



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

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF OCTOBER 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 fourth report of the 2021/22 financial year which should give an indication of how the municipality has performed on its first four months of operation in the indicated year. This is generally a report 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.

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.

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			Budget Source				Budget: MTRF		
Sub-Resu-lt Area	Strategic Objective No.	Objectiv-e	Basei-ne Infor-mation	Project to be Implemented	KPI No.	KP I Weigh-t	Means of Verificati-on	Budg-et	W AR D
Revenue Management	To achieve 100% billing for all services that are to be billed by June 2022	Strategic Objective No. 4.1	Electricity meters are read, recorded, and captured manually	Reading of electricity meters	Accurate billing of electricity consumption	4.1	Reading of 78 electric city meters utilizing the Automated system by June 2022	R 700.00	Yes
Revenue Management	Revenue collection trends are decreasing posing a threat to the municipality's going concern	Strategic Objective No. 4.1	Training of meter reader	Training of meter reader	Training of meter reader	4.1	Training of meter reader	R 700.00	No

KPA N0 4: Budget & Treasury

Outcome 9 Objective							Budget Source							Budget: MTREF		W A R D		Responsible Sector	
Sub-Resu lt Area	Issue No.	Strat egic Objec tive	Obj ectiv e No.	Strateg ic Strategies	Basei ne Inform ation	Project to be Implemented													
	n				90% billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse,electricity and property rates	4. 1. 3	0.5	Billing of 246 consumer accounts for Property rates, refuse and electricity by June 2022	12 monthly Billing Report	R -	N/ A	0	Billing of 246 consumer accounts for Property rates, refuse and electricity	Billing of 246 consumer accounts for Property rates, refuse and electricity	Wa rd 1	Manager: Revenue and Expenses		
					Completion of billing processes by the 3rd day of each following month	Billing completed beyond the 3rd day of each month following the completion of the master database	4. 1. 4	0.5	Billing compiled by the 3rd day of each month following the billing month by June 2022	12 Month end closing Reports	R -	N/ A	0	Perfom month end procedure for consumer debtors	Perfom month end procedure for consumer debtors	Wa rd 1	Manager: Revenue and Expenses		
					Sending of monthly statement using emails and sms's	Distribution of electro nical monthly 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	Wa rd 1	Manager: Revenue and Expenses		

KPA N0 4: Budget & Treasury

Outcome 9 Objective								Budget Source				Budget: MTREF		W AR D		Responsible Sector		Responsible Agency	
Sub-Result Area	Strategic Objective No.	Objective	Strategic No.	Base Information	Project to be Implemented														
				Revenue Enhancement Strategy	Monitoring of the Revenue enhancement Strategy Action Plan	Improved revenue collection and generation	Implementation of the Revenue enhancement Strategy	4 Quarterly Revenue enhancement Committee minutes and attendance register	R -	N/A	0	Quarterly Revenue enhancement meeting	Quarterly Revenue enhancement meeting	Wa rd 1	Wa rd 1	Manager	Revenue and Expenditure		
				Implementation of the Revenue enhancement Strategy review ed in 2019/20	Action Plan by June 2022														
To achieve at least 95% collection of all debt	4.2	Implementation of credit control measures	4.2	Long outstanding debts which are more than 365 days	Debtors age analysis reflecting debtor's within 90 days	Outsourcing of collection services	Outsourcing of collection services	4.2.1	0.5	Yes	500.00	Investigate accounts that are beyond 90 days over 90 days by June 2022.	Investigate accounts that are beyond 90 days by June 2022	n/a	n/a	Wa rd 1	Wa rd 1	Manager	Revenue and Expenditure

KPA No 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				W A R D		Responsible Sector	
Sub-Resu It Area	Issue	Strat egic Objec tive	Obj ectiv e No.	Strateg ic Strateg ies	Basede ne Inform ation	Project to be Implemented				Budget Source							
	Accou nts with errors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	4.3	Performance of monthly debtors - rates and investment reconciliations	Monthly review of debtors, rates and investment reconciliation by the 7th working day of each month	Accurate and complete reconciliation s	4. 3. 1	0.5	12 monthly review ed debtors.12 investment s and 12 rates reconciliation by June 2022	R N/ A	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	Manager: Reve nue and Expen diture		
	Invoic es not submitted within 30 days in compliance of receipt for payment with the MFM A by June 2022	To pay credit ors within 30 days in compl iance with receipt for payment	4.4	Enforce ment of system descriptions to reach BTO for payment payable policy	Invoice s still taking longer to reach BTO per the Account payable policy	Age analysi s reflecting credito rs within 30 days	4. 4. 1	0.5	Payme nt of all present ed acceptable invoice s within 30 days from receipt of invoice by June 2022	R N/ A	Payme nt of credito rs within 30 days	Payme nt of credito rs within 30 days	Payme nt of credito rs within 30 days	Ad min Off ices	Manager: Reve nue and Expen diture		
	Datast ring s that are submit ted with incom plete inform ation and month end proce dures that are not	To achie ve a clean audit as at 30 June 2022	4.5	Develo p sound, strict and effectiv e proced ures for reporti ng	Non implementatio n of all monthly proced ures	Implementing of month end procedures for modules(credit ors,cashbook,G L)	4. 5. 1	0.5	Submit ting monthly datast ring s and Report s not later than 10 working days after month end by June	R N/ A	Submit ting monthly datast ring s and Report s not later than 10 working days after month end by June	Submit ting monthly datast ring s and Report s not later than 10 working days after month end by June	Submit ting monthly datast ring s and Report s not later than 10 working days after month end by June	Expenditure Management	Manager: Reve nue and Expen diture		

KPA № 4: Budget & Treasury

Outcome 9 Objective									
Sub-Result Area	Issue No.	Strategic Objective	Objectiv e No.	Strateg ic Objecti ve	Baseli ne Information	Project to be Implemented	Budget Source	Budget: M/TREF	W AR D
Responsible Agent	Section	Responsible Agent	Section	Responsible Agent	Section	Responsible Agent	Section	Responsible Agent	Section
Inaccurate and incomplete commitment register	performed on time	Commitment register with material missatements	Monthly review of commitment register by the 7th working day of each month	Accurate and complete commitment register	12 monthly review	12 signed commitment register by June 2022	N/A	Preparation of 3 Committment register	Preparation of 3 Commitment register
Creditors and grants with errors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	Performance of monthly Conditional Grants, creditors' retention and vat reconciliation by the 7th working day of each month	Monthly review of Conditional Grants, creditors' retention and vat reconciliation by the 7th working day of each month	Accurate and complete reconciliation	12 monthly review	12 Signed monthly Conditional grants, 12 creditors, 12 credit rs, 12 retention and 12 vat reconciliati ons	N/A	Preparation of 3 monthly credito rs, 3 retention and 3 vat reconciliations	Preparation of 3 monthly credito rs, 3 retention and 3 vat reconciliations
Payroll accounts with errors taking longer to identify and resolve	June 2022	Performance of monthly payroll reconciliation	Monthly review of payroll reconciliation by the 7th working day of each month	Accurate and complete payroll reconciliation	12 monthly review	12 Signed monthly payroll reconciliation by June 2022	N/A	Preparation of 3 monthly payroll reconciliations	Preparation of 3 monthly payroll reconciliations

KPA N0.4: Budget & Treasury

Outcome 9 Objective									
Sub-Result Area	Issue	Strategic Objective No.	Objective No.	Strategic Objectives	Baseline Information	Project to be Implemented	Budget Source	Budget: MTREF	WARD
									Responsible Sector
	To have an effective and reliable filing space and system for the volume of documents in the Budget and Treasury office	4.7	Inadequate filing system for SCM and all award tender documents and payment vouchers	Conversion of Supply Chain Management filing to electronic for old documents already audited	Conversion of information into electronic documents	Electroic filing system setup and loading of Budget and Treasury documents	N/A	R	Admin Offices
	No clear monitoring of the procurement plan	4.8	To have fully capacitated Supply Chain Management Personnel	Monitoring of adherence to the procurement plan	Approved procurement plan with no clear monitoring plan	Report on adherence to the procurement plan	N/A	Signed report by the SCM Manager	Supply Chain Management
	Supplier Database not updated annually		Supplier and effective procurement system	Calling of all suppliers to update their information that expired in the past	Update supplier Database	Supplier Database with most bidders shown	R 5,000.00	Advertisement and Microsoft audit trial during the year by	Administrative Offices
				Annual update of the supplier database	Annual update of the supplier database		0	Publication of the call to suppliers to update their information	Suppliers information update d
								300 Suppliers	1200 Suppliers information update d
								600 Suppliers	600 Suppliers information update d

Supply Chain Management

KPA N0 4: Budget & Treasury

Outcome 9 Objective		Project to be Implemented				Budget Source		Budget: MTREF		WARD		Responsible Section		Responsive Agent		
Sub-Result Area	Strategic Objectives	Objective No.	Strategies	Baseline Information	Project to be Implemented											
SCM personnel not regularly trained on updates regularly	Communication of all updates on SCM matters	Senior Managers	Updates only communicated to Managers and Senior Managers	Training of all SCM officials on updates on SCM matters	Capacitated SCM Officials with relevant knowledge	Email confirmations	R	N/A	Distribution to all SCM officials of changes and update s between March 2021 to September 2021	Distribution to all SCM officials of changes and update s between October 2021 to June 2022	Admin Offic es	Manager: SCM	Manager: SCM			
Inadequate contract management processes	Monthly review of all existing contracts	Contract register to be reviewed and signed monthly	Reviewed contact register	12 monthly contracts	12 signed contract registers	R	N/A	3 monthly contracts	3 monthly contracts	3 monthly contracts	Admin Offic es	Manager: SCM	Manager: SCM			
The municipality needs to comply with all statutory training requirement	Official is operating with outdated information relevant to their section	Training of Supply Chain Management Personnel	Capacitated SCM Officials with relevant knowledge	Training of SCM Officials by 30 June 2022	Training of 1 Manager and 1 SCM officer on CIPS by June 2022	Proof of attendance	R	N/A	5 Classes attended	5 Classes attended	Admin Offic es	Manager: SCM	Manager: SCM			

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget Source				Budget: MTREF			W-AR-D		Responsible Sector		Responsive Agent	
Sub-Result Area	Strategic Objective	Objective No.	Strategic Objectives	Baseline Information	Project to be Implemented																	
All assets of the municipality to be accounted for in terms of their value, status and location	To accurately account for the value and location of all municipal assets by 30 June 2022	4.9	Annual review of the asset management policy and update of the fixed asset register	Quarterly update of the fixed asset register	Performing quarterly asset verification within 30 days of the end of each quarter	Accounting for all municipal assets	Move ment of assets without Asset Management office being notified	4.0.5	4 Signed Assets verification Report by June 2022	4	Quarterly Assets verification Report by June 2022	R	N/A	Quarterly verification of Assets	Quarterly verification of Assets	Quarterly verification of Assets	all war ds	Asset Management	Manager: Asset s and Stores	Asset Management	Manager: Asset s and Stores	
Stores function on that is not fully structured and properly managed	To correctly and effectively manage stores function on the municipality	4.10	Quarterly update of the stock count items to ensure adequate levels are kept at all times	Only one stock count items to perform at least once each quarter	Stock updates at least once each quarter	4 stock count reports	Move ment of assets without Asset Management office being notified	4.10.1	4 stock count reports	4	Quarterly Assets verification Report by June 2022	R	N/A	Quarterly verification of Assets	Quarterly verification of Assets	Quarterly verification of Assets	all war ds	Asset Management	Manager: Asset s and Stores	Asset Management	Manager: Asset s and Stores	
Asset and Stores Management										Budget Source				Budget: MTREF			W-AR-D		Responsible Sector		Responsive Agent	
Stores function on that is not fully structured and properly managed	To correctly and effectively manage stores function on the municipality	4.10	Quarterly update of the stock count items to perform at least once each quarter	Only one stock count items to perform at least once each quarter	Stock updates at least once each quarter	4 stock count reports	Move ment of assets without Asset Management office being notified	4.10.1	4 stock count reports	4	Quarterly Assets verification Report by June 2022	R	N/A	Quarterly verification of Assets	Quarterly verification of Assets	Quarterly verification of Assets	all war ds	Asset Management	Manager: Asset s and Stores	Asset Management	Manager: Asset s and Stores	

KPA N°4: Budget & Treasury

Outcome 9: Objective										Budget: MTREF				W A R D		Responsible Section	
Sub-Result Area	Issue	Strategic Objective	Objectiv e No.	Project to be Implemented	Baseline Information	Budget Source	Budget: MTREF	W A R D	Responsible Section	Responsible Agent							
	To complete Annual Financial Statement that complies with all requirements as at 30 June 2022	Develop sound, strict and effective procedures for the compilation of AFS	Audited Annual Financial Statement 2019/20 with compliance findings	Credible Annual Financial Statement submitted by 30 May 2021	AFS and proof of submission to AG, Proof of payment, Interim Financial statements	Submit 2020/21 Annual Financial Statements as at 30 June 2021 submitted by 31 August 2021	Renew of Casew are License	n/a	Report ing	Manager: Budget and Reporting							
	Financial statements with non-compliance with laws	To achieve a clean audit as at 30 June 2022	Audited Annual Financial Statement for 2019/20 with compliance findings	Manage the external audit by the office of the Auditor General to ensure smooth running	Proof of submission to AG, COAF register, Audit Action Plan, updated Audit Action Plan	Submit 2019/20 Annual Financial Statements to the AG	Respo nd to AG's queries and provide e CoAF register	m/a	Report ing	Manager: Budget and Reporting							
	Financial Reporting	Performance of Monthly bank reconciliations	Reconciliation monthly reconciliations by the 7th working day of each month	Signed monthly reconciliations	12 Review ed bank reconciliations by June 2022	12 Signed Bank Reconciliati on	N/ A	Prepar ation of 3 Bank Reconciliatio n	Ad min Offic es	Manager: Budget and Reporting							

KPA N0 4: Budget & Treasury

Outcome 9 Objective									
Sub-Result Area	Strategic Objective No.	Objectives	Baseline Information	Project to be Implemented			Budget Source	Budget: MTREF	WARD
Issue	Section	Strategic Objectives	Strategies	Implementation					Responsible Section
Non compliance with statutory requirements	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 12 signed s71 Report	R -	N/A
The municipality needs to comply with all municipal budgeting and reporting requirements	Adhere to compliance with all municipal budgeting and reporting requirements	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 Signed s52 Reports and 4 FMG Quarterly Reports	R -	N/A
Budgeting	The municipality needs to comply with all municipal budgeting and reporting requirements		Preparation and submission of all in-year statutorily reports	Submission of the s72 report by the 25th of January 2022	Signed mid-year assessment report	4.13 0.5	Proof of submission s72 Report by the 25th of Jan 2022	R -	N/A

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 - M04 October

Description R thousands	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
Financial Performance									
Property rates	-	26,171	-	561	16,793	8,724	8,069	92%	26,171
Service charges	-	43,474	-	3,283	13,461	14,491	(1,030)	-7%	43,474
Investment revenue	-	10,047	-	335	1,768	3,349	(1,581)	-47%	10,047
Transfers and subsidies	-	295,690	-	642	123,130	98,563	24,567	25%	295,690
Other own revenue	-	14,651	-	1,013	3,987	4,884	(897)	-18%	14,651
Total Revenue (excluding capital transfers and contributions)	-	390,032	-	5,835	159,139	130,011	29,128	22%	390,032
Employee costs	-	126,854	-	10,127	36,422	42,285	(5,863)	-14%	126,854
Remuneration of Councilors	-	26,007	-	2,000	8,001	8,669	(668)	-8%	26,007
Depreciation & asset impairment	-	52,682	-	3,572	14,282	17,561	(3,278)	-19%	52,682
Finance charges	-	150	-	-	-	50	(50)	-100%	150
Inventory consumed and bulk purchases	-	48,440	-	3,161	13,832	16,147	(2,315)	-14%	48,440
Transfers and subsidies	-	5,907	-	196	196	1,969	(1,773)	-90%	5,907
Other expenditure	-	173,490	-	17,045	38,496	57,830	(19,334)	-33%	173,490
Total Expenditure	-	433,529	-	36,102	111,230	144,510	(33,280)	-23%	433,529
Surplus/(Deficit)	-	(43,497)	-	(30,267)	47,909	(14,499)	62,408	-430%	(43,497)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	99,296	-	6,665	15,593	33,099	###	-53%	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	-	(23,602)	63,502	18,600	44,903	241%	55,799
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	55,799	-	(23,602)	63,502	18,600	44,903	241%	55,799
Capital expenditure & funds sources									
Capital expenditure	-	117,727	-	8,979	17,914	39,242	(21,328)	-54%	117,727
Capital transfers recognised	-	86,399	-	6,761	7,090	28,800	(21,709)	-75%	86,399
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	31,328	-	2,218	10,824	10,443	381	4%	31,328
Total sources of capital funds	-	117,727	-	8,979	17,914	39,242	(21,328)	-54%	117,727
Financial position									
Total current assets	-	277,032	-		423,849				277,032
Total non current assets	-	789,359	-		743,085				789,359
Total current liabilities	-	49,384	-		69,208				49,384
Total non current liabilities	-	5,495	-		5,246				5,495
Community wealth/Equity	-	1,011,512	-		1,092,480				1,011,512
Cash flows									
Net cash from (used) operating	-	129,537	-	(28,508)	72,257	43,179	(29,078)	-67%	129,537
Net cash from (used) investing	-	(119,176)	-	(9,807)	(21,782)	(39,725)	(17,943)	45%	(119,176)
Net cash from (used) financing	-	-	-	-	-	-	-	-	(503)
Cash/cash equivalents at the month/year end	-	191,598	-	-	308,635	184,690	(123,945)	-67%	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									
Total By Income Source	4,521	2,772	2,546	10,406	2,061	59,288	-	-	81,593
Creditors Age Analysis									
Total Creditors	709	-	-	-	-	-	-	-	709

The table above shows a summary of the municipality's financial performance for the period ended 31 October 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) - M04 October

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	335,534	-	1,539	142,150	111,845	30,305	27%	335,534
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	335,534	-	1,539	142,150	111,845	30,305	27%	335,534
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	5,479	-	569	1,602	1,826	(224)	-12%	5,479
Community and social services		-	681	-	14	86	227	(141)	-62%	681
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	4,798	-	555	1,516	1,599	(83)	-5%	4,798
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	71,475	-	4,876	7,361	23,825	(16,464)	-69%	71,475
Planning and development		-	20,452	-	25	48	6,817	(6,769)	-99%	20,452
Road transport		-	51,023	-	4,851	7,313	17,008	(9,694)	-57%	51,023
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	76,840	-	5,516	23,618	25,613	(1,995)	-8%	76,840
Energy sources		-	68,576	-	4,753	20,265	22,859	(2,594)	-11%	68,576
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	8,264	-	763	3,353	2,755	598	22%	8,264
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	489,328	-	12,500	174,732	163,109	11,622	7%	489,328
Expenditure - Functional										
<i>Governance and administration</i>		-	195,801	-	11,698	42,725	65,267	(22,542)	-35%	195,801
Executive and council		-	62,138	-	4,881	16,898	20,713	(3,815)	-18%	62,138
Finance and administration		-	127,983	-	6,460	24,835	42,661	(17,826)	-42%	127,983
Internal audit		-	5,679	-	357	992	1,893	(901)	-48%	5,679
<i>Community and public safety</i>		-	31,625	-	2,616	8,916	10,542	(1,625)	-15%	31,625
Community and social services		-	11,967	-	663	2,751	3,989	(1,238)	-31%	11,967
Sport and recreation		-	2,853	-	238	958	951	8	1%	2,853
Public safety		-	15,769	-	1,633	4,999	5,256	(257)	-5%	15,769
Housing		-	1,037	-	82	208	346	(138)	-40%	1,037
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	105,923	-	13,491	28,146	35,308	(7,161)	-20%	105,923
Planning and development		-	31,356	-	1,867	6,223	10,452	(4,229)	-40%	31,356
Road transport		-	72,029	-	11,526	21,509	24,010	(2,501)	-10%	72,029
Environmental protection		-	2,539	-	98	415	846	(432)	-51%	2,539
<i>Trading services</i>		-	96,328	-	7,939	30,472	32,109	(1,638)	-5%	96,328
Energy sources		-	68,375	-	5,767	23,779	22,792	987	4%	68,375
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	27,952	-	2,171	6,693	9,317	(2,625)	-28%	27,952
<i>Other</i>		-	3,853	-	358	970	1,284	(314)	-24%	3,853
Total Expenditure - Functional	3	-	433,529	-	36,102	111,230	144,510	(33,280)	-23%	433,529
Surplus/ (Deficit) for the year		-	55,799	-	(23,602)	63,502	18,600	44,903	241%	55,799

The table above shows the municipality's financial performance for the period ended 31 October 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) - M04 October

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
Revenue By Source										
Property rates		26,171	—	561	16,793	8,724	8,069	92%	26,171	
Service charges - electricity revenue		38,809	—	2,933	11,969	12,936	(968)	-7%	38,809	
Service charges - water revenue		—	—	—	—	—	—	—	—	
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	
Service charges - refuse revenue		4,665	—	350	1,493	1,555	(62)	-4%	4,665	
Rental of facilities and equipment		3,093	—	313	1,265	1,031	234	23%	3,093	
Interest earned - external investments		10,047	—	335	1,768	3,349	(1,581)	-47%	10,047	
Interest earned - outstanding debtors		5,133	—	387	1,373	1,711	(338)	-20%	5,133	
Dividends received		—	—	—	—	—	—	—	—	
Fines, penalties and forfeits		938	—	6	20	313	(293)	-94%	938	
Licences and permits		2,756	—	168	739	919	(179)	-20%	2,756	
Agency services		1,265	—	95	479	422	57	14%	1,265	
Transfers and subsidies		295,690	—	642	123,130	98,563	24,567	25%	295,690	
Other revenue		1,466	—	44	110	489	(378)	-77%	1,466	
Gains		—	—	—	—	—	—	—	—	
Total Revenue (excluding capital transfers and contributions)		—	390,032	—	5,835	159,139	130,011	29,128	22%	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 way above the monthly target but it is important to note that this is only due to government properties levied only at the beginning of the financial year for the whole year.
- **ELECTRICITY REVENUE:** The municipality distributes electricity in the town area as per its distribution licence. This is one of the major sources of revenue for the municipality as households now depend on electricity for their day to day living. This is a trading service where the municipality gives electricity equivalent to the amount provided by the consumer. Municipalities are therefore expected to at least recover the cost of providing the service. The approval of tariffs by NERSA is set up such that the municipality can make some form of surpluses from sale of electricity so that it may be able to maintain the infrastructure used to render the service and defray

all other operating expenses related to the service provision. The municipality has generated over R2.9 million for the month and a year to date actual of R11.9 million. This is below the projection by about 7% (over R968 thousand) which may add up to R3 million by the end of the year if attempts to remedy the situation do not yield results. It is worth mentioning though that the 7% report is in line with 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 the different persons seem to have a way to lower the way in which our meters read consumption leading to less billing and more consumption from their side. The municipality has made some research and learnt that a solution might be installing a automated meter reading system that is able to identify when a meter changes its reading in real time. The installation process has assessments reports that have been shared with the municipality's Electricity Section with findings that also require action from the municipality to protect revenue losses.

- **Solid Waste Removal:** Collection and disposal of solid waste is one of the services that the municipality provides to the town area and a few sites outside of town including the Wild Coast Sun Casino. The municipality has implemented a new billing approach which ensures that all customers who individually generate waste are billed individually. The exercise was conducted by the refuse section and the billing database has significantly increased and showed us that there are customers we have been providing the service to at no cost at all. This has resulted in the revenue billed for the month to be over R350 thousand which is less than the projection by 4%, a regression from 2% 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 R335 thousand worth of interest on investments with a year to date actual that is below the projection by 47%. 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 R387 thousand for the period ended 31 October 2021 which is less than the amount projected for the period by 20%, an improvement from the 23% 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 R6 thousand for the month of October 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 R313 thousand for the month which has pushed the actual performance to a level above the projection by 23% 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 R168 thousand worth of revenue for the period. The municipality has collected below the projected collection by 20% which is a regression from 17% 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 R642 thousand has been transferred to revenue for the period ended 31 October 2021 from the operating grants whose conditions have been met. This has recorded a year to date performance of R123.1 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 78% overall collection rate for the month ended 31 October 2021. However, we note a 84% collection rate on leasehold fees, 79% on electricity and 68% 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		780,184
payment received	682,650	2,428,724	10,397,016	13,508,390	643,972		643,972
% of billing received	4%	287%	1332%	80%	83%		83%
ELECTRICITY							
billed	2,485,637	2,412,039	2,534,081	7,431,756	2,541,740		2,541,740
payment received	1,278,856	1,371,930	3,382,909	6,033,695	2,009,470		2,009,470
% of billing received	51%	57%	133%	81%	79%		79%
LEASEHOLD FEES							
billed	320,729	251,916	308,289	880,935	308,289		308,289
payment received	208,557	368,759	257,635	834,950	260,295		260,295
% of billing received	65%	146%	84%	95%	84%		84%
VAT							
billed	478,481	457,120	483,882	1,419,482	484,857		484,857
payment received	269,193	264,570	650,302	1,184,065	358,439		358,439
% of billing received	56%	58%	134%	83%	74%		74%
INTEREST							
billed	167,391	175,773	166,484	509,648	168,376		168,376
payment received	82,143	771,451	1,049,999	1,903,593	109,077		109,077
% of billing received	49%	439%	631%	374%	65%		65%
REFUSE REMOVAL							
billed	383,508	383,508	383,508	1,150,525	382,349		382,349
payment received	253,877	191,263	639,159	1,084,299	258,949		258,949
% of billing received	66%	50%	167%	94%	68%		68%
TOTAL INCOME							
billed	19,116,991	4,525,633	4,656,573	28,299,196	4,665,795		4,665,795
payment received	2,775,276	5,396,696	16,377,019	24,548,992	3,640,202		3,640,202
% of billing received	15%	119%	352%	87%	78%		78%

e) Expenditure by Type

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

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	–	10,127	36,422	42,285	(5,863)	-14%	126,854	
Remuneration of councillors		26,007	–	2,000	8,001	8,669	(668)	-8%	26,007	
Debt impairment		9,600	–	–	–	3,200	(3,200)	-100%	9,600	
Depreciation & asset impairment		52,682	–	3,572	14,282	17,561	(3,278)	-19%	52,682	
Finance charges		150	–	–	–	50	(50)	-100%	150	
Bulk purchases - electricity		40,777	–	3,158	12,659	13,592	(933)	-7%	40,777	
Inventory consumed		7,663	–	3	1,173	2,554	(1,382)	-54%	7,663	
Contracted services		98,848	–	14,055	28,344	32,949	(4,606)	-14%	98,848	
Transfers and subsidies		5,907	–	196	196	1,969	(1,773)	-90%	5,907	
Other expenditure		65,042	–	2,990	10,152	21,681	(11,528)	-53%	65,042	
Losses		–	–	–	–	–	–	–	–	
Total Expenditure		–	433,529	–	36,102	111,230	144,510	(33,280)	-23%	433,529

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

- Employee costs and Remuneration of councillors:** The municipality has remunerated employees who are remunerated as per the prevailing Bargaining Council agreements. The expenditure for the period ended 31 October 2021 reflects an amount of R10.1 million for employee costs and R2 million for the remuneration of councillors. The remuneration of councillors shows a 8% underspending compared to what is expected at the same period. Employee costs have continued to record a 14% saving that is always expected considering issues like, annual increment, annual and long-term bonuses, resignations, leave provisions and vacant positions.
- Bulk Purchases:** The municipality purchases electricity in bulk from Eskom for distribution to the town customers. This is the main input cost to the distribution of electricity. The table shows that the municipality spent about R3.1 million on electricity purchases for the period ended 31 October 2021 and a year to date actual of the same which is below the projected expenditure by 7%. This amount only relates to 20 days of September and 10 days of October 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 October 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 R14 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 53% 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) - M04 October

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 %	Full Year Forecast
Revenue by Vote	1	-	-	-	-	-	-	-	-	-
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	309,070	-	966	125,312	77,267	48,044	62.2%	309,070
Vote 3 - Corporate Services		-	293	-	11	46	73	(28)	-37.5%	293
Vote 4 - Community Services		-	13,743	-	1,332	4,955	3,436	1,520	44.2%	13,651
Vote 5 - Development Planning		-	46,466	-	587	16,841	11,617	5,224	45.0%	46,467
Vote 6 - Engineering Services		-	119,755	-	9,603	27,578	29,939	(2,361)	-7.9%	119,755
Total Revenue by Vote	2	-	489,328	-	12,500	174,732	122,332	52,400	42.8%	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 R9.6 million for the month with Budget and Treasury showing generation of over R966 thousand which may be attributable to grants that have been received or spent more than the projected amounts as well as Community services at over R1.3 million.

g) Expenditure by Municipal Vote

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

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									
Vote 1 - Executive and Council	1	-	83,323	-	6,351	21,464	20,831	633	3.0%
Vote 2 - Budget and Treasury		-	37,982	-	2,131	6,698	9,496	(2,798)	-29.5%
Vote 3 - Corporate Services		-	59,154	-	2,151	10,215	14,788	(4,573)	-30.9%
Vote 4 - Community Services		-	78,225	-	6,130	20,852	19,556	1,295	6.6%
Vote 5 - Development Planning		-	29,062	-	1,612	5,401	7,265	(1,865)	-25.7%
Vote 6 - Engineering Services		-	145,783	-	17,726	46,600	36,446	10,155	27.9%
Total Expenditure by Vote	2	-	433,529	-	36,102	111,230	106,382	2,847	2.6%
Surplus/ (Deficit) for the year	2	-	55,798	-	(23,602)	63,502	13,950	49,553	355.2%
									55,706

The table above shows the expenditure by municipal vote. The total expenditure for the month of October 2021 amounted to above R36.1 million.

h) Municipality's financial performance

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

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	16,793	8,724	8,069	92%	26,171
Service charges - electricity revenue			38,809	—	2,933	11,969	12,936	(968)	-7%	38,809
Service charges - water revenue			—	—	—	—	—	—	—	—
Service charges - sanitation revenue			—	—	—	—	—	—	—	—
Service charges - refuse revenue			4,665	—	350	1,493	1,555	(62)	-4%	4,665
Rental of facilities and equipment			3,093	—	313	1,265	1,031	234	23%	3,093
Interest earned - external investments			10,047	—	335	1,768	3,349	(1,581)	-47%	10,047
Interest earned - outstanding debtors			5,133	—	387	1,373	1,711	(338)	-20%	5,133
Dividends received			—	—	—	—	—	—	—	—
Fines, penalties and forfeits			938	—	6	20	313	(293)	-94%	938
Licences and permits			2,756	—	168	739	919	(179)	-20%	2,756
Agency services			1,265	—	95	479	422	57	14%	1,265
Transfers and subsidies			295,690	—	642	123,130	98,563	24,567	25%	295,690
Other revenue			1,466	—	44	110	489	(378)	-77%	1,466
Gains			—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		—	390,032	—	5,835	159,139	130,011	29,128	22%	390,032
Expenditure By Type										
Employee related costs			126,854	—	10,127	36,422	42,285	(5,863)	-14%	126,854
Remuneration of councillors			26,007	—	2,000	8,001	8,669	(668)	-8%	26,007
Debt impairment			9,600	—	—	—	3,200	(3,200)	-100%	9,600
Depreciation & asset impairment			52,682	—	3,572	14,282	17,561	(3,278)	-19%	52,682
Finance charges			150	—	—	—	50	(50)	-100%	150
Bulk purchases - electricity			40,777	—	3,158	12,659	13,592	(933)	-7%	40,777
Inventory consumed			7,663	—	3	1,173	2,554	(1,382)	-54%	7,663
Contracted services			98,848	—	14,055	28,344	32,949	(4,606)	-14%	98,848
Transfers and subsidies			5,907	—	196	196	1,969	(1,773)	-90%	5,907
Other expenditure			65,042	—	2,990	10,152	21,681	(11,528)	-53%	65,042
Losses			—	—	—	—	—	—	—	—
Total Expenditure		—	433,529	—	36,102	111,230	144,510	(33,280)	-23%	433,529
Surplus/(Deficit)		—	(43,497)	—	(30,267)	47,909	(14,499)	62,408	(0)	(43,497)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			99,296	—	6,665	15,593	33,099	(17,506)	(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)			55,799	—	(23,602)	63,502	18,600	—	—	55,799
Surplus/(Deficit) after capital transfers & contributions		—	55,799	—	(23,602)	63,502	18,600	—	—	55,799
Taxation			—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		—	55,799	—	(23,602)	63,502	18,600	—	—	55,799
Attributable to minorities			—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		—	55,799	—	(23,602)	63,502	18,600	—	—	55,799
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		—	55,799	—	(23,602)	63,502	18,600	—	—	55,799

The municipality has so far recorded a surplus of over R63.5 million for the period ended 31 October 2021 with a deficit of R23.6 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 - M04 October

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	-	3,532	4,837	11,426	6,589	57.7%	34,277
Roads Infrastructure		-	13,070	-	2,450	3,755	4,357	602	13.8%	13,070
Roads			13,070	-	2,450	3,755	4,357	602	13.8%	13,070
Electrical Infrastructure		-	20,957	-	924	924	6,986	6,061	86.8%	20,957
MV Networks			18,107	-	924	924	6,036	5,111	84.7%	18,107
LV Networks			2,850	-	-	-	950	950	100.0%	2,850
Solid Waste Infrastructure		-	250	-	158	158	83	(74)	-89.1%	250
Waste Drop-off Points			250	-	158	158	83	(74)	-89.1%	250
<u>Community Assets</u>		-	13,500	-	2,140	2,140	4,500	2,360	52.5%	13,500
Community Facilities		-	13,500	-	2,140	2,140	4,500	2,360	52.5%	13,500
Halls			8,400	-	2,140	2,140	2,800	660	23.6%	8,400
Crèches			3,500	-	-	-	1,167	1,167	100.0%	3,500
Markets			1,600	-	-	-	533	533	100.0%	1,600
<u>Other assets</u>		-	19,820	-	-	-	6,607	6,607	100.0%	19,820
Operational Buildings		-	19,820	-	-	-	6,607	6,607	100.0%	19,820
Manufacturing Plant			19,820	-	-	-	6,607	6,607	100.0%	19,820
<u>Computer Equipment</u>		-	1,248	-	-	-	416	416	100.0%	1,248
Computer Equipment			1,248	-	-	-	416	416	100.0%	1,248
<u>Furniture and Office Equipment</u>		-	6,280	-	-	41	2,093	2,053	98.1%	6,280
Furniture and Office Equipment			6,280	-	-	41	2,093	2,053	98.1%	6,280
<u>Machinery and Equipment</u>		-	300	-	-	-	100	100	100.0%	300
Machinery and Equipment			300	-	-	-	100	100	100.0%	300
<u>Transport Assets</u>		-	1,400	-	-	-	467	467	100.0%	1,400
Transport Assets			1,400	-	-	-	467	467	100.0%	1,400
Total Capital Expenditure on new assets	1	-	76,825	-	5,671	7,017	25,608	18,591	72.6%	76,825

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

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	-	(24)	3,062	3,667	605	16.5%	11,000
Community Facilities		-	11,000	-	(24)	3,062	3,667	605	16.5%	11,000
Taxi Ranks/Bus Terminals			11,000	-	(24)	3,062	3,667	605	16.5%	11,000
Total Capital Expenditure on renewal of existing assets	1	-	11,000	-	(24)	3,062	3,667	605	16.5%	11,000

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

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 %
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>										
Community Assets		-	29,902	-	3,331	7,835	9,967	2,132	21.4%	29,902
Community Facilities		-	28,402	-	1,205	1,205	9,467	8,263	87.3%	28,402
Halls			28,402	-	1,205	1,205	9,467	8,263	87.3%	28,402
Sport and Recreation Facilities		-	1,500	-	2,127	6,630	500	(6,130)	-1226.1%	1,500
Outdoor Facilities			1,500	-	2,127	6,630	500	(6,130)	-1226.1%	1,500
Total Capital Expenditure on upgrading of existing assets	1	-	29,902	-	3,331	7,835	9,967	2,132	21.4%	29,902

The above tables indicate that the municipality spent R8.9 million for the month from its capital budget for the period ended 31 October 2021. This is 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) - M04 October

Vote Description	Ref	2020/21	Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
<u>Multi-Year expenditure appropriation</u>	2								
Vote 6 - Engineering Services		-	29,902	-	3,331	7,835	9,967	(2,132)	-21%
<u>Total Capital Multi-year expenditure</u>	4,7	-	29,902	-	3,331	7,835	9,967	(2,132)	-21%
<u>Single Year expenditure appropriation</u>	2								
Vote 3 - Corporate Services		-	7,028	-	-	41	2,343	(2,302)	-98%
Vote 4 - Community Services		-	3,150	-	158	158	1,050	(892)	-85%
Vote 5 - Development Planning		-	21,420	-	-	-	7,140	(7,140)	-100%
Vote 6 - Engineering Services		-	56,227	-	5,490	9,881	18,742	(8,862)	-47%
<u>Total Capital single-year expenditure</u>	4	-	87,825	-	5,648	10,079	29,275	(19,196)	-66%
<u>Total Capital Expenditure</u>		-	117,727	-	8,979	17,914	39,242	(21,328)	-54%
<u>Capital Expenditure - Functional Classification</u>									
<u>Governance and administration</u>		-	7,028	-	-	41	2,343	(2,302)	-98%
Finance and administration		7,028	-	-	-	41	2,343	(2,302)	-98%
<u>Community and public safety</u>		-	2,450	-	158	158	817	(659)	-81%
Community and social services		2,450	-	-	158	158	550	(392)	-71%
Public safety		800	-	-	-	-	267	(267)	-100%
<u>Economic and environmental services</u>		-	85,891	-	7,897	16,791	28,630	(11,839)	-41%
Planning and development		85,891	-	-	7,897	16,791	28,630	(11,839)	-41%
Road transport		72,822	-	5,447	13,036	24,274	(11,237)	-46%	
<u>Trading services</u>		-	13,070	-	2,450	3,755	4,357	(602)	-14%
Energy sources		13,070	-	-	2,450	3,755	4,357	(602)	-14%
Waste management		22,357	-	-	924	924	7,452	(6,528)	-88%
<u>Total Capital Expenditure - Functional Classification</u>	3	-	117,727	-	8,979	17,914	39,242	(21,328)	-54%
<u>Funded by:</u>									
National Government			86,399	-	6,761	7,090	28,800	(21,709)	-75%
Transfers recognised - capital		-	86,399	-	6,761	7,090	28,800	(21,709)	-75%
Borrowing	6							-	
Internally generated funds			31,328	-	2,218	10,824	10,443	381	4%
<u>Total Capital Funding</u>		-	117,727	-	8,979	17,914	39,242	(21,328)	-54%
									117,727

The above table indicate that the municipality spent R8.9 million from its capital budget for the period ended 31 October 2021 which is 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.

Creditor	Function	Segment	Date	Value	Specification
Group Two Media Company	Core Function:Municipal Manager Town Se	Advertising Mm	2021/10/12	1 560,00	Request Advertisement For Virtual Ordinary Council Meeting To Be Held 22 October 2021
Group Two Media Company	Core Function:Corporate Wide Strategic P	Advertising Fees Pmu 5505260540	2021/10/14	1 680,00	Advert For Mayoral Imbizo 20 October 2021
Group Two Media Company	Core Function:Project Management Unit	Advertising Fees Pmu 5505260540	2021/10/15	1 920,00	Request To Advertise Procurement Of Electrical Material And Tools
Group Two Media Company	Core Function:Supply Chain Management	Advertising Fees Human Resources 1010260540	2021/10/15	1 920,00	Request For Advertisement Of Stationery Contract For A Period Of 12 Mo
Group Two Media Company	Core Function:Project Management Unit	Advertising Fees Idp 515260540	2021/10/14	1 976,00	Request For Advertisement Of 1. Simakadeni Access Road; 2. Mapheleni A And 3. Vav Memorial College Access Road
				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

Creditor Name	Function	Segment	Date	Value	Specification
Group Two Media Company	Core Function:Licensing And Control Of A	Advertising Fees Licensing 2505260540	2021/10/12	280,00	Request Advertisement On Local News Papers For Identification Of Stray At The Municipal Pound.
Group Two Media Company	Core Function:Human Resources	Advertising Fees Pmu 5505260540	2021/10/14	376,00	Request For Re-Advert Post For Labour Relations Officer
Bongwas Catering And Project	Core Function:Corporate Wrie Strategic P	Mayoral Imbizo Roadshows- Hire Charges	2021/10/19	500,00	Request Pa System With Two (2) Cordless Mics For Mayoral Imbizo Outrea To Be Held On The 20 October 2021 At Msca Hall At 10h00
Bheki Mfo (Pty) Ltd	Core Function:Mayor And Council	Whippery Support Transport Hire	2021/10/19	3 000,00	Request Transport For 15 Municipal Women Councillors To Attend ANC Wome's Caucus Workshop In Ntabankulu Mpyc On The 16/10/2021
Your Media Today Communicatio	Non-Core Function:Populati on Development	Advertising Fees Community Services 2505260540	2021/10/13	3 000,00	Request Re-Advertisement For Climate Change Strategy; Disaster Managem Review & Minor Maintenance Of Recreational Facilities.
Your Media Today Communicatio	Core Function:Project Management Unit	Advertising Fees Pmu 5505260540	2021/10/12	3 000,00	Request Re-Advertisement For Installation Of High Mast
Firstrand	Core Function:Finance	Finished Goods-Acquisitions	2021/10/13	3 434,00	Payment Request For 200 Litres Of Diesel 50ppm
Munsoft (Pty) Ltd	Core Function:Finance	Msocia 1010260900	2021/10/21	3 450,00	Request For Munsoft Online Training For 4 Officials - Morlock; Ngcambe Nyamela And Tikitili
Amajola Agricultural Primary	Core Function:Mayor And Council	Support To Traditional Leaders Catering	2021/10/14	3 500,00	Catering Lunch Packs For 50 People For Ntshamathe Traditional Council 15th Of October 2021 At Mhlalanga Village
Your Media Today Communicatio	Core Function:Municip al Manager Town Se	Advertising Mm	2021/10/12	4 300,00	Request Advertisement For Virtual Ordinary Council Meeting To Be Held October 2021.
Sithwale Trading 88 Pty Ltd	Core Function:Mayor And Council	Support To Traditional Leaders Catering	2021/10/12	4 650,00	Request Water For The Traditional Leadership Meeting To Be Held On The At Council Chamber

Creditor Name	Function	Segment	Date	Value	Specification
Alfred Nzo Community Radio	Core Function:Finance	Radio	2021/10/21	5 000,00	Request Radio Slots Held On The 21/10/2021 For An Hour
Izwi Le Afrika Newspaper	Core Function:Human Resources	Advertising Fees Human Resources 1010260540	2021/10/26	5 200,00	1. Request For Advertisement To Procure Laptops For The New Council 2. Request For Advertisement Of Ict Risk Framework
Fakade Construction (Pty) Ltd	Core Function:Mayor And Council	Public Participation Groceries	2021/10/26	5 266,00	Request 2x 10kg Rice
Usta Trading Enterprise	Core Function:Mayor And Council	Whippery Support Catering Costs 505260175	2021/10/21	7 085,00	Request Lunch Packs For Constituency Work Programme To Be Held On The 20 October 2021 At Ward 01
Iso News (Pty) Ltd	Core Function:Solid Waste Removal	Advertising 5020	2021/10/26	8 160,00	Request Advertisement For Epwp Protective Clothing For 223 Beneficiari
Zusimise	Core Function:Solid Waste Removal	Promotional Material Cleaning Campaign	2021/10/11	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
Qobo And Partners	Libraries And Archives:Librararies And Archives A	Newspaper Library 2505	2021/10/13	10 000,00	Payment For Periodical For Month Of Sep 2021
Siyabavuma Trading Cc	Core Function:Mayor And Council	Hiring-Public Participation	2021/10/21	11 500,00	Request 3 Pole Tent For Prayer Session 2021 Local Government Elections Held On The 22 October 2021.
Mountzone Pty Ltd	Core Function:Mayor And Council	Community Education Catering 505260695	2021/10/19	12 750,00	Catering Lunch Packs With Soft Drinks For 150 People For Community Edu To Be Held On The 19th Of October 2021In Ward 24
Firstrand	Core Function:Finance	Finished Goods:Acquisitions	2021/11/02	13 598,20	Payment Request For Diesel Tanker
Cover Age Investment (Pty) Ltd	Core Function:Roads	Roads Vehicle Maintenance	2021/10/21	14 150,00	Request For Tellus S2 M68 20(X2)
Ozwa And Tidos Trading Co-Oper And	Core Function:Police Forces Traffic And	Traffic Awareness Campaign Catering	2021/10/14	18 000,00	Request Catering For 200 People For Community Safety Forum On The 14/1 In Izikhuba A/A At 10:00.
Mvazanas Construction	Core Function:Corporate Wide Strategic P	Mayoral Imbizo Roadshows- Hire Charges	2021/10/19	19 000,00	Catering Lunch With Soft Drinks For 200 People For Mayoral Imbizo On 2
Faith Lwa 01 (Pty) Ltd	Core Function:Finance	Finished Goods:Acquisitions	2021/10/15	19 275,00	Request For White Printing Papers

Creditor Name	Function	Segment	Date	Value	Specification
Driving License Card Account	Non-Core Function:Road And Traffic Regulation	Stationery Vehicle Testing And Licensing	2021/10/27	21 014,00	Payment For Driving Licence Cards
African Compass Trading Ztcc	Core Function:Marketing Customer Relations	Promotional Items	2021/10/21	21 520,00	Request Purchase Of A5 X 500 Pamphlets For Customer Care Program On The 8 & 18/11/21 At The Library & Dlc Respectively
Meyife Construction And Project	Core Function:Human Resources	Labour Relations 1010260185 Catering	2021/10/27	22 000,00	Request for Light Tea (Morning Tea) For 50 People For 28-29 October
Middle Center Trading	Core Function:Mayor And Council	Whippery Support Catering Costs 505260175	2021/11/02	28 000,00	Request Lunch with Soft Drinks for Constituency Work Programme To Be H 29 October 2021 At Ward 14.
Tty Construction And Projects	Core Function:Mayor And Council	Support To Traditional Leaders Catering	2021/10/26	R 000,00	Request Lunch Packs for The Community Meeting In Mjanyela Village War 25/10/2021
Senzwa Civils And Project	Core Function:Corporate Welfare Strategic P	Idp Catering 515260555	2021/10/19	R 300,00	Requesting Lunch Packs For 50 Vip Guests & 200 People For Mayoral Idp C Imbizo At Majola Tshutsha Community In Ward 29 On The 18th October 2021
Kenvel Group	Core Function:Administrative And Concora	Office Furniture	2021/11/03	R 900,00	Request For Seven Office Chairs For Officials Of Registry Office ,Sc And Hr Office
				R 882,61	384

e. Procurement above R30 000 but below R200 000

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

Creditor Name	Function	Amount	Date	Value	Specification
Asenati Construction	Core Function:Solid Waste Removal	Cacas Removals	2021/10/2 7	32 500,00	Tlb Hire For Removal Of Dead Horses; Donkeys And Cows
Black Capital Solutions	Core Function:Economic Development/Plan	Business Conference Marketing Materials 1505	2021/10/1 4	49 200,00	Payment For Branding Material- Gazebo
Cape To Cairo Invest (Pty) Ltd	Core Function:Finance	Finished Goods:Acquisitions	2021/10/1 4	71 306,90	Payment For Supply And Delivery Of Refuse Bags For The Month Of Septem
Cape To Cairo Invest (Pty) Ltd	Finance:Default	Finished Goods:Acquisitions	2021/10/2 8	71 307,93	Request For Payment Of Cape To Cairo For Supply And Delivery Of Refuse Bags For The Month Of October
Enterprises University Of Pret	Core Function:Finance	Afs Preparation &Caseware Training	2021/10/2 6	92 000,00	Request Payment For Training On Grap/lpsas Financial Reporting(Virtual Session To Be Attended By Mr N. Soduzuka; Mr S.Pato, Ms K. Gontsana An Ndimeni
Langenithemb a Construction	Core Function:Supply Chain Management	Retentions:Withdrawals	2021/11/0 2	107 878,19	Payment For Cbd Maintenance- Retention 50%
Yg Solutions	Core Function:Supply Chain Management	Retentions:Withdrawals	2021/11/0 2	115 448,50	Payment For Retention - Sidanga Electrification
Phapha Zindela Holding	Core Function:Economic Development/Plan	Tourism Awareness Transport Hire 1505	2021/10/1 5	136 350,00	Transport For 21 Bicycles
Nciana Trading And Projects	Core Function:Solid Waste Removal	Cemetery Maintenance	2021/10/1 4	150 000,00	Payment For Supply And Delivery Of Grave Numbers
The Mane's Pty Ltd	Core Function Cemetery s Funeral Parlou	Sceptic Tank	2021/10/2 8	157 600,00	Payment To The Manes For Construction Of 6000l Septic Tanks
Isiqhamo Sa Bambo Pty Ltd	Core Function Mayor And Council	Hire Costs Legacy 505260188	2021/10/2 7	167 150,00	Transport For Ward 7;10;14 And 24 To Winnie Madikizela Mandela Commemo
Sebekho Holdings	Core Function Finance	Finished Goods:Acquisitions	2021/10/1 4	179 769,00	Payment Of Mops

Creditor Name	Function	Amount	Date	Value	Specification
Masinyane And Son (Pty) Ltd	Core Function: Economic Development/Plann	Anchor Led Projects	2021/10/15	196 000,00	First Aid Kits

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 October 2021

				Oct-21
16	MASINYANE & SON PTY LTD	196 000,00	196 000,00	WMM LM/23/08/21 P SMME MT&PC
17	SEBEKHO HOLDINGS	179 769,00	179 769,00	PROCUREMENT OF SMME MATERIAL,TOOLS AND PROTECTIVE CLOTHING WMM LM/01/09/21 S&D RFCE
18	KERVEL GROUP	96 000,00	-	SUPPLY AND DELIVERY OF RECREATIONAL FACILITIES CLEANING EQUIPMENT WMM LM/07/09/21/01 PMN
19	SEBEKHO HOLDINGS	188 000,00	-	PRINTING OF MUNICIPAL NEWSLETTER 188 000,00 WMM LM/04/10/21 PRMP&RS
20	ISIQHAMO SA BAMBO	R 167 150,00	167 150,00	HANDOVER OF BOREHOLE FOR SMME's R 0,00 WMM LM/27/09/21/01 WMM
21	SIHLE POT TRADING	R 134 550,00	-	WINNIE MADIKIZELA-MANDELA COMMEMORATION R 134 550,00 WMM LM/13/10/21/ORC
22	KERVEL GROUP	R 97 896,90	-	OR TAMB COMMEMORATION R 97 896,90 WMM LM 08/07/21/01 FIR
23	SIHLE POT TRADING	R 93 850,00	-	SUPPLY AND DELIVERY OF FIRE EXTINGUISHERS AND FIRST AID KITS R 93 850,00 WMM LM 27/09/21/S&DCM
24	SIHLE POT SOLANGA SYDNEY PROJECTS	R 132 300,00	-	SUPPLY AND DELIVERY OF CLEANING MATERIAL R 132 300,00 WMM LM /04/10/21 P IDP & AR
25	SOLANGA SYDNEY PROJECTS	R 198 000,00	-	PRINTING OF IDP DOCUMENTS 2021/2022 AND ANNUAL REPORT 2019/2020 R 198 000,00 WMM LM/19/10/21 P LGTB
Total		1 493 515,90	542 919,00	940 596,90

b) Tenders awarded during the month of October 2021

Competitive Bidding

NO	SUCCESSFUL TENDERER	AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
1	Manyobo Group	Rates	WMM LM 21/07/21/02HPT	Hiring of Construction Plant and Trucks	01/10/2021	Engineering Services
2	Stira Construction and Projects	Rates	WMM LM 21/07/21/02HPT	Hiring of Construction Plant and Trucks	01/10/2021	Engineering Services
3	Mabozela Trading and Enterprise	Rates	WMM LM 21/07/21/02HPT	Hiring of Construction Plant and Trucks	01/10/2021	Engineering Services
4	Siti Cargo cc	Rates	WMM LM 21/07/21/02HPT	Hiring of Construction Plant and Trucks	04/10/2021	Engineering Services
5	Thahle Projects JV Magnacorp 522	R 3 191 415,70	WMM LM 00062 W012 ECDC	Construction of Ward 01 ECDC	14/10/2021	Engineering Services
9	Vitsha Trading	R 23 545 916,50	WMM LM 01/09/21/02 RTR	Refurbishment of Taxi Rank Phase 2	19/10/2021	Engineering Services
10	Vico Empire	R 385 489,50	WMM LM 10/08/21/01 MWIHC 13	Maintenance of Ward 13 Community Hall	19/10/2021	Engineering Services
11	Bukhobethu Security Services	R 27 820 800,00	WMM LM 08/12/20/03 PSC	Provision of Security Services	19/10/2021	Community Services
Total		R 54 943 621,70				

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.Luphoko	Monday, 08 November 2021	Not Appointed	91	Monday, 07 February 2022	To be re-advertised
Panel for Land Survey Services	MBIZLM00069PLS	Mr. V. Nontanda	Thursday, 14 October 2021	Wednesday, 11 August 2021	91	Thursday, 13 January 2022	To be re-advertised
Supply & Installation of High Mast Lights Fencing of Mzamba Community Hall & Extension of Dudumeni Hall	MBIZ LM 00074 ISL&P MBIZ LM /02/02/01 FEW	Mr. V. Nontanda Ms. N. Xoko	Monday, 02 August 2021	Wednesday, 11 August 2021	90	Monday, 01 November 2021	To be re-advertised
Review of Disaster Management plan	MBIZ LM 29/09/20/ R DRMP	Ms. Xoko	Tuesday, 02 November 2021	Tuesday, 09 November 2021	90	Tuesday, 02 December 2021	To be re-evaluated
Review of Climate change strategy	MBIZ LM 11/02/21/01 CCS	Ms. Xoko	Tuesday, 02 November 2021	Tuesday, 09 November 2021	90	Monday, 31 January 2022	To be evaluated
Provision of car wash for 36 months	WMM LM 0089	Ms. N. Rabie	Wednesday, 04 Friday, 13 August	Wednesday, 04 Friday, 13 August	90	Tuesday, 02 Tuesday, 02	To be re-

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
PCWS			August 2021	2021		November 2021	advertised
Supply and Delivery of Furniture	WMM LM 05/05/21/01 OFF	Ms. N. Rabie	Thursday, 03 June 2021	Wednesday, 28 July 2021	90	Wednesday, 01 September 2021	To be re-advertised
Procurement of Streets lights	MBIZ LM 21/07/21/02 PSL	Mr. V. Nontanda	Friday, 13 August 2021	Friday, 13 August 2021	90	Thursday, 11 November 2021	To be adjudicated
Socio-Economic Infrastructure Assessment Study	WMM LM 004/ S-EIAS	Ms. N. Rabie	Friday, 13 August 2021	Friday, 13 August 2021	90	Thursday, 11 November 2021	To be adjudicated
Replacement of Ring Main Unit (RMU)	WMM LM 10/08/21/02 RRMU	Mr. S. Morlock	September 2021	Wednesday, 02 March 4917	90	Wednesday, 01 December 2021	To be adjudicated
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	91	Monday, 11 October 2021	To be adjudicated
Mapheleli via Mbumbazi to dutiyini Access Road	WMM LM 08/10/21/02 MDA	Not Appointed	Not	Thursday, 04 November 2021	90	Wednesday, 02 February 2022	To be evaluated
Leonard to Simakadeni Access Road	WMM LM 08/10/21/01 LSA	Appointed	Not	Thursday, 04 November 2021	90	Wednesday, 02 February 2022	To be evaluated
VAV Memorial College Access Road	WMM LM 08/10/21/03	Appointed	Not	Thursday, 04 November 2021	90	Wednesday, 02 February 2022	To be evaluated
Review of Registry Policy, Procedure Manual & Development of Records Strategy	WMM LM 00123 IRM	Not Appointed	Thursday, 21 October 2021	Not Appointed	90	Wednesday, 19 January 2022	To be appointed
Repairs and Maintenance of Municipal Main Building	WMM LM 17/09/21/01 RMW	Mr. V. Nontanda	Monday, 25 October 2021	Tuesday, 05 October 2021	91	Monday, 24 January 2022	To be evaluated
Repairs and Maintenance of Cultural Village	WMM LM 17/09/21/02 RCV	Mr. V. Nontanda	Tuesday, 26 October 2021	Wednesday, 06 October 2021	90	Monday, 24 January 2022	To be evaluated
Repairs and Maintenance of DLTC	WMM LM 17/09/21/02 RDL	Mr. V. Nontanda	Wednesday, 27 October 2021	Thursday, 07 October 2021	90	Tuesday, 25 January 2022	To be 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	Thursday, 03 February 2022	To be appointed
Supply and Delivery of Laptops	WMM LM 00070 S&D L&D	Appointed	Friday, 12 November 2021	Not Appointed	90	Thursday, 10 February 2022	On Advert
ICT Risk Frame work & Gontrols	WMM LM 00071 ICT RF&C	Not Appointed	Friday, 12 November 2021	Not Appointed	90	Thursday, 10 February 2022	On Advert

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 October 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.
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Municipal Manager Town Se	2021/10/12	1 560,00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Corporate Wide Strategic P	2021/10/14	1 680,00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Project Management Unit	2021/10/15	1 920,00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Supply Chain Management	2021/10/15	1 920,00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Project Management Unit	2021/10/14	1 976,00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Licensing and Control of A	2021/10/12	2 280,00	OPEN	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Human Resources	2021/10/14	2 376,00	RECEIV ED	Kokstad
BONGWAS CATERING AND PROJECT	P.O BOX 512 BIZANA AWARD 25 4800	Core Function:Corporate Wide Strategic P	2021/10/19	2 500,00	RECEIV ED	Ward 25
BHEKI MFO (PTY) LTD	P.O BOX 600 REDDOUBT WARD 20 4800	Core Function:Mayor and Council	2021/10/19	3 000,00	RECEIV ED	Kokstad
YOUR MEDIA TODAY COMMUNICATIO	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Non-core Function:Population Development	2021/10/13	3 000,00	RECEIV ED	Kokstad
YOUR MEDIA TODAY COMMUNICATIO	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700 FNB PLACE 30 DISGONAL STREET JOHANNESBURG 2000	Core Function:Project Management Unit	2021/10/12	3 000,00	RECEIV ED	Kokstad
FIRSTRAND	P O BOX 2488 HONEYDEW	Core Function:Finance	2021/10/13	3 434,00	RECEIV ED	Johannesburg
MUNSOFT (PTY) LTD	P O BOX 2488 HONEYDEW	Core Function:Finance	2021/10/21	3 450,00	RECEIV ED	Pretoria
AMAJOLA AGRICULTURAL PRIMARY	P O BOX 210241 WARD 6 BIZANA 4800	Core Function:Mayor and Council	2021/10/14	3 500,00	OPEN	Ward 6
YOUR MEDIA TODAY COMMUNICATIO	PO BO 18 KOKSTAD SP KWAZULU-NATAL 4700	Core Function:Municipal Manager Town Se	2021/10/12	4 300,00	RECEIV ED	Kokstad
STHWALE TRADING 88 PTY LTD	P.O. BOX 764 PORT EDWARD	Core Function:Mayor and	2021/10/12	4 650,00	RECEIV ED	Ward 1

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Ward No.
	4800	Council			ED	Mount Ayliff
ALFRED NZO COMMUNITY RADIO	P.O. BOX 386 188 HLANEKELA STREET MOUNT AYLIFF	Core Function:Finance Resources	2021/10/21	5 000,00	OPEN	Kokstad
IZWI LE AFRIKA NEWSPAPER FAKADE CONSTRUCTION (PTY) LTD	P O BOX 953 KOKSTAD P.O.BOX 307 BIZANA WARD 17 4800	Core Function:Mayor and Council	2021/10/26	5 200,00	RECEIV	Ward 17
USTA TRADING ENTERPRISE	P.O BOX 210401 BIZANA WARD 01 4800	Core Function:Mayor and Council	2021/10/21	5 266,00	ED	Ward 01
ISO NEWS (PTY) LTD	P.O BOX 257 KOKSTAD WARD 1 4700	Core Function:Solid Waste Removal	2021/10/26	8 160,00	RECEIV	Kokstad
ZUSIMISE	P.O.BOX 154 BIZANA WARD 24 4800 P.O.BOX 1416 MANABA BEACH MARGATE 4275	Core Function:Solid Waste Removal	2021/10/11	9 350,00	OPEN	Bizana
MOUNTZONE PTY LTD	P O BOX 159 FLAGSTAFF WARD 24 4810 FNB PLACE 30 DISGONAL STREET JOHANNESBURG 2000	Core Function:Mayor and Council	2021/10/21	11 500,00	RECEIV	Ward 16
FIRSTRAND COVER AGE INVESTMENT (PTY)LTD	P.O BOX 195 REDOUBT EASTERN CAPE 4801 P.O.BOX 292 BIZANA WARD 23 4800	Core Function:Finance Forces Traffic and Police	2021/10/19	12 750,00	ED	Ward 24
OZWA AND TIDOS TRADING CO-OPER	P O BOX 2105170 PORT EDWARD 4295	Core Function:Corporate Wide Strategic P	2021/10/21	14 150,00	RECEIV	Johannesburg
MVAZANAS CONSTRUCTION	P O BOX 940 PORT EDWARD 0105	Core Function:Finance Non-core Function:Road and Traffic Regul	2021/10/19	18 000,00	ED	Ward 16
FAITH LWA 01 (PTY) LTD DRIVING LICENSE CARD ACCOUNT	P.O. BOX 25223 MONUMENT PARK PRETORIA 37CC	Customer Relati	2021/10/15	19 275,00	RECEIV	Ward 23
AFRICAN COMPASS TRADING MEYIFE CONSTRUCTION AND PROJECT	BOX 555 BIZANA WARD 31 4800 P O BOX 210168 WARD 9 BIZANA 4800	Core Function:Marketing Resources	2021/10/27	21 014,00	ED	Ward 1
MIDDLE CENTER TRADING TYY CONSTRUCTION AND PROJECTS	P O BOX 31 BIZANA EASTERN CAPE 4800 P.O. BOX 190 BIZANA WARD 17 4800	Core Function:Mayor and Council	2021/11/02	28 000,00	OPEN	Ward 14
SENZWA CIVILS AND PROJECT	P.O BOX 475 PORT EDWARD WARD 29 4800	Core Function:Corporate Wide Strategic P	2021/10/19	28 300,00	RECEIV	Ward 29

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Ward No.
KERVEL GROUP	P O BOX 204 BIZANA WARD 20 4800	Core Function:Administrative and Corpora	2021/11/03	29 900,00	OPEN	Ward 20
Total		<u>371 614,20</u>				

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 October 2021, 32 RFIs had been issued and responded to. No communication of audit findings has been raised so far.

It is however expected that more engagements will start during the month of November 2021 which will also be the last month of the audit process.

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 result 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 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. Further follow-ups will be made during the month of November 2021.

4. Debtors' analysis

Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

R thousands	Description	Budget Year 2021/22						Budget Year 2021/22					
		NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,542	1,569	1,348	1,376	1,219	10,735	-	-	-	18,788	13,330	-
Receivables from Non-exchange Transactions - Property Rates	1400	780	544	602	8,576	500	24,446	-	-	-	35,447	33,521	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	382	281	264	260	254	7,895	-	-	-	9,335	8,408	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	308	6	19	(125)	19	552	-	-	-	780	446	-
Interest on Arrear Debtor Accounts	1810	168	166	186	159	152	12,271	-	-	-	13,084	12,583	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	340	205	148	161	(83)	3,389	-	-	-	4,159	3,467	-
Total By Income Source	2000	4,521	2,772	2,546	10,406	2,061	59,288	-	-	-	81,593	71,755	-
2020/21 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	912	897	917	8,904	493	27,114	-	-	-	39,236	36,511	-
Commercial	2300	3,283	1,604	1,406	1,265	1,374	20,342	-	-	-	29,272	22,980	-
Households	2400	326	271	224	237	194	11,822	-	-	-	13,074	12,253	-
Other	2500	0	(0)	-	(0)	-	11	-	-	-	11	11	-
Total By Customer Group	2600	4,521	2,772	2,546	10,406	2,061	59,288	-	-	-	81,593	71,755	-

The table above shows municipal debtors for the month of October 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 - M04 October

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	709								709
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	709	-	-	-	-	-	-	-	709

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 - M04 October

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	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	
Municipality															
FNB CALL DEPOSIT ACCOUNT(62550717767)			Not fixed	Call Deposit	No	Variable	0 001701479	0	N/A	not fixed	7,648	13	(3,882)	-	3,779
FNB CALL DEPOSIT ACCOUNT(62459758078)			Not fixed	Call Deposit	No	Variable	0 00224628	0	N/A	not fixed	2,699	6	(1,063)	-	1,642
FNB CALL DEPOSIT ACCOUNT(62028477992)			Not fixed	Call Deposit	No	Variable	0 000821772	0	N/A	not fixed	330,458	272	(33,843)	-	296,886
FNB CALL DEPOSIT ACCOUNT(62816769220)			Not fixed	Call Deposit	No	Variable	0 025281515	0	N/A	not fixed	897	23	(101,137)	101,137	920
FNB CALL DEPOSIT ACCOUNT(62816773073)			Not fixed	Call Deposit	No	Variable	0 002123284	0	N/A	not fixed	896	2	-	-	898
FNB CALL DEPOSIT ACCOUNT(62898610170)			Not fixed	Call Deposit	No	Variable	0 002123203	0	N/A	not fixed	38	0	-	-	38
FNB CALL DEPOSIT ACCOUNT(62852108531)			Not fixed	Call Deposit	No	Variable	0 002123169	0	N/A	not fixed	68	0	-	-	68
FNB CALL DEPOSIT ACCOUNT(62550715828)			Not fixed	Call Deposit	No	Variable	0 002123285	0	N/A	not fixed	1,717	4	(4)	-	1,717
Municipality sub-total											344,421		(139,929)	101,137	305,948
Entities															-
Entities sub-total											-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2										344,421		(139,929)	101,137	305,948

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents decreased during the month by over R38.7 million which lead to a decrease in its investments for the month of October 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 - M04 October

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
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		323,643	—	—	133,568	107,881	25,687	23.8%	323,643	
Finance Management		289,620	—	—	120,675	96,540	24,135	25.0%	289,620	
EPWP Incentive		2,000	—	—	2,000	667	1,333	200.0%	2,000	
Integrated National Electrification Programme		3,570	—	—	893	1,190	(297)	-25.0%	3,570	
		28,453	—	—	10,000	9,484	516	5.4%	28,453	
Other transfers and grants [insert description]					—	—	—	—	—	
Provincial Government:										
Sport and Recreation		500	—	—	500	125	375	300.0%	500	
		500	—	—	500	125	375	300.0%	500	
Other transfers and grants [insert description]					—	—	—	—	—	
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
Total Operating Transfers and Grants	5	—	324,143	—	—	134,068	108,006	26,062	24.1%	324,143
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		70,843	—	—	9,758	23,614	(7,250)	-30.7%	70,843	
Neighbourhood Development Partnership		51,023	—	—	9,758	17,008	(7,250)	-42.6%	51,023	
		19,820	—	—	—	6,607	—	—	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	23,614	(7,250)	-30.7%	70,843
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	—	394,986	—	—	143,826	131,620	18,812	14.3%	394,986

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

b) Transfers & Grants Expenditure

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

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										
Operating expenditure of Transfers and Grants										
National Government:		-	323,643	-	20,793	60,785	107,881	(47,096)	-43.7%	323,643
Local Government Equitable Share			289,620	-	18,344	50,127	96,540	(46,413)	-48.1%	289,620
Finance Management			2,000	-	221	518	667	(148)	-22.3%	2,000
EPWP Incentive			3,570	-	414	1,860	1,190	670	56.3%	3,570
Integrated National Electrification Programme			28,453		1,814	8,279	9,484	(1,205)	-12.7%	28,453
Other transfers and grants [insert description]										
Provincial Government:		-	500	-	8	77	167	(90)	-54.0%	500
Sport and Recreation			500	-	8	77	167	(90)	-54.0%	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	-	20,801	60,862	108,048	(47,186)	-43.7%	324,143
Capital expenditure of Transfers and Grants										
National Government:		-	70,843	-	4,851	7,313	23,614	(16,301)	-69.0%	70,843
Municipal Infrastructure Grant (MIG)			51,023	-	4,851	7,313	17,008	(9,694)	-57.0%	51,023
Neighbourhood Development Partnership			19,820	-	-	-	6,607	(6,607)	-100.0%	19,820
Other capital transfers [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	70,843	-	4,851	7,313	23,614	(16,301)	-69.0%	70,843
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	394,986	-	25,652	68,175	131,662	(63,487)	-48.2%	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 - M04

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

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

8. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2020/21		Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		56,951	–	606	15,600	18,984	(3,383)	-18%	56,951
Service charges		29,346	–	3,539	13,972	9,782	4,190	43%	29,346
Other revenue		8,896	–	669	2,488	2,965	(478)	-16%	8,896
Transfers and Subsidies - Operational		295,690	–	–	124,068	98,563	25,505	26%	295,690
Transfers and Subsidies - Capital		99,296	–	–	20,513	33,099	(12,585)	-38%	99,296
Interest		10,047	–	335	1,767	3,349	(1,582)	-47%	10,047
Dividends				–	–	–	–		
Payments									
Suppliers and employees		(370,638)	–	(33,658)	(106,152)	(123,546)	(17,394)	14%	(370,638)
Finance charges		(50)	–	–	–	(17)	(17)	100%	(50)
Transfers and Grants					–	–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES	–	129,537	–	(28,508)	72,257	43,179	(29,078)	-67%	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							–		
Payments									
Capital assets		(119,176)	–	(9,807)	(21,782)	(39,725)	(17,943)	45%	(119,176)
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	(119,176)	–	(9,807)	(21,782)	(39,725)	(17,943)	45%	(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							–		(503)
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	(503)
NET INCREASE/ (DECREASE) IN CASH HELD	–	10,361	–	(38,315)	50,475	3,454			9,858
Cash/cash equivalents at beginning:		181,236		359,310	258,161	181,236			258,161
Cash/cash equivalents at month/year end:	–	191,598	–	308,635	184,690	184,690			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 - M04 October

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	—	2,687	12,892	
Call investment deposits		178,706	—	305,948	178,706	
Consumer debtors		46,512	—	58,484	46,512	
Other debtors		37,398	—	54,610	37,398	
Current portion of long-term receivables		—	—	—	—	
Inventory		1,524	—	2,119	1,524	
Total current assets		—	277,032	—	423,849	277,032
Non current assets						
Long-term receivables		32,436	—	36,655	32,436	
Investments		—	—	—	—	
Investment property		—	—	—	—	
Investments in Associate		—	—	—	—	
Property, plant and equipment		755,509	—	705,164	755,509	
Biological		73	—	34	73	
Intangible		1,341	—	1,231	1,341	
Total non current assets		—	789,359	—	743,085	789,359
TOTAL ASSETS		—	1,066,391	—	1,166,934	1,066,391
LIABILITIES						
Current liabilities						
Bank overdraft		503	—	456	503	
Borrowing		28,928	—	49,397	28,928	
Consumer deposits		19,953	—	19,355	19,953	
Trade and other payables		—	—	—	—	
Provisions		—	—	—	—	
Total current liabilities		—	49,384	—	69,208	49,384
Non current liabilities						
Borrowing		5,495	—	5,246	5,495	
Provisions		—	—	—	—	
Total non current liabilities		—	5,495	—	5,246	5,495
TOTAL LIABILITIES		—	54,879	—	74,454	54,879
NET ASSETS	2	—	1,011,512	—	1,092,480	1,011,512
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,011,512	—	1,092,400	1,011,512	
Reserves		—	—	—	—	
TOTAL COMMUNITY WEALTH/EQUITY	2	—	1,011,512	—	1,092,480	1,011,512

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

10. Municipal Manager's quality certification

Quality Certificate

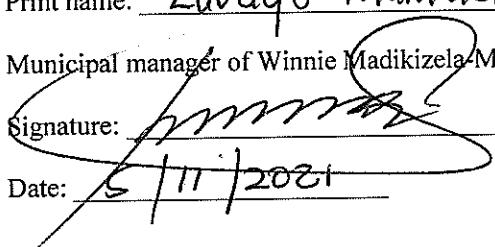
I, Luvuyo Mahlaka, the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

The monthly budget statement

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

Print name: Luvuyo Mahlaka

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

Signature: 

Date: 6/11/2021

