



WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY MONTHLY REPORT

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

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PART 1 – IN-YEAR REPORT

1. Executive Summary

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

This is the fifth report of the 2021/22 financial year which should give an indication of how the municipality has performed on its first five months of operation in the indicated year. This is generally a reporting period during which most programs begin to take shape and expenditure patterns improving. The situation is expected to be better this year compared to the same period last year considering that the country was operating under strict lockdown regulations that made it impossible to operate optimally. This will be the baseline for the new financial year and hopefully the contents of each report will help council and its structures to understand fully the status of the municipality's financial performance and decisions that need to be taken to ensure sustainability of the institution.

1.1 The Political Oversight

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

• Cllr L. Makholosa	Chairperson
• Cllr M. Qumba	Supply Chain Management
• Cllr. N Madikizela	Budgeting & Reporting
• Cllr. N. Giyama-Bongwana	Budgeting & Reporting
• Cllr N. Sipatala	Supply Chain Management
• Cllr M. Dlamini	Assets and Stores Management
• Cllr N. Bengu	Revenue and Expenditure

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 2020/21 budget processes, the council approved creation and funding of the Assets and Stores Manager position which was then added to the approved organisational structure of the institution. Job descriptions and requests to start recruitment processes were submitted to the office of the Municipal Manager for approval. The advertising process was concluded during the month of March 2021 as expected. Shortlisting and interviews were expected to be concluded by 30 April 2021 to allow the department an opportunity to have this manager commence with duties before the end of the financial year. This unfortunately was not the case as the shortlisting did not take place during the month of April but during the month of May 2021 with all other processes concluded before the end of May 2021. There was hope that the successful candidate would commence duties by 1 July 2021 but by the end of June 2021 the appointment had not been concluded due to the delays from the SAPS security clearances. During the month of July 2021, the Accounting Officer with the advice from Legal Services was advised to issue pending appointments on condition that candidates agree that their appointments will be cancelled should the security clearances return any information that has not been declared. This then made it possible for the successful candidate to assume duties during the month of August 2021. There are currently no vacant positions within the department other than the internship opportunities that will be dealt with later in the report.

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 6.5 has been released and introduced with MFMA Circular 107.

Since the introduction of mSCOA, National Treasury has introduced a number of chart versions with the latest version referred to above which has been used for the draft and final budgets for 2022 and corrections made to the draft budget as per the budget engagements that were held with Provincial Treasury during the month of May 2021.

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

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

ii. IDP Budgeting

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

iii. Production of in-year reports

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

iv. Budget and reporting module functionality

The budget module of the system that the municipality uses has in the past been discovered to only work well with income and expenditure, other modules like balance sheet and cashflow budgeting still continue to produce aligning reports even though some principles are incorrect. This challenge seems however, to have been addressed from the adjustment budget processes and we continue to analyse the reasonability of the principles these modules are using to check consistency with the financial management standards.

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

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

5. 2019/20 Audit Action Plan Implementation

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

The municipality received and responded to the following:

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

Errors in the valuation of investment properties,

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

Prevention of irregular and fruitless expenditure

Understatement of commitments

Inconsistency in the comparative reporting of the notes on Employee costs

Appropriation statement included in the financial statements

Comparative contingent liabilities understatement

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

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

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

6. Implementation of the Municipal Cost containment regulations

During the month of June 2019, the minister of finance approved Municipal Containment regulations effective from 1 July 2019. The regulations required municipalities to develop, adopt and implement policies as part of its budget related policies to support cost containment measures. These regulations were unfortunately approved after the municipal budget processes had been concluded which made it difficult for municipalities to develop these policies at such a short space of time. The council of Winnie Madikizela-Mandela Local municipality developed and adopted a policy on cost containment that is now being implemented.

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

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

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

a. Supply and Delivery of Municipal Vehicles

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

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

- The municipality to identify the need
- Development specification

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

The municipality successfully procured a refuse skip bean truck during the year. There is currently a request for procurement for procurement of a bakkie for the refuse section which we were hoping will be delivered by the 30th of June 2021, however all the suppliers could not deliver the vehicle due to shortage of stock for the type of vehicle. One of the suppliers tried to charge the municipality a price higher than that indicated on the price list which the municipality declined as it was not in line with the prescribes of the contract. The process will be reinitiated again after the adjustment budget processes of the municipality.

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

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

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

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

We are hoping the approval in this 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.

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		Strategic Objectives		Baseline Information		Project to be Implemented				Budget Source		Budget: MTREF							
Sub-Resu It Area	Issue	Strategic Objective No.	Strategic Objectives	Obj ectiv e No.	Strategi es	K PI No.	KPI Weigh t	Annual Target	Means of Verification	Budget	Int ernal Audit	Ext ernal Audit	Q1	Q2	Q3	Q4	W AR D	Responsible Section	Responsible Agency/s
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	Metering of all electric ity consumption	4.1	Electricity meters are read, recorded and capture d manually	Reading of electricity meters	4.1	Accurate billing of electricity city consumers	Meter reading from the AMR System, invoice and GRV	R 700.00	Yes	0	Reading of electric city meters	Wa rd 1	Revenue Section	Manager: Revenue and Expenditure			

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF									
Sub-Result Area	Issue No.	Strategic Objective	Objectives	Strategies	Baseline Information	Project to be Implemented				Budget Source			W AR D	Responsible Sector	Responsive Agen				
	n									Billing of 246 consumer accounts for property rates, refuse and electricity by June 2022				Billing of 246 consumer accounts for property rates, refuse and electricity by June 2022					
										12 monthly Billing Report	R	-	N/A	0	Proper ty rates, refuse and electric city	Proper ty rates, refuse and electric city			
						Maintain an accurate and complete consumer master database for electricity and property rates	4.1.3	0.5											
						Reduced Customer queries - 100% of consumers billed as per consumer master database				Billing completed by the 3rd day of each month following the billing month by June 2022					Perfom month end procedure for consumer debtors, sundry debtors	Perfom month end procedure for consumer debtors, sundry debtors			
						Completion of billing processes by the 3rd day of each following month	4.1.4	0.5		12 Month end closing Reports	R	-	N/A	0	Perfom month end procedure for consumer debtors, sundry debtors	Perfom month end procedure for consumer debtors, sundry debtors			
						Sending of monthly statement using emails and sms's				Distribution of electronic monthly statements					Emailing of monthly consumer statements	Emailing of monthly consumer statements			
						Manual distribution of consumer statements	4.1.5	0.5		12 Monthly Statements distribution Report	R	-	N/A	0	Emailing of monthly consumer statements	Emailing of monthly consumer statements			

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				Budget Source			
Sub-Resu-It	Issue Area	Strategic Objec-tive	Objec-tive No.	Strateg-ies	Baseli-ne Informa-tion	Project to be Implemented								W-A-R-D	Respon-sible Sec-tion	Respon-sible Agen-t	
		Revenue Enhancement Strategy	Implementation of the Revenue enhancement Strategy Action Plan	Revenue enhancement Strategy review and enhancement Strategy	Improved revenue collection and generation	Implementation of the Revenue enhancement Committee minutes and attendance register	4 Quarterly Revenue enhancement Committee minutes and attendance register	R	N/A	Quarterly Revenue enhancement meeting	Quarterly Revenue enhancement meeting	Quarterly Revenue enhancement meeting	Wa-rd-1	Wa-rd-1	Wa-rd-1	Wa-rd-1	
		To achieve at least 95% collection of all debt	4.2	Implementation of credit control measures	Long outstanding debtors which are more than 365 days	Debtors age analysis reflecting debtor's within 90 days	2 Quarterly Data cleansing report, handing over of all accounts for handing over of all accounts beyond 90 days by June 2022.	R	500.00	Yes	Investigate account information	n/a	n/a	n/a	n/a	n/a	Wa-rd-1
					Oursourcing of collection services	4.1	Progress report on accounts handed over beyond 90 days	R	500.00	Yes	Investigate account information	n/a	n/a	n/a	n/a	n/a	Wa-rd-1

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				Budget Source		W A R D		Responsible Section		Responsive Manager	
Sub-Result Area	Issue	Strategic Objective	Object No.	Strategies	Baseline Information	Project to be Implemented															
Accounts with errors taking longer to identify and resolve	To achieve a clear audit as at 30 June 2022	To achieve a clear audit as at 30 June 2022	4.3	Performance of monthly debtors - rates and investment reconciations	Monthly review of debtors, rates and investment reconciliation by the 7th working day of each month	Monthly review of debtors, rates and investment reconciliation by the 7th working day of each month	Accurate and complete reconciliation	4.3.1	0.5	12 Sign off debtors, 12 investment s and 12 rates reconciliation by June 2022	N/A	R	Preparation of 3 debtor s, 3 investments and 3 rates reconciliation	Preparation of 3 debtor s, 3 investments and 3 rates reconciliation	Preparation of 3 debtor s, 3 investments and 3 rates reconciliation	Ad min Off ices	Ad min Off ices	Manager: Revenue and Expenses			
Invoices not submitted within 30 days in compliance of receipt for payment with the MFM A by June 2022	To pay creditors within 30 days in compliance of receipt for payment with the MFM A by June 2022	Invoice system descriptions and process as per the Account payable policy	4.4	Enforcement of system descriptions and processes as per the Account payable policy	Invoice s still taking longer to reach BTO for payment	Age analysis reflecting creditors within 30 days	Centralisation of submission of invoices per department	4.4.1	0.5	Payment of all present ed acceptable invoice s within 30 days from receipt of invoice by June 2022	N/A	R	Payment of creditos within 30 days	Payment of creditos within 30 days	Payment of creditos within 30 days	Ad min Off ices	Ad min Off ices	Manager: Revenue and Expenses			
Datastings that are submitted with incomplete information and month end procedures that are not	To achieve a clean audit as at 30 June 2022	Development sound, strict and effective procedures for reporting	4.5	Non implementation of month end procedures for all monthly modules(credit or,cashbook,GL)	Submission of monthly reports	12 confirmations of submission from LG Portal not later than 10 working days after month end of each month by June	Submit monthly datastings and Reports not later than 10 working days after month end of each month by June	4.5.1	0.5	N/A	R	Submission of 3 monthly reports	Submission of 3 monthly reports	Submission of 3 monthly reports	Ad min Off ices	Ad min Off ices	Manager: Revenue and Expenses				
Expenditure Management																					

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				Budget: WARD				
Sub-Resu It Area	Issue	Strategic Objectives	Objective No.	Strategies	Baseline Information	Project to be Implemented			Budget Source									
Inaccurate and incomplete commitment register	perfomed on time								2022									
Creditors and grants with errors taking longer to identify and resolve	To achieve a clear audit as at 30 June 2022	Monthly review of commitment register by the 7th working day of each month	Accurate and complete commitment register	Accurate and complete commitment register by June 2022	12 monthly review	12 signed commitment register by June 2022	R -	N/A	Preparation of 3 Commitment register	Preparation of 3 Commitment register	Ad min Off ices	Manager: Reve nue and Expe nditur e	Manager: Reve nue and Expe nditur e	Manager: Reve nue and Expe nditur e				
Payroll accounts with errors taking longer to identify and resolve	Performance of monthly reconciliations as at 30 June 2022	Monthly review of Conditional Grants, creditors' retention and VAT reconciliation by the 7th working day of each month	Accurate and complete reconciliation by June 2022	12 monthly review	12 signed monthly Conditiona l grants, creditors' 12 credito rs, 12 retention and 12 VAT reconciliati ons	R -	N/A	Preparation of 3 monthly creditio rs,3 retenti on and 3 VAT reconciliati on	Preparation of 3 monthly creditio rs,3 retenti on and 3 VAT reconciliati on	Preparation of 3 monthly creditio rs,3 retenti on and 3 VAT reconciliati on	Preparation of 3 monthly creditio rs,3 retenti on and 3 VAT reconciliati on	Preparation of 3 monthly creditio rs,3 retenti on and 3 VAT reconciliati on	Ad min Off ices	Manager: Reve nue and Expe nditur e	Manager: Reve nue and Expe nditur e	Manager: Reve nue and Expe nditur e		

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget Source				Budget: MTREF		W A R D		Responsible Section		Responsive Agent	
Sub-Result Area	Issue	Strategic Objective	Objective No.	Baseline Information	Strategies	Project to be Implemented															
Inadequate filing space and reliable filing system for the volume of documents awarded to the Budget and Treasury office	To have an effective and reliable filing space and reliable filing system for the volume of documents awarded to the Budget and Treasury office	Conversion of Supply Chain Management filing to electronic documents	4.7	Paper based and physical filing	Conversion of information into electronic documents	Electro filing for Budget and Treasury documents	Electro filing system setup and loading of Budget and Treasury documents	12 months	N/A	R	-	Progress report on BTO scanned documents	Scanning of BTO documents	Scanning of BTO documents	Scanning of BTO documents	Scanning of BTO documents	Adm Offices	Manager: SCM	Supply Chain Management	Manager: SCM	
No clear monitoring of the procurement plan	To have fully capacitated Supply Chain Management	Monitoring of adherence to the procurement plan	4.8	Approved procurement plan with no clear monitoring plan	Report on adherence to the procurement plan	Report on monthly monitoring of the procurement plan	Report on the monitoring of the procurement plan	4.8	N/A	R	-	Signed report by the SCM Manager	Procurement plan by June 2022	Adm Offices	Manager: SCM	Supply Chain Management	Manager: SCM				
Supplier Database not updated annually	Supplier name and effective procurement system	Supplier database with suppliers showing update their information that expired in the past	4.8	Supplier database with suppliers showing update their information that expired in the past	Calling of all suppliers to update their information that expired in the past	Update supplier Database	Update supplier Database	4.8	N/A	R	-	Advertisement and Microsoft audit trail during the year by	Annual update of the supplier database	Information update d	Information update d	Information update d	Information update d				
Supply Chain Management										Publication of the call to suppliers to update their information	300	Suppliers	600	Suppliers	1200	Advertisers	Information update d	Information update d	Information update d	Information update d	

KPA N0 4: Budget & Treasury

Outcome 9 Objective									
Sub-Resu It	Issue Area	Strategic Objective	Objectiv e No.	Strategie s	Baseline Information	Project to be Implemented	Budget Source	Budget: MTREF	W ARR D
Responsible Section	Responsible Agent								
No schedule of bid committee seating		Developing Mecha nisms to monitor seating of the bid committees	Bid committee seating randomly	Schedule of bid committee seating of bid committees	4.8.3	0.5	Schedule of seating of bid committees	June 2022	
No schedule of bid committee seating		Developing Mecha nisms to monitor seating of the bid committees	Bid committee seating randomly	Schedule of bid committee seating of bid committees	4.8.3	0.5	Signed schedule of bid committee seating of each bid is confirmed by June 2022	N/A	Development and approval of the Bid committee schedule
No schedule of bid committee seating		Developing Mecha nisms to monitor seating of the bid committees	Bid committee seating randomly	Schedule of bid committee seating of bid committees	4.8.3	0.5	Signed schedule of bid committee seating of each bid is confirmed by June 2022	R	6 seated bid committees
No schedule of bid committee seating		Developing Mecha nisms to monitor seating of the bid committees	Bid committee seating randomly	Schedule of bid committee seating of bid committees	4.8.3	0.5	Signed schedule of bid committee seating of each bid is confirmed by June 2022	N/A	6 seated bid committees
Procurement documents not uploaded on the website on time		Monitoring public documents uploaded late on the website	Public documents uploaded late on the website	Monthly monitoring of documents uploads	4.8.4	0.5	Upload of all Adverts	Upload of all tenders advertised from October 2021 to December 2021	Upload of all tenders advertised from January 2022 to March 2022
Procurement documents not uploaded on the website on time		Monitoring public documents uploaded late on the website	Public documents uploaded late on the website	Monthly monitoring of documents uploads	4.8.4	0.5	Upload of all Adverts	Upload of all tenders advertised from July 2021 to September 2021	Upload of all tenders advertised from April to June 2022
Procurement documents not uploaded on the website on time		Monitoring public documents uploaded late on the website	Public documents uploaded late on the website	Monthly monitoring of documents uploads	4.8.4	0.5	Upload of all Adverts	Upload of all tenders advertised from October 2021 to December 2021	Upload of all tenders advertised from January 2022 to March 2022
Procurement documents not uploaded on the website on time		Monitoring public documents uploaded late on the website	Public documents uploaded late on the website	Monthly monitoring of documents uploads	4.8.4	0.5	Upload of all Adverts	Upload of all tenders advertised from July 2021 to September 2021	Upload of all tenders advertised from April to June 2022

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				W A R D		Responsible Section		Responsive Agent	
Sub-Result Area	Issue	Strategic Objective	Objectiv e No.	Strateg ies	Baseli ne Information	Project to be Implemented				Budget Source									
SCM personnel not regularly trained on updates regularly		SCM person nel not regula rly traine d on update s regula rily		Comm unicati on of all updates on SCM matters	Upda tes only communicated to Managers and Senior Managers	Training of all SCM officials on updates on SCM matters	Capaci tated SCM Official s is with releva nt knowl edge	4. 8. 5	0.5	Email confirmati ons	R	N/ A	Distrib ution to all SCM officia ls of change s and update s between October 2021 to June 2022	Distrib ution to all SCM officia ls of change s and update s between March 2021 to September 2021	Ad min Off ices	Manager: SCM			
Inadequate contract management processes		Month ly review of all existing contracts		Contra cts only review ed at year end	Contract register to be reviewed and signed monthly	Review ed contact register	12 monthl y contract	4. 8. 6	0.5	12 signed contract registers reviewed by June 2022	R	N/ A	3 monthl y contra ct registr es reviewed	3 monthl y contra ct registr es reviewed	y contrac t register	Ad min Off ices	Manager: SCM		
The municipality needs to comply with all statutory training requirement		Officia ls		Operati ng with outdated information relevant to their section s	Training of Supply Chain Management Personnel	Training of SCM Officials by 30 June 2022	Capaci tated SCM Official s is with releva nt knowl edge	4. 8. 7	0.5	Training of Manager and SCM officer on CIPS by June 2022	R	N/ A	5 Classe s attendance	5 Classe s attendance	Ad min Off ices	Manager: SCM			

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Asset and Stores Management							
Sub-Resu It Area	Issue	Strat egic Obj ective	Obj ectiv e No.	Strateg icies	Baseli ne inform ation	Project to be Implemented				Budget Source			Budget: MTREF				
										R	N/ A	0	Quar terly verific ation of Assets	Quar terly verific ation of Assets	W AR D	Responsible Sectio n	Responsib le Agen
All assets of the municipality to be accounted for in terms of their value, status and location by 30 June 2022.	To account for the value and location of all municipal assets by 30 June 2022.	Quarter ly update of the fixed asset register	Move ment of assets without Asset Management office being notified	Performing quarterly asset verification within 30 days of the end of each quarter	Account ing for all municipal assets	4.9	0.5	4 Signed quarterly Assets verification Reports by June 2022	4 Signed quarterly Assets verification Report s by June 2022	R	N/ A	0	Quar terly verific ation of Assets	Quar terly verific ation of Assets	W AR D	Asset Mana gement	Manager; Asset s and Stores
Stores function that is not fully structured and proper management of the municipality	To correctl y and effecti vely mana ge the stores function of the municipality	Quarter ly update Only one stock count items to ensure adequate levels are kept at all times	Only one stock perform ed at the end of the year	Stock updates at least once each quarter	4 stock count reports	4.10	0.5	10 .1	10 .1	R	N/ A	0	Quar terly verific ation of Assets	Quar terly verific ation of Assets	W AR D	Asset Mana gement	Manager; Assets and Stores

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget Source			Budget: MTREF		W A R D		Responsible Section		Responsive Agent	
Sub-Result Area	Issue	Strategic Objective No.	Objectives	Strategies	Baseline Information	Project to be Implemented														
To complete Annual Financial Statement that comply with all requirements as at 30 June 2022.		4.11	Develop sound, strict and effective procedures for the compilation of annual financial statements by 30 May 2021	Auditd Annual Financial Statements for 2019/20 with compliance finding s	Credible Annual Financial Statements submitted by 31 August 2021	Credible and fully compliant Annual Financial Statements submitted by 30 June 2021	AFS and proof of submission to AG, Proof of payment, Intern Financial statements submitted by 31 August 2021	R 200.00	Yes	Renew of Casew are License	n/a	Preparation of Interim Financial Statement to the AG	Submit 2020/21 Annual Financial Statements as at 30 June 2021	0	Ad min Off ices	Report ing	Manager; Budget and Reporting			
Financial statements with non-compliance with laws To achieve clear audit as at 30 June 2022.		4.12	Manage audit and ensure audit readiness	Auditd Annual Financial Statements for 2019/20 with compliance finding s	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	Proof of submission to AG, COAF register, Audit readyne ss to achieve clean audit opinion as at 30 June 2022	R 5,295.00	Yes	Development of Audit Action plan, Implementation and monitoring of Audit Action Plan	n/a	Development of Audit Action plan, Implementation and monitoring of Audit Action Plan	Submit 2019/20 Annual Financial Statements to the AG	0	Ad min Off ices	Report ing	Manager; Budget and Reporting			
Financial Reporting			Performance of monthly reconciliations	Reconciliation of monthly bank reconciliations	Signed monthly reconciliations	12.4.	Reviewed bank reconciliations by June 2022	R -	N/ A	Preparation of 3 Bank Reconciliation	Preparation of 3 Bank Reconciliation	Preparation of 3 Bank Reconciliation	12 Signed Bank Reconciliation	0.5	Ad min Off ices	Report ing	Manager; Budget and Reporting			

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				Budget: WARD				Responsibility Center	
Sub-Result Area	Issue	Strategic Objective No.	Objective No.	Strategies	Baseline Information	Project to be Implemented				Budget Source	R	N/A	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Admin Offices	Report	Manager; Budget and Reporting	
Non compliance with statutory requirements and reporting	Adhere to compliance terms of management and reporting	4.13		Preparation and submission of all in-year statutorily reports	Submission of s71 Report not later than 10 working day of each month	Signed monthly reports	4.13	0.5	Proof of submission of s71 signed s71 Report	R	-	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Admin Offices	Report	Manager; Budget and Reporting		
The municipality needs to comply with all statutory budgeting and reporting requirements	Budgeting	4.14		Preparation and submission of all in-year statutorily reports	Submission of s52d reports within 30 days of the end of each quarter	Signed quarterly reports	4.13	0.5	Proof of submission of 4 statutorily reports as required by June 2022	R	-	Preparation of 4 Quarterly and FMG Reports	Preparation of 4 Quarterly and FMG Reports	Preparation of 4 Quarterly and FMG Reports	Admin Offices	Report	Manager; Budget and Reporting		
					Submission of s72 report by the 25th of January 2022	Signed mid-year assessment report	4.13	0.5	Proof of submission of s72 Report by the 25th of Jan 2022	R	-	n/a	n/a	Preparation of s72 Report	n/a	Admin Offices	Report	Manager; Budget and Reporting	
						Training of 3 financial management items and 1 finance staff to meet minimum competency requirements by June 2022			Training of 2 financial management interns and 1 finance staff to meet minimum competency requirements by June 2022							Attendance of the training	Attendance of the training	Manager; Budget and Reporting	

KPA N0 4: Budget & Treasury

Reporting against the above information will be done at the end of each quarter as a monitoring mechanism that is currently being used by the municipality even though responsible heads of sections make an effort to monitor these on a monthly basis.

8. In-year budget statement tables

a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - M05 November

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	-	26,171	-	561	17,354	10,905	6,449	59%	26,171
Service charges	-	43,474	-	3,553	17,014	18,114	(1,100)	-6%	43,474
Investment revenue	-	10,047	-	2,881	4,649	4,186	463	11%	10,047
Transfers and subsidies	-	295,690	-	950	124,080	123,204	876	1%	295,690
Other own revenue	-	14,651	-	1,085	5,072	6,104	(1,032)	-17%	14,651
Total Revenue (excluding capital transfers and contributions)	-	390,032	-	9,030	168,169	162,514	5,655	3%	390,032
Employee costs	-	126,854	-	8,692	45,114	52,856	(7,742)	-15%	126,854
Remuneration of Councillors	-	26,007	-	1,756	9,757	10,836	(1,079)	-10%	26,007
Depreciation & asset impairment	-	52,682	-	3,572	17,854	21,951	(4,097)	-19%	52,682
Finance charges	-	150	-	-	-	63	(63)	-100%	150
Inventory consumed and bulk purchases	-	48,440	-	4,375	18,207	20,183	(1,976)	-10%	48,440
Transfers and subsidies	-	5,907	-	77	273	2,461	(2,188)	-89%	5,907
Other expenditure	-	173,490	-	16,353	54,849	72,288	(17,438)	-24%	173,490
Total Expenditure	-	433,529	-	34,825	146,055	180,637	(34,582)	-19%	433,529
Surplus/(Deficit)	-	(43,497)	-	(25,795)	22,114	(18,124)	40,238	-222%	(43,497)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	99,296	-	16,770	32,363	41,373	###	-22%	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	-	55,799	-	(9,025)	54,477	23,249	31,228	134%	55,799
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	55,799	-	(9,025)	54,477	23,249	31,228	134%	55,799
Capital expenditure & funds sources									
Capital expenditure	-	117,727	-	17,624	35,538	49,053	(13,515)	-28%	117,727
Capital transfers recognised	-	86,399	-	14,370	21,460	35,999	(14,540)	-40%	86,399
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	31,328	-	3,254	14,078	13,053	1,024	8%	31,328
Total sources of capital funds	-	117,727	-	17,624	35,538	49,053	(13,515)	-28%	117,727
Financial position									
Total current assets	-	277,032	-	-	490,256				277,032
Total non current assets	-	789,359	-	-	657,137				789,359
Total current liabilities	-	49,384	-	-	58,691				49,384
Total non current liabilities	-	5,495	-	-	5,246				5,495
Community wealth/Equity	-	1,011,512	-	-	1,083,455				1,011,512
Cash flows									
Net cash from (used) operating	-	129,537	-	(21,581)	50,676	53,974	3,298	6%	129,537
Net cash from (used) investing	-	(119,176)	-	81,366	59,584	(49,657)	(109,241)	220%	(119,176)
Net cash from (used) financing	-	-	-	-	-	-	-	-	(503)
Cash/cash equivalents at the month/year end	-	191,598	-	-	368,421	185,554	(182,867)	-99%	268,019
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	4,407	2,719	2,700	2,578	10,362	59,873	-	-	82,639
Creditors Age Analysis	161	-	-	-	-	-	-	-	161

The table above shows a summary of the municipality's financial performance for the period ended 30 November 2021. The first part of the table shows financial performance which gives information about whether the municipality made a loss or a surplus during the month followed by a summary of the municipality's performance on its capital budget. This is then followed by the municipality's financial position, a summary of the cashflow recalculation and then debtors and creditors age analysis.

b) Financial Performance by functional classification

EC443 Winnie Madikizela Mandela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 November

Description R thousands	Ref 1	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
Revenue - Functional										
<i>Governance and administration</i>		-	335,534	-	4,573	146,723	139,806	6,917	5%	335,534
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	335,534	-	4,573	146,723	139,806	6,917	5%	335,534
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	5,479	-	313	1,915	2,283	(368)	-16%	5,479
Community and social services		-	681	-	96	182	284	(102)	-36%	681
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	4,798	-	216	1,733	1,999	(266)	-13%	4,798
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	71,475	-	5,509	12,870	29,781	(16,911)	-57%	71,475
Planning and development		-	20,452	-	3	51	8,522	(8,471)	-99%	20,452
Road transport		-	51,023	-	5,506	12,819	21,260	(8,441)	-40%	51,023
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	76,840	-	15,406	39,024	32,017	7,007	22%	76,840
Energy sources		-	68,576	-	14,454	34,719	28,573	6,146	22%	68,576
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	8,264	-	952	4,305	3,443	862	25%	8,264
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	489,328	-	25,801	200,532	203,887	(3,354)	-2%	489,328
Expenditure - Functional										
<i>Governance and administration</i>		-	195,801	-	15,458	58,184	81,584	(23,400)	-29%	195,801
Executive and council		-	62,138	-	4,507	21,405	25,891	(4,486)	-17%	62,138
Finance and administration		-	127,983	-	10,639	35,474	53,326	(17,852)	-33%	127,983
Internal audit		-	5,679	-	312	1,305	2,366	(1,062)	-45%	5,679
<i>Community and public safety</i>		-	31,625	-	2,054	10,971	13,177	(2,206)	-17%	31,625
Community and social services		-	11,967	-	552	3,303	4,986	(1,683)	-34%	11,967
Sport and recreation		-	2,853	-	268	1,227	1,189	38	3%	2,853
Public safety		-	15,769	-	1,155	6,155	6,570	(416)	-6%	15,769
Housing		-	1,037	-	79	287	432	(145)	-34%	1,037
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	105,923	-	7,954	36,101	44,135	(8,034)	-18%	105,923
Planning and development		-	31,356	-	1,535	7,758	13,065	(5,306)	-41%	31,356
Road transport		-	72,029	-	6,295	27,804	30,012	(2,208)	-7%	72,029
Environmental protection		-	2,539	-	124	539	1,058	(519)	-49%	2,539
<i>Trading services</i>		-	96,328	-	9,138	39,610	40,137	(527)	-1%	96,328
Energy sources		-	68,375	-	7,354	31,132	28,490	2,642	9%	68,375
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	27,952	-	1,785	8,478	11,647	(3,169)	-27%	27,952
<i>Other</i>		-	3,853	-	220	1,190	1,605	(415)	-26%	3,853
Total Expenditure - Functional	3	-	433,529	-	34,825	146,055	180,637	(34,582)	-19%	433,529
Surplus/ (Deficit) for the year		-	55,799	-	(9,025)	54,477	23,249	31,228	134%	55,799

The table above shows the municipality's financial performance for the period ended 30 November 2021 in functional classification which was created by National treasury to assist in reporting financial information per functional area. This information is consolidated at National treasury level to produce the provincial and national financial reports.

c) Revenue by Source

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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		26,171	–	561	17,354	10,905	6,449	59%	26,171	
Service charges - electricity revenue		38,809	–	3,186	15,154	16,170	(1,016)	-6%	38,809	
Service charges - water revenue		–	–	–	–	–	–	–	–	
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	
Service charges - refuse revenue		4,665	–	367	1,860	1,944	(84)	-4%	4,665	
Rental of facilities and equipment		3,093	–	332	1,596	1,289	308	24%	3,093	
Interest earned - external investments		10,047	–	2,881	4,649	4,186	463	11%	10,047	
Interest earned - outstanding debtors		5,133	–	392	1,765	2,139	(373)	-17%	5,133	
Dividends received		–	–	–	–	–	–	–	–	
Fines, penalties and forfeits		938	–	8	27	391	(363)	-93%	938	
Licences and permits		2,756	–	123	862	1,148	(286)	-25%	2,756	
Agency services		1,265	–	86	566	527	38	7%	1,265	
Transfers and subsidies		295,690	–	950	124,080	123,204	876	1%	295,690	
Other revenue		1,466	–	144	255	611	(356)	-58%	1,466	
Gains		–	–	–	–	–	–	–	–	
Total Revenue (excluding capital transfers and contributions)		–	390,032	–	9,030	168,169	162,514	5,655	3%	390,032

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

- PROPERTY RATES:** The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R15 million in the 1st month and a decrease to R561 thousand for the following months to the end 30 June 2022. The current revenue recognised on this stream may seem to be above the monthly target but it is important to note that this is only due to government properties levied only at the beginning of the financial year for the whole year.
- ELECTRICITY REVENUE:** The municipality distributes electricity in the town area as per its distribution licence. This is one of the major sources of revenue for the municipality as households now depend on electricity for their day to day living. This is a trading service where the municipality gives electricity equivalent to the amount provided by the consumer. Municipalities are therefore expected to at least recover the cost of providing the service. The approval of tariffs by NERSA is set up such that the municipality can make some form of surpluses from sale of electricity so that it may be able to maintain the infrastructure used to render the service and defray all other operating expenses related to the service provision. The municipality has generated over

R3.1 million for the month and a year to date actual of R15.1 million. This is below the projection by about 6% (over R1 million) which may add up to R3 million by the end of the year if attempts to remedy the situation do not yield any results. It is worth mentioning though that the 6% report is an improvement from the 7% 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 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 an 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 R367 thousand which is less than the projection by 4% which is in line with the 4% reported in the previous month which will be monitored against performance of other periods to follow.
- **Interest on Investments:** The municipality invests surplus cash and unspent grants to generate interest that would be utilised to fund other municipal programmes, this interest includes interest on the municipality's positive balance in the municipality's main account. The table above shows that the municipality generated over R2.8 million worth of interest on investments with a year to date actual that is above the projection by 11% which is an improvement from the 47% deficit reported in the previous months. This is still less than the normal performance in the previous years at the same time. This underperformance may be due to interest rates cuts that have been implemented by the South African Reserve Bank since the outbreak of Covid-19. This may also be attributable to the decrease in revenue collection since the outbreak of COVID-19 which has meant the municipality continues to spend without making any significant funds coming in.

- **Interest on outstanding debtors:** The municipality charges interest on debtors owing for more than 30 days at a rate of prime plus 2% as per the municipality's credit control and debt collection policy. This has yielded interest of R392 thousand for the period ended 30 November 2021 which is less than the amount projected for the period by 17%, an improvement from the 20% reported last month. This still requires intense debt collection initiatives. A higher interest generation means the municipality's debtors are more than what they were projected to be.
- **Fines:** The municipality has a traffic department which enforces traffic laws and the municipality's by-laws. Anyone found to have contravened these laws is charged a fine accordingly. These fines also include fines for electricity tempering. The municipality generate around R8 thousand for the month of November 2021. It is worth noting though that, this does not represent cash collected and measures should be put in place to ensure people pay their fines. Experience has taught us that people generally do not settle traffic fines and, in most cases when they do they do so at lower values than the initial revenue recognised. This is one of the areas where we were forced to adjust down in the previous year to ensure that we end up with realistic revenues.
- **Rental of facilities:** The municipality has properties that it rents out to other businesses and individuals from which it generates revenue. These include properties like the Boxer complex, Spar, Browns, Bargain and others. The revenue generated here also includes rental for billboards and advertising around the town area. The municipality has generated about R332 thousand for the month which has pushed the actual performance to a level above the projection by 24% which is a result of other revised contracts that have been concluded.
- **Licenses and permits:** The municipality has a fully functional testing station which has been in operation for the past three years. This has been one of the municipality's promising revenue stream since the completion of the testing station. The municipality only generated R123 thousand worth of revenue for the period. The municipality has collected below the projected collection by 25% which is a regression from 20% 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 R950 thousand has been transferred to revenue for the period ended 30 November 2021 from the operating grants whose conditions have been met. This has recorded a year to date performance of R124 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 month July 2021.

d) Debt Collection

The table below shows a 77% overall collection rate for the month ended 30 November 2021. However, we note a 78% collection rate on leasehold fees, 79% on electricity and 67% on refuse removal for the period.

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

YEAR ENDING: 30 June 2022

INCOME TYPE	JULY	AUG	SEP	1st QUARTER	OCT	Nov-21	2nd QUARTER
RATES							
billed	15,281,245	845,277	780,328	16,906,850	780,184	780,383	1,560,567
payment received	682,650	2,428,724	10,397,016	13,508,390	643,972	624,348	1,268,320
% of billing received	4%	287%	1332%	80%	83%	80%	81%
ELECTRICITY							
billed	2,485,637	2,412,039	2,534,081	7,431,756	2,541,740	2,439,727	4,981,467
payment received	1,278,856	1,371,930	3,382,909	6,033,695	2,009,470	1,929,996	3,939,467
% of billing received	51%	57%	133%	81%	79%	79%	79%
LEASEHOLD FEES							
billed	320,729	251,916	308,289	880,935	308,289	322,243	630,532
payment received	208,557	368,759	257,635	834,950	260,295	250,494	510,789
% of billing received	65%	146%	84%	95%	84%	78%	81%
VAT							
billed	478,481	457,120	483,882	1,419,482	484,857	471,584	956,441
payment received	269,193	264,570	650,302	1,184,065	358,439	372,689	731,127
% of billing received	56%	58%	134%	83%	74%	79%	76%
INTEREST							
billed	167,391	175,773	166,484	509,648	168,376	173,169	341,546
payment received	82,143	771,451	1,049,999	1,903,593	109,077	97,047	206,124
% of billing received	49%	439%	631%	374%	65%	56%	60%
REFUSE REMOVAL							
billed	383,508	383,508	383,508	1,150,525	382,349	381,922	764,272
payment received	253,877	191,263	639,159	1,084,299	258,949	255,774	514,723
% of billing received	66%	50%	167%	94%	68%	67%	67%
TOTAL INCOME							
billed	19,116,991	4,525,633	4,656,573	28,299,196	4,665,795	4,569,029	9,234,824
payment received	2,775,276	5,396,696	16,377,019	24,548,992	3,640,202	3,530,347	7,170,550
% of billing received	15%	119%	352%	87%	78%	77%	78%

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description R thousands	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	
Expenditure By Type											
Employee related costs			126,854	-	8,692	45,114	52,856	(7,742)	-15%	126,854	
Remuneration of councillors			26,007	-	1,756	9,757	10,836	(1,079)	-10%	26,007	
Debt impairment			9,600	-	-	-	4,000	(4,000)	-100%	9,600	
Depreciation & asset impairment			52,682	-	3,572	17,854	21,951	(4,097)	-19%	52,682	
Finance charges			150	-	-	-	63	(63)	-100%	150	
Bulk purchases - electricity			40,777	-	3,023	15,682	16,990	(1,309)	-8%	40,777	
Inventory consumed			7,663	-	1,353	2,525	3,193	(668)	-21%	7,663	
Contracted services			98,848	-	11,229	39,573	41,187	(1,614)	-4%	98,848	
Transfers and subsidies			5,907	-	77	273	2,461	(2,188)	-89%	5,907	
Other expenditure			65,042	-	5,124	15,277	27,101	(11,824)	-44%	65,042	
Losses			-	-	-	-	-	-	-	-	
Total Expenditure			-	433,529	-	34,825	146,055	180,637	(34,582)	-19%	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 30 November 2021 reflects an amount of R8.6 million for employee costs and R1.7 million for the remuneration of councillors. The remuneration of councillors shows a 10% underspending compared to what is expected at the same period. Employee costs have continued to record a 15% saving that is always expected considering issues like, annual increment, annual and long-term bonuses, resignations, leave provisions and vacant positions.
- Bulk Purchases:** The municipality purchases electricity in bulk from Eskom for distribution to the town customers. This is the main input cost to the distribution of electricity. The table shows that the municipality spent about R3 million on electricity purchases for the period ended 30 November 2021 and a year to date actual of the same which is below the projected expenditure by 8%. This amount only relates to 20 days of October and 10 days of November as the billing by Eskom only takes place on the 10th of each month.
- Depreciation and asset impairment:** The depreciation run has been performed after the end of each quarter and recently monthly, resulting in the depreciation for November 2021 being R3.5 million as the asset register was still in the process of being reviewed to ensure that the assets are correctly accounted for in the annual financial statements. This has resulted in the depreciation recorded being below the projection for the month by about 19%.
- Contracted Services:** This relates to the municipality's general expenses that have been incurred during the month where only external service providers could be used to render the service or procure goods. This shows that the municipality incurred R11.2 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 and the national lockdown which has meant that less activity was recorded for the municipality and some events being cancelled or held virtually.

- **Other Expenditure:** This also shows a saving of about 44% 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) - M05 November

Vote Description R thousands	Ref	2020/21 Audited Outcome	Budget Year 2021/22						
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote	1	-	-	-	-	-	-	-	-
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	309,070	-	3,903	129,214	128,779	435	0.3%
Vote 3 - Corporate Services		-	293	-	109	155	122	32	26.5%
Vote 4 - Community Services		-	13,743	-	1,265	6,220	5,726	494	8.6%
Vote 5 - Development Planning		-	46,466	-	565	17,405	19,361	(1,956)	-10.1%
Vote 6 - Engineering Services		-	119,755	-	19,960	47,538	49,898	(2,360)	-4.7%
Total Revenue by Vote	2	-	489,328	-	25,801	200,532	203,887	(3,354)	-1.6%
									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 R19.9 million for the month with Budget and Treasury showing generation of over R3.9 million which may be attributable to grants that have been received or spent more than the projected amounts and the interest on investments as well as Community services at over R1.2 million.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

Vote Description R thousands	Ref	2020/21		Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Expenditure by Vote	1								
Vote 1 - Executive and Council		-	83,323	-	6,526	27,990	34,718	(6,728)	-19.4%
Vote 2 - Budget and Treasury		-	37,982	-	3,723	10,421	15,826	(5,405)	-34.2%
Vote 3 - Corporate Services		-	59,154	-	3,951	14,166	24,647	(10,481)	-42.5%
Vote 4 - Community Services		-	78,225	-	5,160	26,012	32,594	(6,582)	-20.2%
Vote 5 - Development Planning		-	29,062	-	1,427	6,828	12,109	(5,281)	-43.6%
Vote 6 - Engineering Services		-	145,783	-	14,038	60,638	60,743	(105)	-0.2%
Total Expenditure by Vote	2	-	433,529	-	34,825	146,055	180,637	(34,582)	-19.1%
Surplus/ (Deficit) for the year	2	-	55,798	-	(9,025)	54,477	23,249	31,228	134.3%
									55,706

The table above shows the expenditure by municipal vote. The total expenditure for the month of November 2021 amounted to above R34.8 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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		26,171	—	561	17,354	10,905	6,449	59%	26,171	
Service charges - electricity revenue		38,809	—	3,186	15,154	16,170	(1,016)	-6%	38,809	
Service charges - water revenue		—	—	—	—	—	—	—	—	
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	
Service charges - refuse revenue		4,665	—	367	1,860	1,944	(84)	-4%	4,665	
Rental of facilities and equipment		3,093	—	332	1,596	1,289	308	24%	3,093	
Interest earned - external investments		10,047	—	2,881	4,649	4,186	463	11%	10,047	
Interest earned - outstanding debtors		5,133	—	392	1,765	2,139	(373)	-17%	5,133	
Dividends received		—	—	—	—	—	—	—	—	
Fines, penalties and forfeits		938	—	8	27	391	(363)	-93%	938	
Licences and permits		2,756	—	123	862	1,148	(286)	-25%	2,756	
Agency services		1,265	—	86	566	527	38	7%	1,265	
Transfers and subsidies		295,690	—	950	124,080	123,204	876	1%	295,690	
Other revenue		1,466	—	144	255	611	(356)	-58%	1,466	
Gains		—	—	—	—	—	—	—	—	
Total Revenue (excluding capital transfers and contributions)		—	390,032	—	9,030	168,169	162,514	5,655	3%	390,032
Expenditure By Type										
Employee related costs		126,854	—	8,692	45,114	52,856	(7,742)	-15%	126,854	
Remuneration of councillors		26,007	—	1,756	9,757	10,836	(1,079)	-10%	26,007	
Debt impairment		9,600	—	—	—	4,000	(4,000)	-100%	9,600	
Depreciation & asset impairment		52,682	—	3,572	17,854	21,951	(4,097)	-19%	52,682	
Finance charges		150	—	—	—	63	(63)	-100%	150	
Bulk purchases - electricity		40,777	—	3,023	15,682	16,990	(1,309)	-8%	40,777	
Inventory consumed		7,663	—	1,353	2,525	3,193	(668)	-21%	7,663	
Contracted services		98,848	—	11,229	39,573	41,187	(1,614)	-4%	98,848	
Transfers and subsidies		5,907	—	77	273	2,461	(2,188)	-89%	5,907	
Other expenditure		65,042	—	5,124	15,277	27,101	(11,824)	-44%	65,042	
Losses		—	—	—	—	—	—	—	—	
Total Expenditure		—	433,529	—	34,825	146,055	180,637	(34,582)	-19%	433,529
Surplus/(Deficit)		—	(43,497)	—	(25,795)	22,114	(18,124)	40,238	(0)	(43,497)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		99,296	—	16,770	32,363	41,373	(9,010)	(0)	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		—	55,799	—	(9,025)	54,477	23,249	—	55,799	
Taxation		—	—	—	—	—	—	—	—	
Surplus/(Deficit) after taxation		—	55,799	—	(9,025)	54,477	23,249	—	55,799	
Attributable to minorities		—	—	—	—	—	—	—	—	
Surplus/(Deficit) attributable to municipality		—	55,799	—	(9,025)	54,477	23,249	—	55,799	
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	
Surplus/ (Deficit) for the year		—	55,799	—	(9,025)	54,477	23,249	—	55,799	

The municipality has so far recorded a surplus of over R54.4 million for the period ended 30 November 2021 with a deficit of R9 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 - M05 November

Description R thousands	Ref 1	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
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		-	34,277	-	10,724	15,561	14,282	(1,279)	-9.0%	34,277
Roads Infrastructure		-	13,070	-	1,101	4,856	5,446	590	10.8%	13,070
Roads			13,070	-	1,101	4,856	5,446	590	10.8%	13,070
Electrical Infrastructure		-	20,957	-	9,623	10,547	8,732	(1,815)	-20.8%	20,957
MV Networks			18,107	-	9,623	10,547	7,545	(3,002)	-39.8%	18,107
LV Networks			2,850	-	-	-	1,188	1,188	100.0%	2,850
Solid Waste Infrastructure		-	250	-	-	158	104	(53)	-51.3%	250
Waste Drop-off Points			250	-	-	158	104	(53)	-51.3%	250
<u>Community Assets</u>		-	13,500	-	1,535	3,674	5,625	1,951	34.7%	13,500
Community Facilities		-	13,500	-	1,535	3,674	5,625	1,951	34.7%	13,500
Halls			8,400	-	592	2,731	3,500	769	22.0%	8,400
Crèches			3,500	-	943	943	1,458	515	35.3%	3,500
Markets			1,600	-	-	-	667	667	100.0%	1,600
Other assets		-	19,820	-	-	-	8,258	8,258	100.0%	19,820
Operational Buildings		-	19,820	-	-	-	8,258	8,258	100.0%	19,820
Manufacturing Plant			19,820	-	-	-	8,258	8,258	100.0%	19,820
<u>Computer Equipment</u>		-	1,248	-	-	-	520	520	100.0%	1,248
Computer Equipment			1,248	-	-	-	520	520	100.0%	1,248
<u>Furniture and Office Equipment</u>		-	6,280	-	30	70	2,617	2,546	97.3%	6,280
Furniture and Office Equipment			6,280	-	30	70	2,617	2,546	97.3%	6,280
<u>Machinery and Equipment</u>		-	300	-	-	-	125	125	100.0%	300
Machinery and Equipment			300	-	-	-	125	125	100.0%	300
<u>Transport Assets</u>		-	1,400	-	-	-	583	583	100.0%	1,400
Transport Assets			1,400	-	-	-	583	583	100.0%	1,400
Total Capital Expenditure on new assets	1	-	76,825	-	12,289	19,306	32,010	12,705	39.7%	76,825

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M05 November

Description R thousands	Ref 1	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
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
<u>Community Assets</u>		-	11,000	-	2,281	5,343	4,583	(760)	-16.6%	11,000
Community Facilities		-	11,000	-	2,281	5,343	4,583	(760)	-16.6%	11,000
Taxi Ranks/Bus Terminals			11,000	-	2,281	5,343	4,583	(760)	-16.6%	11,000
Total Capital Expenditure on renewal of existing assets	1	-	11,000	-	2,281	5,343	4,583	(760)	-16.6%	11,000

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M05 November

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									
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>										
Community Assets		-	29,902	-	3,054	10,889	12,459	1,570	12.6%	29,902
Community Facilities		-	28,402	-	3,054	4,259	11,834	7,575	64.0%	28,402
Halls			28,402	-	3,054	4,259	11,834	7,575	64.0%	28,402
Sport and Recreation Facilities		-	1,500	-	-	6,630	625	(6,005)	-960.9%	1,500
Outdoor Facilities			1,500	-	-	6,630	625	(6,005)	-960.9%	1,500
Total Capital Expenditure on upgrading of existing assets	1	-	29,902	-	3,054	10,889	12,459	1,570	12.6%	29,902

The above tables indicate that the municipality spent R17.6 million for the month from its capital budget for the period ended 30 November 2021. Although this has much improved, it is still performance that cannot be encouraged, especially on the two major capital programmes being implemented by the municipality as it poses a number of risks for the institution including paying for work that has not been completed come the end of the year chasing targets and expenditure performance.

b) Capital Expenditure by municipal vote

EC443 Winnie Madikizela Mandela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

Vote Description R thousands	Ref 1	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
<u>Multi-Year expenditure appropriation</u>	2									
Vote 6 - Engineering Services		-	29,902	-	3,054	10,889	12,459	(1,570)	-13%	29,902
<u>Total Capital Multi-year expenditure</u>	4.7	-	29,902	-	3,054	10,889	12,459	(1,570)	-13%	29,902
<u>Single Year expenditure appropriation</u>	2									
Vote 3 - Corporate Services		-	7,028	-	30	70	2,928	(2,858)	-98%	7,028
Vote 4 - Community Services		-	3,150	-	-	158	1,313	(1,155)	-88%	3,150
Vote 5 - Development Planning		-	21,420	-	-	-	8,925	(8,925)	-100%	21,420
Vote 6 - Engineering Services		-	56,227	-	14,540	24,420	23,428	993	4%	56,227
<u>Total Capital single-year expenditure</u>	4	-	87,825	-	14,570	24,649	36,594	(11,945)	-33%	87,825
<u>Total Capital Expenditure</u>		-	117,727	-	17,624	35,538	49,053	(13,515)	-28%	117,727
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		-	7,028	-	30	70	2,928	(2,858)	-98%	7,028
Finance and administration			7,028	-	30	70	2,928	(2,858)	-98%	7,028
<i>Community and public safety</i>		-	2,450	-	-	158	1,021	(863)	-85%	2,450
Community and social services			1,650	-	-	158	688	(530)	-77%	1,650
Public safety			800	-	-	-	333	(333)	-100%	800
<i>Economic and environmental services</i>		-	85,891	-	7,971	24,763	35,788	(11,025)	-31%	85,891
Planning and development			72,822	-	6,870	19,906	30,342	(10,436)	-34%	72,822
Road transport			13,070	-	1,101	4,856	5,446	(590)	-11%	13,070
<i>Trading services</i>		-	22,357	-	9,623	10,547	9,316	1,231	13%	22,357
Energy sources			21,657	-	9,623	10,547	9,024	1,523	17%	21,657
Waste management			700	-	-	-	292	(292)	-100%	700
<u>Total Capital Expenditure - Functional Classification</u>	3	-	117,727	-	17,624	35,538	49,053	(13,515)	-28%	117,727
<u>Funded by:</u>										
National Government			86,399	-	14,370	21,460	35,999	(14,540)	-40%	86,399
Transfers recognised - capital		-	86,399	-	14,370	21,460	35,999	(14,540)	-40%	86,399
Borrowing	6		31,328	-	3,254	14,078	13,053	1,024	8%	31,328
Internally generated funds										
<u>Total Capital Funding</u>		-	117,727	-	17,624	35,538	49,053	(13,515)	-28%	117,727

The above table indicate that the municipality spent R17.6 million from its capital budget for the period ended 30 November 2021 which, although improved is still very discouraging considering that we have two major projects that have been allocated the bigger slice of the municipality's available resources that have not performed desirably during the past year.

10. Supply chain management

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

a. Acquisition management

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

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

b. Handling of tenders during COVID-19

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

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

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

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

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

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

c. Procurement requests below R2000.00

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

Date	Function	Value	Specification	Function	Segment
2021/10 /12	Group Two Media Company	1 560.00	Request Advertisement For Virtual Ordinary Council Meeting To Be Held 22 October 2021	Advertising Mm	Core Manager Town Se Function:Municipal
2021/10 /14	Group Two Media Company	1 680.00	Advert For Mayoral Inthzo 20 October 2021	Advertising Fees Pmu 5505260540	Core Function:Corporate Wide Strategic P
2021/10 /15	Group Two Media Company	1 920.00	Request To Advertise Procurement Of Electrical Material And Tools	Advertising Fees Pmu 5505260540	Core Function:Project Management Unit
2021/10 /15	Group Two Media Company	1 920.00	Request For Advertisement Of Stationery Contract For A Period Of 12 Mo	Advertising Fees Human Resources 101026054C	Core Function:Supply Chain Management
2021/10 /14	Group Two Media Company	1 976.00	Request For Advertisement Of 1. Simakadeni Access Road; 2. Mapheleleni A And 3. Vav Memorial College Access Road	Advertising Fees Icp 515260540	Core Function:Project Management Unit
		9 056.00			

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

Date	Creditor	Value	Specification	Function	Segment
2021/10/12	Group Two Media Company	2 280,00	Request Advertisement On Local News Papers For Identification Of Stray At The Municipal Pound.	Core Function:Licensing And Control Of A	Request Advertisement On Local News Papers For Identification Of Stray At The Municipal Pound.
2021/10/14	Group Two Media Company	2 376,00	Request For Re-Advert Post For Labour Relations Officer	Core Function:Human Resources	Request For Re-Advert Post For Labour Relations Officer
2021/10/19	Bongwas Catering And Project	2 500,00	Request Pa System With Two (2) Cordless Mics For Mayoral Imbizo Outreach To Be Held On The 20 October 2021 At Msca Hall At 10h00	Core Function:Corporate Strategic P	Request Pa System With Two (2) Cordless Mics For Mayoral Imbizo Outreach To Be Held On The 20 October 2021 At Msca Hall At 10h00
2021/10/19	Bheki Mfo (Pty) Ltd	3 000,00	Request Transport For 15 Municipal Women Councillors To Attend Anc Women's Caucus Workshop In Ntbankulu Mpvc On The 16/10/2021	Core Function:Mayor And Council	Request Transport For 15 Municipal Women Councillors To Attend Anc Women's Caucus Workshop In Ntbankulu Mpvc On The 16/10/2021
2021/10/13	Your Media Today Communication	3 000,00	Request Re-Advertisement For Climate Change Strategy; Disaster Management Reviewal & Minor Maintenance Of Recreational Facilities.	Non-Core Function:Population Development	Request Re-Advertisement For Climate Change Strategy; Disaster Management Reviewal & Minor Maintenance Of Recreational Facilities.
2021/10/12	Your Media Today Communication	3 000,00	Request Re-Advertisement For Installation Of High Mast	Core Function:Project Management Unit	Request Re-Advertisement For Installation Of High Mast
2021/10/19	Iheans Travelling Agencies	3 153,60	Accommodation For Andile Mgqoma And Syabonga Dladla Mhatha Date In 19/10/2021 Date Out 20/10/2021	Core Function:Municipal Manager Town Se	Accommodation For Andile Mgqoma And Syabonga Dladla Mhatha Date In 19/10/2021 Date Out 20/10/2021
2021/10/13	Firstrand	3 434,00	Payment Request For 200 Litres Of Diesel 50ppm	Core Function:Finance	Payment Request For 200 Litres Of Diesel 50ppm
2021/10/21	Munsoft Ltd	3 450,00	Request For Microsoft Online Training For 4 Officials - Morlock; Ngcambe Nyamela And Tikiili	Core Function:Finance	Request For Munsoft Online Training For 4 Officials - Morlock; Ngcambe Nyamela And Tikiili
2021/10/14	Amajola Agricultural Primary	3 500,00	Catering Lunch Packs For 50 People For Ntshamathie Traditional Council 15th Of October 2021 At Mhlanga Village	Core Function:Mayor And Council	Catering Lunch Packs For 50 People For Ntshamathie Traditional Council 15th Of October 2021 At Mhlanga Village
2021/10/12	Your Media Today Communication	4 300,00	Request Advertisement For Virtual Ordinary Council Meeting To Be Held October 2021.	Core Function:Municipal Manager Town Se	Request Advertisement For Virtual Ordinary Council Meeting To Be Held October 2021.
2021/10/12	Shwale Trading 88 Pty Ltd	4 650,00	Request Water For The Traditional Leadership Meeting To Be Held On The At Council Chamber	Core Function:Mayor And Council	Request Water For The Traditional Leadership Meeting To Be Held On The At Council Chamber
2021/10/21	Alfred Nzo Community	5 000,00	Request Radio Slots Held On The 21/10/2021 For An Hour	Core Function:Finance	Request Radio Slots Held On The 21/10/2021 For An Hour

Date	Creditor Radio	Value	Specification	Function	Segment
2021/10/26	Izwi Le Afrika: Newspaper	5 200,00	1. Request For Advertisement To Procure Laptops For The New Council 2. Request For Advertisement Of Ict Risk Framework	Core Function:Human Resources	1. Request For Advertisement To Procure Laptops For The New Council 2. Request For Advertisement Of Ict Risk Framework
2021/10/26	Fakade Construction (Pty) Ltd	5 266,00	Request 2x 10kg Rice	Core Function:Mayor And Council	Request 2x 10kg Rice
2021/10/21	Usia Trading Enterprise	7 085,00	Request Lunch Packs For Constituency Work Programme To Be Held On The 20 October 2021 At Ward 01	Core Function:Mayor And Council	Request Lunch Packs For Constituency Work Programme To Be Held On The 20 October 2021 At Ward 01
2021/10/26	Iso News (Pty) Ltd	8 160,00	Request Advertisement For Epwp Protective Clothing For 223 Beneficiari	Core Function:Solid Removal	Request Advertisement For Epwp Protective Clothing For 223 Beneficiari
2021/10/11	Zusimise	9 350,00	Request Catering For 100 People That Will Be Attending The Cleaning Ca On The 8/10/2021 Around Bizana Cbd At 10:00	Core Function:Solid Removal	Request Catering For 100 People That Will Be Attending The Cleaning Ca On The 8/10/2021 Around Bizana Cbd At 10:00
2021/10/21	Siyabavuma Trading Cc	11 500,00	Request 3 Pole Tent For Prayer Session 2021 Local Government Elections Held On The 22 October 2021.	Core Function:Mayor And Council	Request 3 Pole Tent For Prayer Session 2021 Local Government Elections Held On The 22 October 2021.
2021/10/19	Mountzone Ltd	12 750,00	Catering Lunch Packs With Soft Drinks For 150 People For Community Edu To Be Held On The 19th Of October 2021 In Ward 24	Core Function:Mayor And Council	Catering Lunch Packs With Soft Drinks For 150 People For Community Edu To Be Held On The 19th Of October 2021 In Ward 24
2021/11/02	Firstrand	13 598,20	Payment Request For Diesel Tanker	Core Function:Finance	Payment Request For Diesel Tanker
2021/10/21	Cover Investment (Pty) Ltd	14 150,00	Request For Tellus S2 M68 201 (X2)	Core Function:Roads	Request For Tellus S2 M68 201 (X2)
2021/10/14	Ozwa And Tidos Trading Co-Oper	18 000,00	Request Catering For 200 People For Community Safety Forum On The 14/11 In Izikhuba A/A At 10:00.	Core Function:Police Traffic And Forces	Request Catering For 200 People For Community Safety Forum On The 14/11 In Izikhuba A/A At 10:00.
2021/10/19	Mvazanas Construction	19 000,00	Catering Lunch With Soft Drinks For 200 People For Mayoral Imbizo On 2 Strategic P	Core Function:Corporate Wide Strategic P	Catering Lunch With Soft Drinks For 200 People For Mayoral Imbizo On 2 Strategic P
2021/10/15	Faith Lwa 01 (Pty) Ltd	19 275,00	Request For White Printing Papers	Core Function:Finance	Request For White Printing Papers
2021/10/27	Driving Licence Card Account	21 014,00	Payment For Driving Licence Cards	Non-Core Function:Road And Traffic Regul	Payment For Driving Licence Cards
2021/10/21	African Compass Trading 37cc	21 520,00	Request Purchase Of A5 X 500 Pamphlets For Customer Care Program On The & 18/11/21 At The Library & Dlct Respectively	Core Function: Customer Relati	Request Purchase Of A5 X 500 Pamphlets For Customer Care Program On The & 18/11/21 At The Library & Dlct Respectively
2021/	Meylife	22 000,00	Request For Light Tear (Morning Tea) For 50 People For 28-29 October	Core Function: Human Resources	Request For Light Tear (Morning Tea) For 50 People

Date	Creditor Construction And Projec	Value	Specification	Function	Segment For 28-29 October
2021/10/27					
2021/11/02	Middle Center Trading	28 000,00	Request Lunch With Soft Drinks For Constituency Work Programme To Be H 29 October 2021 At Ward 14.	Core Function: Mayor And Council	Request Lunch With Soft Drinks For Constituency Work Programme To Be H 29 October 2021 At Ward 14.
2021/10/26	Tyy Constructor And Projects	28 000,00	Request Lunch Packs For The Community Meeting In Manylewa Village War 25/10/2021	Core Function: Mayor And Council	Request Lunch Packs For The Community Meeting In Manylewa Village War 25/10/2021
2021/10/19	Senzwa Civils And Project	28 300,00	Requesting Lunch Packs For 50 Vip Guests & 200 People For Mayoral Idp C Imbizo At Majola Tshulsha Community In Ward 29 On The 18th October 2022	Core Function: Corporate Wide Strategic P	Requesting Lunch Packs For 50 Vip Guests & 200 People For Mayoral Idp C Imbizo At Majola Tshulsha Community In Ward 29 On The 18th October 2022
2021/11/03	Kernel Group	29 900,00	Request For Seven Office Chairs For Officials Of Registry Office ;Sc And Hr Office	Core Function:Administrative And Corpora	Request For Seven Office Chairs For Officials Of Registry Office ;Sc And Hr Office
		365 711,80			

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	Creditor Name	Value	Specification	Function	Segment
2021/1 0/17	Asenal Construction	32 500,00	Tlb Hire For Removal Of Dead Horses; Donkeys And Cows	Core Function:Solid Waste Removal	Cacas Removals
2021/1 0/14	Black Capital Solutions	49 200,00	Payment For Branding Material- Gazebo	Core Function:Economic Development/Plann	Business Marketing Materials 1505 Conference
2021/1 0/26	Enterprises University Of Pret	92 000,00	Request Payment For Training On Graphicas Financial Reporting/Virtual Session To Be Attended By Mr N. Soduzuka; Mr S.Pato; Ms K. Gontseana An Nelmeni	Core Function:Finance	Al's Preparation & Caseware Training
2021/1 0/15	Phapha Zindela Holding	136 350,00	Transport For 21 Bicycles	Core Function:Economic Development/Plann	Tourism Awareness Transport Hire 1506
2021/1 0/14	Ncajana Trading And Projects	150 000,00	Payment For Supply And Delivery Of Grave Numbers	Core Function:Solid Waste Removal	Cemetery Maintenance
2021/1 0/28	The Mane's Pty Ltd	157 600,00	Payment To The Manes For Construction Of 6000 Septic Tanks	Core Function:Cemeteries Funeral Parlou	Sceptic Tank
2021/1 0/27	Isiqhamo Sa Bambo Pty Ltd	167 150,00	Transport For Ward 7;10;14 And 24 To Winnie Madikizela Mandela Commemo	Core Function:Mayor And Council	Hire Costs Legacy 505260188
2021/1 0/14	Sebekho Holdings	179 769,00	Payment Of Maps	Core Function:Finance	Finished Goods: Acquisitions
2021/1 0/15	Masinyane And Son (Pty) Ltd	196 000,00	First Aid Kits	Core Function:Economic Development/Plann	Anchor Led Projects
					1 160 569,00

11. Status of Tenders

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

a) Mini Tender progress for November 2021

NO	SUCCESSFUL TENDERER	AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED
23	SIHLE POT TRADING	R 93 850,00	WMM LM 27/09/21/S&D CM	SUPPLY AND DELIVERY OF CLEANING MATERIAL	2021/02/11
24	SIHLE POT TRADING	R 132 300,00	WMM LM /04/10/21 P IDP & AR	PRINTING OF IDP DOCUMENTS 2021/2022 AND ANNUAL REPORT 2019/2020	2021/03/10
25	SOLANGA SYENY PROJECTS	R 198 000,00	WMM LM/19/10/21 P LGI,B	PROCUREMENT OF LOCAL GOVERNMENT LEGISLATION BOOKLETS	2021/05/11
26	NCAJANA TRADING & PROJECTS	R 175 000,00	WMM LM /04/10/21 P AF	PROCUREMENT OF ANIMAL FEED	2021/12/11
27	LUDWALA INVESTMENT SERVICES	R 181 500,00	WMM LM/03/11/21/02 CSA	COMMUNITY AWARENESS CAMPAIGN	29/11/2021
			R 780 650,00		

b) Tenders awarded during the month of November 2021

Competitive Bidding

No tenders were awarded during the month of November 2021.

c) Status of current tenders

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
Social Relief Material	WMM LM 0064 SRM	Mr.D.N.Lophoko	Monday, 23 August 2021	Friday, 13 August 2021	91	November 2021	To be re-advertised
Panel for Land Survey Services	MBZLM00069PLS	Mr. V. Nontanda	Monday, 02 August 2021	Wednesday, 11 August 2021	90	October 2021	To be re-advertised
Supply & Installation of High Mast Lights	MBZ LM 00074 ISU&P	Mr. V. Nontanda	Monday, 02 August 2021	Wednesday, 11 August 2021	90	October 2021	To be re-advertised
Fencing of Mzamiba Community Hall & Extension of Dudlumeni Hall	MBZ LM /02/02/01 FEW	Ms. N. Xoko	Friday, 03 September 2021	Wednesday, 11 August 2021	90	December 2021	To be evaluated
Reviewal of Disaster Management plan	MBZ LM 29/09/20/ R DRMP	Ms. Xoko	Monday, 27 September 2021	Wednesday, 11 August 2021	90	December 2021	To be re-advertised
Reviewal of Climate change strategy	MBZ LM 11/02/21/01 CCS	Ms. Xoko	Tuesday, 28 September 2021	Wednesday, 11 August 2021	90	December 2021	To be re-advertised
Minor Maintenance of Recreational Facilities (1GB)	MBZ LM 16/09/20/01 MRF	Ms. N. Xoko	Monday, 26 July 2021	Wednesday, 11 August 2021	90	October 2021	To be re-advertised
Provision of car wash for 36 months	WMM LM 0089 PCWS	Ms. N. Rabie	Wednesday, 04 August 2021	Friday, 13 August 2021	90	November 2021	to be adjudicated
Supply and Delivery of Furniture	WMM LM 05/05/21/01 OFF	Ms. N. Rabie	Thursday, 03 June 2021	Wednesday, 28 July 2021	90	September 2021	to be adjudicate d
Procurement of Streets lights	MBZ LM 21/07/21/02	Mr. V. Nontanda	Friday, 13 August 2021	90	Thursday, 11	To be re-	

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
PSL			August 2021	2021		November 2021	advertised
Socio-Economic Infrastructure Assessment Study	WMM LM 004/ S-EIAS	Ms. N. Rabie	Friday, 13 August 2021	2021	90	November 2021	To be re-advertised
Replacement of Ring Main Unit (RMU)	WMM LM 10/08/21/02 RRNU	Mr. V. Mqina	Thursday, 02 September 2021	Wednesday, 24 March 4917	90	December 2021	to be adjudicate d
Multi Utility Online Pre-paid Electricity Vending Management System	WMM LM 02/06/21/03	Mr. S. Morlock	Monday, 12 July 2021	Friday, 13 August 2021	90	October 2021	to be adjudicate d
Mapheleli via Mbombazi to dutyini Access Road	WMM LM 08/10/21/02 MDA	Mr. V. Nontanda	Monday, 04 October 2021	Monday, 08 November 2021	90	Tuesday, 06 July 2021	to be adjudicate d
Leonard to Simakadeni Access Road	WMM LM 08/10/21/01 LSA	Mr. V. Nontanda	Tuesday, 05 October 2021	Monday, 08 November 2021	90	Wednesday, 07 July 2021	to be adjudicate d
VAV Memorial College Access Road	WMM LM 08/10/21/03	Mr. V. Nontanda	Wednesday, 06 October 2021	Monday, 08 November 2021	90	Thursday, 08 July 2021	to be adjudicate d
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	Saturday, 03 July 2021	to be appointed
Repairs and Maintenance of Municipal Main Building	WMM LM 17/09/21/01 RMV	Mr. V. Nontanda	Monday, 25 October 2021	Tuesday, 05 October 2021	90	Tuesday, 27 July 2021	to be evaluated
Repairs and Maintenance of Cultural Village	WMM LM 17/09/21/02 RCV	Mr. V. Nontanda	Tuesday, 26 October 2021	Wednesday, 06 October 2021	90	Wednesday, 28 July 2021	to be evaluated
Repairs and Maintenance of DLTC	WMM LM 17/09/21/02 RDL	Mr. V. Nontanda	Wednesday, 27 October 2021	Thursday, 07 October 2021	90	Thursday, 29 July 2021	to be evaluated
Supply and Delivery of Electricity Material and Tools	WMM LM 12/10/21/01 EMT	Not Appointed	Friday, 05 November 2021	Not Appointed	90	Saturday, 07 August 2021	to be appointed

d) Deviations

No deviations were approved during the month.

e) Fruitless and Wasteful Expenditure

No fruitless and wasteful expenditure identified during the month.

12. Database rotation

The following table indicates the service providers that have been utilised for the month of November 2021. This is in keeping in line with demonstrating that we are making strides in ensuring that there is rotation of service providers and no single provider is preferred.

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	ward no
MR FABULOUS HOLDINGS	PO BOX 495 PORT EDWARD 4295	Non-core Function:Population Development	2021/11/03	968,00	OPEN	Ward 24
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Municipal Manager Town Se	2021/11/19	200,00	RECEIVE D	Kokstad
LIKHO TRADING CC	P O BOX 229 BIZANA WARD 17 4800	Core Function:Mayor and Council	2021/11/25	1	OPEN	Ward 17
GROUP TWO MED A COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Human Resources	2021/11/11	920,00	RECEIVE D	Kokstad
GROUP TWO MED A COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Non-core Function:Population Development	2021/11/11	920,00	RECEIVE D	Kokstad
GROUP TWO MED A COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Municipal Manager Town Se	2021/11/11	960,00	RECEIVE D	Kokstad
GROUP TWO MED A COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Economic Development/Plann	2021/12/03	000,00	OPEN	Kokstad
GROUP TWO MED A COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Human Resources	2021/11/26	000,00	OPEN	Kokstad
YOUR MEDIA COMMUNICATIO	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Core Function:Municipal Manager Town Se	2021/11/19	000,00	RECEIVE D	Kokstad
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Core Function:Mayor and Council	2021/11/05	000,00	RECEIVE D	Ward 31
SAN-SIT EVENTS MANAGEMENT	P O BOX 210447 NYANISWENI BIZANA 4800	Core Function:Mayor and Council	2021/11/24	000,00	RECEIVE D	Ward 30
PONDO NEWS	BOX 1275 KOKSTAD	Core Function:Administrative and Corpora	2021/11/11	726,00	RECEIVE D	Kokstad
BEAT BY BEAT 1995	P/BAG 609 WARD 19 BIZANA 4800	Core Function:Mayor and Council	2021/11/	3	RECEIVE	Kokstad

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	ward no
YOUR MEDIA COMMUNICATION	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Non-core Development	2021/11/11	4 000,00	RECEIVE D	Kokstad
YOUR MEDIA COMMUNICATION	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Core Function:Municipal Town Se	2021/11/11	4 000,00	RECEIVE D	Kokstad
PONDO NEWS	BOX 1275 KOKSTAD	Core Function:Human Resources	2021/11/11	5 796,00	RECEIVE D	Kokstad
ARENA HOLDINGS,	P.O BOX 2447 CAPE TOWN 8000 8000	Core Function:Human Resources	2021/11/11	7 783,20	OPEN	East London
ARENA HOLDINGS,	P.O BOX 2447 CAPE TOWN 8000 8000	Administrative and Support:Cor	2021/12/03	7 897,05	OPEN	East London
AFRICAN COMPASS TRADING 37CC	BCX 555 BIZANA WARD 31 4800	Core Development/Plann	2021/11/18	8 250,00	RECEIVE D	Ward 31
ARENA HOLDINGS,	P.O BOX 2447 CAPE TOWN 8000 8000	Core Function:Supply Management	2021/11/11	9 401,25	OPEN	East London
TABZOE TRADING\$ (PTY) LTD	P O BOX 210639 BIZANA WARD 14 4800	Finance:Default	2021/11/08	14 487,16	RECEIVE D	Ward 14
SUPA QUICK	BIZANA MAIN STREET BIZANA 4800	Core Function:Solid Waste Removal	2021/11/10	15 204,01	OPEN	Ward 1
DIAMOND PRIDE ENTERPRISE	P.O BOX 210563 BIZANA WARD 12	Core Function:Finance	2021/11/18	16 500,00	RECEIVE D	Ward 12
SINQINTO PRIMARY	P O BOX 210381 BIZANA WARD 27 4800	Core Function:Mayor and Council	2021/11/08	620,00	RECEIVE D	Ward 27
PHAPHA ZINDELA HOLDING	P O BOX 35 WARD 30 BIZANA 4800	Core Function:Tourism	2021/11/10	17 950,00	RECEIVE D	Ward 30
PHAPHA ZINDELA HOLDING	P O BOX 35 WARD 30 BIZANA 4800	Core Function:Tourism	2021/11/10	950,00	RECEIVE D	Ward 30
DRIVING LICENSE ACCOUNT	P.O. BOX 25223 MONUMENT PRETORIA 0105	Non-core Function:Road and Traffic Regul	2021/11/26	18 328,00	RECEIVE D	Pretoria
ONGEZWA HOLDINGS PTY LTD	BOX 210168 BIZANA WARD 23 4800	Core Function:Roads	2021/11/23	OPEN	Ward 23	

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Ward no
MVAZANAS CONSTRUCTION	P O BOX 2105170 WARD 1 BIZANA 4800	Core Function:Solid Waste Removal	2021/11/10	27 200,00	RECEIVE D	Ward 1
WANDILE AND SONS TRADING	P.O BOX 39274 HARDING WARD 4800	Core Function:Police Forces Traffic and	2021/11/05	29 000,00	OPEN	Ward 32
Total				272 155,67		

PART 2 – SUPPORTING DOCUMENTATION

1. The impact of COVID-19 to the municipality

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

As a result, the Minister of Finance issued a conditional Exemption Notice in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) on 30 March 2020 to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster.

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

Below are some of the areas that have been greatly affected and will continue to be affected as long COVID-19 is still within our shores.

a. Financial Performance

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

- i. Refuse removal

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

ii. Electricity distribution

The municipality provides electricity in the town area with businesses forming the bigger part of the municipality's revenue generation capacity. With most of these businesses currently operating at reduced capacity, it means less electricity will be consumed and therefore less revenue generated.

iii. Licences and permits

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

2. Audit progress

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

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

The following milestones have been covered:

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

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

The audit process was then concluded and the audit report was not signed by 30 November as required due to additional audit requirements by the National Office of the Auditor General for all municipalities in the Eastern Cape that were in the process of constructing a stadium, following the bad media publicity on the matter during the build up to November 2021.

3. Implementation of the Finance Management Internship Programme

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

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

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

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

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

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

The municipality is also in the process of recruiting two additional Financial Management Interns to make the required number of 5. This was anticipated to be concluded by 30 June 2021 but due to unconfirmed reasons the process has not been concluded. Shortlisting and interviews were then concluded during the month of November with the commencement of successful candidates expected to be in December 2021.

4. Debtors' analysis

Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	NT Code	Budget Year 2021/22						Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days			
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,440	1,307	1,521	1,346	1,374	11,112	-	19,299	13,832
Receivables from Non-exchange Transactions - Property Rates	1400	780	551	536	596	8,570	24,667	-	35,700	33,832
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	382	281	274	261	258	8,000	-	9,455	8,518
Receivables from Exchange Transactions - Property Rental Debtors	1700	322	6	6	19	(125)	561	-	791	455
Interest on Arrear Debtor Accounts	1810	173	168	166	166	159	12,331	-	13,163	12,656
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	310	205	196	190	127	3,203	-	4,231	3,519
Total By Income Source	2000	4,407	2,719	2,700	2,578	10,362	59,873	-	82,639	72,813
2020/21 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2200	868	904	896	916	8,904	27,623	-	40,111	37,442
Commercial	2300	3,238	1,546	1,545	1,440	1,224	20,304	-	29,297	22,968
Households	2400	301	270	258	222	234	11,947	-	13,231	12,403
Other	2500	(0)	0	0	(0)	(0)	-	-	0	(0)
Total By Customer Group	2600	4,407	2,719	2,700	2,578	10,362	59,873	-	82,639	72,813

The table above shows municipal debtors for the month of November 2021 per income source and per customer group. It should be noted that the municipality's leading source of income when it comes to debtors is property rate followed by interest on arrears which is an indication that we have more debtors that have stayed for longer periods outstanding. It should also be noted that the municipality's majority of debtors are more than 150 days old. This could prompt a write-off at some point if these are not collected as they overstate the municipality's balance sheet.

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

5. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description R thousands	NT Code	Budget Year 2021/22								Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
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	161								161
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	161	-	-	-	-	-	-	-	161

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 - M05 November

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 %	Commissio n Paid (Rand\$)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0.002061642	0	N/A	not fixed	3,779	8	(3,787)	-	(0)
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0.001208922	0	N/A	not fixed	1,642	2	(1,644)	-	(0)
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.001851796	0	N/A	not fixed	296,886	550	(40,606)	100,000	356,830
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0.002136985	0	N/A	not fixed	920	2	-	-	922
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0.002136985	0	N/A	not fixed	898	2	-	-	900
FNB CALL DEPOSIT ACCOUNT(62896110170)		Not fixed	Call Deposit	No	Variable	0.002137047	0	N/A	not fixed	38	0	-	-	38
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.002136016	0	N/A	not fixed	68	0	-	-	68
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	0.002136986	0	N/A	not fixed	1,717	4	(4)	-	1,717
Municipality sub-total										305,948		(46,040)	100,000	360,475
Entities														
Entities sub-total														
TOTAL INVESTMENTS AND INTEREST	2									305,948		(46,040)	100,000	360,475

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents increased during the month by over R54 million which lead to an increase in its investments for the month of November 2021. It should however be noted that this only reflects the difference between what was received and what was spent.

7. Allocation and grant receipts and expenditure

a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05 November

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:										
Local Government Equitable Share		—	323,643	—	8,000	141,568	134,851	6,717	5.0%	323,643
Finance Management			289,620	—	—	120,675	120,675	—		289,620
EPWP Incentive			2,000	—	—	2,000	833	1,167	140.0%	2,000
Integrated National Electrification Programme			3,570	—	—	893	1,488	(595)	-40.0%	3,570
			28,453	—	8,000	18,000	11,855	6,145	51.8%	28,453
Other transfers and grants [insert description]										
Provincial Government:	3									
Sport and Recreation		—	500	—	—	500	208	292	140.0%	500
			500	—	—	500	208	292	140.0%	500
Other transfers and grants [insert description]										
District Municipality:	4									
[insert description]		—	—	—	—	—	—	—		—
Other grant providers:										
[insert description]		—	—	—	—	—	—	—		—
Total Operating Transfers and Grants	5	—	324,143	—	8,000	142,068	135,060	7,008	5.2%	324,143
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		—	70,843	—	—	9,758	29,518	(11,502)	-39.0%	70,843
Neighbourhood Development Partnership			51,023	—	—	9,758	21,260	(11,502)	-54.1%	51,023
			19,820	—	—	—	8,258			19,820
Other capital transfers [insert description]										
Provincial Government:										
[insert description]		—	—	—	—	—	—	—		—
District Municipality:										
[insert description]		—	—	—	—	—	—	—		—
Other grant providers:										
[insert description]		—	—	—	—	—	—	—		—
Total Capital Transfers and Grants	5	—	70,843	—	—	9,758	29,518	(11,502)	-39.0%	70,843
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	—	394,986	—	8,000	151,826	164,577	(4,493)	-2.7%	394,986

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

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:		-	323,643	-	34,240	95,025	134,851	(39,827)	-29.5%	323,643	
Local Government Equitable Share			289,620	-	20,260	70,387	120,675	(50,288)	-41.7%	289,620	
Finance Management			2,000	-	314	833	833	(1)	-0.1%	2,000	
EPWP Incentive			3,570	-	585	2,445	1,488	958	64.4%	3,570	
Integrated National Electrification Programme			28,453	-	13,080	21,360	11,855	9,504	80.2%	28,453	
Other transfers and grants [insert description]								-	-		
Provincial Government:		-	500	-	11	87	208	(121)	-58.1%	500	
Sport and Recreation			500	-	11	87	208	(121)	-58.1%	500	
Other transfers and grants [insert description]								-	-		
District Municipality:		-	-	-	-	-	-	-	-	-	
[insert description]								-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-	
[insert description]								-	-		
Total operating expenditure of Transfers and Grants:		-	324,143	-	34,250	95,112	135,060	(39,948)	-29.6%	324,143	
Capital expenditure of Transfers and Grants											
National Government:		-	70,843	-	5,779	13,092	29,518	(16,426)	-55.6%	70,843	
Municipal Infrastructure Grant (MIG)			51,023	-	5,779	13,092	21,260	(8,168)	-38.4%	51,023	
Neighbourhood Development Partnership			19,820	-	-	-	8,258	(8,258)	-100.0%	19,820	
Other capital transfers [insert description]								-	-		
Provincial Government:		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants		-	70,843	-	5,779	13,092	29,518	(16,426)	-55.6%	70,843	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	394,986	-	40,029	108,204	164,577	(56,373)	-34.3%	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 - M05

Description R thousands	Ref	Budget Year 2021/22				
		Approved Rollover 2020/21	Monthly actual	YearTD actual	YTD variance	YTD variance %
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 - M05 November

Description R thousands	Ref 1	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	
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			56,951	—	558	16,158	23,730	(7,571)	-32%	56,951	
Service charges			29,346	—	3,431	17,404	12,228	5,176	42%	29,346	
Other revenue			8,896	—	731	3,219	3,707	(488)	-13%	8,896	
Transfers and Subsidies - Operational			295,690	—	—	124,068	123,204	864	1%	295,690	
Transfers and Subsidies - Capital			99,296	—	8,000	28,513	41,373	(12,860)	-31%	99,296	
Interest			10,047	—	2,877	4,644	4,186	458	11%	10,047	
Dividends					—	—	—	—			
Payments											
Suppliers and employees			(370,638)	—	(37,178)	(143,330)	(154,433)	(11,103)	7%	(370,638)	
Finance charges			(50)	—	—	—	(21)	(21)	100%	(50)	
Transfers and Grants						—	—	—			
NET CASH FROM/(USED) OPERATING ACTIVITIES		—	129,537	—	(21,581)	50,676	53,974	3,298	6%	129,537	
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE								—			
Decrease (increase) in non-current receivables								—			
Decrease (increase) in non-current investments					100,000	100,000	—	100,000	#DIV/0!		
Payments											
Capital assets			(119,176)	—	(18,634)	(40,416)	(49,657)	(9,241)	19%	(119,176)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		—	(119,176)	—	81,366	59,584	(49,657)	(109,241)	220%	(119,176)	
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans								—			
Borrowing long term/refinancing								—			
Increase (decrease) in consumer deposits								—		(503)	
Payments											
Repayment of borrowing								—			
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—		(503)	
NET INCREASE/ (DECREASE) IN CASH HELD		—	10,361	—	59,785	110,260	4,317			9,858	
Cash/cash equivalents at beginning:			181,236		308,635	258,161	181,236			258,161	
Cash/cash equivalents at month/year end:		—	191,598	—	368,421	185,554				268,019	

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 - M05 November

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		12,892	-	7,946	12,892	
Call investment deposits		178,706	-	360,475	178,706	
Consumer debtors		46,512	-	59,529	46,512	
Other debtors		37,398	-	61,332	37,398	
Current portion of long-term receivables		-	-	-	-	
Inventory		1,524	-	973	1,524	
Total current assets		-	277,032	-	490,256	277,032
Non current assets						
Long-term receivables						
Investments				(99,999)		
Investment property		32,436	-	36,655	32,436	
Investments in Associate		-	-	-	-	
Property, plant and equipment		755,509	-	719,226	755,509	
Biological						
Intangible		73	-	25	73	
Other non-current assets		1,341	-	1,231	1,341	
Total non current assets		-	789,359	-	657,137	789,359
TOTAL ASSETS		-	1,066,391	-	1,147,393	1,066,391
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits		503	-	458	503	
Trade and other payables		28,928	-	39,374	28,928	
Provisions		19,953	-	18,859	19,953	
Total current Liabilities		-	49,384	-	58,691	49,384
Non current liabilities						
Borrowing						
Provisions		5,495	-	5,246	5,495	
Total non current Liabilities		-	5,495	-	5,246	5,495
TOTAL LIABILITIES		-	54,879	-	63,938	54,878
NET ASSETS	2	-	1,011,512	-	1,083,455	1,011,512
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,011,512	-	1,083,455	1,011,512	
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	-	1,011,512	-	1,083,455	1,011,512

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

10. Municipal Manager's quality certification

Quality Certificate

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

The monthly budget statement

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

Print name: Levuyo Mhlaka

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

Signature: [Signature]

Date: 10/12/2021