | | | |
| Surplus/ (Deficit) for the year | | 157,443 | 55,799 | – | (40,425) | 93,838 | 32,549 | | | 55,799 |

The municipality has so far recorded a surplus of over R93 million for the period ended 31 January 2022 with a deficit of R40 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 - M07 January

| 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 | – | 536 | 19,026 | 19,995 | 969 | 4.8% | 34,277 |
| Roads Infrastructure | | 31,539 | 13,070 | – | – | 4,856 | 7,624 | 2,768 | 36.3% | 13,070 |
| Roads | | 31,539 | 13,070 | – | – | 4,856 | 7,624 | 2,768 | 36.3% | 13,070 |
| Electrical Infrastructure | | 32,643 | 20,957 | – | 536 | 14,013 | 12,225 | (1,787) | -14.6% | 20,957 |
| MV Networks | | 30,937 | 18,107 | – | 536 | 14,013 | 10,563 | (3,450) | -32.7% | 18,107 |
| LV Networks | | 1,707 | 2,850 | – | – | – | 1,663 | 1,663 | 100.0% | 2,850 |
| Solid Waste Infrastructure | | – | 250 | – | – | 158 | 146 | (12) | -8.1% | 250 |
| Waste Drop-off Points | | – | 250 | – | – | 158 | 146 | (12) | -8.1% | 250 |
| Community Assets | | 2,803 | 13,500 | – | – | 4,922 | 7,875 | 2,953 | 37.5% | 13,500 |
| Community Facilities | | 2,803 | 13,500 | – | – | 4,922 | 7,875 | 2,953 | 37.5% | 13,500 |
| Halls | | 1,356 | 8,400 | – | – | 3,385 | 4,900 | 1,515 | 30.9% | 8,400 |
| Crèches | | – | 3,500 | – | – | 1,537 | 2,042 | 504 | 24.7% | 3,500 |
| Markets | | 1,447 | 1,600 | – | – | – | 933 | 933 | 100.0% | 1,600 |
| Other assets | | 736 | 19,820 | – | – | – | 11,561 | 11,561 | 100.0% | 19,820 |
| Operational Buildings | | 736 | 19,820 | – | – | – | 11,561 | 11,561 | 100.0% | 19,820 |
| Yards | | 736 | – | – | – | – | – | – | – | – |
| Manufacturing Plant | | – | 19,820 | – | – | – | 11,561 | 11,561 | 100.0% | 19,820 |
| Computer Equipment | | 5,784 | 1,248 | – | – | – | 728 | 728 | 100.0% | 1,248 |
| Computer Equipment | | 5,784 | 1,248 | – | – | – | 728 | 728 | 100.0% | 1,248 |
| Furniture and Office Equipment | | 1,154 | 6,280 | – | – | 70 | 3,663 | 3,593 | 98.1% | 6,280 |
| Furniture and Office Equipment | | 1,154 | 6,280 | – | – | 70 | 3,663 | 3,593 | 98.1% | 6,280 |
| Machinery and Equipment | | 1,987 | 300 | – | – | – | 175 | 175 | 100.0% | 300 |
| Machinery and Equipment | | 1,987 | 300 | – | – | – | 175 | 175 | 100.0% | 300 |
| Transport Assets | | 1,974 | 1,400 | – | – | – | 817 | 817 | 100.0% | 1,400 |
| Transport Assets | | 1,974 | 1,400 | – | – | – | 817 | 817 | 100.0% | 1,400 |
| Total Capital Expenditure on new assets | 1 | 78,620 | 76,825 | – | 536 | 24,019 | 44,814 | 20,795 | 46.4% | 76,825 |

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07 January

| 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 | 6,417 | 1,074 | 16.7% | 11,000 |
| Community Facilities | | 12,588 | 11,000 | – | – | 5,343 | 6,417 | 1,074 | 16.7% | 11,000 |
| Taxi Ranks/Bus Terminals | | 12,588 | 11,000 | – | – | 5,343 | 6,417 | 1,074 | 16.7% | 11,000 |
| Total Capital Expenditure on renewal of existing assets | 1 | 29,083 | 11,000 | – | – | 5,343 | 6,417 | 1,074 | 16.7% | 11,000 |

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M07 January

| 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 | - | - | 11,338 | 17,443 | 6,105 | 35.0% | 29,902 |
| Community Facilities | | 19,643 | 28,402 | - | - | 4,259 | 16,568 | 12,309 | 74.3% | 28,402 |
| Halls | | 19,643 | 28,402 | - | - | 4,259 | 16,568 | 12,309 | 74.3% | 28,402 |
| Sport and Recreation Facilities | | 9,933 | 1,500 | - | - | 7,079 | 875 | (6,204) | -709.1% | 1,500 |
| Outdoor Facilities | | 9,933 | 1,500 | - | - | 7,079 | 875 | (6,204) | -709.1% | 1,500 |
| Total Capital Expenditure on upgrading of existing assets | 1 | 33,728 | 29,902 | - | - | 11,338 | 17,443 | 6,105 | 35.0% | 29,902 |

The above tables indicate that the municipality spent only R536 thousand for the month from its capital budget for the period ended 31 January 2022. This is beginning to cast serious doubts on the completion of the municipality's key projects, 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) - M07 January

| 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 | - | - | 11,338 | 17,443 | (6,105) | -35% | 29,902 |
| Total Capital Multi-year expenditure | 4,7 | 29,576 | 29,902 | - | - | 11,338 | 17,443 | (6,105) | -35% | 29,902 |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 2 - Budget and Treasury | | 2,096 | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | 6,269 | 7,028 | - | - | 70 | 4,100 | (4,029) | -98% | 7,028 |
| Vote 4 - Community Services | | 3,035 | 3,150 | - | - | 158 | 1,838 | (1,680) | -91% | 3,150 |
| Vote 5 - Development Planning | | 1,447 | 21,420 | - | - | - | 12,495 | (12,495) | -100% | 21,420 |
| Vote 6 - Engineering Services | | 99,009 | 56,227 | - | 536 | 29,134 | 32,799 | (3,665) | -11% | 56,227 |
| Total Capital single-year expenditure | 4 | 111,856 | 87,825 | - | 536 | 29,362 | 51,231 | (21,869) | -43% | 87,825 |
| Total Capital Expenditure | | 141,432 | 117,727 | - | 536 | 40,700 | 68,674 | (27,974) | -41% | 117,727 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 8,470 | 7,028 | - | - | 70 | 4,100 | (4,029) | -98% | 7,028 |
| Finance and administration | | 8,470 | 7,028 | - | - | 70 | 4,100 | (4,029) | -98% | 7,028 |
| Community and public safety | | 1,875 | 2,450 | - | - | 158 | 1,429 | (1,272) | -89% | 2,450 |
| Community and social services | | 980 | 1,650 | - | - | 158 | 963 | (805) | -84% | 1,650 |
| Public safety | | 896 | 800 | - | - | - | 467 | (467) | -100% | 800 |
| Economic and environmental services | | 95,848 | 85,891 | - | - | 26,460 | 50,103 | (23,644) | -47% | 85,891 |
| Planning and development | | 44,271 | 72,822 | - | - | 21,604 | 42,479 | (20,876) | -49% | 72,822 |
| Road transport | | 51,577 | 13,070 | - | - | 4,856 | 7,624 | (2,768) | -36% | 13,070 |
| Trading services | | 34,185 | 22,357 | - | 536 | 14,013 | 13,042 | 971 | 7% | 22,357 |
| Energy sources | | 34,185 | 21,657 | - | 536 | 14,013 | 12,633 | 1,379 | 11% | 21,657 |
| Waste management | | - | 700 | - | - | - | 408 | (408) | -100% | 700 |
| Other | | 1,054 | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 141,432 | 117,727 | - | 536 | 40,700 | 68,674 | (27,974) | -41% | 117,727 |
| Funded by: | | | | | | | | | | |
| National Government | | 67,776 | 86,399 | - | 536 | 25,579 | 50,399 | (24,820) | -49% | 86,399 |
| Provincial Government | | 200 | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | 67,976 | 86,399 | - | 536 | 25,579 | 50,399 | (24,820) | -49% | 86,399 |
| Borrowing | | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 6 | 73,456 | 31,328 | - | - | 15,121 | 18,275 | (3,154) | -17% | 31,328 |
| Total Capital Funding | | 141,432 | 117,727 | - | 536 | 40,700 | 68,674 | (27,974) | -41% | 117,727 |

The above table indicate that the municipality spent R536 thousand from its capital budget for the period ended 31 January 2022 which is seriously discouraging considering that we have two major projects that have been allocated the bigger share of the municipality's available resources that have not performed desirably during the past year and has begun to cast serious doubts over the municipality's ability to complete these in the current year as previously committed.

10. Maintenance of municipal assets

a) Repairs and maintenance

EC443 Winnie Madikizela Mandela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January

| 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 | | | | | | | | | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | (1,227) | 24,763 | – | 2,037 | 16,807 | 14,445 | (2,362) | -16.4% | 24,763 |
| Roads Infrastructure | | (1,566) | 20,663 | – | 1,350 | 14,312 | 12,054 | (2,258) | -18.7% | 20,663 |
| Roads | | 3 | 616 | – | – | – | 359 | 359 | 100.0% | 616 |
| Road Structures | | (2,068) | 19,548 | – | 1,207 | 14,014 | 11,403 | (2,612) | -22.9% | 19,548 |
| Road Furniture | | 500 | 500 | – | 143 | 297 | 292 | (6) | -1.9% | 500 |
| Electrical Infrastructure | | 339 | 4,100 | – | 687 | 2,495 | 2,392 | (104) | -4.3% | 4,100 |
| MV Networks | | 339 | 4,100 | – | 687 | 2,495 | 2,392 | (104) | -4.3% | 4,100 |
| Community Assets | | 515 | 903 | – | 52 | 430 | 527 | 96 | 18.3% | 903 |
| Community Facilities | | 515 | 903 | – | 52 | 430 | 527 | 96 | 18.3% | 903 |
| Halls | | 27 | 300 | – | – | – | 175 | 175 | 100.0% | 300 |
| Libraries | | 281 | 183 | – | – | 69 | 107 | 38 | 35.6% | 183 |
| Purfs | | 207 | 420 | – | 52 | 362 | 245 | (117) | -47.6% | 420 |
| Other assets | | 4,043 | 4,439 | – | 315 | 643 | 2,589 | 1,946 | 75.2% | 4,439 |
| Operational Buildings | | 4,043 | 4,439 | – | 315 | 643 | 2,589 | 1,946 | 75.2% | 4,439 |
| Municipal Offices | | 3,894 | 4,231 | – | 172 | 500 | 2,468 | 1,968 | 79.7% | 4,231 |
| Yards | | 149 | 208 | – | 143 | 143 | 121 | (22) | -18.0% | 208 |
| Computer Equipment | | 72 | 100 | – | – | – | 58 | 58 | 100.0% | 100 |
| Computer Equipment | | 72 | 100 | – | – | – | 58 | 58 | 100.0% | 100 |
| Machinery and Equipment | | 324 | 570 | – | – | 249 | 333 | 83 | 25.1% | 570 |
| Machinery and Equipment | | 324 | 570 | – | – | 249 | 333 | 83 | 25.1% | 570 |
| Transport Assets | | 1,886 | 3,496 | – | 23 | 1,365 | 2,040 | 674 | 33.1% | 3,496 |
| Transport Assets | | 1,886 | 3,496 | – | 23 | 1,365 | 2,040 | 674 | 33.1% | 3,496 |
| Total Repairs and Maintenance Expenditure | 1 | 5,614 | 34,271 | – | 2,427 | 19,495 | 19,992 | 497 | 2.5% | 34,271 |

The table above shows the municipality's performance for the month and year to date on maintenance of municipal assets which shows a R2.4 million spending for the month with a year to date of R19 million. The spending shows being in line with the projections made at the start of the year and will continue to be monitored to ensure that no underspending is recorded.

b) Depreciation and Asset Impairment

EC443 Winnie Madikizela Mandela - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M07 January

| 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 | | | | | | | | | |
| Depreciation by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 29,666 | 39,754 | – | 18,098 | 33,388 | 23,190 | (10,198) | -44.0% | 39,754 |
| Roads Infrastructure | | 29,499 | 38,934 | – | 17,404 | 32,611 | 22,711 | (9,900) | -43.6% | 38,934 |
| Roads | | 29,499 | 38,934 | – | 17,404 | 32,611 | 22,711 | (9,900) | -43.6% | 38,934 |
| Storm water Infrastructure | | – | 121 | – | 274 | 274 | 70 | (203) | -288.8% | 121 |
| Drainage Collection | | – | 121 | – | 274 | 274 | 70 | (203) | -288.8% | 121 |
| Electrical Infrastructure | | – | 488 | – | 322 | 322 | 284 | (37) | -13.1% | 488 |
| HV Transmission Conductors | | – | 235 | – | – | – | 137 | 137 | 100.0% | 235 |
| MV Substations | | – | 24 | – | 26 | 26 | 14 | (12) | -88.1% | 24 |
| MV Switching Stations | | – | 43 | – | – | – | 25 | 25 | 100.0% | 43 |
| MV Networks | | – | 102 | – | 218 | 218 | 59 | (158) | -266.0% | 102 |
| LV Networks | | – | 84 | – | 78 | 78 | 49 | (29) | -59.3% | 84 |
| Solid Waste Infrastructure | | 167 | 212 | – | 98 | 182 | 124 | (58) | -46.8% | 212 |
| Landfill Sites | | 167 | 212 | – | 98 | 182 | 124 | (58) | -46.8% | 212 |
| Community Assets | | 2,371 | 2,755 | – | 1,438 | 2,745 | 1,607 | (1,138) | -70.8% | 2,755 |
| Community Facilities | | 2,371 | 2,755 | – | 1,049 | 2,356 | 1,607 | (749) | -46.6% | 2,755 |
| Halls | | 2,371 | 1,358 | – | 800 | 2,107 | 792 | (1,314) | -165.9% | 1,358 |
| Centres | | – | 1,379 | – | – | – | 805 | 805 | 100.0% | 1,379 |
| Crèches | | – | – | – | 149 | 149 | – | (149) | #DIV/0! | – |
| Cemeteries/Crematoria | | – | 17 | – | 7 | 7 | 10 | 3 | 33.6% | 17 |
| Purls | | – | – | – | 51 | 51 | – | (51) | #DIV/0! | – |
| Public Ablution Facilities | | – | – | – | 13 | 13 | – | (13) | #DIV/0! | – |
| Stalls | | – | – | – | 29 | 29 | – | (29) | #DIV/0! | – |
| Sport and Recreation Facilities | | – | – | – | 389 | 389 | – | (389) | #DIV/0! | – |
| Outdoor Facilities | | – | – | – | 389 | 389 | – | (389) | #DIV/0! | – |
| Other assets | | 722 | 1,128 | – | 396 | 652 | 658 | 6 | 1.0% | 1,128 |
| Operational Buildings | | 722 | 1,128 | – | 389 | 645 | 658 | 13 | 1.9% | 1,128 |
| Municipal Offices | | 722 | 1,128 | – | 236 | 492 | 658 | 166 | 25.3% | 1,128 |
| Pay/Enquiry Points | | – | – | – | 2 | 2 | – | (2) | #DIV/0! | – |
| Yards | | – | – | – | 39 | 39 | – | (39) | #DIV/0! | – |
| Stores | | – | – | – | 58 | 58 | – | (58) | #DIV/0! | – |
| Training Centres | | – | – | – | 55 | 55 | – | (55) | #DIV/0! | – |
| Housing | | – | – | – | 6 | 6 | – | (6) | #DIV/0! | – |
| Social Housing | | – | – | – | 6 | 6 | – | (6) | #DIV/0! | – |
| Intangible Assets | | 129 | 100 | – | 62 | 115 | 58 | (57) | -97.6% | 100 |
| Licences and Rights | | 129 | 100 | – | 62 | 115 | 58 | (57) | -97.6% | 100 |
| Computer Software and Applications | | 129 | 100 | – | 62 | 115 | 58 | (57) | -97.6% | 100 |
| Computer Equipment | | 186 | 400 | – | 1,090 | 1,090 | 234 | (856) | -366.6% | 400 |
| Computer Equipment | | 186 | 400 | – | 1,090 | 1,090 | 234 | (856) | -366.6% | 400 |
| Furniture and Office Equipment | | 2,797 | 3,174 | – | 945 | 3,188 | 1,852 | (1,337) | -72.2% | 3,174 |
| Furniture and Office Equipment | | 2,797 | 3,174 | – | 945 | 3,188 | 1,852 | (1,337) | -72.2% | 3,174 |
| Machinery and Equipment | | 2,856 | 3,179 | – | 2,431 | 4,009 | 1,854 | (2,155) | -116.2% | 3,179 |
| Machinery and Equipment | | 2,856 | 3,179 | – | 2,431 | 4,009 | 1,854 | (2,155) | -116.2% | 3,179 |
| Transport Assets | | 1,452 | 2,191 | – | 814 | 1,511 | 1,278 | (232) | -18.2% | 2,191 |
| Transport Assets | | 1,452 | 2,191 | – | 814 | 1,511 | 1,278 | (232) | -18.2% | 2,191 |
| Total Depreciation | 1 | 40,180 | 52,682 | – | 25,274 | 46,698 | 30,731 | (15,967) | -52.0% | 52,682 |

11. 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 obtain for any procurement of transaction below an amount of R2000 including vat.

| Order Date | Creditor Name | Value | Specifications | Function Name | Segment |
|------------|-------------------------|------------|--|--------------------------------|---------------------------------|
| 2022/01/13 | Group Two Media Company | R 1 920,00 | Re-Advert For 1. Supply and Delivery Of Electricity Material And Tools 2. Supply And Delivery Of 2 Solar High Mast | Core Function: Management Unit | Advertising fees PMU 5505260540 |

R 1 920,00

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

| Order Date | Creditor Name | Value | Specifications | Function Name | Segment |
|------------|-------------------------------|-------------|---|--|---|
| 2022/01/28 | Southern Business School | R 2 230,00 | Study Assistant For Amanda Mampofu | Core Function:Human Resources | Study assistance HR 1010260395 |
| 2022/01/26 | Salga Ec | R 5 000,00 | Salga Eastern Cape Provincial Conference 2022 | Core Function:Human Resources | Membership fees- HR |
| 2022/01/14 | Ndizanyolo Trading Enterprise | R 5 580,00 | Payment To Ndizanyolo Trading For Supply And Delivery Of Groceries Fo Mass Funeral | Core Function:Mayor And Council | Public participation Groceries |
| 2022/01/13 | Firststrand | R 5 964,00 | Request Fuel Payment Of 60 Litres Dated 29/11/2021 | Core Function:Finance | Finished Goods:Acquisitions |
| 2022/01/25 | Aquostic Elements | R 7 160,00 | Request For Two Poles Tent | Core Function:Human Resources | Hire Charges induction |
| 2022/01/25 | Univeristy Df Fort Hare | R 11 284,00 | Tuition Fees For Cllr. Magini | Core Function:Human Resources | Tuition fees |
| 2022/01/25 | Supa Quick | R 12 299,98 | Request For Purchasing Of Two Batteries For Cat Roller ; The Size Of Batteries 674; Each Voltage Must Be 12v To Make 24 Volts For Cat Roller. | Core Function:Roads | Roads Vehicle Maintenance |
| 2022/01/13 | African Compass Trading 37ce | R 12 900,00 | Request Lunch Packs For Community Education Program To Be Held On The 2022 At Ward 32 | Core Function:Mayor And Council | Community Education catering 505260695 |
| 2022/01/14 | The Middle Man Enterprise 485 | R 15 000,00 | Payment To The Midle Man For Supply And Delivery Of Groceries For A Ma Funeral | Core Function:Mayor And Council | Hiring-Public Participation |
| 2022/01/28 | Southern Business School | R 15 800,00 | Study Assistant For Mtshobo And Bewu | Core Function:Human Resources | Study assistance HR 1010260395 |
| 2022/01/26 | Driving License Card Account | R 15 800,00 | Payment To Driving License Card Account For Dec 2021 | Non-Core Function:Road And Traffic Regul | Stationery vehicle testing and licencing |
| 2022/01/31 | Khanya Construction | R 16 500,00 | Request Lunch Packs For Community Education Program To Be Held On The 2022 At Ward 06 | Core Function:Mayor And Council | Community Education catering 505260695 |
| 2022/01/11 | Lorda Caters & Cleaning | R 16 500,00 | Request For Service Provider To Supply And Deliver 100 Business Cards Lunganako Country Lodge As Per The Attached Spec. | Core Function:Economic Development/Plan | Product owner involvement promotional material 1505 |
| 2022/01/28 | Likiho Trading Cc | R 21 250,00 | Request Tables With Table Cloths With Overlays (Balck And White) For S Council Meeting On The 27 January 2022 At Hospital Hall. | Core Function:Mayor And Council | Catering Councillors meetings |
| 2022/01/28 | Unisa | R 21 500,00 | Study Assistant For Yuswa; Mgoqi And B. Madikizela | Core Function:Human Resources | Study assistance HR 1010260395 |

| Order Date | Creditor Name | Value | Specifications | Function Name | Segment |
|------------|----------------------------|---------------------|---|------------------------------------|------------------------------|
| 2022/01/13 | Deposer | R 21 725,00 | Request For 55 Boxes Of White Printing Paper | Core Function: Finance | Finished Goods: Acquisitions |
| 2022/01/13 | Sihwale Trading 88 Pty Ltd | R 25 000,00 | Request Water For The Stakeholder Engagement Session To Be Held On The At Oliver And Adelaide Tambo Regional Hospital | Core Function: Mayor And Council | Catering Councilors meetings |
| 2022/01/25 | Lions Den Projects | R 27 500,00 | Request Maintenance Of 10 X Grass Cutting Machines | Core Function: Solid Waste Removal | R&M Refuse Powertools |
| | | R 258 992,98 | | | |

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.

| Date | Function Name | Specifications | Specifications | Function | Segment |
|------------|---------------------------------|----------------|--|---------------------------------|--|
| 2022/01/27 | Umanyano Lwe-Afrika Trading | R 46 640,00 | 2m Braded Table Cloths | Business Marketing 1505 | Core Function:Economic Development/Plann |
| 2022/01/28 | Imidihlume General Trading (Pt) | R 49 250,00 | Payment For Protective Clothing- Protective Boots | Protective Clothinguniform 1005 | Core Function:Finance |
| 2022/01/27 | Cape To Cairo Invest (Pty) Ltd | R 71 307,93 | Payment Request Of Cape To Cairo For Supply And Delivery Of Refuse Bag The Month Of January | Finished Goods:Acquisitions | Core Function:Finance |
| 2022/01/13 | Cape To Cairo Invest (Pty) Ltd | R 71 307,93 | Request Payment Of Cape To Cairo For Supply And Delivery Of Refuse Bag The Month Of December | Finished Goods:Acquisitions | Core Function:Solid Waste Removal |
| 2022/01/31 | Port Elizabeth Traffic | R 72 640,00 | Payment For Mr. B. Nontlanga And Mr. L. Mambila | Tuition Fees | Core Function:Human Resources |
| 2022/01/13 | Faith Lwa 01 (Pty) Ltd | R 108 500,00 | Payment To Faith Lwa 01 For Disaster Awareness Campaign- Lunch Packs | Maintenance Of Pound | Non-Core Function:Population Development |
| 2022/01/13 | Imidihlume General Trading (Pt) | R 143 000,00 | Payment For Centre Line Road Marking | Protective Clothinguniform 1005 | Core Function:Police Forces Traffic And |
| 2022/01/28 | Faith Lwa 01 (Pty) Ltd | R 143 165,00 | Payment For Maintenance Of Pound. Reflector Covers | Maintenance Of Pound | Core Function:Licensing And Control Of A |
| 2022/01/25 | Sthe Ntey Projects | R 168 700,00 | Payment For Supply And Delivery Of Cold Asphalt | Cbd Road Maintenance 5505235140 | Core Function:Roads |

R 874 510,86

12. 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  s per S19 of Treasury Regulation of MFMA.

a) Mini Tender progress for January 2022

| NO | SUCCESSFUL TENDERER | AMOUNT | PAYMENTS | BALANCE | TENDER NO | DESCRIPTION | DATE AWARDED | END USER DEPARTMENT |
|--------------|-----------------------------|---------------------|---------------------|---------------------|------------------------|--|--------------------------|----------------------|
| | | | | | | Jan-22 | | |
| 1 | IMIDIHLU ME GENERAL TRADING | R 49 250,00 | R 49 250,00 | R - | WMM LM 13/12/21/02 PCA | PROCUREMENT OF PROTECTIVE CLOTHING | Tuesday, 11 January 2022 | Budget and Treasury |
| 2 | FAITHLWA | R 143 165,00 | R 143 165,00 | R - | WMM LM 30/11/21/03 MP | MAINTENANCE OF POUND PREMISES, SHELTERS AND ENCLOSURES | Tuesday, 11 January 2022 | Community Services |
| 3 | SEBEKHO HOLDINGS | R 125 600,00 | R - | R 125 600,00 | WMM LM 13/12/21/01 TGP | SUPPLY AND DELIVERY OF TOUR GUIDES PROTECTIVE CLOTHING | Friday, 14 January 2022 | Development Planning |
| Total | | R 318 015,00 | R 192 415,00 | R 125 600,00 | | | | |

b) Tenders awarded during the month of January 2022

Competitive Bidding

| NO | SUCCESSFUL TENDERER | AMOUNT | TENDER NO | DESCRIPTION | DATE AWARDED | END USER DEPARTMENT |
|--------------|-------------------------------|-----------------------|------------------------|---|--------------|----------------------|
| 1 | Mvi Construction | R 8 032 179,54 | WMM LM 08/10/21/02 MDA | Construction of Mapheleni Via Mbumbzi To Dutyini | 11/01/2022 | Engineering Services |
| 2 | The Manes | R 1 771 000,00 | WMM LM 00070 S&D L&D | Supply and Delivery of Laptops and Desktops | 10/01/2022 | Corporate Services |
| 3 | Mabozela Trading & Enterprise | R 3 560 171,73 | WMM LM 08/10/21/01 LSA | Construction of Leonard To Simakademi Access Road | 11/01/2022 | Engineering Services |
| 4 | XS Dollarz | R 1 339 125,95 | WMM LM 17/09/21/01 RMW | Repairs and Maintenance of Municipal Building | 17/01/2022 | Engineering Services |
| 5 | Thabhe Projects Jv Magnacorp | R 1 820 533,00 | WMM LM 08/10/21/03 VMA | Construction of VAV Memorial College Access Road | 17/01/2022 | Engineering Services |
| 6 | XS Dollarz | R 1 124 887,68 | WMM LM 17/09/21/03 RCV | Repairs and Maintenance of Cultural Village | 26/01/2022 | Engineering Services |
| Total | | R 8 032 179,54 | | | | |

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. V. Nontanda | Monday, 13 December 2021 | Wednesday, 19 January 2022 | 90 | Sunday, 13 March 2022 | to be evaluated |
| Panel for Land Survey Services | MBZLM00069PLS | Mr. V. Nontanda | Monday, 17 January 2022 | Friday, 28 January 2022 | 90 | Sunday, 17 April 2022 | to be evaluated |
| Supply & Installation of High Mast Lights | MBIZ LM 00074 ISL&P | Not Appointed | Friday, 04 February 2022 | Not Appointed | 90 | Thursday, 05 May 2022 | to be appointed |
| Fencing of Mzamba Community Hall & Extension of Dudumani Hall | MBIZ LM /02/02/01 FEW | Ms. N. Xoko | Thursday, 02 December 2021 | Wednesday, 06 January 2022 | 90 | Wednesday, 02 March 2022 | to be adjudicated |
| Reviewal of Disaster Management plan | MBIZ LM 29/09/20/ R DRMP | Ms. N. Jokweni | Friday, 14 January 2022 | Wednesday, 19 January 2022 | 90 | Thursday, 14 April 2022 | to be adjudicated |
| Minor Maintenance of Recreational | MBIZ LM 16/09/20/01 | Ms. N. Xoko | Monday, 13 | Monday, 13 | 90 | Sunday, 13 March | to be adjudicated |

| Name of the Project | Bid Number | Chairperson | Closing Date | Appointment Date | Validity | Validity Period | Status |
|---|---------------------------|--------------------|-----------------------------|----------------------------|-----------------|----------------------------|-------------------|
| Facilities (1GB) | MRF | | December 2021 | December 2021 | | 2022 | |
| 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 adjudicated |
| Socio-Economic Assessment Study | WMM LM 004/ S-EIAS | Ms. N. Jokweni | Friday, 14 January 2022 | Wednesday, 19 January 2022 | 90 | Thursday, 14 April 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 adjudicated |
| Supply and Delivery of Electricity Material and Tools | WMM LM 12/10/21/01 EMT | To be appointed | Friday, 04 February 2022 | to be appointed | 90 | Thursday, 05 May 2022 | to be appointed |
| Bizana Mini Market | WMM LM 001/MS-21 | Ms. N. Jokweni | Wednesday, 06 January 2021 | Wednesday, 19 January 2022 | 90 | Tuesday, 06 April 2021 | to be adjudicated |
| Supply and Delivery of SMME Goods | WMM SMM 30/11/21/01 | Mr. V. Nontanda | Thursday, 06 January 2022 | Wednesday, 19 January 2022 | 90 | Wednesday, 06 April 2022 | To be evaluated |
| Procurement of EPWP Protective Clothing | WMM LM 00074 EPWP PC | Ms. N. Xoko | Friday, 14 January 2022 | Wednesday, 19 January 2022 | 90 | Thursday, 14 April 2022 | to be evaluated |
| Procurement of Printers | WMM LM 21/12/21/01 PRI | Mr. S. Mbusi | Monday, 24 January 2022 | Tuesday, 25 January 2022 | 90 | Sunday, 24 April 2022 | to be evaluated |
| 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 adjudicated |
| 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 |
| Fumigation/ Disinfection Services for 3 years | WMM LM 27/10/21/01 PIS | Ms. N. Ngejane | Monday, 13 December 2021 | Wednesday, 26 January 2022 | 90 | Sunday, 13 March 2022 | to be evaluated |
| CBD Road Maintenance | WMM LM 10/12/21/01 CBD | Mr. V. Nontanda | Thursday, 06 January 2022 | Wednesday, 19 January 2022 | 90 | Wednesday, 06 April 2022 | to be evaluated |

d) Deviations

There were no approved deviations for the month of January 2022.

e) Fruitless and Wasteful Expenditure

No fruitless and wasteful expenditure identified during the month.

13. Database rotation

The following table indicates the service providers that have been utilised for the month of January 2022. 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 | Order Date | Value | Status | Ward No. |
|-------------------------------|--|--|------------|-------------|----------|--------------|
| GROUP TWO MELIA COMPANY | SHOP NO 16 TIAGOS KOKSTAD 4700 | Core Function:Project Management Unit | 2022/01/13 | R 920,00 | RECEIVED | Kokstad |
| SOUTHERN BUSINESS SCHOOL | P/BAG X03 HELDERKRUIN | Core Function:Human Resources | 2022/01/28 | R 2 230,00 | RECEIVED | Pretoria |
| SALGA EC | P.O. BOX 7457 EAST LONDON | Core Function:Human Resources | 2022/01/26 | R 5 000,00 | RECEIVED | East london |
| NDIZANOYOLO ENTERPRISE | P.O BOX 67 BIZANA 4800 | Core Function:Mayor and Council | 2022/01/14 | R 5 580,00 | RECEIVED | Ward 14 |
| FIRSTRAND | FNB PLACE 30 DISGONAL STREET JOHANNESBURG | Core Function: Finance | 2022/01/13 | R 5 964,00 | RECEIVED | Johannesburg |
| AQUOSTIC ELEMENTS | PO BOX 21028 BIZANA WARD 17 4800 | Core Function:Human Resources | 2022/01/25 | R 7 160,00 | RECEIVED | Ward 17 |
| UNIVERSITY OF FORT HARE | PO BOX BHISHO 5600 | Core Function:Human Resources | 2022/01/25 | R 11 284,00 | RECEIVED | Alice |
| SUPA QUICK | BIZANA MAIN STREET BIZANA 4800 | Core Function:Roads | 2022/01/25 | R 12 299,98 | OPEN | Ward 1 |
| AFRICAN COMPASS TRADING 37CC | BOX 555 BIZANA WARD 31 4800 | Core Function:Mayor and Council | 2022/01/13 | R 12 900,00 | OPEN | Ward 31 |
| THE MIDDLE MAN ENTERPRISE 485 | P.O. BOX 14 BIZANA WARD 01 4800 | Core Function:Mayor and Council | 2022/01/14 | R 15 000,00 | RECEIVED | Ward 1 |
| SOUTHERN BUSINESS SCHOOL | P/BAG X03 HELDERKRUIN | Core Function:Human Resources | 2022/01/28 | R 15 800,00 | RECEIVED | Pretoria |
| DRIVING LICENSE CARD ACCOUNT | P.O. BOX 25223 MONUMENT PARK PRETORIA 0105 | Non-core Function:Road and Traffic Regul | 2022/01/26 | R 15 800,00 | RECEIVED | Pretoria |
| KHANYA G CONSTRUCTION | P.O.BOX 210548 BIZANA 4800 | Core Function:Mayor and Council | 2022/01/31 | R 16 500,00 | OPEN | Ward 17 |
| LORDA CATERERS & CLEANING | P O BOX 12 BIZANA WARD 17 4800 | Core Function:Economic Development/Plann | 2022/01/11 | R 16 500,00 | OPEN | Ward 17 |
| LIKIHO TRADING CC | P O BOX 229 BIZANA WARD 17 4800 | Core Function:Mayor and Council | 2022/01/2 | R 21 250,00 | RECEIVED | Ward 17 |

| Creditor Name | Creditor Address | Function Name | Order Date | Value | Status | Ward No. |
|----------------------------|---|-----------------------------------|------------|-------------|----------|----------|
| | | | 8 | | D | |
| UNISA | P O BOX 488 | Core Function:Human Resources | 2022/01/28 | R 21 500,00 | RECEIVED | Durban |
| DEPOSER | PO BOX 07 BIZANA EASTERN CAPE 4800 | Core Function:Finance | 2022/01/13 | R 21 725,00 | OPEN | Ward 1 |
| STHWALE TRADING 88 PTY LTD | P.O. BOX 764 PORT EDWARD PORT EDWARD 4800 | Core Function:Mayor and Council | 2022/01/13 | R 25 000,00 | RECEIVED | Ward 1 |
| LIONS DEN PROJECTS | BOX 51 BIZANA WARD 4 4800 | Core Function:Solid Waste Removal | 2022/01/25 | R 27 500,00 | OPEN | Ward 4 |

Total R 260 912,98

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. Adjustment budget progress

The Municipal Manager with the assistance and advice of the municipal management recommended that an adjustment budget is necessary to address the short-comings within the existing budget in terms of Section 27(3) of MFMA.

The Budget and Treasury Office conducted planning and consultation meetings with individual departments where the needs of each section were discussed in relation to their approved SDBIP, with the budget principles and approach to be applied. Departments have used the review in relation to their mid-year performance assessment report which served as a motivation towards the adjustment budget.

The criteria utilized for compiling the adjustment budget were determined by the following factors:

- The adjustment budget must be compiled in compliance with the MFMA requirements as set out in Section 28. This relates to expenditure and income estimates which have been anticipated in the budget but which have not materialized for motivated reasons. It can also relate to unforeseen circumstances which can also be explained and motivated.
- The adjustment budget must be substantiated through alignment with the departmental SDBIP and Council approved IDP
- The original approved budget process and guidelines must be used to compile the 2021/2022 adjustment budget as it is not a new budget
- Additional funding from the municipality's cash reserves to be used only to fund the capital budget
- Projects funded through reserves to be completed by 30 June 2022 to avoid these requiring more funds in the following year

Departments were required to prioritize within their approved operating and capital budget allocations in accordance with guidelines provided by Budget and Treasury office.

Below is the summary of additional funding required from the municipality's reserves to fund the proposed adjustment budget:

| Project Name | Amount Required | Amount Available | Reason | Source of funds |
|--|-------------------------|------------------------|--|-----------------|
| Upgrade of Taxi Rank Phase 2 | R 22,315,237.00 | R 22,315,237.00 | The budget amount was below the engineers' estimate for the completion of the phase | Reserves |
| Upgrading of AD Tshayingca AR | R 900,000.00 | R 900,000.00 | The project was not budgeted for as it was expected to be completed by 30 June 2021 | Reserves |
| Construction of Mputhumi Mafumbatha Stadium | R 11,859,386.00 | R 11,859,386.00 | The project was not budgeted for as it was expected to be completed by 30 June 2021 | Reserves |
| Construction of ECDC Ward 1 | R 1,720,000.00 | R 1,720,000.00 | The amount estimated was below the market prices during the procurement processes | Reserves |
| Construction of Extension 04 Bridge | R 757,990.00 | R 757,990.00 | The project was not budgeted for as it was expected to be completed by 30 June 2021 | Reserves |
| Electrification of Xholobeni Mgungundlovu Dumasi Village | R 8,600,000.00 | R 8,600,000.00 | The project has moved faster than expected and the INEP allocation will not cover current year expenditure | Reserves |
| ICT Infrastructure (Servers | R 3,550,000.00 | R 3,550,000.00 | Municipal Servers are old and crash all the time due to their age and capacity | Reserves |
| Refurbishment of access roads | R 75,260,000.00 | R 16,000,000.00 | Maintenance required more than available funds and municipal plant not always fully functional | Reserves |
| Total | R 124,962,613.00 | R 65,702,613.00 | | |

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:

- Number of interns, which is 5 at all times
- The minimum requirements for recruitment of the interns
- The recruitment process to be followed
- The duration of the programme
- The remuneration structure and limits
- The reporting requirements
- 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 started attending classes during the month of June 2021 to date. One of the two interns has since resigned during the month of January 2022.

The municipality is also in the process of recruiting three additional Financial Management Interns to make the required number of 5. This is anticipated to be completed before the end of March 2022 to allow the municipality the full number that is required.

4. Debtors' analysis

Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

| EC443 Winnie Madikizela Mandela - Supporting Table SC.3 Monthly Budget Statement - aged debtors - mof January | | | | | | | | | | | | | | |
|---|-------------|---------------------|--------------|--------------|--------------|--------------|---------------|--------------|----------|-------|---------------|--------------------|--|---|
| Description | NT Code | Budget Year 2021/22 | | | | | | | | | | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.o Council Policy |
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Days | 151-180 Days | 181 Dys-1 Yr | Over 1Yr | Total | | | | |
| | | | | | | | | | | | | | | |
| R thousands | | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | | |
| Trade and Other Receivables from Ex change Transactions - Water | 1200 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trade and Other Receivables from Ex change Transactions - Electricity | 1300 | 2,550 | 1,543 | 1,429 | 1,379 | 1,403 | 12,048 | - | - | - | 20,352 | 14,830 | - | - |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 788 | 534 | 528 | 524 | 517 | 32,446 | - | - | - | 35,337 | 33,487 | - | - |
| Receivables from Ex change Transactions - Waste Water Management | 1500 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables from Ex change Transactions - Waste Management | 1600 | 379 | 278 | 272 | 267 | 262 | 8,114 | - | - | - | 9,572 | 8,643 | - | - |
| Receivables from Ex change Transactions - Property Rental Debtors | 1700 | 326 | 20 | 20 | 6 | 6 | 446 | - | - | - | 826 | 459 | - | - |
| Interest on Arrear Debtor Accounts | 1810 | 192 | 177 | 172 | 167 | 164 | 12,206 | - | - | - | 13,077 | 12,537 | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | 321 | 245 | 174 | 219 | 138 | 3,277 | - | - | - | 4,374 | 3,634 | - | - |
| Total By Income Source | 2000 | 4,557 | 2,797 | 2,596 | 2,563 | 2,491 | 68,536 | - | - | - | 83,539 | 73,590 | - | - |
| 2020/21 - totals only | | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | | |
| Organs of State | 2200 | 778 | 825 | 854 | 895 | 887 | 35,621 | - | - | - | 39,859 | 37,402 | - | - |
| Commercial | 2300 | 3,476 | 1,694 | 1,506 | 1,420 | 1,368 | 20,133 | - | - | - | 29,596 | 22,921 | - | - |
| Households | 2400 | 303 | 277 | 236 | 248 | 236 | 12,782 | - | - | - | 14,083 | 13,267 | - | - |
| Other | 2500 | (0) | (0) | (0) | 0 | (0) | 0 | - | - | - | (0) | 0 | - | - |
| Total By Customer Group | 2600 | 4,557 | 2,797 | 2,596 | 2,563 | 2,491 | 68,536 | - | - | - | 83,539 | 73,590 | - | - |

The table above shows: municipal debtors for the month of January 2022 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 - M07 January

| Budget Year 2021/22 | | | | | | | | | | | | Prior year |
|---|------|---------|---------|---------|----------|----------|----------|------------|--------|-------|------------------|---------------|
| Description | NT | 0 - | 31 - | 61 - | 91 - | 121 - | 151 - | 181 Days - | Over 1 | Total | | |
| R thousands | Code | 30 Days | 60 Days | 90 Days | 120 Days | 150 Days | 180 Days | 1 Year | Year | | totals for chart | |
| | | | | | | | | | | | | (same period) |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | | |
| Bulk Electricity | 0100 | | | | | | | | | - | | |
| Bulk Water | 0200 | | | | | | | | | - | | |
| PAYE deductions | 0300 | | | | | | | | | - | | |
| VAT (output less input) | 0400 | | | | | | | | | - | | |
| Pensions / Retirement deductions | 0500 | | | | | | | | | - | | |
| Loan repayments | 0600 | | | | | | | | | - | | |
| Trade Creditors | 0700 | 124 | | | | | | | | - | | |
| Auditor General | 0800 | | | | | | | | | 124 | | |
| Other | 0900 | | | | | | | | | - | | |
| Total By Customer Type | 1000 | 124 | - | - | - | - | - | - | - | 124 | - | |

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 - M07 January

| Investments by maturity Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed Interest rate | Interest Rate % | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|--|----------|-------------------------|-----------------------|-----------------------------------|---------------------------------------|--------------------|----------------------------|-------------------------|---------------------------------|--------------------|----------------------------|---|----------------------|--------------------|
| R thousands | | Yrs/Months | | | | | | | | | | | | |
| Municipality | | | | | | | | | | | | | | |
| FNB CALL DEPOSIT ACCOUNT(62550717767) | | Not fixed | Call Deposit | No | Variable | 0.002363014 | 0 | N/A | not fixed | 15,083 | 36 | (36) | - | 15,083 |
| FNB CALL DEPOSIT ACCOUNT(62459758078) | | Not fixed | Call Deposit | No | Variable | 0 | 0 | N/A | not fixed | 0 | - | - | - | 0 |
| FNB CALL DEPOSIT ACCOUNT(62028477992) | | Not fixed | Call Deposit | No | Variable | 0.002199761 | 0 | N/A | not fixed | 335,206 | 737 | (16,437) | - | 319,506 |
| FNB CALL DEPOSIT ACCOUNT(62816769220) | | Not fixed | Call Deposit | No | Variable | 0.002363009 | 0 | N/A | not fixed | 924 | 2 | - | - | 926 |
| FNB CALL DEPOSIT ACCOUNT(62816773073) | | Not fixed | Call Deposit | No | Variable | 0.005093612 | 0 | N/A | not fixed | 902 | 5 | - | 1,606 | 2,513 |
| FNB CALL DEPOSIT ACCOUNT(62896110170) | | Not fixed | Call Deposit | No | Variable | 0.002363059 | 0 | N/A | not fixed | 38 | 0 | - | - | 38 |
| FNB CALL DEPOSIT ACCOUNT(62852108531) | | Not fixed | Call Deposit | No | Variable | 0.002362985 | 0 | N/A | not fixed | 68 | 0 | - | - | 68 |
| FNB CALL DEPOSIT ACCOUNT(62550715828) | | Not fixed | Call Deposit | No | Variable | 0.002363017 | 0 | N/A | not fixed | 1,717 | 4 | (4) | - | 1,717 |
| Municipality sub-total | | | | | | | | | | 353,938 | | (16,477) | 1,606 | 339,851 |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | | | | | | 353,938 | | (16,477) | 1,606 | 339,851 |

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents decreased during the month by over R14 million which lead to a decrease in its investments for the month of January 2022. 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 - M07 January

| 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: | | 369,319 | 323,643 | – | – | 239,714 | 188,792 | 50,922 | 27.0% | 323,643 |
| Local Government Equitable Share | | 332,422 | 289,620 | | – | 217,215 | 168,945 | 48,270 | 28.6% | 289,620 |
| Finance Management | | 2,000 | 2,000 | | – | 2,000 | 1,167 | 833 | 71.4% | 2,000 |
| EPWP Incentive | | 2,389 | 3,570 | | – | 2,499 | 2,083 | 417 | 20.0% | 3,570 |
| Integrated National Electrification Programme | | 32,508 | 28,453 | | – | 18,000 | 16,598 | 1,402 | 8.4% | 28,453 |
| | 3 | | | | – | | – | – | | |
| | | | | | – | | | – | | |
| | | | | | – | | | – | | |
| Other transfers and grants [insert description] | | | | | | | | – | | |
| Provincial Government: | | 500 | 500 | – | – | 500 | 292 | 208 | 71.4% | 500 |
| Sport and Recreation | | 500 | 500 | | – | 500 | 292 | 208 | 71.4% | 500 |
| | 4 | | | | | | | – | | |
| | | | | | | | | – | | |
| Other transfers and grants [insert description] | | | | | | | | – | | |
| District Municipality: | | – | – | – | – | – | – | – | | – |
| [insert description] | | | | | | | | – | | |
| Other grant providers: | | – | – | – | – | – | – | – | | – |
| [insert description] | | | | | | | | – | | |
| | | | | | | | | – | | |
| | | | | | | | | – | | |
| | | | | | | | | – | | |
| Total Operating Transfers and Grants | 5 | 369,819 | 324,143 | – | – | 240,214 | 189,083 | 51,131 | 27.0% | 324,143 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 62,478 | 70,843 | – | 6,971 | 32,484 | 41,325 | (4,250) | -10.3% | 70,843 |
| Municipal Infrastructure Grant (MIG) | | 45,459 | 51,023 | | – | 25,513 | 29,763 | (4,250) | -14.3% | 51,023 |
| Neighbourhood Development Partnership | | 17,019 | 19,820 | | 6,971 | 6,971 | 11,561 | | | 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 | 62,478 | 70,843 | – | 6,971 | 32,484 | 41,325 | (4,250) | -10.3% | 70,843 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 432,296 | 394,986 | – | 6,971 | 272,698 | 230,408 | 46,880 | 20.3% | 394,986 |

The above table shows grants received during the month of January 2022.

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

| 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 | – | 19,852 | 134,404 | 188,792 | (54,388) | -28.8% | 323,643 |
| Local Government Equitable Share | | 332,421 | 289,620 | – | 18,609 | 102,530 | 168,945 | (66,415) | -39.3% | 289,620 |
| Finance Management | | 2,000 | 2,000 | – | 59 | 1,116 | 1,167 | (51) | -4.3% | 2,000 |
| EPWP Incentive | | 2,389 | 3,570 | – | 551 | 3,570 | 2,083 | 1,488 | 71.4% | 3,570 |
| Integrated National Electrification Programme | | 31,966 | 28,453 | | 634 | 27,188 | 16,598 | 10,590 | 63.8% | 28,453 |
| | | | | | – | | – | – | | |
| Disaster Grant | | 5 | | | | | | – | | |
| Provincial Government: | | 912 | 500 | – | 7 | 106 | 292 | (186) | -63.7% | 500 |
| Sport and Recreation | | 511 | 500 | – | 7 | 106 | 292 | (186) | -63.7% | 500 |
| | | | | | | | | – | | |
| | | | | | | | | – | | |
| Greenest Municipality | | 402 | | | | | | – | | |
| District Municipality: | | – | – | – | – | – | – | – | | – |
| [insert description] | | | | | | | | – | | |
| Other grant providers: | | – | – | – | – | – | – | – | | – |
| [insert description] | | | | | | | | – | | |
| | | | | | | | | – | | |
| Total operating expenditure of Transfers and Grants: | | 369,694 | 324,143 | – | 19,859 | 134,510 | 189,083 | (54,573) | -28.9% | 324,143 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 45,459 | 70,843 | – | (622) | 16,716 | 41,325 | (24,609) | -59.5% | 70,843 |
| Municipal Infrastructure Grant (MIG) | | 45,459 | 51,023 | – | (622) | 16,716 | 29,763 | (13,047) | -43.8% | 51,023 |
| Neighbourhood Development Partnership | | – | 19,820 | – | – | – | 11,561 | (11,561) | -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 | – | (622) | 16,716 | 41,325 | (24,609) | -59.5% | 70,843 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 415,153 | 394,986 | – | 19,237 | 151,226 | 230,408 | (79,182) | -34.4% | 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 - M07

| 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 | | | | | - | |
| Other transfers and grants [insert description] | | | | | - | |
| Provincial Government: | | - | - | - | - | |
| Sport and Recreation | | | | | - | |
| Other transfers and grants [insert description] | | | | | - | |
| District Municipality: | | - | - | - | - | |
| [insert description] | | | | | - | |
| Other grant providers: | | - | - | - | - | |
| [insert description] | | | | | - | |
| Total operating expenditure of Approved Roll-overs | | - | - | - | - | |
| Capital expenditure of Approved Roll-overs | | | | | | |
| National Government: | | - | - | - | - | |
| Municipal Infrastructure Grant (MIG) | | | | | - | |
| Other capital transfers [insert description] | | | | | - | |
| Provincial Government: | | - | - | - | - | |
| District Municipality: | | - | - | - | - | |
| Other grant providers: | | - | - | - | - | |
| Total capital expenditure of Approved Roll-overs | | - | - | - | - | |
| TOTAL EXPENDITURE OF APPROVED ROLL-OVERS | | - | - | - | - | |

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 - M07 January

| 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 | - | 1,633 | 18,204 | 33,222 | (15,018) | -45% | 56,951 |
| Service charges | | 23,019 | 29,346 | - | 3,063 | 23,080 | 17,119 | 5,961 | 35% | 29,346 |
| Other revenue | | 9,342 | 8,896 | - | 758 | 4,667 | 5,189 | (522) | -10% | 8,896 |
| Transfers and Subsidies - Operational | | 335,485 | 295,690 | - | - | 222,214 | 172,486 | 49,728 | 29% | 295,690 |
| Transfers and Subsidies - Capital | | 77,425 | 99,296 | - | 6,971 | 51,240 | 57,922 | (6,683) | -12% | 99,296 |
| Interest | | 11,879 | 10,047 | - | 48 | 5,342 | 5,861 | (519) | -9% | 10,047 |
| Dividends | | | | | - | | - | - | | |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (262,653) | (370,638) | - | (23,417) | (193,499) | (216,206) | (22,707) | 11% | (370,638) |
| Finance charges | | (1) | (50) | - | - | - | (29) | (29) | 100% | (50) |
| Transfers and Grants | | | | | | | - | - | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 209,606 | 129,537 | - | (10,944) | 131,247 | 75,564 | (55,684) | -74% | 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 | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Capital assets | | (125,365) | (119,176) | - | (978) | (46,933) | (69,519) | (22,586) | 32% | (119,176) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (125,089) | (119,176) | - | (978) | (46,933) | (69,519) | (22,586) | 32% | (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 | - | (11,922) | 84,314 | 6,044 | | | 10,361 |
| Cash/cash equivalents at beginning: | | 173,644 | 181,236 | | 354,397 | 258,161 | 181,236 | | | 258,161 |
| Cash/cash equivalents at month/year end: | | 258,161 | 191,598 | - | | 342,475 | 187,280 | | | 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 - M07 January

| 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 | – | 2,624 | 12,892 |
| Call investment deposits | | 248,808 | 178,706 | – | 339,851 | 178,706 |
| Consumer debtors | | 56,546 | 46,512 | – | 60,439 | 46,512 |
| Other debtors | | 47,905 | 37,398 | – | 64,330 | 37,398 |
| Current portion of long-term receivables | | – | – | – | – | – |
| Inventory | | 2,046 | 1,524 | – | 863 | 1,524 |
| Total current assets | | 364,659 | 277,032 | – | 468,107 | 277,032 |
| Non current assets | | | | | | |
| Long-term receivables | | | | | | |
| Investments | | | | | 1 | |
| Investment property | | 36,655 | 32,436 | – | 36,655 | 32,436 |
| Investments in Associate | | | – | – | – | – |
| Property, plant and equipment | | 701,498 | 755,509 | – | 695,318 | 755,509 |
| Biological | | | | | | |
| Intangible | | 69 | 73 | – | (46) | 73 |
| Other non-current assets | | 1,231 | 1,341 | – | 1,231 | 1,341 |
| Total non current assets | | 739,453 | 789,359 | – | 733,159 | 789,359 |
| TOTAL ASSETS | | 1,104,112 | 1,066,391 | – | 1,201,265 | 1,066,391 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | | | | | |
| Borrowing | | | | | | |
| Consumer deposits | | 505 | 503 | – | 460 | 503 |
| Trade and other payables | | 49,412 | 28,928 | – | 57,009 | 28,928 |
| Provisions | | 19,990 | 19,953 | – | 15,734 | 19,953 |
| Total current liabilities | | 69,907 | 49,384 | – | 73,204 | 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 | – | 78,450 | 54,879 |
| NET ASSETS | 2 | 1,028,958 | 1,011,512 | – | 1,122,815 | 1,011,512 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 1,028,958 | 1,011,512 | – | 1,122,815 | 1,011,512 |
| Reserves | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 1,028,958 | 1,011,512 | – | 1,122,815 | 1,011,512 |

This is the report for January 2022 and we would like the Committee to consider its contents.

10. Municipal Manager's quality certification

Quality Certificate

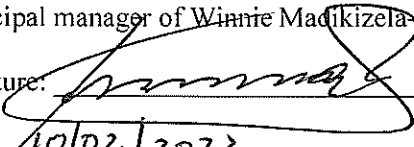
I, Luvuyo Mahlaka....., the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

☐ The monthly budget statement

for the month of January 2022 has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print name: Luvuyo Mahlaka

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

Signature: 

Date: 10/02/2022

