



## **QUARTERLY REPORT**

**REPORT IN TERMS OF s52d OF THE MFMA FOR THE  
QUARTER ENDED 30 SEPTEMBER 2021**

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## **PART 1 – IN-YEAR REPORT**

### **1. Executive Summary**

The Budget and Treasury Office has a responsibility of reporting on the performance of the municipality against its approved budget. This must also consider the service delivery performance of the municipality, indicating remedial actions where variances have been identified.

Section 52(d) of the Municipal Finance Management Act No 56 of 2003 requires that a quarterly report must be prepared and tabled to council within 30 days of the end of the quarter. The information as contained in this report responds specifically to that, but also provides the council with enough information to play the oversight role, whilst providing the required direction where it is needed.

The municipality is currently experiencing huge pressure due to the demands from communities for construction of access roads, maintenance of existing roads, water provision and decent housing. Although significant strides have been made in ensuring that the backlogs are addressed, there is still significant ground to cover and this requires significant financial resources from the municipality. This, places a lot of pressure on the resources for all service delivery and as such, a delicate balancing act must be carried out to ensure that all service delivery requirements are met.

All departments have prepared their quarterly performance reports relating to service delivery and other items. This has then been submitted to the Internal Audit Unit for verification and assessment of attached portfolio of evidence. This gives the information reported more credibility, and where inadequate evidence is provided, it is corrected.

#### **1.1 The Political Oversight**

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

- |                            |                         |
|----------------------------|-------------------------|
| • Cllr L. Makholosa        | Chairperson             |
| • Cllr M. Qumba            | Supply Chain Management |
| • Cllr. N Madikizela       | Budgeting & Reporting   |
| • Cllr. N. Giyama-Bongwana | Budgeting & Reporting   |
| • Cllr N. Sipatala         | Supply Chain Management |
| • Cllr M. Dlamini          | Asset Management        |
| • 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**

The municipality, like any other municipality in the country has been implementing mSCOA from 1 July 2017 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. Implementation of the 2019/20 Audit Action plan**

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

The municipality received and responded to the following:

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

Errors in the valuation of investment properties,

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

Prevention of irregular and fruitless expenditure

Understatement of commitments

Inconsistency in the comparative reporting of the notes on Employee costs

Appropriation statement included in the financial statements

Comparative contingent liabilities understatement

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

The municipality developed an audit action plan to address issues raised above to assist the municipality to get closer to clean governance. The audit action was 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 Mbizana local municipality developed and adopted a policy on cost containment that is now being implemented.

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

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

The implementation of these regulations has seen a reduction in the amounts spent on traveling and accommodation and catering expenses which we believe will assist the municipality to redirect these funds to other service delivery initiatives in the years to come including the first month of this current year. The table below indicate savings recorded for the quarter in the targeted areas where there savings.

QUARTER 1			
ITEM DESCRIPTION	2021	2022	SAVING
Travel and accommodation	33 962.54	535 171.13	(501 208.59)
Catering	40 350.00	337 150.00	(296 800.00)
Sponsorship (Sport development)	-	-	
Sport Activities (SAIMSA)	-	-	
Consulting fees	2 432 177.25	1 626 544.94	805 632.31
Total	2 506 489.79	2 498 866.07	7 623.72



The table shows that the municipality spent slightly less this year than at the same time last year by over R7.6 thousand with consulting fees only recording a saving, over spending of over R296 thousand on catering compared to the same period last year but this is mainly due to restrictions imposed as a result of Covid-19 health protocols during the last quarter of 2021. There is also a recorded increase on travel and accommodation compared to the same period last year by just over R501 thousand.

#### **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 of a bakkie for the electricity section which we were hoping will be delivered by the 30<sup>th</sup> of January 2021:

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

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

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

We are hoping the approval in this 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. Year-end Processes**

The process starts with the year-end closure processes as follows:

- Stock count
- Verification and assessment of assets
- Review of the Infrastructure asset register
- Correction of prior year errors
- Closure of the General ledger

### **a. Stock count**

The municipality runs a storeroom managed with the Supply Chain Management Unit that oversees proper recording and accounting for stock movements.

The inventory count is performed to ensure that all stock movements were recorded and to test effectiveness of stock control measures. This is a process that is done in the presence of the Auditor-General or delegate, in this case delegated to our Internal Audit Unit. The stock count was performed on Wednesday the 30<sup>th</sup> of June 2021 in the following storerooms:

- Finance
- Refuse removal
- Cultural Village

- Electricity

The stock count was successfully concluded with no major findings during the year as opposed to the prior years. The municipality's stock items at year end related to the following:

- Electricity material
- Stationary
- Cleaning equipment and material
- 

#### **b. Verification and Assessment of assets**

The municipality has movable assets that are 100% managed internally and Infrastructure assets that are managed through an external service provider due to their complex nature and specialised skill required.

Movable assets were all verified, and their condition assessed at year end to determine those that are still good to be used and those that require disposal. The assessments done have indicated that some assets require disposal. These assets included items as follows:

- Damaged computer equipment to the value of – R14 383
- Damaged and old furniture to the value of – R12 438
- Damaged and old grass cutting machines and two backup generators – R6 861
- Damaged and old vehicles and tractor to the value of – R365 085

Most of these items have gotten to a stage where they can cause harm to those using them and cost the municipality more money while some are no longer usable and occupying spaces that could be used to address office space for the municipality.

A detailed list of these items is available.

#### **c. Review of Infrastructure register**

The municipality's infrastructure register review is currently being finalised with the expected date being the 26th August 2021. The review is scheduled to be concluded by 31 July 2020 but due to some delays in the provision of certain information on completed projects this does not look likely. An effort will be put into ensuring that the process does not affect the final deadline to ensure readiness for the audit process to start in time.

#### **d. Correction of prior year errors**

During the audit there are items and areas flagged by the auditors that require that the municipality addresses and avoids occurrence of such issues for the future. Some of these issues are identified by management when analysing the events of that took place during the year and the year before that.

Management has identified areas that necessitated that prior year figures be revised and below is a summary of these items:

- Reversal of billing for rates relating to the Wild Coast Sun Casino due to the exemption from paying rates that the casino received and was not brought to the municipality's attention
- VAT amounts not refunded by SARS and are more than three years old.
- VAT amounts not capitalised on the purchase of municipal vehicles.
- Retention on electrification projects that were incorrectly calculated on the payment certificates
- Grant revenue not recognised on electrification projects due to payment certificates incorrectly calculated

#### **e. Summary of current year outcomes**

Below are a summary of the municipality's financial results starting with the Financial Position, Financial Performance and Cashflow results:

##### **a) Financial Performance**

The municipality's total assets have increased from R935 million to R1.1 billion with the following main areas of improvement:

- Property, Plant and Equipment
- Cash and Cash Equivalents
- Receivables
- Investment properties
- VAT receivable

The municipality's total liabilities have also increased from R63 million to R74 million with the following main contributors:

- Payables from exchange transactions

The municipality's net worth has also increased from R871 million to R1 billion indicating the good efforts in investing on infrastructure development.

##### **b) Financial performance**

The municipality's financial performance indicates how revenue and expenditures were managed during the year. The municipality has recorded an operation surplus of over R178 million for the year which is also in line with the increase on the municipality's net worth.

The municipality's total revenue has increased from R428 million to R498 million with the following areas to be noted:

- Government grants and subsidies
- Rental of facilities and equipment
- Service charges

The municipality's total expenditure has decreased from R314 million to R282 million with the following areas contributing to the decrease:

- Loss on disposal of assets
  - Debt impairment
- c) Cash flow

The municipality has recorded an increase of over R84 million on its cash and cash equivalents from R173 million to R258 million. This is very important in ensuring the municipality continues operating even under difficult economic conditions. This allows the municipality to be able to contribute its own funds in the development of infrastructure.

The municipality has seen an increase in net cash flows from operating activities of R72 million from R136 million to R208 million with the following areas contributing:

- Increase in Grants received
- Increase on cash paid to suppliers
- Decrease on interest income

An increase on investing activities has also been recorded from R86 million to R123 million, this relates to creation of assets in the form of infrastructure investment.

## **8. 2020/21 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 September 2021, 28 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 October 2021.

## 9. Strategic Objectives

The municipality developed strategies for the next five years from which short-term operational plans and targets talking to at least a period of one financial year are developed and reviewed annually. 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 a summary of the SDBIP with the targets that the departments have been working to achieve on a quarterly basis. The table shows the municipality's performance for the period ended to ensure they are monitored and achieved at the end of the financial year:

DEPT/KPA	TOTAL NUMBER OF TARGETS	TARGETS REPORTED	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	ACHIEVEMENT PERCENTAGE	COLOUR CODING FOR OVERALL PERFORMANCE
ENGINEERING SERVICES DEPARTMENT	28	28	24	4	86%	
COMMUNITY SERVICES DEPARTMENT	32	32	27	5	84%	
DEVELOPMENT PLANNING DEPARTMENT	24	24	16	8	67%	
CORPORATE SERVICES DEPARTMENT	17	17	16	1	94%	
BUDGET & TREASURY OFFICE	30	30	27	3	90%	
MUNICIPAL MANAGER'S OFFICE	25	25	25	0	100%	
OVERALL PERFORMANCE	156	156	135	21	87%	

101+%		Performing above the target	
96-100%		No deviation in plans – targets achieved	
67-95%		Minor deviation – targets not achieved	
0-66%		Major deviation – targets not achieved	

The table above paints a much-improved picture compared to the prior year at the same time. A detailed report will be presented separately with the reasons and proposed remedial actions to remedy the situation.



## 10. In-year budget statement tables

### a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	26,171	-	561	16,231	6,543	9,688	148%	26,171
Service charges	-	43,474	-	3,657	10,179	10,869	(690)	-6%	43,474
Investment revenue	-	10,047	-	382	1,432	2,512	(1,079)	-43%	10,047
Transfers and subsidies	-	295,690	-	938	122,488	73,923	48,565	66%	295,690
Other own revenue	-	14,651	-	934	2,974	3,663	(689)	-19%	14,651
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>390,032</b>	-	<b>6,473</b>	<b>153,304</b>	<b>97,508</b>	<b>55,796</b>	<b>57%</b>	<b>390,032</b>
Employee costs	-	126,854	-	9,439	26,295	31,713	(5,418)	-17%	126,854
Remuneration of Councillors	-	26,007	-	1,704	6,001	6,502	(501)	-8%	26,007
Depreciation & asset impairment	-	52,682	-	3,551	10,710	13,170	(2,460)	-19%	52,682
Finance charges	-	150	-	-	-	38	(38)	-100%	150
Inventory consumed and bulk purchases	-	48,440	-	5,195	10,671	12,110	(1,439)	-12%	48,440
Transfers and subsidies	-	5,907	-	-	-	1,477	(1,477)	-100%	5,907
Other expenditure	-	173,490	-	10,008	21,451	43,373	(21,922)	-51%	173,490
<b>Total Expenditure</b>	-	<b>433,529</b>	-	<b>29,896</b>	<b>75,128</b>	<b>108,382</b>	<b>(33,254)</b>	<b>-31%</b>	<b>433,529</b>
<b>Surplus/(Deficit)</b>	-	<b>(43,497)</b>	-	<b>(23,423)</b>	<b>78,176</b>	<b>(10,874)</b>	<b>89,050</b>	<b>-819%</b>	<b>(43,497)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	99,296	-	4,299	8,928	24,824	###	-64%	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)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>55,799</b>	-	<b>(19,124)</b>	<b>87,104</b>	<b>13,950</b>	<b>73,154</b>	<b>524%</b>	<b>55,799</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>55,799</b>	-	<b>(19,124)</b>	<b>87,104</b>	<b>13,950</b>	<b>73,154</b>	<b>524%</b>	<b>55,799</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>117,727</b>	-	<b>5,148</b>	<b>8,935</b>	<b>29,432</b>	<b>(20,497)</b>	<b>-70%</b>	<b>117,727</b>
Capital transfers recognised	-	86,399	-	1,009	1,305	21,600	(20,295)	-94%	86,399
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	31,328	-	4,139	7,630	7,832	(202)	-3%	31,328
<b>Total sources of capital funds</b>	-	<b>117,727</b>	-	<b>5,148</b>	<b>8,935</b>	<b>29,432</b>	<b>(20,497)</b>	<b>-70%</b>	<b>117,727</b>
<b>Financial position</b>									
Total current assets	-	277,032	-	-	459,347				277,032
Total non current assets	-	789,359	-	-	737,678				789,359
Total current liabilities	-	49,384	-	-	75,697				49,384
Total non current liabilities	-	5,495	-	-	5,246				5,495
Community wealth/Equity	-	1,011,512	-	-	1,116,082				1,011,512
<b>Cash flows</b>									
Net cash from (used) operating	-	129,537	-	(5,533)	100,765	32,384	(68,381)	-211%	129,537
Net cash from (used) investing	-	(119,176)	-	(6,827)	(11,975)	(29,794)	(17,819)	60%	(119,176)
Net cash from (used) financing	-	-	-	-	-	-	-	-	(503)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>191,598</b>	-	-	<b>946,950</b>	<b>100,027</b>	<b>(100,124)</b>	<b>-09%</b>	<b>200,010</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	4,559	2,609	10,428	2,111	2,276	59,052	-	-	81,035
<b>Creditors Age Analysis</b>									
Total Creditors	57	-	-	-	-	-	-	-	57

The table above shows a summary of the municipality's financial performance for the period ended 30 September 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 reporting period 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 as well as creditors age analysis.

b) Financial Performance by functional classification

EC443 Winnie Madikizela Mandela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		-	335,534	-	1,524	140,611	83,884	56,727	68%	335,534
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	335,534	-	1,524	140,611	83,884	56,727	68%	335,534
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	5,479	-	424	1,033	1,370	(337)	-25%	5,479
Community and social services		-	681	-	71	72	170	(98)	-58%	681
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	4,798	-	353	961	1,200	(239)	-20%	4,798
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	71,475	-	1,462	2,486	17,869	(15,383)	-86%	71,475
Planning and development		-	20,452	-	15	23	5,113	(5,090)	-100%	20,452
Road transport		-	51,023	-	1,446	2,463	12,756	(10,293)	-81%	51,023
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	76,840	-	7,362	18,102	19,210	(1,108)	-8%	76,840
Energy sources		-	68,576	-	6,138	15,512	17,144	(1,632)	-10%	68,576
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	8,264	-	1,224	2,590	2,066	524	25%	8,264
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	-	489,328	-	10,772	162,232	122,332	39,900	33%	489,328
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		-	195,801	-	11,890	31,028	48,950	(17,923)	-37%	195,801
Executive and council		-	62,138	-	4,593	12,017	15,535	(3,517)	-23%	62,138
Finance and administration		-	127,983	-	7,130	18,375	31,996	(13,621)	-43%	127,983
Internal audit		-	5,679	-	166	635	1,420	(784)	-55%	5,679
<i>Community and public safety</i>		-	31,625	-	2,339	6,301	7,906	(1,606)	-20%	31,625
Community and social services		-	11,967	-	631	2,088	2,992	(904)	-30%	11,967
Sport and recreation		-	2,853	-	207	720	713	7	1%	2,853
Public safety		-	15,769	-	1,422	3,367	3,942	(576)	-15%	15,769
Housing		-	1,037	-	79	127	259	(133)	-51%	1,037
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	105,923	-	5,395	14,655	26,481	(11,826)	-45%	105,923
Planning and development		-	31,356	-	1,510	4,355	7,839	(3,483)	-44%	31,356
Road transport		-	72,029	-	3,792	9,983	18,007	(8,024)	-45%	72,029
Environmental protection		-	2,539	-	93	317	635	(318)	-50%	2,539
<i>Trading services</i>		-	96,328	-	10,092	22,533	24,082	(1,549)	-6%	96,328
Energy sources		-	68,375	-	8,162	18,011	17,094	917	5%	68,375
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	27,952	-	1,930	4,522	6,988	(2,466)	-35%	27,952
<i>Other</i>		-	3,853	-	180	612	963	(351)	-36%	3,853
<b>Total Expenditure - Functional</b>	<b>3</b>	-	433,529	-	29,896	75,128	108,382	(33,254)	-31%	433,529
<b>Surplus/ (Deficit) for the year</b>		-	55,799	-	(19,124)	87,104	13,950	73,154	524%	55,799

The table above shows the municipality's financial performance for the period ended 30 September 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) - Q1 First Quarter

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	16,231	6,543	9,688	148%	26,171
Service charges - electricity revenue			38,809	–	3,274	9,036	9,702	(667)	-7%	38,809
Service charges - water revenue			–	–	–	–	–	–		–
Service charges - sanitation revenue			–	–	–	–	–	–		–
Service charges - refuse revenue			4,665	–	384	1,143	1,166	(23)	-2%	4,665
					–		–			
Rental of facilities and equipment			3,093	–	378	952	773	178	23%	3,093
Interest earned - external investments			10,047	–	382	1,432	2,512	(1,079)	-43%	10,047
Interest earned - outstanding debtors			5,133	–	163	986	1,283	(297)	-23%	5,133
Dividends received			–	–	–	–	–	–		–
Fines, penalties and forfeits			938	–	12	14	235	(221)	-94%	938
Licences and permits			2,756	–	178	571	689	(118)	-17%	2,756
Agency services			1,265	–	172	385	316	68	22%	1,265
Transfers and subsidies			295,690	–	938	122,488	73,923	48,565	66%	295,690
Other revenue			1,466	–	31	66	366	(300)	-82%	1,466
Gains			–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		–	390,032	–	6,473	153,304	97,508	55,796	57%	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 R3.2 million for the month and a year to date actual of R9 million. This is below the projection by about 7% (over R667 thousand) which may add up to R2.6 million by the end of the year if attempts to remedy the situation do not yield and results. It is worth mentioning though that the 7% report is an improvement from 11% 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 R384 thousand which is less than the projection by 2%, an improvement from 3% 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 R382 thousand worth of interest on investments with a year to date actual that is below the projection by 43%. 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 R163 thousand for the period ended 30 September 2021 which is less than the amount projected for the period by 23%, a regression from 4% last 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 R12 thousand for the month of September 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 R378 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 R178 thousand worth of revenue for the period. The municipality has collected below the projected collection by 17% which is a regression from 14% 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 R932 thousand has been transferred to revenue for the period ended 30 September 2021 from the operating grants whose conditions have been met. This has recorded a year to date performance of R122.4 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 87% overall collection rate for the quarter ended 30 September 2021. However, we note a 95% collection rate on leasehold fees, 81% on electricity and 94% 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
<b>RATES</b>				
billed	15,281,245	845,277	780,328	16,906,850
payment received	682,650	2,428,724	10,397,016	13,508,390
% of billing received	4%	287%	1332%	80%
<b>ELECTRICITY</b>				
billed	2,485,637	2,412,039	2,534,081	7,431,756
payment received	1,278,856	1,371,930	3,382,909	6,033,695
% of billing received	51%	57%	133%	81%
<b>LEASEHOLD FEES</b>				
billed	320,729	251,916	308,289	880,935
payment received	208,557	368,759	257,635	834,950
% of billing received	65%	146%	84%	95%
<b>VAT</b>				
billed	478,481	457,120	483,882	1,419,482
payment received	269,193	264,570	650,302	1,184,065
% of billing received	56%	58%	134%	83%
<b>INTEREST</b>				
billed	167,391	175,773	166,484	509,648
payment received	82,143	771,451	1,049,999	1,903,593
% of billing received	49%	439%	631%	374%
<b>REFUSE REMOVAL</b>				
billed	383,508	383,508	383,508	1,150,525
payment received	253,877	191,263	639,159	1,084,299
% of billing received	66%	50%	167%	94%
<b>TOTAL INCOME</b>				
billed	19,116,991	4,525,633	4,656,573	28,299,196
payment received	2,775,276	5,396,696	16,377,019	24,548,992
% of billing received	15%	119%	352%	87%

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure By Type										
Employee related costs			126,854	–	9,439	26,295	31,713	(5,418)	-17%	126,854
Remuneration of councillors			26,007	–	1,704	6,001	6,502	(501)	-8%	26,007
Debt impairment			9,600	–	–	–	2,400	(2,400)	-100%	9,600
Depreciation & asset impairment			52,682	–	3,551	10,710	13,170	(2,460)	-19%	52,682
Finance charges			150	–	–	–	38	(38)	-100%	150
Bulk purchases - electricity			40,777	–	4,078	9,501	10,194	(693)	-7%	40,777
Inventory consumed			7,663	–	1,117	1,170	1,916	(746)	-39%	7,663
Contracted services			98,848	–	6,103	14,289	24,712	(10,423)	-42%	98,848
Transfers and subsidies			5,907	–	–	–	1,477	(1,477)	-100%	5,907
Other expenditure			65,042	–	3,905	7,162	16,261	(9,098)	-56%	65,042
Losses			–	–	–	–	–	–		–
Total Expenditure		–	433,529	–	29,896	75,128	108,382	(33,254)	-31%	433,529

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

- Employee costs and Remuneration of councillors:** The municipality has remunerated employees who are remunerated as per the prevailing Bargaining Council agreements. The expenditure for the period ended 30 August 2021 reflects an amount of R9.4 million for employee costs and R1.7 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 17% 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 R4.5 million on electricity purchases for the period ended 30 September 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 August and 10 days of September 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 September 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 R6.1 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 56% 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) - Q1 First Quarter

Vote Description		Ref	2020/21	Budget Year 2021/22							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%		
Revenue by Vote		1									
Vote 1 - Executive and Council			-	-	-	-	-	-	-	-	
Vote 2 - Budget and Treasury			-	309,070	-	951	124,345	77,267	47,078	60.9%	309,070
Vote 3 - Corporate Services			-	293	-	12	34	73	(39)	-53.1%	293
Vote 4 - Community Services			-	13,743	-	1,648	3,623	3,436	187	5.4%	13,651
Vote 5 - Development Planning			-	46,466	-	577	16,254	11,617	4,638	39.9%	46,467
Vote 6 - Engineering Services			-	119,755	-	7,584	17,975	29,939	(11,964)	-40.0%	119,755
Total Revenue by Vote		2	-	489,328	-	10,772	162,232	122,332	39,900	32.6%	489,236

The table above shows revenue generated per municipal vote as defined in s1 of the MFMA. The table shows that Engineering services has generated over R7.5 million for the month with Budget and Treasury showing generation of over R951 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 R1.6 million.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	83,323	-	5,241	15,113	20,831	(5,717)	-27.4%	83,323
Vote 2 - Budget and Treasury		-	37,982	-	1,688	4,567	9,496	(4,929)	-51.9%	37,982
Vote 3 - Corporate Services		-	59,154	-	3,694	8,064	14,788	(6,724)	-45.5%	59,154
Vote 4 - Community Services		-	78,225	-	5,719	14,721	19,556	(4,835)	-24.7%	78,225
Vote 5 - Development Planning		-	29,062	-	1,457	3,789	7,265	(3,477)	-47.9%	29,061
Vote 6 - Engineering Services		-	145,783	-	12,097	28,874	36,446	(7,572)	-20.8%	145,783
Total Expenditure by Vote	2	-	433,529	-	29,896	75,128	108,382	(33,254)	-30.7%	433,529
Surplus/ (Deficit) for the year	2	-	55,798	-	(19,124)	87,104	13,950	73,154	524.4%	55,706

The table above shows the expenditure by municipal vote. The total expenditure for the month of September 2021 amounted to above R29.8 million.

## h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

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	16,231	6,543	9,688	148%	26,171
Service charges - electricity revenue			38,809	—	3,274	9,036	9,702	(667)	-7%	38,809
Service charges - water revenue			—	—	—	—	—	—	—	—
Service charges - sanitation revenue			—	—	—	—	—	—	—	—
Service charges - refuse revenue			4,665	—	384	1,143	1,166	(23)	-2%	4,665
Rental of facilities and equipment			3,093	—	378	952	773	178	23%	3,093
Interest earned - external investments			10,047	—	382	1,432	2,512	(1,079)	-43%	10,047
Interest earned - outstanding debtors			5,133	—	163	986	1,283	(297)	-23%	5,133
Dividends received			—	—	—	—	—	—	—	—
Fines, penalties and forfeits			938	—	12	14	235	(221)	-94%	938
Licences and permits			2,756	—	178	571	689	(118)	-17%	2,756
Agency services			1,265	—	172	385	316	68	22%	1,265
Transfers and subsidies			295,690	—	938	122,488	73,923	48,565	66%	295,690
Other revenue			1,466	—	31	66	366	(300)	-82%	1,466
Gains			—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		—	390,032	—	6,473	153,304	97,508	55,796	57%	390,032
Expenditure By Type										
Employee related costs			126,854	—	9,439	26,295	31,713	(5,418)	-17%	126,854
Remuneration of councillors			26,007	—	1,704	6,001	6,502	(501)	-8%	26,007
Debt impairment			9,600	—	—	—	2,400	(2,400)	-100%	9,600
Depreciation & asset impairment			52,682	—	3,551	10,710	13,170	(2,460)	-19%	52,682
Finance charges			150	—	—	—	38	(38)	-100%	150
Bulk purchases - electricity			40,777	—	4,078	9,501	10,194	(693)	-7%	40,777
Inventory consumed			7,663	—	1,117	1,170	1,916	(746)	-39%	7,663
Contracted services			98,848	—	6,103	14,289	24,712	(10,423)	-42%	98,848
Transfers and subsidies			5,907	—	—	—	1,477	(1,477)	-100%	5,907
Other expenditure			65,042	—	3,905	7,162	16,261	(9,098)	-56%	65,042
Losses			—	—	—	—	—	—	—	—
Total Expenditure		—	433,529	—	29,896	75,128	108,382	(33,254)	-31%	433,529
Surplus/(Deficit)		—	(43,497)	—	(23,423)	78,176	(10,874)	89,050	(0)	(43,497)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			99,296	—	4,299	8,928	24,824	(15,896)	(0)	99,296
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								—		
Transfers and subsidies - capital (in-kind - all)								—		
Surplus/(Deficit) after capital transfers & contributions		—	55,799	—	(19,124)	87,104	13,950			55,799
Taxation								—		
Surplus/(Deficit) after taxation		—	55,799	—	(19,124)	87,104	13,950			55,799
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		—	55,799	—	(19,124)	87,104	13,950			55,799
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		—	55,799	—	(19,124)	87,104	13,950			55,799

The municipality has so far recorded a surplus of over R106 million for the period ended 30 September 2021 with a deficit of R19.1 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.

## 11. 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 - Q1 First Quarter

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									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	34,277	-	1,009	1,305	8,569	7,264	84.8%	34,277
Roads Infrastructure		-	13,070	-	1,009	1,305	3,267	1,962	60.1%	13,070
Roads		-	13,070	-	1,009	1,305	3,267	1,962	60.1%	13,070
Electrical Infrastructure		-	20,957	-	-	-	5,239	5,239	100.0%	20,957
MV Networks		-	18,107	-	-	-	4,527	4,527	100.0%	18,107
LV Networks		-	2,850	-	-	-	713	713	100.0%	2,850
Solid Waste Infrastructure		-	250	-	-	-	63	63	100.0%	250
Waste Drop-off Points		-	250	-	-	-	63	63	100.0%	250
<b>Community Assets</b>		-	13,500	-	-	-	3,375	3,375	100.0%	13,500
Community Facilities		-	13,500	-	-	-	3,375	3,375	100.0%	13,500
Halls		-	8,400	-	-	-	2,100	2,100	100.0%	8,400
Crèches		-	3,500	-	-	-	875	875	100.0%	3,500
Markets		-	1,600	-	-	-	400	400	100.0%	1,600
<b>Other assets</b>		-	19,820	-	-	-	4,955	4,955	100.0%	19,820
Operational Buildings		-	19,820	-	-	-	4,955	4,955	100.0%	19,820
Manufacturing Plant		-	19,820	-	-	-	4,955	4,955	100.0%	19,820
<b>Computer Equipment</b>		-	1,248	-	-	-	312	312	100.0%	1,248
Computer Equipment		-	1,248	-	-	-	312	312	100.0%	1,248
<b>Furniture and Office Equipment</b>		-	6,280	-	41	41	1,570	1,529	97.4%	6,280
Furniture and Office Equipment		-	6,280	-	41	41	1,570	1,529	97.4%	6,280
<b>Machinery and Equipment</b>		-	300	-	-	-	75	75	100.0%	300
Machinery and Equipment		-	300	-	-	-	75	75	100.0%	300
<b>Transport Assets</b>		-	1,400	-	-	-	350	350	100.0%	1,400
Transport Assets		-	1,400	-	-	-	350	350	100.0%	1,400
<b>Total Capital Expenditure on new assets</b>	1	-	76,825	-	1,049	1,346	19,206	17,861	93.0%	76,825

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Q1 First Quarter

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									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Community Assets</b>		-	11,000	-	943	3,086	2,750	(336)	-12.2%	11,000
Community Facilities		-	11,000	-	943	3,086	2,750	(336)	-12.2%	11,000
Taxi Ranks/Bus Terminals		-	11,000	-	943	3,086	2,750	(336)	-12.2%	11,000
<b>Total Capital Expenditure on renewal of existing assets</b>	1	-	11,000	-	943	3,086	2,750	(336)	-12.2%	11,000



EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Q1 First Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Community Assets		–	29,902	–	3,155	4,503	7,476	2,972	39.8%	29,902
Community Facilities		–	28,402	–	–	–	7,101	7,101	100.0%	28,402
Halls			28,402	–	–	–	7,101	7,101	100.0%	28,402
Sport and Recreation Facilities		–	1,500	–	3,155	4,503	375	(4,128)	-1100.9%	1,500
Outdoor Facilities			1,500	–	3,155	4,503	375	(4,128)	-1100.9%	1,500
Total Capital Expenditure on upgrading of existing assets	1	–	29,902	–	3,155	4,503	7,476	2,972	39.8%	29,902

The above tables indicate that the municipality spent R5.1 million for the month from its capital budget for the period ended 30 September 2021 with a year to date actual of R8.9. 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) - Q1 First Quarter

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 6 - Engineering Services		-	29,902	-	3,155	4,503	7,476	(2,972)	-40%	29,902
<b>Total Capital Multi-year expenditure</b>	4,7	-	29,902	-	3,155	4,503	7,476	(2,972)	-40%	29,902
<b>Single Year expenditure appropriation</b>	2									
Vote 3 - Corporate Services		-	7,028	-	41	41	1,757	(1,716)	-98%	7,028
Vote 4 - Community Services		-	3,150	-	-	-	788	(788)	-100%	3,150
Vote 5 - Development Planning		-	21,420	-	-	-	5,355	(5,355)	-100%	21,420
Vote 6 - Engineering Services		-	56,227	-	1,952	4,391	14,057	(9,666)	-69%	56,227
<b>Total Capital single-year expenditure</b>	4	-	87,825	-	1,993	4,431	21,956	(17,525)	-80%	87,825
<b>Total Capital Expenditure</b>		-	117,727	-	5,148	8,935	29,432	(20,497)	-70%	117,727
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	7,028	-	41	41	1,757	(1,716)	-98%	7,028
Finance and administration		-	7,028	-	41	41	1,757	(1,716)	-98%	7,028
<b>Community and public safety</b>		-	2,450	-	-	-	613	(613)	-100%	2,450
Community and social services		-	1,650	-	-	-	413	(413)	-100%	1,650
Public safety		-	800	-	-	-	200	(200)	-100%	800
<b>Economic and environmental services</b>		-	85,891	-	5,107	8,894	21,473	(12,579)	-59%	85,891
Planning and development		-	72,822	-	4,098	7,589	18,205	(10,616)	-58%	72,822
Road transport		-	13,070	-	1,009	1,305	3,267	(1,962)	-60%	13,070
<b>Trading services</b>		-	22,357	-	-	-	5,589	(5,589)	-100%	22,357
Energy sources		-	21,657	-	-	-	5,414	(5,414)	-100%	21,657
Waste management		-	700	-	-	-	175	(175)	-100%	700
<b>Total Capital Expenditure - Functional Classification</b>	3	-	117,727	-	5,148	8,935	29,432	(20,497)	-70%	117,727
<b>Funded by:</b>										
National Government		-	86,399	-	1,009	1,305	21,600	(20,295)	-94%	86,399
Transfers recognised - capital		-	86,399	-	1,009	1,305	21,600	(20,295)	-94%	86,399
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	31,328	-	4,139	7,630	7,832	(202)	-3%	31,328
<b>Total Capital Funding</b>		-	117,727	-	5,148	8,935	29,432	(20,497)	-70%	117,727

The above table indicate that the municipality spent R5.1 million from its capital budget for the period ended 30 September 2021 with a year to date actual of R8.9 million 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.

## **12. Supply chain management**

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

### **a. Acquisition management**

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

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

### **b. Handling of tenders during COVID-19**

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

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

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

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

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

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



### c. Procurement requests below R2000.00

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

Order Date	Creditor Name	Value	Specifications	Function Name	SegmentDES C
2021/07/19	Nstitute For Local Government	1 000,00	Payment For Membership Fees For Mr Z.Zukulu	Core Function:Finance	Membership Fees 1005260170
2021/07/22	South African Qualifications A	1 620,00	Request For Verification Of Qualification For Town Planner And Manager A&S	Core Function:Human Resources	Personnel Recruitment cost 1010
2021/08/16	Group Two Media Company	1 800,00	Request Advertisement For Virtual Ordinary Council Meeting To Be Held 20 August 2021 At 09h30	Core Function: Municipal Manager Town Se	Whippery support catering costs 505260175
2021/09/23	South African Qualifications A	810,00	Qualification Verification Request For Town Planner	Personnel Recruitment Cost 1010	Core Function:Human Resources
2021/09/06	Kwik-Fit Bizana	1 999,99	Request Supply & Delivery Of A Car Battery 650-50 90amp For 1.3 Truck For Refuse Removal	Refuse- Vehicle Maintenance	Core Function:Solid Waste Removal
		<b>7 229,99</b>			

**d. Procurement requests above R2, 000.00 but below R30, 000.00**

Procurement of goods and services above R2000.00 but below R30 000.00 is done through a three quotation system

Date	Creditor Name	Specification	Value	Function	Segment
2021/09/07	African Compass Trading 37cc	Clering Services	2 375,00	Catering Councillors Meetings	Core Function:Mayor And Council
2021/09/07	African Compass Trading 37cc	Catering Services	2 375,00	Catering Councillors Meetings	Core Function:Mayor And Council
2021/09/20	Metal Art	Request Repairing Of The Mayoral Chain	4 600,00	Soma- Hire Charges	Core Function:Mayor And Council
2021/09/17	Thanks To Give Trading And Pro	Request 2x Rice For The Dip Handover In Ward 03 On The 23/09/2021	4 760,00	Public Participation Groceries	Core Function:Mayor And Council
2021/09/29	Iso News (Pty) Ltd	Request For Review Of Record Management Policy;Procedure Manual And Nt Of Records Management Strategy	5 040,00	Advertising Publicity And Marketing:Corporate And Municipal	Core Function:Administrative And Corporate
2021/09/07	Masixasane Trading And Constru	Request Lunch For The Amadiba Youth In Business Meeting	6 000,00	Catering Youth Programme 510260190	Core Function:Mayor And Council
2021/09/07	Kwik-Fit Bizana	Request For 04 All Terrain Tyres Of Toyota Quantum With Reg: Number Size (195r15c)	6 200,01	Vehicle Maintenance Outsourced 1010235115	Core Function:Fleet Management
2021/09/16	Kwik-Fit Bizana	Request Supply & Delivery Of 05xfire Extinguishers For Refuse Vehicles (Fwk 197 Ec; Jnx 120 Ec; Gfc 442 Ec; Jtg 283 Ec & Jhg 816 Ec)	7 561,25	Refuse- Vehicle Maintenance	Core Function:Solid Waste Removal
2021/09/14	Beat By Beat 1996	Request For Pvc Pipe; Sie 15mm X 0.6mm	7 769,50	Rm Buildings Maintenance Roads 5505	Core Function:Roads
2021/09/16	Beat By Beat 1996	Catering Lunch Packs For 100 People For Ward 15 Community Education On	8 500,00	Community Education Catering 505260695	Core Function:Mayor And Council
2021/09/07	Arena Holdings	Request For Advertising Upgrade Of Taxi Rank Phase 2	8 649,15	Advertising Fees Pmu 5505260540	Core Function:Project Management Unit
2021/09/14	Fakade Construction (Pty) Ltd	Request 2x10kg Rice For Social Relief Of Mcelwa & Zawana Family In War	8 760,00	Social Relief Promotional Material 2505	Non-Core Function:Population Development
2021/	Arena Holdings	Requesting Advert For Attaining Panel Of Attorneys For The	9 401,25	Advertising Mm	Core

Date	Creditor Name	Specification	Value	Function	Segment
09/14		Municipal Period. Advert To Circulate In Local & Provincial Newspapers And Media. Attached Spec. For Reference			Function: Municipal Manager Town Se
2021/09/14	Inzalabantu Primary Co-Operative	Request Lunch For 100 People To Attend Anc Constituency Program In War The 13/09/2021	9 500,00	Whippery Support Catering Costs 505260175	Core Function: Mayor And Council
2021/09/08	Qobo And Partners	Payment For Supply And Delivery Of Periodicals	10 000,00	Newspaper Library 2505	Non-Core Function: Libraries And Archives
2021/09/10	Kwik-Fit Bizana	Request For Two Tyres For Isuzu M-Ux All Terrain Tyres Size 255/60R18	11 265,40	Vehicle Maintenance Outsourced 1010235115	Core Function: Fleet Management
2021/09/06	Sia Nomp Group	Request 100 X Lunch Packs For Fbs Awareness On The 10/09/2021 In Counc Chamber At 10:00	13 000,00	Catering Indigent	Non-Core Function: Population Development
2021/09/06	Ban Isle (Pty)Ltd	Request For Two Chairs	13 253,50	Office Furniture	Core Function: Administrative And Corporate
2021/09/14	Gelane's Transport	Request 100 Lunch Packs	14 500,00	Customer Care Catering 515260179	Core Function: Marketing Customer Relati
2021/09/10	Driving License Card Account	Payment To Driving License Card Account For Month Of August 2021	26 228,00	Stationery Vehicle Testing And Licencing	Core Function: Roads
2021/09/22	Lions Den Projects	Request For 7 Water Dispensors With Water Bottles	27 300,00	Office Furniture	Core Function: Administrative And Corporate
2021/09/30	Driving License Card Account	Payment For Driving Licence Card Account For The Month Of September 20	28 598,00	Stationery Vehicle Testing And Licencing	Non-Core Function: Road And Traffic Regul
			<b>235 636,06</b>		



**e. Procurement above R30 000 but below R200 000**

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

No.	Creditor Name	Specification	Amount	Specification	Function
2021/09/23	Ludwala Investment Services	Payment To Ludwala Investments For Big Sauce Gas Pan	41 910,00	Kitchen Tools Elderly Programme 505260189	Core Function: Mayor And Council
2021/09/29	Jnw Trading Enterprise Pty Ltd	Payment Request 100 Lunch Packs For Disaster Awareness Campaign	43 000,00	Social Awarenesses Catering 2505	Non-Core Function: Population Development
2021/09/29	Ludwala Investment Services	Payment For Supply And Delivery Of Dltc Stationery	43 997,26	Stationery Vehicle Testing And Licencing	Non-Core Function: Road And Traffic Regul
2021/09/08	Black Capital Solutions	Payment For Printing And Binding Of Idp Documents	59 595,00	Idp Printing And Publication 515260555	Core Function: Corporate Wide Strategic P
2021/09/29	Kervel Group	Payment Request For 300 Rakes	64 765,00	Finished Goods: Acquisitions	Finance: Default
2021/09/23	Yli Pty Ltd	Payment To Yli Pty Ltd For Printing And Binding Of Annual Report	85 000,00	Annual Report Binding And Books 515260554	Core Function: Municipal Manager Town Se
2021/09/15	Sabc	Request For Radio Slot For Hon. Mayor At Sabc	86 422,50	Radio	Core Function: Marketing Customer Relati
2021/09/29	Ezamazovo Trading (Pty) Ltd	Stitches	118 900,00	Promotional Items	Core Function: Mayor And Council
2021/09/29	The Ant Capital	Payment For Supply And Delivery Of Dltc Stationery	145 777,71	Stationery Vehicle Testing And Licencing	Non-Core Function: Road And Traffic Regul
2021/09/23	Ezamazovo Trading (Pty) Ltd	Payment To Ezamazovo Trading For Supply And Delivery Of Support Material - Litre Drum Capacity 1800 Watts	152 750,00	Awards Youth Programme 505260190	Core Function: Mayor And Council
2021/09/30	Kkumyolz Investments	Payment For Debt Collection For Month Of Aug 2021	158 955,72	Collection Of Debts Legal Fees	Core Function: Finance
2021/09/15	Ncaiana Trading And Projects	Payment For Supply And Delivery Of Animal Feed	185 030,00	Finished Goods: Acquisitions	Non-Core Function: Electricity
2021/09/08	Auditor General	Payment For Audit Services	197 623,19	Operational Cost: External Audit Fees	Core Function: Finance

No.	Creditor Name	Specification	Amount	Specification	Function
			1 383 726,38		

### 13. 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 the period ended 30 September 2021

NO	SUCCESSFUL TENDERER	AMOUNT	PAYMENTS	BALANCE	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
1	SWORD GROUP	79 620,00	-	79 620,00	WMM LM 09/04/21 S&D DL TCS	Jul-Sept 21 Nelson Mandela 67 minutes(fencing material and food vouchers)	30/07/2021	Municipal Managers office
2	YLT PTY LTD	R 85 000,00	R 0,00	R 85 000,00	WMM LM 08/07/21/01 P&B 19/20AR	Printing of Annual Report 2021		
3	BLACK CAPITAL SOLUTIONS	R 59 595,00	R 0,00	R 59 595,00	WMM LM/08/07/21/01 P&B 21/22 IDP DOC	PRINTING AND BINDING OF 100 COPIES 2021/2022/IDP DOCUMENT		
4	EZAMAVOV O TRADING	R 118 900,00	R 118 900,00	R 0,00	WMM LM/05/08/21 WMC	WOMEN'S MONTH CELEBRATION	2021/01/09	
5	LUDWALA INVESTMENT S	R 41 910,00	R 41 910,00	R 0,00	WMM LM20/08/21/01 SEC	SUPPORT OF LEDERLY CENTRE	2021/08/09	
6	KERVEL GROUP	R 64 765,00	R 64 765,00	R 0,00	WMM LM 29/07/21/01 PCM	PROCUREMENT OF CLEANING MATERIAL	2021/01/09	
7	LUDWALA INVESTMENT S	R 189 775,00	R 0,00	R 189 775,00	WMM LM/17/08/21 S&D DLTC STA	SUPPLY AND DELIVERY OF DLTC STATIONERY	2021/08/09	
8	NCAIANA TRADING	R 185 030,00	R 185 030,00	R 0,00	WMM LM/04/08/21/01 PAF	PROCUREMENT OF ANIMAL FEED	2021/09/09	
9	EZAMAVOV O TRADING	R 152 750,00	R 152 750,00	R 0,00	WMM LM12/08/21/02	SUPPLY AND DELIVERY OF SUPPORT MATERIAL:YOUNG ENTREPRENEURS IN MBIZANA	13/9/2021	
10	JNW Trading Enterprise	R 43 000,00	R 43 000,00	R 0,00	WMM LM 12/08/21/01 DAC	DISASTER AWARENESS CAMPAIGN	2021/08/09	
11	PHAPHA	R 154 300,00	R 0,00	R 154 300,00	WMM LM /08/09/21	TOURISM EDUCATION AND AWARENESS CAMPAIGN	21/09/2021	

<b>N O</b>	<b>SUCCESSFUL TENDERER</b>	<b>AMOUNT</b>	<b>PAYMENTS</b>	<b>BALANCE</b>	<b>TENDER NO</b>	<b>DESCRIPTION</b>	<b>DATE AWARDED</b>	<b>END USER DEPARTMENT</b>
	ZINDELA HOLDINGS				TE&AC 2021			
12	NCAIANA TRADING	R 150 000,00	R 150 000,00	R 0,00	WMM LM /23/08/21 SD&GV&IB	SUPPLY,DELIVERY AND INSTALLATION OF GRAVE NUMBERS AND INFORMATION BOARDS	21/09/2021	
13	IMIDHILUME GENERAL TRADING	R 125 000,00	R 0,00	R 125 000,00	WMM LM/18/08/21 WMAC	WASTE MANAGEMENT AWARENESS CAMPAIGN	21/09/2021	
14	LIMSA TRAINING INSTITUTE	R 144 192,00	R 0,00	R 144 192,00	WMM LM/23/08/21/T DP&L	TRAINING PROCEDURES AND LOGISTICS	22/09/2021	
15	THE MANES	R 157 600,00	R 0,00	R 157 600,00	WMM LM/30/08/2 C ST	CONSTRUCTION OF 6000 L SEPTIC TANK FOR CEMETRY	30/09/2021	



## Competitive Bidding

### c) Status of current tenders

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Project Name	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
	PCWS		August 2021	2021		November 2021	adjudicated
Private Security Company	WMM LM 08/12/20/03/PSC	Mr. D.N. Lumphoko	Friday, 01 October 2021	Wednesday, 24 March 4917	90	Thursday, 30 December 2021	to be evaluated
Construction of Ward 01 ECDC	WMM LM 00062 W01 ECDC	Mr. Nontanda	Tuesday, 17 August 2021	Friday, 13 August 2021	90	Monday, 15 November 2021	to be evaluated
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 adjudicated
Procurement of Streets Lights	MBIZ LM 21/07/21/02 PSL	Mr. Nontanda	Friday, 13 August 2021	Friday, 13 August 2021	90	Thursday, 11 November 2021	To be re-advertised
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 re-advertised
Refurbishment of Bizana Taxi Rank (Phase 2)	WMM LM 01/09/21/02 RTR	N/A	Monday, 11 October 2021	N/A	91	Monday, 10 January 2022	committee to be appointed
Maintenance of Ward 13 Community Hall	WMM LM 10/08/21/02 MWCH	Mr. Nontanda	Thursday, 02 September 2021	Wednesday, 24 March 4917	90	Wednesday, 01 December 2021	to be evaluated
Replacement of Ring Main Unit (RMU)	WMM LM 10/08/21/02 RRMU	Mr. S. Morlock	Thursday, 02 September 2021	Wednesday, 24 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			

**d) Deviations**

There were no recorded deviations for the period ended 30 September 2021.

#### 14. Fruitless and Wasteful Expenditure

During the year the municipality incurred interests on late settlement of the Eskom accounts relating to the Free Basic Electricity account. These have been identified and recorded as fruitless and wasteful expenditure pending investigations and recommendations by a council committee.

- a) The table below provides the details of the expenditures incurred up to June 2021:

b) Fiscal	Trans Date	Doc No	Supplier	Description	PayDocNo	Amount
2020/08	26/08/2020	'593227915433	'ESKOM HOLDINGS ESKOM HOLDINGS	Interest on late payment	'EF007125-0001	R 230.47
2020/08	26/08/2020	'593227915433	'ESKOM HOLDINGS ESKOM HOLDINGS	Interest on late payment	'EF007125-0001	R 264.68
2020/08	26/08/2020	'593795019007	'ESKOM HOLDINGS ESKOM HOLDINGS	Interest on late payment	'EF007125-0002	R 117.64
2020/09	30/09/2020	'593807562385	'ESKOM HOLDINGS ESKOM HOLDINGS	Interest on late payment	'EF007148-0001	R 582.81
						R 1,195.60

The above report has already been presented to the executive committee and council as it was important that the council processes before the end of the financial year.

## 15. Database rotation

The following table indicates the service providers that have been utilised for the quarter ended 30 September 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.N o.
SOUTH AFRICAN QUALIFICATIONS A	PRIVATE BAG X06 WATERKLOOF 014 HATFIELD WARD 92 PRETORIA 0145	Core Function:Human Resources	2021/09/23	810,00	OPEN	Pretoria
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Solid Waste Removal	2021/09/06	1 999,99	RECEIVED	Ward 1
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Core Function:Mayor and Council	2021/09/07	2 375,00	RECEIVED	Ward 31
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Core Function:Mayor and Council	2021/09/07	2 375,00	RECEIVED	Ward 31
METAL ART	PO BOX13255 HATFIELD CITY OF TSHWANE 0028	Core Function:Mayor and Council	2021/09/20	4 600,00	OPEN	Pretoria
THANKS TO GIVE TRADING AND PRO	P.O BOX 12 WARD 17 BIZANA 4800	Core Function:Mayor and Council	2021/09/17	4 760,00	RECEIVED	Ward 17
ISO NEWS (PTY) LTD	P.O BOX 257 KOKSTAD WARD 1 4700	Core Function:Administrative and Corpora	2021/09/29	5 040,00	OPEN	Kokstad
MASIXASANE TRADING AND CONSTRU	P O BOX 210003 MNGUNGU WARD 28 4800	Core Function:Mayor and Council	2021/09/07	6 000,00	OPEN	Ward 28
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Fleet Management	2021/09/07	6 200,01	RECEIVED	Ward 1
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Solid Waste Removal	2021/09/16	7 561,25	OPEN	Ward 1
BEAT BY BEAT 1996	P/BAG 609 WARD 19 BIZANA 4800	Core Function:Roads	2021/09/14	7 769,50	RECEIVED	Ward 19
BEAT BY BEAT 1996	P/BAG 609 WARD 19 BIZANA 4800	Core Function:Mayor and Council	2021/09/16	8 500,00	RECEIVED	Ward 19
ARENA HOLDINGS	P.O BOX 2447 CAPE TOWN 8000 8000	Core Management Unit Function:Project	2021/09/07	8 649,15	OPEN	East London
FAKADE	P.O.BOX 307 BIZANA WARD 1 4800	Non-core Function:Population	2021/09/14	8 760,00	RECEIVED	Ward 17



Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Ward.No.
CONSTRUCTION (PTY) LTD		Development				
ARENA HOLDINGS	P.O BOX 2447 CAPE TOWN 8000 8000	Core Function:Municipal Manager Town Se	2021/09/14	9 401,25	OPEN	East London
INZALABANTU CO-PRIMARY OPERATI	ERF 705 EXTENSION 3 BIZANA 4800	Core Function:Mayor and Council	2021/09/14	9 500,00	RECEIVED	Ward 1
QOBO AND PARTNERS	SKHUMBENI BIZANA WARD 7 4800	Non-core Function:Libraries and Archives	2021/09/08	10 000,00	RECEIVED	Ward 7
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Fleet Management	2021/09/10	11 265,40	RECEIVED	Ward 1
SJA NOMP GROUP	P.O.BOX 754 REDOUBT BIZANA 4800	Non-core Function:Population Development	2021/09/06	13 000,00	RECEIVED	Ward 18
BAN ISLE (PTY)LTD	ERF 231 DOLLY MZAIDUME STREET WARD 1 BIZANA 4800	Core Function:Administrative and Corpora	2021/09/06	13 253,50	RECEIVED	Ward 1
GETANE'S TRANSPORT	P.O BOX 534 BIZANA WARD 14 4800	Core Function:Marketing Customer Relati	2021/09/14	14 500,00	RECEIVED	Ward 14
DRIVING LICENSE CARD ACCOUNT	P.O. BOX 25223 MONUMENT PARK PRETORIA 0105	Core Function:Roads	2021/09/10	26 228,00	RECEIVED	Pretoria
LIONS DEN PROJECTS	BOX 51 BIZANA WARD 4 4800	Core Function:Administrative and Corpora	2021/09/22	27 300,00	RECEIVED	Ward 4
DRIVING LICENSE CARD ACCOUNT	P.O. BOX 25223 MONUMENT PARK PRETORIA 0105	Non-core Function:Road and Traffic Regul	2021/09/30	28 598,00	OPEN	Pretoria

Total 238 446,05

## **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 will broadly affect 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 more imminently the 2020/21 MTREF budget preparations 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. Below are some of the areas that have been greatly affected and will continue to be affected as long COVID-19 is still within our shores.

#### **a. Financial Performance**

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

##### **i. Refuse removal**

Due to the number of businesses that were closed during the lockdown, it meant the municipality was not providing any service to those as they did not generate any refuse. This required the municipality to exempt those from paying during the period of the lockdown.

##### **ii. Electricity distribution**

The municipality provides electricity in the town area with businesses forming the bigger part of the municipality's revenue generation capacity. With most of these businesses closed during the hard lockdown, it meant less electricity was consumed and therefore less revenue generated.

##### **iii. Licences and permits**



The municipality as indicated earlier in the report runs a drivers license testing center which was unfortunately not operating during the lockdown and sometimes continues not operating for the duration required should any positive case be detected. This means loss of income to the municipality that has continued to show its effects in the current financial year.

## **2. Implementation of the Finance Management Internship Programme**

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

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

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

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

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

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

The municipality is also in the process of recruiting two additional Financial Management Interns to make the required number of 5. This was anticipated to be concluded by 30 June 2021 but due to unknown reasons the process has not been concluded. Further follow-ups will be made during the month of October 2021.

### 3. Debtors' analysis

#### Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dye-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	—	—	—	—	—	—	—	—	—	—	—	—
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,534	1,401	1,395	1,235	1,175	10,845	—	—	18,585	13,254	—	—
Receivables from Non-exchange Transactions - Property Rates	1400	780	605	8,577	501	501	24,289	—	—	35,253	25,291	—	—
Receivables from Exchange Transactions - Waste Water Management	1500	—	—	—	—	—	—	—	—	—	—	—	—
Receivables from Exchange Transactions - Waste Water Management	1600	383	272	261	256	286	7,789	—	—	9,246	8,330	—	—
Receivables from Exchange Transactions - Property Rental Debtors	1700	308	19	(125)	19	19	544	—	—	784	581	—	—
Interest on Arrear Debtor Accounts	1810	166	168	159	153	159	12,219	—	—	13,024	12,530	—	—
Recoverable unauthorised, irregular, fullless and wasteful expenditure	1820	—	—	—	—	—	—	—	—	—	—	—	—
Other	1900	388	144	160	(52)	136	3,367	—	—	4,143	3,452	—	—
<b>Total By Income Source</b>	<b>2000</b>	<b>4,559</b>	<b>2,609</b>	<b>10,428</b>	<b>2,111</b>	<b>2,276</b>	<b>59,052</b>	<b>—</b>	<b>—</b>	<b>81,035</b>	<b>63,439</b>	<b>—</b>	<b>—</b>
<b>2020/21 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	927	954	8,904	491	688	26,428	—	—	38,393	27,608	—	—
Commercial	2300	3,320	1,411	1,268	1,412	1,334	20,893	—	—	29,637	23,638	—	—
Households	2400	312	243	256	208	254	11,754	—	—	13,027	12,216	—	—
Other	2500	0	0	0	0	0	(23)	—	—	(22)	(23)	—	—
<b>Total By Customer Group</b>	<b>2600</b>	<b>4,559</b>	<b>2,609</b>	<b>10,428</b>	<b>2,111</b>	<b>2,276</b>	<b>59,052</b>	<b>—</b>	<b>—</b>	<b>81,035</b>	<b>63,439</b>	<b>—</b>	<b>—</b>

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

#### 4. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description	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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	57								57	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	57	-	-	-	-	-	-	-	57	-

The above table shows the municipality's creditors and their ageing. The report shows that the municipality has managed to settle all creditors within 30 days of receipt of a valid invoice. The municipality continues to find ways to ensure that all creditors are settled within the stipulated times.

#### 5. Investment portfolio analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commis sion Paid (Rands)	Commis sion Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0.001917648	0	N/A	not fixed	8,742	17	(1,111)	-	7,648
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0.002133043	0	N/A	not fixed	5,540	12	(2,853)	-	2,699
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.00097732	0	N/A	not fixed	342,208	334	(12,084)	-	330,458
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0.002054792	0	N/A	not fixed	896	2	-	-	897
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0.435848443	0	N/A	not fixed	2	1	-	893	896
FNB CALL DEPOSIT ACCOUNT(62896110170)		Not fixed	Call Deposit	No	Variable	0.002054689	0	N/A	not fixed	37	0	-	-	38
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.002054906	0	N/A	not fixed	68	0	-	-	68
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	0.001960602	0	N/A	not fixed	1,962	4	(249)	-	1,717
<b>Municipality sub-total</b>										<b>359,455</b>		<b>(16,297)</b>	<b>893</b>	<b>344,421</b>
<b>Entities</b>														
														-
														-
														-
														-
														-
<b>Entities sub-total</b>										<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>									<b>359,455</b>		<b>(16,297)</b>	<b>893</b>	<b>344,421</b>

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 R15 million which lead to a decrease in its investments for the month of September 2021. It should however be noted that this only reflects the difference between what was received and what was spent.



## 6. Allocation and grant receipts and expenditure

### a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

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
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		–	323,643	–	893	133,568	80,911	52,657	65.1%	323,643
Local Government Equitable Share			289,620	–	–	120,675	72,405	48,270	66.7%	289,620
Finance Management			2,000	–	–	2,000	500	1,500	300.0%	2,000
EPWP Incentive			3,570	–	893	893	893	1	0.1%	3,570
Integrated National Electrification Programme			28,453	–	–	10,000	7,113	2,887	40.6%	28,453
	3				–		–	–		
					–		–	–		
Other transfers and grants [insert description]										
<b>Provincial Government:</b>		–	500	–	–	500	125	375	300.0%	500
Sport and Recreation			500	–	–	500	125	375	300.0%	500
	4							–		
								–		
Other transfers and grants [insert description]								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
<b>Total Operating Transfers and Grants</b>	5	–	324,143	–	893	134,068	81,036	53,032	65.4%	324,143
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		–	70,843	–	–	9,758	17,711	(2,998)	-16.9%	70,843
Municipal Infrastructure Grant (MIG)			51,023	–	–	9,758	12,756	(2,998)	-23.5%	51,023
Neighbourhood Development Partnership			19,820	–	–	–	4,955			19,820
							–	–		–
								–		
Other capital transfers [insert description]								–		
<b>Provincial Government:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>Total Capital Transfers and Grants</b>	5	–	70,843	–	–	9,758	17,711	(2,998)	-16.9%	70,843
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	–	394,986	–	893	143,826	98,746	50,035	50.7%	394,986

The above table shows grants received for the period ended 30 September 2021.

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		–	323,643	–	29,539	64,101	80,911	(16,810)	-20.8%	323,643
Local Government Equitable Share			289,620	–	25,816	55,892	72,405	(16,513)	-22.8%	289,620
Finance Management			2,000	–	29	298	500	(202)	-40.5%	2,000
EPWP Incentive			3,570	–	841	1,447	893	554	62.1%	3,570
Integrated National Electrification Programme			28,453		2,853	6,465	7,113	(648)	-9.1%	28,453
					–		–	–		
Other transfers and grants [insert description]								–		
Provincial Government:		–	500	–	69	69	125	(56)	-45.1%	500
Sport and Recreation			500	–	69	69	125	(56)	-45.1%	500
								–		
								–		
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		–	324,143	–	29,607	64,170	81,036	(16,866)	-20.8%	324,143
Capital expenditure of Transfers and Grants										
National Government:		–	70,843	–	1,446	2,463	17,711	(15,248)	-86.1%	70,843
Municipal Infrastructure Grant (MIG)			51,023	–	1,446	2,463	12,756	(10,293)	-80.7%	51,023
Neighbourhood Development Partnership			19,820	–	–	–	4,955	(4,955)	-100.0%	19,820
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
Total capital expenditure of Transfers and Grants		–	70,843	–	1,446	2,463	17,711	(15,248)	-86.1%	70,843
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	394,986	–	31,054	66,632	98,746	(32,114)	-32.5%	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 - Q1 I

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

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



## 7. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates			56,951	–	11,037	14,995	14,238	757	5%	56,951
Service charges			29,346	–	5,688	10,433	7,337	3,097	42%	29,346
Other revenue			8,896	–	778	1,818	2,224	(406)	-18%	8,896
Transfers and Subsidies - Operational			295,690	–	893	124,068	73,923	50,145	68%	295,690
Transfers and Subsidies - Capital			99,296	–	–	20,513	24,824	(4,310)	-17%	99,296
Interest			10,047	–	398	1,432	2,512	(1,080)	-43%	10,047
Dividends					–		–	–		
<b>Payments</b>										
Suppliers and employees			(370,638)	–	(24,326)	(72,495)	(92,660)	(20,165)	22%	(370,638)
Finance charges			(50)	–	–	–	(13)	(13)	100%	(50)
Transfers and Grants							–	–		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		–	129,537	–	(5,533)	100,765	32,384	(68,381)	-211%	129,537
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
<b>Payments</b>										
Capital assets			(119,176)	–	(6,827)	(11,975)	(29,794)	(17,819)	60%	(119,176)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		–	(119,176)	–	(6,827)	(11,975)	(29,794)	(17,819)	60%	(119,176)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		(503)
<b>Payments</b>										
Repayment of borrowing								–		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		–	–	–	–	–	–	–		(503)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		–	10,361	–	(12,360)	88,790	2,590			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	–		346,950	183,827			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.

## 8. Statement of Financial Position

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash			12,892	–	2,529	12,892
Call investment deposits			178,706	–	344,421	178,706
Consumer debtors			46,512	–	57,943	46,512
Other debtors			37,398	–	52,693	37,398
Current portion of long-term receivables			–	–	–	–
Inventory			1,524	–	1,761	1,524
<b>Total current assets</b>		–	<b>277,032</b>	–	<b>459,347</b>	<b>277,032</b>
<b>Non current assets</b>						
Long-term receivables						
Investments					0	
Investment property			32,436	–	36,655	32,436
Investments in Associate			–	–	–	–
Property, plant and equipment			755,509	–	699,749	755,509
Biological						
Intangible			73	–	43	73
Other non-current assets			1,341	–	1,231	1,341
<b>Total non current assets</b>		–	<b>789,359</b>	–	<b>737,678</b>	<b>789,359</b>
<b>TOTAL ASSETS</b>		–	<b>1,066,391</b>	–	<b>1,197,025</b>	<b>1,066,391</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing						
Consumer deposits			503	–	455	503
Trade and other payables			28,928	–	56,131	28,928
Provisions			19,953	–	19,111	19,953
<b>Total current liabilities</b>		–	<b>49,384</b>	–	<b>75,697</b>	<b>49,384</b>
<b>Non current liabilities</b>						
Borrowing						
Provisions			5,495	–	5,246	5,495
<b>Total non current liabilities</b>		–	<b>5,495</b>	–	<b>5,246</b>	<b>5,495</b>
<b>TOTAL LIABILITIES</b>		–	<b>54,879</b>	–	<b>80,943</b>	<b>54,879</b>
<b>NET ASSETS</b>	<b>2</b>	–	<b>1,011,512</b>	–	<b>1,116,082</b>	<b>1,011,512</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)			1,011,512	–	1,116,082	1,011,512
Reserves						
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	–	<b>1,011,512</b>	–	<b>1,116,082</b>	<b>1,011,512</b>

This is the report for the period ended 30 September 2021 and we would like the Committee to consider its contents.

## 9. Municipal Manager's quality certification

### Quality Certificate

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

☒ Quarterly report on implementation of the budget and financial state of affairs of the municipality for the quarter ended 30 September 2021 has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print name: LUVUJO MAHLAKA

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

Signature: 

Date: 11/10/2021

