WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY

MONTHLY REPORT

REPORT IN TERMS OF s71 OF THE MFMA FOR THE MONTH OF FEBRUARY 2022

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PART 1 – IN-YEAR REPORT

1. Executive Summary

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

This is the eighth report of the 2021/22 financial year which should give an indication of how the municipality has performed on its eight months of operation in the indicated year. This is generally a reporting period during which most programs have already taken shape and expenditure patterns improved compared to the start of the financial year. The situation is expected to be better this year compared to the same period last year considering that the country was operating under stricter lockdown regulations that made it impossible to operate optimally. This is also a report for a period that has coincided with the finalisation of the adjustment budget by the municipality where activity may have also been affected in terms of spending. This adjusted budget will be the baseline for the 2022/23 draft budget and hopefully the contents of each report will help council and its structures to understand fully the status of the municipality's financial performance and decisions that need to be taken to ensure sustainability of the institution and continued service delivery.

1.1 The Political Oversight

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

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

2. Administration

The municipality has been implementing mSCOA with its annual updates like all municipalities in the country as a business reform since its introduction from 1 July 2017. This was introduced to address among other things ensuring standardisation of treatment of transactions and reporting across all municipalities, to encourage proper planning and put controls in terms of revenue and expenditure management. Introduction of new and improved versions of the mSCOA chart has proven to present problems that sometimes make it impossible to operate normally requiring some extra effort to be put into the operations of the municipality to fulfil its service delivery mandate.

3. Staff turnover

During the past seven months we have been reporting no vacant positions within the department except for the three internship opportunities that were in the recruitment processes. The process as previously reported was expected to have been concluded by 30 June 2021, which unfortunately did not take place. The process was eventually concluded by the end of November 2021. Out of the three appointed candidates, two did not fully meet the minimum requirements as set by National Treasury, meaning only one internship opportunity was filled. The Senior Manager Corporate services requested approval from the accounting officer to have the two none qualifying interns to be absorbed by the municipality and have the shortlisting and interviews be redone from the candidates who submitted their applications to ensure that the process is not delayed. This was in January 2022 but we report with concern that there has not been progress on the commitment to fill these positions. During the month of January, we also received a resignation of one of the interns previously enrolled who has opted for pursuing other career opportunities. This still therefore requires recruitment of three more qualifying young graduates to meet the required number of five.

This poses a serious risk of not being able to spend the conditional grant that is allocated to the municipality and may also lead to the money being returned to the national revenue fund at the end of the year.

4. Implementation of mSCOA

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

a) Challenges Identified

i. Version Changes

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

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

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

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

ii. IDP Budgeting

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

iii. Production of in-year reports

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

iv. Budget and reporting module functionality

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

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

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

5. Implementation of the 2020/21 Audit Action Plan

After receiving the audit report, the municipality formulated an audit action plan that was then approved by Council at the end of January 2022. The audit action plan included the following areas:

- Errors in the calculation of prior corrections on the cash flow statement,
- Competency assessments not done for all employees during the recruitment process,
- Doing business with companies linked to persons in the service of the state
- Incorrect calculation of electricity distribution losses
- Differences in the ageing of receivables
- Statutory receivables not tying up

Progress on these issues is monitored with most due dates falling at the end of March 2022. We can report however that all companies flagged to have directors who are in the service of the state have been suspended from doing business with the municipality with one company's contract having been terminated as well after settling the invoices that were already due when the decision was taken.

6. Implementation of the Municipal Cost containment regulations

During the month of June 2019, the minister of finance approved Municipal Cost Containment regulations effective from 1 July 2019. The regulations required municipalities to develop, adopt and implement policies as part of its budget related policies to support cost containment measures. The council of Winnie Madikizela-Mandela Local municipality developed and adopted a policy on cost containment that is now being implemented and is being reviewed annually.

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

- No catering for all meetings taking less than 5 hours
- No catering for all meetings held by only staff members regardless of the duration of the meeting
- All accommodation arrangements set within the limits as communicated by National Treasury

- All sporting activities have been discontinued.

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

a. Supply and Delivery of Municipal Vehicles

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

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

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

The municipality successfully procured a refuse skip bean truck during the 2021 financial year.

The municipality is also in the process of procuring vehicles for Political Office Bearers together with two bakkies that are all expected to have been delivered by the end of April 2022.

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

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

a) Fleet data integration

b) Fuel, oil and Toll services

c) Managed Maintenance, Repairs and Accident Reports

d) Vehicle Tracking and Monitoring

e) Driver, Vehicle Condition and Fine Management

We were hoping the approval in this contact will greatly assist the municipality in addressing the delays in procurement processes in cases where vehicles are required to be available for use in the short space of time. There are challenges which cause delays in the maintenance processes that we believe will need to be addressed with both National Treasury and Wesbank fleet services as the appointed service provider. Meetings are held quarterly with the appointed service provider to raise challenges faced. Some of the challenges are as follows:

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

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

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

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

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

7. Strategic Objectives

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

KPA N0 4: Budget & Treasury

Outcome 9 Objective

Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agency/s
													Internal	External	Q1	Q2	Q3	Q4			
Revenue Management	Revenue collection trends are decreasing posing a threat to the municipality's going concer	To achieve 100% billing for all services that are to be billed by June 2022	4.1	Metering of all electricity consumption	Electricty meters are read, recorded, and captured manually	Reading of electricity meters	Accurate billing of electricity consumption	4.1.1	0.5	Reading of 78 electricity meters utilizing the Automated system by June 2022	Meter reading Report from the AMR System, invoice and GRV	R 700,000.00	Yes	0	Reading of electricity meters	Reading of electricity meters	Reading of electricity meters	Reading of electricity meters	Ward 1	Revenue Section	Manager: Revenue and Expenditure
						Training of meter reader		4.1.2	0.5		Application letter, Attendance register		Yes		n/a	n/a	Attending training	n/a			

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Outcome 9 Objective																					
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
	n			Monthly billing of all consumers for all services	90% billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse,electricity and property rates	Reduced Customer queries - 100% of consumers billed as per consumer master database	4.1.3	0.5	Billing of 2 246 consumer accounts for Property rates, refuse and electricity by June 2022	12 monthly Billing Report	R -	N/A	0	Billing of 2 246 consumer accounts for Property rates, refuse and electricity	Billing of 2 246 consumer accounts for Property rates, refuse and electricity	Billing of 2 246 consumer accounts for Property rates, refuse and electricity	Billing of 2 246 consumer accounts for Property rates, refuse and electricity	Ward 1		Manager: Revenue and Expenditure
					Billing completed beyond the 3rd day of the following month	Completion of billing processes by the 3rd day of each following month		4.1.4	0.5	Billing completed by the 3rd day of each month following the billing month by June 2022	12 Month end closing Reports	R -	N/A	0	Perform month end procedure for consumer debtors, sundry debtors	Perform month end procedure for consumer debtors, sundry debtors	Perfom month end procedure for consumer debtors , sundry debtors	Perform month end procedure for consumer debtors, sundry debtors	Ward 1		Manager: Revenue and Expenditure
					Manual distribution of consumer statements	Sending of monthly statement using emails and sms's		4.1.5	0.5	Distribution of electronical monthly consumer statements by June 2022	12 Monthly Statements distribution Report	R -	N/A	0	Emailing of monthly consumer statements	Emailing of monthly consumer statements	Emailing of monthly consumer statements	Emailing of monthly consumer statements	Ward 1		Manager: Revenue and Expenditure

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Outcome 9 Objective

Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
				Implementation of the Revenue enhancement Strategy	Revenue Enhancement Strategy reviewed in 2019/20	Monitoring of the Revenue enhancement Strategy Action Plan	Improved revenue collection and generation	4.1.6	0.5	Implementation of the Revenue enhancement Strategy Action Plan by June 2022	4 Quartely Revenue enhancement Strategy Committee minutes and attendance register	R -	N/A	0	Quartely Revenue enhancement meeting	Quartely Revenue enhancement meeting	Quartely Revenue enhancement meeting	Quartely Revenue enhancement meeting	Ward 1		Manager: Revenue and Expenditure
		To achieve at least 95% collection of all debt	4.2	Implementation of credit control measures	Long outstanding debtors, which are more than 365 days	Outsourcing of collection services	Debtors age analysis reflecting debtors within 90 days	4.2.1	0.5	Consumer Data analyses and cleansing to ensure readiness for handing over of all accounts beyond 90 days by June 2022. Handing over of accounts that are beyond 90 days by June 2022	2 Quartely Data cleansing report, Progress report on accounts handed over beyond 90 days	R 500,000.00	Yes	0	Investigate account information	Investigate account information	n/a	n/a	Ward 1		Manager: Revenue and Expenditure

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Outcome 9 Objective																						
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agen
Expenditure Management	Accounts with erors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	4.3	Performance of monthly debtors , rates and investment reconciliations	Monthly reconciliations not performed by the 7th day of each month	Monthly reviewal of debtors, rates and investment reconciliation by the 7th working day of each month	Accurate and complete reconcialitions	4.3.1	0.5	12 monthly reviewed debtors ,12 investments and 12 rates reconciliation by June 2022	12 Signed debtors,12 investments and 12 rates reconciliation	R -	N/A	0	Preparation of 3 debtors,3 investments and 3rates reconciliation	Preparation of 3 debtors,3 investments and 3rates reconciliation	Preparation of 3 debtors ,3 investments and 3rates reconciliation	Preparation of 3 debtors,3 investments and 3rates reconciliation	Admin Offices		Manager: Revenue and Expenditure
	Invoices not submitted within 30 days of receipt for payment	To pay creditors within 30 days in compliance with the MFMA by June 2022	4.4	Enforcement of system descriptions and processes as per the Account payable policy	Invoices still taking longer to reach BTO for payment	Centralisation of submission of invoices per department	Age analysis reflecting creditors within 30 days	4.4.1	0.5	Payment of all presented acceptable invoices within 30 days from receipt of invoice by June 2022	Invoice register and age analysis report	R -	N/A	0	Payment of creditors within 30 days	Payment of creditors within 30 days	Payment of creditors within 30 days	Payment of creditors within 30 days	Admin Offices	Expenditure Section	Manager: Revenue and Expenditure
	Datastrings that are submitted with incomplete information and month end procudures that are not	To achieve a clean audit as at 30 June 2022	4.5	Develop sound, strict and effective procedures for reporting	Non implementation of all monthly procedures	Implementing of month end procudures for 3 modules(creditors,cashbook,GL)	Submission of monthly reports	4.5.1	0.5	Submitting monthly datastrings and Reports not later than 10 working days after month end of each month by June	12 confirmations of submission from LG Portal not later than 10 working days after month end	R -	N/A	0	Submission of 3 monthly datastrings to LG Portal	Submission of 3 monthly datastrings to LG Portal	Submission of 3 monthly datastrings to LG Portal	Submission of 3 monthly datastrings to LG Portal	Admin Offices		Manager: Revenue and Expenditure

KPA N0 4: Budget & Treasury																					
Outcome 9 Objective																					
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
	performed on time									2022											
	Inaccurate and incomplete commitment register				Commitment register with material misstatements	Monthly reviewal of commitment register by the 7th working day of each month	Accuarte and complete commitmet register	4.5.2	0.5	12 monthly reviewed commitment register by June 2022	12 signed commitment register	R -	N/A	0	Preparation of 3 Commitment register	Preparation of 3 Commitment register	Preparation of 3 Commitment register	Preparation of 3 Commitment register	Admin Offices		Manager: Revenue and Expenditure
	Creditors and grants with errors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	4.6	Performance of monthly Conditional Grants, creditors, retention and vat reconciliation	Monthly reconciliations of not performed by the 7th day of each month	Monthly reviewal of Conditional Grants, creditors , retention and vat reconciliation by the 7th working day of each month	Accurate and complete reconcialitions	4.6.1	0.5	12 monthly reviewed Conditional grants , 12 creditors , 12 retention and 12 vat reconciliation by June 2022	12 Signed monthly Conditional grants, 12 creditors,12 retention and 12 vat reconciliations	R -	N/A	0	Preparation of 3 monthly creditors,3 retention and 3 vat reconciliation	Preparation of 3 monthly creditors,3 retention and 3 vat reconciliation	Preparation of 3 monthly creditors,3 retention and 3 vat reconciliation	Preparation of 3 monthly creditors,3 retention and 3 vat reconciliation	Admin Offices		Manager: Revenue and Expenditure
	Payroll accounts with errors taking longer to identify and resolve			Performance of monthly payroll reconciliation	Monthly reconciliations not performed by the 7th day of each month	Monthly reviewal of payroll reconciliation by the 7th working day of each month	Accurate and complete reconcialitions	4.6.2	0.5	12 monthly reviewed payroll reconciliation by June 2022	12 Signed monthy payroll reconciliation	R -	N/A	0	Preparation of 3 monthly payroll reconciliations	Preparation of 3 monthly payroll reconciliations	Preparation of 3 monthly payroll reconciliations	Preparation of 3 monthly payroll reconciliations	Admin Offices		Manager: Revenue and Expenditure

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Outcome 9 Objective																					
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
Supply Chain Management	Inadequate filing space and system for the volume of documents in the Budget and Treasury office	To have an effective and reliable filing system for SCM and all awarded tender documents and payment vouchers	4.7	Conversion of Supply Chain Management filing to electronic for old documents already audited	Paper based and physical filing	Conversion of information into electronic documents	Electronic filing for Budget and Treasury documents	4.7.1	0.5	Electronic filing system setup and loading of Budget and Treasury Office Documents by June 2022	12 Progress report on BTO scanned documents	R -	N/A	0	scaning of BTO documents	scaning of BTO documents	scaning of BTO documents	scaning of BTO documents	Admin Offices		Manager: SCM
	No clear monitoring of the procurement plan	To have fully capacitated Supply Chain Management Personnel and effective procurement system	4.8	Monitoring of adherence to the procurement plan	Approved procurement plan with no clear monitoring plan	Monthly monitoring of the procurement plan	Report on adherence to the procurement plan	4.8.1	0.5	12 monthly reports on the monitoring of the procurement plan by June 2022	Signed report by the SCM Manager	R	N/A	0	3 signed reports	3 signed reports	3 signed reports	3 signed reports	Admin Offices	Supply Chain Management	Manager: SCM
	Supplier Database not updated annually			Calling of all suppliers to update their information	Supplier database with bidders showing information that expired in the past	Annual update of the supplier database	Updated Supplier Database	4.8.2	0.5	Supplier Database with most bidders information updated during the year by	Advertisement and Munsoft audit trail	R 5,000.00		0	Publication of the call to suppliers to update their information	300 Suppliers information updated	600 Suppliers information updated	1200 Suppliers information updated	Admin Offices		Manager: SCM

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Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agen
					years					June 2022											
	No schedule of bid committee seatings			Developing Mechanisms to monitor seating of the bid committees	Bid committees seating randomly	Schedule of seating of bid committees	Schedule of bid committee seatings with confirmed dates	4.8.3	0.5	Schedule of seating of bid committees ensuring each bid is concluded within 60 days of the tender colsing by June 2022	Signed schedule of bid committees, attendance registers of members	R	N/A		Development and approval of the Bid committee schedule	6 seated bid committees	6 seated bid committees	6 seated bid committees	Admin Offices		Manager: SCM
	Procurement documents not uploaded on the website on time			Monitoring of compliance with publication of documents	Publication documents uploaded late on the website	Monthly monitoring of documents uploads	Updated Website will SCM adverts, clising registers and awarded tenders	4.8.4	0.5	Uploading of all Adverts, closing registers and awarded tenders on the municipal website by June 2022	Screenshots of the website showing documents uploaded	R	N/A		Uploading of all tenders advertised from July 2021 to September 2021	Uploading of all tenders advertised from October 2021 to December 2021	Uploading of all tenders advertised from January 2022 to March 2022	Uploading of all tenders advertised from April 2022 to June 2022	Admin Offices		Manager: SCM

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Outcome 9 Objective																					
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
	SCM personnel not regularly trained on updates regularly			Communication of all updates on SCM matters	Updates only communicated to Managers and Senior Managers	Traininng of all SCM officials on updates on SCM matters	Capacitated SCM Officials with relevant knowledge	4.8.5	0.5	Capacitating of all SCM officials on updates by June 2022	Email confirmations	R	N/A		Distribution to all SCM officials of chenges and updates between March 2021 to September 2021			Distribution to all SCM officials of chenges and updates between October 2021 to June 2022	Admin Offices		Manager: SCM
	Inadequate contract management processes			Monthly review of all existing contracts	Contracts only reviewed at year end	Contract register to be reviewed and signed monthly	Reviewed contact register	4.8.6	0.5	12 monthly contract registers reviewed by June 2022	12 signed contract registers	R -	N/A		3 monthly contract registers reviewed	3 monthly contract registers reviewed	3 monthly contract registers reviewed	3 monthly contract registers reviewed	Admin Offices		Manager: SCM
	The municipality needs to comply with all statutory training requirement			Training of Supply Chain Management Personnel	Officials operating with outdated information relevant to their sections	Training of SCM Officials by 30 June 2022	Capacitated SCM Officials with relevant knowledge	4.8.7	0.5	Training of 1 Manager and 1 SCM officer on CIPS by June 2022	Proof of attendance	R -	N/A	0	5 Classes attendance	5 Classes attendance	5 Classes attendance	5 Classes attendance	Admin Offices		Manager: SCM

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Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agency
Asset and Stores Management	All assets of the municipality to be accounted for in terms of their value, status and location	To accurately account for the value and location of all municipal assets by 30 June 2022	4,9	Quarterly update of the fixed asset register	Movement of assets without Asset Managemnet office beig notified	Performing quartely asset verification within 30 days of the end of each quarter	Accounting for all municipal assets	4.9.1	0.5 0.5	4 Quartely Assets verification Reports by June 2022	4 Signed quartely Assets verification Report	R -	N/A	0	Quartely verification of Assets	Quartely verification of Assets	Quartely verification of Assets	Quartely verification of Assets	all wards	Asset Management	Manager: Assets and Stores
				Annual review of the asset management policy and update of the fixed asset register	*GRAP compliant Asset register as at 30 June 2021*	Review of the GRAP compliant asset register	Signed GRAP compliant asset register	4.9.2	0.5	*GRAP compliant Asset register as at 30 June 2021 by June 2022*	*Signed GRAP compliant asset register, Proof of submission to AG, RFI and Coaf Register*	*R 1,300,000.00*	*Yes*	*0*	*Submission of the Asset Register to AG by 31st August 2021. Submission of Responses to audit requests*	*Submission of Responses to audit requests*	n/a	n/a	Admin Offices	Asset Management	*Manager: Assets and Stores*
	Stores function that is not fully structured and properly managed	To correctly and effectively manage the stores function of the municipality	4,10	*Quarterly update of the stock items to ensure adequate levels are kept at all times*	*Only one stock count performed at the end of the year*	Stock updates at least once each quarter	4 stock count reports	4.10.1	0.5	*12 monthly Inventory reconciliation and 4 Stock count Report by June 2022*	*Signed 12 Monthly inventory reconciliation and 4 signed Stock count Reports*	*R -*	N/A	*0*	*Preparation of 3 inventory reconciliation and perfom 1 quartely stock count*	*Preparation of 3 inventory reconciliation and perfom 1 quartely stock count*	*Preparation of 3 inventory reconciliation and perfom 1 quartely stock count*	*Preparation of 3 inventory reconciliation and perfom 1 quartely stock count*	Admin Offices	Stores Management	*Manager: Assets and Stores*

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Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
Financial Reporting	Financial statements with non-compliace with laws	To compile Annual Financial Statements that comply with all requirements as at 30 June 2022	4.11	Develop sound, strict and effective procedures for the compilation of AFS	Audited Annual Financial Statements for 2019/20 with compliance findings	Development and approval of processes and procedures for compilation of Compliant annual financial statements by 30 May 2021	Credible Annual Financial Statements submitted by 31 August 2021	4.11.1	0.5	Credible and fully compliant Annual Financial Statements as at 30 June 2021 submitted by 31 August 2021	AFS and proof of submission to AG, Proof of payment, Interim Financial statements	R 200,000.00	Yes	0	Submit 2020/21 Annual Financial Statements to the AG	Renew of Caseware Licence	n/a	Preparation of Interim Financial	Admin Offices	Reporting	Manager; Budget and Reporting
		To achieve a clean audit as at 30 June 2022	4.12	Manage audit and ensure audit readiness	Audited Annual Financial Statements for 2019/20 with compliance findings	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	4.12.1	0.5	Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2022	Proof of submission to AG, COAF register, Audit Action Plan, updated Audit Action Plan	R 5,295,993.00	Yes	0	Submit 2019/20 Annual Financial Statements to the AG Respond to AG's queries and provide CoAf register	Respond to AG's queries and provide CoAf register	Development of Audit Action plan, Implementation and monitoring of Audit Action Plan	n/a	Admin Offices	Reporting	Manager; Budget and Reporting
				Performance of Monthly bank reconciliations	Reconciliations not always completed within times	Performance of monthly reconciliations by the 7th working day of each month	Signed monthly reconciliations	4.12.2	0.5	12 Reviewed bank reconciliations by June 2022	12 Signed Bank Reconciliation	R -	N/A		Preparation of 3 Bank Reconciliation	Preparation of 3 Bank Reconciliation	Preparation of 3 Bank Reconciliation	Preparation of 3 Bank Reconciliation	Admin Offices	Reporting	Manager; Budget and Reporting

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Outcome 9 Objective																					
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
Budgeting	Non compliance with statutory requirements	Adhere to compliance in terms of management and reporting	4.13	Preparation and submission of all in-year statutory reports	Reports not submitted on time	Submission of s71 Report not later than 10 working day of each month	Signed monthly reports	4.13.1	0.5	Submission of all statutory reports as required by June 2022	Proof of submission of 12 signed s71 Report	R -	N/A	0	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Admin Offices	Reporting	Manager; Budget and Reporting
						Submission of s52d reports within 30 days of the end of each quarter	Signed quarterly reports	4.13.2	0.5		Proof of submission of 4 Signed s52 Reports and 4 FMG Quartely Reports	R -	N/A	0	Preparation of Quartely and FMG Reports	Preparation of Quartely and FMG Reports	Preparation of Quartely and FMG Reports	Preparation of Quartely and FMG Reports	Admin Offices	Reporting	Manager; Budget and Reporting
						Submission of the s72 report by the 25th of Janaury 2022	Signed mid-year assessment report	4.13.3	0.5		Proof of submission s72 Report by the 25th of Jan 2022	R -	N/A	0	n/a	n/a	Preparation of s72 Report	n/a	Admin Offices	Reporting	Manager; Budget and Reporting
	The municipality needs to comply with all statutory budgeting and reporting requirements	Adhere to compliance to Municipal budget and reporting requirements	4.14	Preparation and submission of all in-year statutory reports	Appointed interns and new accountants	Training of 3 financial management interns and 1 finance staff to meet minimum competency requirements by June 2022	Trained interns and finance officials to meet minimum competency	4.15.1	0.5	Training of 2 financial management interns and 1 finance staff to meet minimum competency requirements by June 2022	Proof of registration and Attendance register	R 403,800.00	0	Yes	Enrollment of 2 Finance interns	Attendance of the training	Attendance of the training	Attendance of the training	Admin Offices	Budgeting	Manager; Budget and Reporting

KPA N0 4: Budget & Treasury

Outcome 9 Objective

Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							Budget Source		Budget: MTREF				WARD	Responsible Section	Responsible Agent
		To timely produce budgets in line with the National Treasury guidelines and regulations	4.15	Develop and monitor process es to ensure timely preparation, adoption and publication of credible municipal budgets	Adjustments budget approved by 28 February 2022 and draft budget approved by 31 March 2022 of each year; final budget approved 31 May 2022	Compile three budgets to be approved by council	Council resolutions adopting the budgets	4.15.2	0.5	3 Approved budgets by June 2022	Adjustment bugdet 21/22; Draft budget 22/23; Approved 22/23 Final Budget and Council resolutions	R -	N/A	0	n/a	n/a	Adopted budget adjustment 2021/22; Draft budget 2022/23	Approved 2022/23 Budget	Admin Offices	Budgeting	Manager; Budget and Reporting
						Publication of approved budgets	Publication of at least three approved budgets June 2022	4.15.3	0.5	Publication of three approved budgets June 2022	3 Adverts	R 60,200.00	Yes	0	n/a	n/a	Adjustment budget advert	Draft budget advert; Adopted final budget advert	Admin Offices	Budgeting	Manager; Budget and Reporting

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

8. In-year budget statement tables

a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - M08 February

Description	2020/21	Budget Year 2021/22							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	20,145	26,171	21,283	561	18,981	14,189	4,792	34%	21,283
Service charges	40,257	43,474	43,481	4,579	27,562	28,987	(1,425)	-5%	43,481
Investment revenue	7,604	10,047	10,047	1,589	6,949	6,698	251	4%	10,047
Transfers and subsidies	338,001	295,690	298,973	744	232,644	199,316	33,328	17%	298,973
Other own revenue	16,324	14,651	13,721	1,117	8,558	9,147	(589)	-6%	13,721
Total Revenue (excluding capital transfers and contributions)	**422,331**	**390,032**	**387,505**	**8,591**	**294,693**	**258,337**	**36,356**	**14%**	**387,505**
Employee costs	105,837	126,854	119,529	6,322	66,932	79,686	(12,754)	-16%	119,529
Remuneration of Councillors	23,964	26,007	26,007	2,062	16,023	17,338	(1,315)	-8%	26,007
Depreciation & asset impairment	40,180	52,682	52,682	(18,108)	28,590	35,121	(6,532)	-19%	52,682
Finance charges	1	150	150	–	–	100	(100)	-100%	150
Inventory consumed and bulk purchases	39,820	48,440	48,640	3,300	28,232	32,427	(4,194)	-13%	48,640
Transfers and subsidies	4,499	5,907	5,623	183	933	3,749	(2,816)	-75%	5,623
Other expenditure	128,012	173,490	225,752	11,648	84,969	150,502	(65,532)	-44%	225,752
Total Expenditure	**342,313**	**433,529**	**478,383**	**5,407**	**225,679**	**318,922**	**(93,243)**	**-29%**	**478,383**
Surplus/(Deficit)	**80,018**	**(43,497)**	**(90,878)**	**3,184**	**69,014**	**(60,585)**	**129,599**	**-214%**	**(90,878)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77,425	99,296	96,175	11,668	39,677	64,116	(24,440)	-38%	96,175
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**	**105,159**	**2978%**	**5,296**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**	**105,159**	**2978%**	**5,296**
Capital expenditure & funds sources									
Capital expenditure	**141,432**	**117,727**	**188,684**	**15,296**	**55,699**	**125,789**	**(70,090)**	**-56%**	**188,684**
Capital transfers recognised	67,976	86,399	80,762	10,288	35,867	53,842	(17,974)	-33%	80,762
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**73,456**	**31,328**	**107,921**	**5,008**	**19,831**	**71,948**	**(52,116)**	**-72%**	**107,921**
Total sources of capital funds	**141,432**	**117,727**	**188,684**	**15,296**	**55,699**	**125,789**	**(70,090)**	**-56%**	**188,684**
Financial position									
Total current assets	364,659	277,032	277,878		453,192				277,878
Total non current assets	739,453	789,359	836,767		766,563				836,767
Total current liabilities	69,907	49,384	75,113		76,703				75,113
Total non current liabilities	5,246	5,495	5,246		5,246				5,246
Community wealth/Equity	**1,028,958**	**1,011,512**	**1,034,286**		**1,137,806**				**1,034,286**
Cash flows									
Net cash from (used) operating	209,606	129,537	126,155	(8,638)	122,609	84,103	(38,506)	-46%	126,155
Net cash from (used) investing	(125,089)	(119,176)	(182,428)	(12,406)	(59,339)	(121,619)	(62,279)	51%	(182,428)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**258,161**	**191,598**	**201,687**	–	**321,430**	**220,645**	**(100,785)**	**-46%**	**201,687**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	4,489	2,576	2,657	2,488	2,544	69,642	–	–	84,396
Creditors Age Analysis									
Total Creditors	76	–	–	–	–	–	–	–	76

The table above shows a summary of the municipality's financial performance for the period ended 28 February 2022. The first part of the table shows financial performance which gives information about whether the municipality made a loss or a surplus during the month followed by a summary of the municipality's performance on its capital budget. This is then followed by the municipality's financial position, a summary of the cashflow recalculation and then debtors and creditors age analysis.

b) Financial Performance by functional classification

EC443 Winnie Madikizela Mandela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**374,264**	**335,534**	**330,811**	**3,185**	**250,238**	**220,541**	29,697	13%	**330,811**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		374,264	335,534	330,811	3,185	250,238	220,541	29,697	13%	330,811
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**4,828**	**5,479**	**4,673**	**289**	**2,876**	**3,115**	(240)	-8%	**4,673**
Community and social services		544	681	681	20	333	454	(121)	-27%	681
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		4,285	4,798	3,992	269	2,543	2,661	(118)	-4%	3,992
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**45,586**	**71,475**	**71,348**	**11,264**	**25,368**	**47,566**	(22,197)	-47%	**71,348**
Planning and development		127	20,452	20,325	7,597	17,778	13,550	4,228	31%	20,325
Road transport		45,459	51,023	51,023	3,667	7,590	34,015	(26,425)	-78%	51,023
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**75,078**	**76,840**	**76,847**	**5,521**	**55,887**	**51,231**	4,656	9%	**76,847**
Energy sources		67,709	68,576	68,577	4,621	48,791	45,718	3,073	7%	68,577
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		7,369	8,264	8,270	900	7,096	5,513	1,583	29%	8,270
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**499,756**	**489,328**	**483,680**	**20,259**	**334,370**	**322,453**	**11,917**	4%	**483,680**
Expenditure - Functional										
Governance and administration		**144,640**	**195,801**	**200,566**	**7,959**	**93,815**	**133,711**	(39,896)	-30%	**200,566**
Executive and council		54,961	62,138	61,135	3,922	34,316	40,756	(6,440)	-16%	61,135
Finance and administration		86,227	127,983	134,083	3,881	57,294	89,389	(32,095)	-36%	134,083
Internal audit		3,452	5,679	5,348	156	2,205	3,565	(1,360)	-38%	5,348
Community and public safety		**24,150**	**31,625**	**30,707**	**(252)**	**16,150**	**20,471**	(4,321)	-21%	**30,707**
Community and social services		7,338	11,967	11,806	324	5,516	7,870	(2,354)	-30%	11,806
Sport and recreation		1,968	2,853	2,558	302	1,803	1,706	97	6%	2,558
Public safety		14,083	15,769	15,372	(941)	8,403	10,248	(1,845)	-18%	15,372
Housing		762	1,037	971	63	428	647	(219)	-34%	971
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**67,912**	**105,923**	**117,631**	**(9,420)**	**54,841**	**78,421**	(23,580)	-30%	**117,631**
Planning and development		21,005	31,356	32,901	(72)	11,484	21,934	(10,450)	-48%	32,901
Road transport		45,335	72,029	82,151	(9,539)	42,365	54,768	(12,403)	-23%	82,151
Environmental protection		1,572	2,539	2,578	191	993	1,719	(726)	-42%	2,578
Trading services		**102,932**	**96,328**	**125,216**	**6,777**	**58,990**	**83,478**	(24,488)	-29%	**125,216**
Energy sources		79,676	68,375	98,132	4,973	44,851	65,421	(20,570)	-31%	98,132
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		23,256	27,952	27,084	1,804	14,139	18,056	(3,917)	-22%	27,084
Other		**2,678**	**3,853**	**4,263**	**343**	**1,883**	**2,842**	(959)	-34%	**4,263**
Total Expenditure - Functional	3	**342,313**	**433,529**	**478,383**	**5,407**	**225,679**	**318,922**	**(93,243)**	-29%	**478,383**
Surplus/ (Deficit) for the year		**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**	**105,159**	2978%	**5,296**

The table above shows the municipality's financial performance for the period ended 28 February 2022 in functional classification which was created by National treasury to assist in reporting financial information per functional area. This information is consolidated at National treasury level to produce the provincial and national financial reports.

c) Revenue by Source

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description R thousands	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		20,145	26,171	21,283	561	18,981	14,189	4,792	34%	21,283
Service charges - electricity revenue		35,679	38,809	38,810	4,202	24,620	25,874	(1,254)	-5%	38,810
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		4,578	4,665	4,671	377	2,943	3,114	(171)	-5%	4,671
					–		–			–
Rental of facilities and equipment		5,876	3,093	3,452	335	2,586	2,302	285	12%	3,452
Interest earned - external investments		7,604	10,047	10,047	1,589	6,949	6,698	251	4%	10,047
Interest earned - outstanding debtors		4,275	5,133	5,133	423	3,005	3,422	(417)	-12%	5,133
Dividends received			–	–		–	–	–		–
Fines, penalties and forfeits		688	938	938	5	325	625	(300)	-48%	938
Licences and permits		2,343	2,756	1,879	186	1,337	1,252	85	7%	1,879
Agency services		1,291	1,265	1,337	82	900	891	9	1%	1,337
Transfers and subsidies		338,001	295,690	298,973	744	232,644	199,316	33,328	17%	298,973
Other revenue		781	1,466	982	87	405	655	(250)	-38%	982
Gains		1,069	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**422,331**	**390,032**	**387,505**	**8,591**	**294,693**	**258,337**	**36,356**	**14%**	**387,505**

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

- **PROPERTY RATES**: The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like the Department of Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R15 million in the 1st month and a decrease to R561 thousand for the following months which has been the case for the month of January 2022. The current revenue recognised on this stream may seem to be above the monthly target but it is important to note that this is only due to government properties levied only at the beginning of the financial year for the whole year.

- **ELECTRICITY REVENUE:** The municipality distributes electricity in the town area as per its distribution licence. This is one of the major sources of revenue for the municipality as households now depend on electricity for their day to day living. This is a trading service where the municipality gives electricity equivalent to the amount provided by the consumer. Municipalities are therefore expected to at least recover the cost of providing the service. The approval of tariffs by NERSA is set up such that the municipality can make some form of surpluses from sale of electricity so that it may be able to maintain the infrastructure used to render the service and defray all other operating expenses related to the service provision. The municipality has generated over R4.2 million for the month and a year to date actual of R24.6 million. This is below the projection by about 5% (over R1.2 million) which may add up to R1.8 million by the end of the year if attempts to remedy the situation do not yield any results. It is worth mentioning that the 5% reported is an improvement from the 10% reported in the previous month. Even though new bulk meters have been installed for identified large power users that we expect we expected would bring positiveresults, 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 R377 thousand which is less than the projection by 5% which is consistent with the 5% reported in the previous month which will be monitored against performance of other periods to follow.
- **Interest on Investments:** The municipality invests surplus cash and unspent grants to generate interest that would be utilised to fund other municipal programmes, this interest includes interest on the municipality's positive balance in the municipality's main account. The table above shows that the municipality generated over R1.5 million worth of interest on investments with a year to date actual that is above the projection by 4% which is an improvement from the 9% below projection reported in the previous months. This is still less than the normal performance in the previous years at the same time. This underperformance may be due to interest rates cuts that have been

implemented by the South African Reserve Bank since the outbreak of Covid-19. This may also be attributable to the decrease in revenue collection since the outbreak of COVID-19 which has meant the municipality continues to spend without making any significant funds coming in. We hope to see the impact of the interest rate hikes that have been approved in the past two quarters in the months to follow.

- **Interest on outstanding debtors:** The municipality charges interest on debtors owing for more than 30 days at a rate of prime plus 2% as per the municipality's credit control and debt collection policy. This has yielded interest of R423 thousand for the period ended 28 February 2022 which is less than the amount projected for the period by 12%, an improvement from the 14% reported last month. This requires intense debt collection initiatives. A higher interest generation means the municipality's debtors are more than what they were projected to be.
- **Fines:** The municipality has a traffic department which enforces traffic laws and the municipality's by-laws. Anyone found to have contravened these laws is charged a fine accordingly. These fines also include fines for electricity tempering. The municipality generate around R5 thousand for the month of February 2022. It is worth noting though that, this does not represent cash collected and measures should be put in place to ensure people pay their fines. Experience has taught us that people generally do not settle traffic fines and, in most cases when they do they do so at lower values than the initial revenue recognised. This is one of the areas where we were forced to adjust down in the previous years to ensure that we end up with realistic revenues.
- **Rental of facilities:** The municipality has properties that it rents out to other businesses and individuals from which it generates revenue. These include properties like the Boxer complex, Spar, Browns, Bargain and others. The revenue generated here also includes rental for billboards and advertising around the town area. The municipality has generated about R335 thousand for the month which has pushed the actual performance to a level above the projection by 12% 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 R186 thousand worth of revenue for the period. The municipality has collected above the revised projected collection by 7% which will be monitored over the remaining months up to the end of the financial year.

- **Transfers and subsidies:** The municipality receives grants, both conditional and those without conditions. The report shows that an amount of over R744 thousand has been transferred to revenue for the period ended 28 February 2022 from the operating grants whose conditions have been met. This has recorded a year to date performance of about R232 million. This happens when the municipality has spent the grants according to the requirements of the funders or DORA. The biggest chunk of these transfers is equitable share that was received during the months of July and December 2021.

d) **Debt Collection**

The table below shows a 80% overall collection rate for the month ended 28 February 2022. However, we note a 93% collection rate on leasehold fees, 88% on electricity and 71% on refuse removal for the period.

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

INCOME TYPE	JULY	AUG	SEP	1st QUARTER	OCT	Nov-21	DEC	2nd QUARTER	Jan-22	Feb-22	TOTAL
RATES											
billed	15,281,245	845,277	780,328	16,906,850	780,184	780,383	781,290	2,341,857	788,359	789,238	20,826,303
payment received	682,650	2,428,724	10,397,016	13,508,390	643,972	624,348	512,226	1,780,546	1,606,047	464,711	17,359,694
% of billing received	4%	287%	1332%	80%	83%	80%	66%	76%	204%	59%	83%
											-
ELECTRICITY											-
billed	2,485,637	2,412,039	2,534,081	7,431,756	2,541,740	2,439,727	2,555,595	7,537,061	2,549,951	2,425,605	19,944,374
payment received	1,278,856	1,371,930	3,382,909	6,033,695	2,009,470	1,929,996	1,872,370	5,811,837	2,154,073	2,141,948	16,141,553
% of billing received	51%	57%	133%	81%	79%	79%	73%	77%	84%	88%	81%
											-
LEASEHOLD FEES											-
billed	320,729	251,916	308,289	880,935	308,289	322,243	326,384	956,916	326,384	326,384	2,490,619
payment received	208,557	368,759	257,635	834,950	260,295	250,494	240,548	751,337	250,326	301,922	2,138,535
% of billing received	65%	146%	84%	95%	84%	78%	74%	79%	77%	93%	86%
											-
VAT											-
billed	478,481	457,120	483,882	1,419,482	484,857	471,584	489,560	1,446,000	494,162	469,593	3,829,238
payment received	269,193	264,570	650,302	1,184,065	358,439	372,689	352,935	1,084,062	399,823	369,892	3,037,842
% of billing received	56%	58%	134%	83%	74%	79%	72%	75%	81%	79%	79%
											-
INTEREST											-
billed	167,391	175,773	166,484	509,648	168,376	173,169	177,565	519,110	191,690	194,965	1,415,413
payment received	82,143	771,451	1,049,999	1,903,593	109,077	97,047	79,058	285,182	355,137	98,334	2,642,245
% of billing received	49%	439%	631%	374%	65%	56%	45%	55%	185%	50%	187%
											-
REFUSE REMOVAL											-
billed	383,508	383,508	383,508	1,150,525	382,349	381,922	381,752	1,146,024	339,696	378,627	3,014,874
payment received	253,877	191,263	639,159	1,084,299	258,949	255,774	242,261	756,984	343,205	268,502	2,452,990
% of billing received	66%	50%	167%	94%	68%	67%	63%	66%	101%	71%	81%
											-
TOTAL INCOME											-
billed	19,116,991	4,525,633	4,656,573	28,299,196	4,665,795	4,569,029	4,712,145	13,946,969	4,690,243	4,584,412	51,520,821
payment received	2,775,276	5,396,696	16,377,019	24,548,992	3,640,202	3,530,347	3,299,399	10,469,948	5,108,610	3,645,309	43,772,859
% of billing received	15%	119%	352%	87%	78%	77%	70%	75%	109%	80%	85%

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		105,837	126,854	119,529	6,322	66,932	79,686	(12,754)	-16%	119,529
Remuneration of councillors		23,964	26,007	26,007	2,062	16,023	17,338	(1,315)	-8%	26,007
Debt impairment		5,208	9,600	9,600	–	–	6,400	(6,400)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	52,682	(18,108)	28,590	35,121	(6,532)	-19%	52,682
Finance charges		1	150	150	–	–	100	(100)	-100%	150
Bulk purchases - electricity		35,022	40,777	40,777	3,003	24,588	27,185	(2,597)	-10%	40,777
Inventory consumed		4,798	7,663	7,863	297	3,644	5,242	(1,598)	-30%	7,863
Contracted services		41,065	98,848	102,070	6,277	56,448	68,047	(11,599)	-17%	102,070
Transfers and subsidies		4,499	5,907	5,623	183	933	3,749	(2,816)	-75%	5,623
Other expenditure		38,313	65,042	75,364	5,371	28,521	50,243	(21,721)	-43%	75,364
Losses		43,425	–	38,718	1	1	25,812	(25,812)	-100%	38,718
Total Expenditure		**342,313**	**433,529**	**478,383**	**5,407**	**225,679**	**318,922**	**(93,243)**	**-29%**	**478,383**
Surplus/(Deficit)		**80,018**	**(43,497)**	**(90,878)**	**3,184**	**69,014**	**(60,585)**	**129,599**	**(0)**	**(90,878)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		77,425	99,296	96,175	11,668	39,677	64,116	(24,440)	(0)	96,175
Surplus/(Deficit) after capital transfers & contributions		**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**			**5,296**
Surplus/(Deficit) after taxation		157,443	55,799	5,296	14,852	108,690	3,531			5,296
Surplus/(Deficit) attributable to municipality		157,443	55,799	5,296	14,852	108,690	3,531			5,296
Surplus/ (Deficit) for the year		157,443	55,799	5,296	14,852	108,690	3,531			5,296

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 28 February 2022 reflects an amount of R6.3 million for employee costs and R2 million for the remuneration of councillors. The remuneration of councillors continues to show a 8% underspending compared to what was expected at the same period. Employee costs have continued to record a 16% saving that is always expected considering issues like, annual increment, annual and long-term bonuses, resignations, leave provisions and vacant positions.

- **Bulk Purchases:** The municipality purchases electricity in bulk from Eskom for distribution to the town customers. This is the main input cost to the distribution of electricity. The table shows that the municipality spent about R3 million on electricity purchases for the period ended 28 February 2022 and a year to date actual of the same which is below the projected expenditure by 10%. This amount only relates to 20 days of January and 10 days of February as the billing by Eskom only takes place on the 10th of each month.

- **Depreciation and asset impairment:** The municipality's depreciation run is performed at the end of each month, resulting in the depreciation for February 2022 being -R18 million. The monthly depreciation calculations have been performed and recorded manually for the six months from July to December 2021 and when this was corrected to record these movements through the assets module, seven months were recorded as the movement for one month which has then been corrected through processing of journals and therefore correcting the month. This has resulted in the depreciation recorded being below the projection for the period 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 R6.2 million worth of expenditure during the month. This is as a result of slow spending during the first months of each financial year which is always experienced.
- **Other Expenditure:** This also shows a saving of about 43% 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) - M08 February

Vote Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	–		–
Vote 2 - Budget and Treasury		354,705	309,070	309,235	2,549	231,005	206,157	24,848	12.1%	309,235
Vote 3 - Corporate Services		405	293	293	75	253	196	57	29.2%	293
Vote 4 - Community Services		12,198	13,743	12,942	1,189	9,972	8,628	1,344	15.6%	12,942
Vote 5 - Development Planning		19,267	46,466	41,579	1,257	19,786	27,719	(7,933)	-28.6%	41,579
Vote 6 - Engineering Services		113,181	119,755	119,630	15,190	73,354	79,753	(6,400)	-8.0%	119,630
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	499,756	489,328	483,679	20,259	334,370	322,453	11,917	3.7%	483,679

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 R15.9 million for the month with Budget and Treasury showing generation of over R2.5 million which may be attributable to grants that have been received or spent more than the projected amounts and the interest on investments as well as Community services at over R1.1 million.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote	1									
Vote 1 - Executive and Council		71,489	83,323	82,105	4,826	43,323	54,737	(11,414)	-20.9%	82,105
Vote 2 - Budget and Treasury		21,935	37,982	39,379	1,618	15,925	26,253	(10,328)	-39.3%	39,379
Vote 3 - Corporate Services		38,505	59,154	63,472	295	24,936	42,315	(17,379)	-41.1%	63,472
Vote 4 - Community Services		62,815	78,225	76,867	3,062	41,118	51,245	(10,127)	-19.8%	76,867
Vote 5 - Development Planning		15,969	29,062	31,046	(247)	10,380	20,698	(10,317)	-49.8%	31,046
Vote 6 - Engineering Services		131,601	145,783	185,513	(4,148)	89,998	123,675	(33,677)	-27.2%	185,513
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	342,313	433,529	478,383	5,407	225,679	318,922	(93,243)	-29.2%	478,383
Surplus/ (Deficit) for the year	2	157,443	55,798	5,296	14,852	108,690	3,531	105,159	2978.2%	5,296

The table above shows the expenditure by municipal vote. The total expenditure for the month of February 2022 amounted to above R14 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		20,145	26,171	21,283	561	18,981	14,189	4,792	34%	21,283
Service charges - electricity revenue		35,679	38,809	38,810	4,202	24,620	25,874	(1,254)	-5%	38,810
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		4,578	4,665	4,671	377	2,943	3,114	(171)	-5%	4,671
Rental of facilities and equipment		5,876	3,093	3,452	335	2,586	2,302	285	12%	3,452
Interest earned - external investments		7,604	10,047	10,047	1,589	6,949	6,698	251	4%	10,047
Interest earned - outstanding debtors		4,275	5,133	5,133	423	3,005	3,422	(417)	-12%	5,133
Dividends received			–	–		–	–	–		–
Fines, penalties and forfeits		688	938	938	5	325	625	(300)	-48%	938
Licences and permits		2,343	2,756	1,879	186	1,337	1,252	85	7%	1,879
Agency services		1,291	1,265	1,337	82	900	891	9	1%	1,337
Transfers and subsidies		338,001	295,690	298,973	744	232,644	199,316	33,328	17%	298,973
Other revenue		781	1,466	982	87	405	655	(250)	-38%	982
Gains		1,069	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**422,331**	**390,032**	**387,505**	**8,591**	**294,693**	**258,337**	**36,356**	**14%**	**387,505**
Expenditure By Type										
Employee related costs		105,837	126,854	119,529	6,322	66,932	79,686	(12,754)	-16%	119,529
Remuneration of councillors		23,964	26,007	26,007	2,062	16,023	17,338	(1,315)	-8%	26,007
Debt impairment		5,208	9,600	9,600	–	–	6,400	(6,400)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	52,682	(18,108)	28,590	35,121	(6,532)	-19%	52,682
Finance charges		1	150	150	–	–	100	(100)	-100%	150
Bulk purchases - electricity		35,022	40,777	40,777	3,003	24,588	27,185	(2,597)	-10%	40,777
Inventory consumed		4,798	7,663	7,863	297	3,644	5,242	(1,598)	-30%	7,863
Contracted services		41,065	98,848	102,070	6,277	56,448	68,047	(11,599)	-17%	102,070
Transfers and subsidies		4,499	5,907	5,623	183	933	3,749	(2,816)	-75%	5,623
Other expenditure		38,313	65,042	75,364	5,371	28,521	50,243	(21,721)	-43%	75,364
Losses		43,425	–	38,718	1	1	25,812	(25,812)	-100%	38,718
Total Expenditure		**342,313**	**433,529**	**478,383**	**5,407**	**225,679**	**318,922**	**(93,243)**	**-29%**	**478,383**
Surplus/(Deficit)		**80,018**	**(43,497)**	**(90,878)**	**3,184**	**69,014**	**(60,585)**	**129,599**	**(0)**	**(90,878)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		77,425	99,296	96,175	11,668	39,677	64,116	(24,440)	**(0)**	96,175
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								–		
Transfers and subsidies - capital (in-kind - all)								–		
Surplus/(Deficit) after capital transfers & contributions		**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**			**5,296**
Taxation								–		
Surplus/(Deficit) after taxation		**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**			**5,296**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**			**5,296**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**157,443**	**55,799**	**5,296**	**14,852**	**108,690**	**3,531**			**5,296**

The municipality has so far recorded a surplus of over R108 million for the period ended 28 February 2022 with a surplus of R14.8 million for the month. This must be seen in the correct perspective as there has been receipts of the expected grants from the national purse. The municipality is still heavily reliant on grant funding and as such the surpluses still need to be seen in that perspective as they relate to expenditures that are still to be incurred. Measures still need to be put in place to move the municipality towards self-sustainability.

9. Capital programme performance

a) Capital expenditure by asset class and sub-class

EC443 Winnie Madikizela Mandela - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**64,182**	**34,277**	**41,901**	**3,794**	**22,820**	**27,934**	5,114	**18.3%**	**41,901**
Roads Infrastructure		31,539	13,070	14,843	4,346	9,202	9,895	693	**7.0%**	14,843
Roads		31,539	13,070	14,843	4,346	9,202	9,895	693	**7.0%**	14,843
Electrical Infrastructure		32,643	20,957	26,900	(553)	13,460	17,933	4,473	**24.9%**	26,900
MV Networks		30,937	18,107	24,150	(553)	13,460	16,100	2,640	**16.4%**	24,150
LV Networks		1,707	2,850	2,750	–	–	1,833	1,833	**100.0%**	2,750
Solid Waste Infrastructure		–	250	158	–	158	105	(53)	**-50.0%**	158
Waste Drop-off Points			250	158	–	158	105	(53)	**-50.0%**	158
Community Assets		**2,803**	**13,500**	**13,731**	**787**	**5,710**	**9,154**	**3,444**	**37.6%**	**13,731**
Community Facilities		2,803	13,500	13,000	787	5,710	8,667	2,957	**34.1%**	13,000
Halls		1,356	8,400	8,200	405	3,790	5,467	1,676	30.7%	8,200
Centres			–	–	–	–	–	–		–
Crèches			3,500	3,200	382	1,919	2,133	214	10.0%	3,200
Markets		1,447	1,600	1,600	–	–	1,067	1,067	100.0%	1,600
Sport and Recreation Facilities		–	–	731	–	–	487	487	**100.0%**	731
Outdoor Facilities			–	731		–	487	487	100.0%	731
Other assets		**736**	**19,820**	**16,699**	**597**	**597**	**11,132**	**10,536**	**94.6%**	**16,699**
Operational Buildings		736	19,820	16,699	597	597	11,132	10,536	**94.6%**	16,699
Yards		736						–		
Manufacturing Plant			19,820	16,699	597	597	11,132	10,536	94.6%	16,699
Computer Equipment		**5,784**	**1,248**	**5,598**	**332**	**332**	**3,732**	**3,401**	91.1%	**5,598**
Computer Equipment		5,784	1,248	5,598	332	332	3,732	3,401	91.1%	5,598
Furniture and Office Equipment		**1,154**	**6,280**	**2,940**	–	**70**	**1,960**	**1,890**	96.4%	**2,940**
Furniture and Office Equipment		1,154	6,280	2,940	–	70	1,960	1,890	96.4%	2,940
Machinery and Equipment		**1,987**	**300**	**360**	**13**	**13**	**240**	**227**	94.5%	**360**
Machinery and Equipment		1,987	300	360	13	13	240	227	94.5%	360
Transport Assets		**1,974**	**1,400**	**4,050**	–	–	**2,700**	**2,700**	100.0%	**4,050**
Transport Assets		1,974	1,400	4,050	–	–	2,700	2,700	100.0%	4,050
Total Capital Expenditure on new assets	1	**78,620**	**76,825**	**85,278**	**5,522**	**29,541**	**56,852**	**27,311**	**48.0%**	**85,278**

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**16,495**		**16,000**			**10,667**	10,667	**100.0%**	**16,000**
Roads Infrastructure		16,495	–	16,000	–	–	10,667	10,667	**100.0%**	16,000
Roads		16,495	–	16,000			10,667	10,667	**100.0%**	16,000
Community Assets		**12,588**	**11,000**	**27,815**	**3,409**	**8,455**	**18,543**	**10,088**	**54.4%**	**27,815**
Community Facilities		12,588	11,000	27,815	3,409	8,455	18,543	10,088	**54.4%**	27,815
Taxi Ranks/Bus Terminals		12,588	11,000	27,815	3,409	8,455	18,543	10,088	54.4%	27,815
Total Capital Expenditure on renewal of existing assets	1	**29,083**	**11,000**	**43,815**	**3,409**	**8,455**	**29,210**	**20,755**	**71.1%**	**43,815**

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**4,152**	**–**	**900**	**585**	**585**	**600**	15	**2.5%**	**900**
Roads Infrastructure		3,543	–	900	585	585	600	15	2.5%	900
Roads		3,543	–	900	585	585	600	15	2.5%	900
Electrical Infrastructure		609	–	–	–	–	–	–		–
LV Networks		609						–		
Community Assets		**29,576**	**29,902**	**58,690**	**5,780**	**17,118**	**39,127**	**22,009**	**56.3%**	**58,690**
Community Facilities		19,643	28,402	28,402	5,780	10,038	18,935	8,896	47.0%	28,402
Halls		19,643	28,402	28,402	5,780	10,038	18,935	8,896	47.0%	28,402
Sport and Recreation Facilities		9,933	1,500	30,288	–	7,079	20,192	13,113	64.9%	30,288
Outdoor Facilities		9,933	1,500	30,288	–	7,079	20,192	13,113	64.9%	30,288
Total Capital Expenditure on upgrading of existing assets	1	**33,728**	**29,902**	**59,590**	**6,365**	**17,703**	**39,727**	**22,024**	**55.4%**	**59,590**

The above tables indicate that the municipality spent only R15.2 million for the month from its capital budget for the period ended 28 February 2022. This is beginning to cast serious doubts on the completion of the municipality's key projects, especially on the two major capital programmes being implemented by the municipality as it poses a number of risks for the institution including paying for work that has not been completed come the end of the year chasing targets and expenditure performance.

b) Capital Expenditure by municipal vote

EC443 Winnie Madikizela Mandela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	2									
Vote 6 - Engineering Services		29,576	29,902	86,505	9,189	25,572	57,670	(32,098)	-56%	86,505
Total Capital Multi-year expenditure	4,7	**29,576**	**29,902**	**86,505**	**9,189**	**25,572**	**57,670**	**(32,098)**	**-56%**	**86,505**
Single Year expenditure appropriation	2									
Vote 2 - Budget and Treasury		2,096	–	–	–	–	–	–		–
Vote 3 - Corporate Services		6,269	7,028	9,298	332	402	6,199	(5,797)	-94%	9,298
Vote 4 - Community Services		3,035	3,150	4,278	13	171	2,852	(2,681)	-94%	4,278
Vote 5 - Development Planning		1,447	21,420	19,030	597	597	12,686	(12,090)	-95%	19,030
Vote 6 - Engineering Services		99,009	56,227	69,573	5,166	28,957	46,382	(17,425)	-38%	69,573
Total Capital single-year expenditure	4	111,856	87,825	102,178	6,107	30,126	68,119	**(37,993)**	**-56%**	102,178
Total Capital Expenditure		**141,432**	**117,727**	**188,684**	**15,296**	**55,699**	**125,789**	**(70,090)**	**-56%**	**188,684**
Capital Expenditure - Functional Classification										
Governance and administration		**8,470**	**7,028**	**9,498**	**332**	**402**	**6,332**	(5,930)	-94%	**9,498**
Finance and administration		8,470	7,028	9,498	332	402	6,332	(5,930)	-94%	9,498
Community and public safety		**1,875**	**2,450**	**2,258**	**13**	**171**	**1,505**	(1,334)	-89%	**2,258**
Community and social services		980	1,650	1,358	–	158	905	(747)	-83%	1,358
Sport and recreation			–	100	–	–	67	(67)	-100%	100
Public safety		896	800	800	13	13	533	(520)	-98%	800
Economic and environmental services		**95,848**	**85,891**	**147,508**	**15,504**	**41,666**	**98,339**	(56,673)	-58%	**147,508**
Planning and development		44,271	72,822	115,735	10,573	31,879	77,157	(45,278)	-59%	115,735
Road transport		51,577	13,070	31,773	4,931	9,787	21,182	(11,395)	-54%	31,773
Trading services		**34,185**	**22,357**	**29,420**	**(553)**	**13,460**	**19,613**	(6,153)	-31%	**29,420**
Energy sources		34,185	21,657	27,600	(553)	13,460	18,400	(4,940)	-27%	27,600
Waste management			700	1,820	–	–	1,213	(1,213)	-100%	1,820
Other		1,054	–	–	–	–	–	–		
Total Capital Expenditure - Functional Classification	3	**141,432**	**117,727**	**188,684**	**15,296**	**55,699**	**125,789**	**(70,090)**	**-56%**	**188,684**
Funded by:										
National Government		67,776	86,399	80,762	10,288	35,867	53,842	(17,974)	-33%	80,762
Provincial Government		200						–		
Transfers recognised - capital		67,976	86,399	80,762	10,288	35,867	53,842	**(17,974)**	**-33%**	80,762
Internally generated funds		73,456	31,328	107,921	5,008	19,831	71,948	(52,116)	-72%	107,921
Total Capital Funding		**141,432**	**117,727**	**188,684**	**15,296**	**55,699**	**125,789**	**(70,090)**	**-56%**	**188,684**

The above table indicate that the municipality spent R15.2 from its capital budget for the period ended 28 February 2022 which is seriously discouraging considering that we have two major projects that have been allocated the bigger share of the municipality's available resources that have not performed desirably during the past year and has begun to cast serious doubts over the municipality's ability to complete these in the current year as previously committed.

10. Maintenance of municipal assets

a) Repairs and maintenance

EC443 Winnie Madikizela Mandela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		(1,227)	24,763	24,593	1,428	18,235	16,395	(1,840)	-11.2%	24,593
Roads Infrastructure		(1,566)	20,663	20,493	1,428	15,740	13,662	(2,078)	-15.2%	20,493
Roads		3	616	616	–	–	410	410	100.0%	616
Road Structures		(2,068)	19,548	19,378	1,428	15,443	12,918	(2,524)	-19.5%	19,378
Road Furniture		500	500	500	–	297	333	36	10.8%	500
Electrical Infrastructure		339	4,100	4,100	–	2,495	2,733	238	8.7%	4,100
MV Networks		339	4,100	4,100	–	2,495	2,733	238	8.7%	4,100
Community Assets		515	903	1,090	52	482	726	245	33.7%	1,090
Community Facilities		515	903	1,090	52	482	726	245	33.7%	1,090
Halls		27	300	400	–	–	267	267	100.0%	400
Libraries		281	183	270	–	69	180	111	61.9%	270
Purls		207	420	420	52	413	280	(133)	-47.6%	420
Other assets		4,043	4,439	4,375	1,129	1,772	2,917	1,145	39.3%	4,375
Operational Buildings		4,043	4,439	4,375	1,129	1,772	2,917	1,145	39.3%	4,375
Municipal Offices		3,894	4,231	4,231	1,129	1,629	2,821	1,192	42.3%	4,231
Yards		149	208	144	–	143	96	(47)	-49.1%	144
Computer Equipment		72	100	50	1	1	33	32	96.1%	50
Computer Equipment		72	100	50	1	1	33	32	96.1%	50
Machinery and Equipment		324	570	530	–	249	353	104	29.5%	530
Machinery and Equipment		324	570	530	–	249	353	104	29.5%	530
Transport Assets		1,886	3,496	3,026	181	1,546	2,018	472	23.4%	3,026
Transport Assets		1,886	3,496	3,026	181	1,546	2,018	472	23.4%	3,026
Total Repairs and Maintenance Expenditure	1	5,614	34,271	33,664	2,790	22,285	22,443	158	0.7%	33,664

The table above shows the municipality's performance for the month and year to date on maintenance of municipal assets which shows a R2.7 million spending for the month with a year to date of R22.2 million. The spending shows being in line with the projections made at the start of the year and will continue to be monitored to ensure that no underspending is recorded.

b) Depreciation and Asset Impairment

EC443 Winnie Madikizela Mandela - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Depreciation by Asset Class/Sub-class										
Infrastructure		**29,666**	**39,754**	**39,754**	**(12,846)**	**20,543**	**26,503**	5,960	**22.5%**	**39,754**
Roads Infrastructure		29,499	38,934	38,934	(12,966)	19,645	25,956	6,310	**24.3%**	38,934
Roads		29,499	38,934	38,934	(15,671)	8,505	25,956	17,451	**67.2%**	38,934
Road Structures					2,634	10,849		(10,849)	**#DIV/0!**	
Road Furniture					71	291		(291)	**#DIV/0!**	
Storm water Infrastructure		–	121	121	88	361	80	(281)	**-349.2%**	121
Drainage Collection			121	121	33	136	80	(56)	**-69.2%**	121
Storm water Conveyance					55	225		(225)	**#DIV/0!**	
Electrical Infrastructure		–	488	488	103	425	325	(100)	**-30.6%**	488
HV Transmission Conductors			235	235	–	–	157	157	**100.0%**	235
MV Substations			24	24	8	34	16	(18)	**-117.4%**	24
MV Switching Stations			43	43	–	–	29	29	**100.0%**	43
MV Networks			102	102	70	287	68	(219)	**-323.0%**	102
LV Networks			84	84	25	103	56	(47)	**-84.1%**	84
Solid Waste Infrastructure		167	212	212	(71)	111	141	30	**21.5%**	212
Landfill Sites		167	212	212	(71)	111	141	30	**21.5%**	212
Community Assets		**2,371**	**2,755**	**2,755**	**(1,116)**	**1,629**	**1,837**	**207**	11.3%	**2,755**
Community Facilities		2,371	2,755	2,755	(1,240)	1,116	1,837	721	**39.3%**	2,755
Halls		2,371	1,358	1,358	(1,320)	787	906	119	13.1%	1,358
Centres			1,379	1,379	–	–	920	920	100.0%	1,379
Crèches			–	–	48	197	–	(197)	#DIV/0!	–
Cemeteries/Crematoria			17	17	2	9	12	3	23.2%	17
Purls			–	–	16	67	–	(67)	#DIV/0!	–
Public Ablution Facilities			–	–	4	18	–	(18)	#DIV/0!	–
Stalls			–	–	9	38	–	(38)	#DIV/0!	–
Sport and Recreation Facilities		–	–	–	125	514	–	(514)	**#DIV/0!**	–
Outdoor Facilities					125	514	–	(514)	#DIV/0!	
Other assets		**722**	**1,128**	**1,128**	**(254)**	**398**	**752**	**354**	**47.1%**	**1,128**
Operational Buildings		722	1,128	1,128	(256)	390	752	362	**48.2%**	1,128
Municipal Offices		722	1,128	1,128	(305)	187	752	565	75.2%	1,128
Pay/Enquiry Points					1	2	–	(2)	#DIV/0!	
Yards					12	51	–	(51)	#DIV/0!	
Stores					19	77	–	(77)	#DIV/0!	
Training Centres					18	73	–	(73)	#DIV/0!	
Housing		–	–	–	2	9	–	(9)	**#DIV/0!**	–
Social Housing					2	9		(9)	#DIV/0!	
Intangible Assets		**129**	**100**	**100**	**(45)**	**70**	**67**	**(3)**	-4.9%	**100**
Licences and Rights		129	100	100	(45)	70	67	(3)	**-4.9%**	100
Computer Software and Applications		129	100	100	(45)	70	67	(3)	-4.9%	100
Computer Equipment		**186**	**400**	**400**	**334**	**1,424**	**267**	**(1,157)**	-433.4%	**400**
Computer Equipment		186	400	400	334	1,424	267	(1,157)	-433.4%	400
Furniture and Office Equipment		**2,797**	**3,174**	**3,174**	**(2,372)**	**816**	**2,116**	**1,300**	61.4%	**3,174**
Furniture and Office Equipment		2,797	3,174	3,174	(2,372)	816	2,116	1,300	61.4%	3,174
Machinery and Equipment		**2,856**	**3,179**	**3,179**	**(1,220)**	**2,789**	**2,119**	**(670)**	-31.6%	**3,179**
Machinery and Equipment		2,856	3,179	3,179	(1,220)	2,789	2,119	(670)	-31.6%	3,179
Transport Assets		**1,452**	**2,191**	**2,191**	**(590)**	**921**	**1,461**	**540**	37.0%	**2,191**
Transport Assets		1,452	2,191	2,191	(590)	921	1,461	540	37.0%	2,191
Total Depreciation	1	40,180	52,682	52,682	(18,108)	28,590	35,121	6,531	18.6%	52,682

11. Supply chain management

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

a. Acquisition management

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

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

b. Handling of tenders during COVID-19

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

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

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

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

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

- Once the tender closing time passes, a register indication 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. Suspension of procurement processes

On Wednesday, 16 February 2022, the Constitutional Court handed down judgement in the application for leave to appeal against a judgement and order of the Supreme Court of Appeal. This application was brought by the Minister of Finance against Afribusiness NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 promulgated by the Minister on January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000.

The majority judgement of the Constitutional Court dismissed the appeal against the Supreme Court of Appeal judgement.

Government institutions were informed by National Treasury that the minister would seek urgent guidance as to whether the Procurement Regulations remain valid until 15 March 2023, unless repealed sooner.

While waiting for the outcome, government institutions were advised that:

- Tenders advertised before 16 February 2022 be finalised in terms of the Procurement Regulations;
- Tenders advertised on or after 16 February 2022 be held in abeyance; and
- No new tenders be advertised.

d. Procurement requests below R2000.00

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

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Group Two Media Company	Core Function:Corporate Wide Strategic P	2022/02/14	1 920,00	Notice For Idp Rep Forum On Second Local Paper	Advertising Publicity And Marketing:Corporate And Municipal
Group Two Media Company	Core Function:Municipal Manager Town Se	2022/02/09	1 920,00	Invitation Of Public Comments Into The Draft Annual Report For 2020/20 (Public Notice On Two Local News Papers)	Advertising Fees Annual Report 515260554
Lorda Caters & Cleaning	Core Function:Mayor And Council	2022/02/11	1 950,00	Request Lunch Packs For 30 People	Hire Costs Youth Programe 505260190
Group Two Media Company	Core Function:Human Resources	2022/02/14	1 999,00	Request For Advert One Post (Morning & Evaluation Officer)	Fmg Minimum Competency Tuition
			7 789,00		

e. Procurement requests above R2, 000.00 but below R30, 000.00

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

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Group Two Media Company	Core Function:Solid Waste Removal	44620	2 160,00	Request Advert For Provisioning Of A Customized Change Room Container Refuse Removal	Advertising 5020
Group Two Media Company	Core Function:Municipal Manager Town Se	44606	2 160,00	Public Notice For Invitation Of Public Comments Into The Draft Annual 2020/2021 Financial Year On Two Local News Papers	Advertising Fees Human Resources 1010260540
Group Two Media Company	Core Function:Human Resources	44620	2 400,00	Request For Advert For Vip Protector Contract Post Under Municipal Manager's Office	Advertising Fees Human Resources 1010260540
African Compass Trading 37cc	Core Function:Mayor And Council	44601	2 700,00	Request Lunch With Soft Drinks For Extended Standing Committee Meeting Held On The 31 January 2022 At Council Chamber At 10h00	
The Institute Of Directors In	Core Function:Human Resources	44616	3 150,00	Membership Fees For Mr. Luvuyo Mahlaka	Stationery Vehicle Testing And Licencing
Athi Vezi	Non-Core Function:Population Development	44601	3 630,00	Request Purchase Of 1 X 10 Kg Rice For Hintsa Family Funeral On The 05 In Dinda Village At 9:00	Social Relief Promotional Material 2505
Izilangwe Trading Enterprise	Core Function:Finance	44601	4 500,00	A4 Counter Books	Finished Goods:Acquisitions
Amagantsa Transport	Core Function:Roads	44616	4 882,00	Request For 2x20 Litres Of Hydraulic Oil	Roads Vehicle Maintenance
Pondoland Times	Core Function:Corporate Wide Strategic P	44606	5 000,00	Public Notice For Idp Rep Forum On Two Local News Papers	Advertising Fees Idp 515260540
Pondoland Times	Core Function:Municipal Manager Town Se	44606	5 000,00	Notice For Invitation Of Public Comments Into The Draft Annual Report On Second Local Paper	Advertising Publicity And Marketing:Corporate And Municipal
Lusikisiki Spares Cc	Core Function:Roads	44601	5 009,49	Request To Purchasing /The Replacement Of Two New Batteries For Cat Ex Ref.No: 324d .	Catering Councillors Meetings
Meyife Construction And Projec	Core Function:Mayor And Council	44601	5 400,00	Request Lunch Packs For The Extended Standing Committee Meeting To Be 01/02/2022 At The Council Chamber	Catering Councillors Meetings
Kwik-Fit Bizana	Core Function:Roads	44606		Request For Replacement Of One (01)Front Left Tyre To The Ud Water Cur	Roads Vehicle Maintenance

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
			5 865,00	The Tyre Size -315/80r 22.5 Reg Hrd 314 Ec	
Tunimart	Core Function:Municipal Manager Town Se	44620	6 356,16	Accomodation For A.Mngoma And S.Dladla To Mtata Checking In 13/03/2022 Out 15/03/2022	Accommodation Mm 515260240
Umgeni Water	Core Function:Biodiversity And Landscape	44607	8 245,50	Payment For Water Sampling For Blue Flag Of Mtentu Beach Invoice (900	Finished Goods:Acquisitions
Umgeni Water	Core Function:Biodiversity And Landscape	44606	8 245,50	Payment For Water Sampling - Invoice-90011881	Community Education Promotional Items Stationery 50526
Nongidi Trading And Projects P	Core Function:Mayor And Council	44620	8 850,00	Request 3 Quontums To Transport Councillors On The 27 February 2022 At Ntabankulu Mppc.	Whippery Support Transport Hire
Pondoland Times	Non-Core Function:Population Development	44606	10 400,00	Request For Re-Advertisement For Disaster Management Plan & Re - Adver Protective Clothing	Advertising Fees Community Services 2505260540
Umgeni Water	Core Function:Biodiversity And Landscape	44620	10 994,00	Laboratory Testing Services	Blue Flag Water Sampling
The Wildlife And Environment	Core Function:Biodiversity And Landscape	44606	11 130,00	Payment For Application Of Blue Flag	Accommodation Hr 1010260240
Nandi-Lee Jnr	Core Function:Finance	44616	13 000,00	Request For Ten (10) 20l(S) Of Hand Sanitizers	Transport Hire
Driving License Card Account	Non-Core Function:Road And Traffic Regul	44603	15 405,00	Payment For New Card Orders. January 2022	Stationery Vehicle Testing And Licencing
Kwik-Fit Bizana	Core Function:Fleet Management	44601	16 499,92	Request For Two All Terrain Tyres For Jnx733ec Isuzu Kb 300l Size 2 Also Supply And Installation	Vehicle Maintenance Outsourced 1010235115
Supa Quick	Core Function:Police Forces Traffic And	44606	16 838,89	Request Supply Of 04 Tyres For Toyota Hilux Jds 863 Ec Including Wheel (A/T 255/60 R18 112h)	Police- Vehicle Maintenance
Lisaphelele Investments	Core Function:Administrative And Corpora	44606	21 260,86	Request For Cleaning Services For Windows And Fascia Boards In The Mai	Cleaning Services
Ylt Pty Ltd	Core Function:Finance	44603	23 300,00	Aluminium Asset Tags	Finished Goods:Acquisitions

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Mvazanas Construction	Core Function:Solid Waste Removal	44616	24 000,00	Request Truc K Hire For 5 Days For Refuse Removal Activities	Licence Fees
Salga Ec	Core Function:Human Resources	44603	24 000,00	Registration Fees For 3 Cllrs- Salga National Conference 2022	Lease And Usage
Likiho Trading Cc	Core Function:Mayor And Council	44621	24 125,00	Request Tea	Catering Councillors Meetings
Magholo Trading& Projects	Core Function:Solid Waste Removal	44601	24 500,00	Request Hiring Of A 4 Ton Truck For 05 Days For Refuse Removal Activit	Transport Hire
Forward We Go Development	Core Function:Corporate Wide Strategic P	44606	25 750,00	Lunch Packs For 250 Peole For Idp Rep Forum On 28/02/22	Idp Catering 515260555
Piplo Civils And Construction	Non-Core Function:Road And Traffic Regul	44606	25 829,95	Request Supply And Delivery Of Dltc Toners(Hp 89a - Cf289a) Laser Jet Cartridge (Original Not Compatible)	Mayoral Imbizo Roadshows- Hire Charges
Dazzle Tears Trading	Core Function:Mayor And Council	44612	26 150,00	Request 3 Quire Croxley Counter Books	Finished Goods:Acquisitions
Tyy Construction And Projects	Core Function:Mayor And Council	44601	26 240,00	Request For Sewing Kit	Gifts Elderly Programe 505260189
Amangute Trading & Projects	Core Function:Mayor And Council	44603	26 520,00	Request Lunch Packs	Ward Committee Support Catering 505260581
Stira Construction And Project	Core Function:Roads	44601	27 700,00	Request Maintenance Of Municipal Building Leaks	Rm Buildings Maintenance Roads 5505
Firstlady Business Enterprise	Core Function:Finance	44601	28 420,00	White Printing Papers	Finished Goods:Acquisitions
Mtshikitsho Construction	Administrative And Corporate Support:Cor	44616	29 500,00	Request For 50 Packs Of Toilet Papers 2ply (48's)	Finished Goods:Acquisitions
Excellent Conferencing Pty Ltd	Core Function:Human Resources	44607	30 000,00	Payment For Operating Regulation Training For Luvuyo Xhalabile And Vuyani Mqina	Legal Cost:Issue Of Summons
			565 117,27		

f. Procurement above R30 000 but below R200 000

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

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Firstrand	Core Function:Finance	2022/03/03	52 580,14	Payment For Diesel 26/01/2022	Finished Goods:Acquisitions
Port Elizabeth Traffic	Core Function:Human Resources	2022/03/03	72 640,00	Tuition Fees For Mr. B. Nontlanga And Mambila - Port Elizaberth Traffi Training College	Tuition Fees
Umanyano Lwe-Afrika Trading	Core Function:Economic Development/Plann	2022/02/11	87 695,00	Payment For Supply And Delivery Of Agricultural Inputs Broiler Breeder	Advertising Fees Annual Report 515260554
Umanyano Lwe-Afrika Trading	Core Function:Economic Development/Plann	2022/02/15	95 005,00	Payment For Supply And Delivery Of Agricultural Inputs (Broiler Breede	Membership Fees- Hr
Kervel Group	Core Function:Marketing Customer Relati	2022/02/11	96 000,00	Payment For Printing Of Municipal Newsletter	Newsletters Communication Costs 515260565
Sebekho Holdings	Core Function:Tourism	2022/02/14	125 600,00	Payment For Supply And Delivery Of Tour Guides Protective Clothing- Hiking Back Packs	Product Owner Involvement Promotional Material 1505
Wits School Of Governance	Core Function:Human Resources	2022/02/14	174 000,00	Tuition Fees For Asanda Mditshwa And Lungisa Mbhobho	Tuition Fees
			703 520,14		

12. Status of Tenders

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

a) **Mini Tender progress for February 2022**

No tenders were awarded during the month.

b) Tenders awarded during the month of February 2022

Competitive Bidding

No tenders were awarded during the month,

c) Status of current tenders

Name of the Project	*Bid Number*	*Chairperson*	*Closing Date*	*Appointment Date*	*Validity*	*Validity Period*	*Status*
Social Relief Material	WMM LM 0064 SRM	Mr. V. Nontanda	Monday, 13 December 2021	Wednesday, 19 February 2022	90	Sunday, 13 March 2022	to be evaluated
Panel for Land Survey Services	MBIZLM00069PLS	Mr. V. Nontanda	Monday, 17 February 2022	Friday, 28 February 2022	90	Sunday, 17 April 2022	to be evaluated
Supply & Installation of High Mast Lights	MBIZ LM 00074 ISL&P	Not Appointed	Friday, 04 February 2022	Not Appointed	90	Thursday, 05 May 2022	to be appointed
Fencing of Mzamba Community Hall & Extension of Dudumeni Hall	MBIZ LM /02/02/01 FEW	Ms. N. Xoko	Thursday, 02 December 2021	Wednesday, 06 February 2021	90	Wednesday, 02 March 2022	to be adjudicated
Reviewal of Disaster Management plan	MBIZ LM 29/09/20/ R DRMP	Ms. N. Jokweni	Friday, 14 February 2022	Wednesday, 19 February 2022	90	Thursday, 14 April 2022	to be adjudicated
Minor Maintenance of Recreational Facilities (1GB)	MBIZ LM 16/09/20/01 MRF	Ms. N. Xoko	Monday, 13 December 2021	Monday, 13 December 2021	90	Sunday, 13 March 2022	to be adjudicated
Supply and Delivery of Furniture	WMM LM 05/05/21/01 OFF	Ms. N. Xoko	Thursday, 02 December 2021	Thursday, 06 February 2022	90	Wednesday, 02 March 2022	to be adjudicated
Socio-Economic Infrastructure Assessment Study	WMM LM 004/ S-EIAS	Ms. N. Jokweni	Friday, 14 February 2022	Wednesday, 19 February 2022	90	Thursday, 14 April 2022	to be adjudicated
Review of Registry Policy, Procedure Manual & Development of Records Strategy	WMM LM 00123 IRM	Ms. N. Rabie	Friday, 01 October 2021	Monday, 08 November 2021	90	Thursday, 30 December 2021	to be adjudicated
Supply and Delivery of Electricity Material and Tools	WMM LM 12/10/21/01 EMT	To be appointed	Friday, 04 February 2022	to be appointed	90	Thursday, 05 May 2022	to be appointed
Bizana Mini Market	WMM LM 001/MS-21	Ms. N. Jokweni	Wednesday, 06 February 2021	Wednesday, 19 February 2022	90	Tuesday, 06 April 2021	to be adjudicated
Supply and Delivery of SMME Goods	WMM 30/11/21/01 SMM	Mr. V. Nontanda	Thursday, 06 February 2022	Wednesday, 19 February 2022	90	Wednesday, 06 April 2022	To be evaluated
Procurement of EPWP Protective Clothing	WMM LM 00074 EPWP PC	Ms. N. Xoko	Friday, 14 February 2022	Wednesday, 19 February 2022	90	Thursday, 14 April 2022	to be evaluated
Procurement of Printers	WMM LM 21/12/21/01 PRI	Mr. S. Mbusi	Monday, 24 February 2022	Tuesday, 25 February 2022	90	Sunday, 24 April 2022	to be evaluated
Supply and Delivery of Stationery for 12 Months	WMM LM 09/09/1/01 PST	Not Appointed	Monday, 24 February 2022	Not Appointed	90	Sunday, 24 April 2022	Advertised
Provision of Insurance for 3 Years	WMM LM 27/10/21/01 PIS	Mr. S. Mbusi	Wednesday, 15 December 2021	Tuesday, 13 December 2022	90	Tuesday, 15 March 2022	to be adjudicated
Fumigation/ Disinfection Services for 3	WMM LM 27/10/21/01	Ms. N. Ngejane	Monday, 13	Wednesday, 26 February	90	Sunday, 13 March 2022	to be evaluated

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity	Validity Period	Status
years	PIS		December 2021	2022			
CBD Road Maintenance	WMM LM 10/12/21/01 CBD	Mr. V. Nontanda	Thursday, 06 February 2022	Wednesday, 19 February 2022	90	Wednesday, 06 April 2022	to be evaluated

d) Deviations

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

e) Fruitless and Wasteful Expenditure

During the 2020 and 2021 preparation of the annual financial statements, the municipality identified it had incurred interests on late settlement of the Eskom accounts relating to the Free Basic Electricity and Umthamvuna Lodge accounts. There were also other transactions identified relating to late payment of vehicle licensing fees as well as penalties for late submissions to SARS for VAT purposes. These were identified and recorded as fruitless and wasteful expenditure pending investigations and recommendations by a council committee. Below are the details of the transactions:

Winnie Madikizela-Mandela Local Municipality													
Irregular, Unauthorised, Fruitless and Wasteful Expenditure - 2019-20 and 2020-21													
Transaction details					**Type of Prohibited Expenditure**	**Status**							
Date of Payment	**Payment Number**	**Creditor Name**	**Amount**	**Description of Incident**		**UI**	**DP**	**CC**	**TR**	**P**	**WO**	**General comments**	
24 August 2019		SARS	R 9,156	Penalty for late submission	Fruitless and Wastefull Expenditure	a						The amount was identified during the preparations of the AFS and was never	

Winnie Madikizela-Mandela Local Municipality												
Irregular, Unauthorised, Fruitless and Wasteful Expenditure - 2019-20 and 2020-21												
Transaction details					**Type of Prohibited Expenditure**	**Status**						
Date of Payment	**Payment Number**	**Creditor Name**	**Amount**	**Description of Incident**		**UI**	**DP**	**CC**	**TR**	**P**	**WO**	**General comments**
												referred for investigation
04 September 2019		SARS	R 781	Penalty for late submission	Fruitless and Wastefull Expenditure	a						The amount was identified during the preparations of the AFS and was never referred for investigation
24 February 2020		Department of Transport	R 101	Penalties for late payment	Fruitless and Wastefull Expenditure	a						The amount was identified during the preparations of the AFS and was never

Winnie Madikizela-Mandela Local Municipality												
Irregular, Unauthorised, Fruitless and Wasteful Expenditure - 2019-20 and 2020-21												
Transaction details					**Type of Prohibited Expenditure**	**Status**						
Date of Payment	**Payment Number**	**Creditor Name**	**Amount**	**Description of Incident**		**UI**	**DP**	**CC**	**TR**	**P**	**WO**	**General comments**
												referred for investigation

13. Database rotation

The following table indicates the service providers that have been utilised for the month of February 2022. This is in keeping in line with demonstrating that we are making strides in ensuring that there is rotation of service providers and no single provider is preferred.

Creditor Address	Function Name	Order Date	Value	Specifications	CSDRefNumber	Ward No.
SHOP NO 16 TIAGOS KOKSTAD 4700	Corporate Wide Strategic P	2022/02/14	1 920,00	NOTICE FOR IDP REP FORUM ON SECOND LOCAL PAPER	MAAA0943404	Kokstad
SHOP NO 16 TIAGOS KOKSTAD 4700	Municipal Manager Town Se	2022/02/09	1 920,00	INVITATION OF PUBLIC COMMENTS INTO THE DRAFT ANNUAL REPORT FOR 2020/20 (PUBLIC NOTICE ON TWO LOCAL NEWS PAPERS)	MAAA0943404	Kokstad
P O BOX 12 BIZANA WARD 17 4800	Mayor and Council	2022/02/11	1 950,00	REQUEST LUNCH PACKS FOR 30 PEOPLE	MAAA0303193	Ward 27
SHOP NO 16 TIAGOS KOKSTAD 4700	Human Resources	2022/02/14	1 999,00	REQUEST FOR ADVERT ONE POST (MORNING & EVALUATION OFFICER)	MAAA0943404	Kokstad
SHOP NO 16 TIAGOS KOKSTAD 4700	Solid Waste Removal	2022/02/28	2 160,00	REQUEST ADVERT FOR PROVISIONING OF A CUSTOMIZED CHANGE ROOM CONTAINER REFUSE REMOVAL	MAAA0943404	Kokstad
SHOP NO 16 TIAGOS KOKSTAD 4700	Municipal Manager Town Se	2022/02/14	2 160,00	PUBLIC NOTICE FOR INVITATION OF PUBLIC COMMENTS INTO THE DRAFT ANNUAL 2020/2021 FINANCIAL YEAR ON TWO LOCAL NEWS PAPERS	MAAA0943404	Kokstad
SHOP NO 16 TIAGOS KOKSTAD 4700	Human Resources	2022/02/28	2 400,00	REQUEST FOR ADVERT FOR VIP PROTECTOR CONTRACT POST UNDER MUNICIPAL MANAGER'S OFFICE	MAAA0943404	Kokstad
BOX 555 BIZANA WARD 31 4800	Mayor and Council	2022/02/09	2 700,00	REQUEST LUNCH WITH SOFT DRINKS FOR EXTENDED STANDING COMMITTEE MEETING HELD ON THE 31 JANUARY 2022 AT COUNCIL CHAMBER AT 10H00	MAAA0121475	Ward 31
P.O.BOX 210765 WARD 07 BIZANA 4800	Population Development	2022/02/09	3 630,00	REQUEST PURCHASE OF 1 X 10 KG RICE FOR HINTSA FAMILY FUNERAL ON THE 05 IN DINDA VILLAGE AT 9:00	MAAA0594898	Ward 7
P O BOX 210094 BIZANA 4800	Finance	2022/02/09	4 500,00	A4 Counter Books	MAAA0684073	Ward 13
P.O.BOX 2 BIZANA ward 19 4800	Roads	2022/02/24	4 882,00	REQUEST FOR 2X20 LITRES OF HYDRAULIC OIL	MAAA0079732	Ward 19
P.O BOX 127 BIZANA WARD 17 4800	Corporate Wide Strategic Plan	2022/02/14	5 000,00	PUBLIC NOTICE FOR IDP REP FORUM ON TWO LOCAL NEWS PAPERS	MAAA0570434	Ward17
P.O BOX 127 BIZANA WARD 17 4800	Municipal Manager	2022/02/14	5 000,00	NOTICE FOR INVITATION OF PUBLIC COMMENTS INTO THE DRAFT ANNUAL REPORT ON SECOND LOCAL PAPER	MAAA0570434	Ward 17
P O BOX 207 PORT SHEPSTONE 4240	Roads	2022/02/09	5 009,49	REQUEST TO PURCHASING /THE REPLACEMENT OF TWO NEW BATTERIES FOR CAT EX REF.NO: 324D .	MAAA0490384	Ward 1
P O BOX 210168 WARD 9 BIZANA 4800	Mayor and Council	2022/02/09	5 400,00	REQUEST LUNCH PACKS FOR THE EXTENDED STANDING COMMITTEE MEETING TO BE 01/02/2022 AT THE COUNCIL CHAMBER	MAAA0108394	Ward 9
SHOP 221 45 MAIN STREET BIZANA 4800	Roads	2022/02/14	5 865,00	REQUEST FOR REPLACEMENT OF ONE (01)FRONT LEFT TYRE TO THE UD WATER CUR THE TYRE SIZE -315/80R 22.5 Reg HRD 314 EC	MAAA0408288	Ward 1
P O BOX 9	Biodiversity and	2022/02/15	8	PAYMENT FOR WATER SAMPLING FOR BLUE FLAG OF MTENTU BEACH INVOICE (900	MAAA03	Pieterma

Creditor Address	Function Name	Order Date	Value	Specifications	CSDRefNumber	Ward No.
PIETERMARITZBURG 3200	Landscape		245,50		55022	ritzburg
P O BOX 9 PIETERMARITZBURG 3200	Biodiversity and Landscape	2022/02/14	8 245,50	PAYMENT FOR WATER SAMPLING - INVOICE-90011881	MAAA03 55022	Pieterma ritzburg
P.O.BOX 210655 BIZANA BIZANA 4800	Mayor and Council	2022/02/28	8 850,00	REQUEST 3 QUONTUMS TO TRANSPORT COUNCILLORS ON THE 27 FEBRUARY 2022 AT NTABANKULU MPPC.	MAAA00 01254	Ward 17
P.O BOX 127 BIZANA WARD 17 4800	Population Development	2022/02/14	10 400,00	REQUEST FOR RE-ADVERTISEMENT FOR DISASTER MANAGEMENT PLAN & RE - ADVER PROTECTIVE CLOTHING	MAAA05 70434	Ward 17
P O BOX 9 PIETERMARITZBURG 3200	Biodiversity and Landscape	2022/02/28	10 994,00	LABORATORY TESTING SERVICES	MAAA03 55022	Pieterma ritzburg
P.O BOX 394 HOWICK 3290	Biodiversity and Landscape	2022/02/14	11 130,00	PAYMENT FOR APPLICATION OF BLUE FLAG	MAAA00 54453	Pieterma ritzburg
P.O.BOX 210428 BIZANA WARD 17 4800	Finance	2022/02/24	13 000,00	REQUEST FOR TEN (10) 20L(S) OF HAND SANITIZERS	MAAA06 89420	Ward 17
SHOP 221 45 MAIN STREET BIZANA 4800	Fleet Management	2022/02/09	16 499,92	REQUEST FOR TWO ALL TERRAIN TYRES FOR JNX733EC ISUZU KB 300L SIZE 2 ALSO SUPPLY AND INSTALLATION	MAAA04 08288	Ward 1
P.O. BOX 168 LUSIKISIKI EASTERN CAPE 4820	Administrative and Corporate Support	2022/02/14	21 260,86	REQUEST FOR CLEANING SERVICES FOR WINDOWS AND FASCIA BOARDS IN THE MAI	MAAA07 08764	Lusikisiki
IBIS ESTATE CAMWOOD STREET WARD 13 4800	Finance	2022/02/11	23 300,00	Aluminium asset tags	MAAA03 96079	Ward17
P O BOX 2105170 WARD 1 BIZANA 4800	Solid Waste Removal	2022/02/24	24 000,00	REQUEST TRUC K HIRE FOR 5 DAYS FOR REFUSE REMOVAL ACTIVITIES	MAAA00 15090	Ward1
P O BOX 229 BIZANA WARD 17 4800	Mayor and Council	2022/03/01	24 125,00	REQUEST TEA	MAAA00 22525	Ward 17
PO BOX 698 BIZANA WARD 13 4800	Solid Waste Removal	2022/02/09	24 500,00	REQUEST HIRING OF A 4 TON TRUCK FOR 05 DAYS FOR REFUSE REMOVAL ACTIVIT	MAAA00 15080	Ward 13
AMADIBA A/A ELITYENI LOCATION BIZANA 4800	Corporate Wide Strategic Plan	2022/02/14	25 750,00	LUNCH PACKS FOR 250 PEOLE FOR IDP REP FORUM ON 28/02/22	MAAA11 26417	Ward 28
P.O.BOX 25485 WARD 22 BIZANA 4800	Road and Traffic Regulations	2022/02/14	25 829,95	REQUEST SUPPLY AND DELIVERY OF DLTC TONERS(HP 89A - CF289A) LASER JET CARTRIDGE (ORIGINAL NOT COMPATIBLE)	MAAA06 54058	Ward 22
P.O.BOX 774 WARD 20 BIZANA 4800	Mayor and Council	2022/02/20	26 150,00	REQUEST 3 QUIRE CROXLEY COUNTER BOOKS	MAAA10 86802	Ward 20
P.O. BOX 190 BIZANA WARD 17 4800	Mayor and Council	2022/02/09	26 240,00	REQUEST FOR SEWING KIT	MAAA04 65026	Ward 17
P.O BOX 10 WARD 1 BIZANA 4800	Mayor and Council	2022/02/11	26 520,00	REQUEST LUNCH PACKS	MAAA04 15895	Ward 1
P.O BOX 210262 BIZANA WARD 25 480	Roads	2022/02/09	27 700,00	REQUEST MAINTENANCE OF MUNICIPAL BUILDING LEAKS	MAAA01 11039	Ward 25
OFFICE 13 BAM CENTRE BIZANA 4800	Finance	2022/02/09	28 420,00	WHITE PRINTING PAPERS	MAAA06 88896	Ward 1
P.O.BOX 280 BIZANA WARD	Administrative and	2022/02/24	29	REQUEST FOR 50 PACKS OF TOILET PAPERS 2PLY (48'S)	MAAA05	Ward07

Creditor Address	Function Name	Order Date	Value	Specifications	CSDRefNumber	Ward No.
07 4800	Corporate Support		500,00		30799	
102 PERSIMON STREET MAWERN JOHANNESBURG 2094	Human Resources	2022/02/15	30 000,00	PAYMENT FOR OPERATING REGULATION TRAINING FOR LUVUYO XHALABILE AND VUYANI MQINA		Johannesburg
			507 156,22			

14. Contract Management

S116(2) of the MFMA requires that the accounting officer of a municipality must –

a) Take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality of the municipality is properly enforced;

b) Monitor on a monthly basis the performance of the contractor under the contract or agreement;

c) Establish capacity in the administration of the municipality –

   i. To assist the accounting officer in carrying out the duties set out in the paragraphs above; and

   ii. To oversee the day-to-day management of the contract or agreement; and

d) Regularly report to the municipal council on the management of the contract or agreement and the performance of the contractor.

In keeping with the above prescripts, the table below shows the contracts that the municipality currently has in operation.

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	22-Feb	Total Expenditure	Closing Balance
Zama Dunga Businees Enterprise	Construction of Mbizana Civic Centre	MBIZLM27/02/18/02ENG	R 74 861 072,75	R 5 983 684,23	R 10 611 774,02	R 20 558 889,63
Tunimart(PTY)LTD	Provission of Travel Agency	MBIZ LM/11/05/08/01/TRA	R -	R -	R 1 322 885,41	-R 6 635 172,94
Sizanane Consulting	General Valuation Roll 2019/2024	Valluation Roll 2019/2024	R 1 037 685,00	R -	R 675 565,04	R 362 119,97
SAGE VIP	Payroll System	None Provided	R -	R -	R -	-R 1 045 579,80
NZ Mtshabe Incoporated	Legal Services	MBIZ LM0009LEG	R -	R -	R 1 237 037,71	-R 3 480 330,59
MUNSOFT PTY (LTD)	Financial and Billing System	None Provided	R -	R 225 773,15	R 470 859,22	-R 5 788 973,01
Mozi Auctioneers	Fixed asset auctioning	MBIZ LM 0049 AUC	R 0,06	R -	R -	-R 1 319 875,52
Lilitha Projects Managers	GRAP Compliant Fixed Asset Register	MBIZ 0041FAR	R 25 616,10	R -	R 241 345,00	R 995 431,56
Konyana Attorneys	Legal Services	MBIZ LM0009LEG	R -	R -	R 2 281 010,66	R 2 281 010,66
Eskom Holdings Soc Ltd	Provision of basic services (energy provision)	KES	R -	R -	R 4 688 128,91	-R 5 097 028,85
Jolwana Mgidlana Incoporated	Legal Services	MBIZ LM0009LEG	R -	R -	R 1 462 161,83	-R 2 869 884,66

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	22-Feb	Total Expenditure	Closing Balance
Iqhayiya Design Workshop Architects	Profesional Fees for Mbizana Civic Center	MBIZ LM /12/1/2017/ENG	R 11 231 788,41	R -	R -	R 634 909,26
IPM Plant Hire Jv Mozmas's Trading	Construction of Mphuthumi Mafumbatha Stadium	MBIZ LM 18/1/18/ENG	R 53 768 483,44	R -	R 516 352,94	R 20 261 320,50
Indwe Risk Services	Provission of Insurance Services	MBIZ LM/02/05/18/INS/BTO	R 1 059 844,97	R -	R 815 226,60	R 244 618,37
Iheans Travelling Agency	Provission of Travel Agency	MBIZ LM/11/05/08/01/TRA	R -	R -	R 674 862,45	-R 3 265 583,90
First Rand Limited	Provision of Banking Services	MBIZ LM/06/03/18/LT/BTO	R -	R -	R 5 964,00	-R 5 964,00
Dumack and Bright Idea	Construction of Mphuthumi Mafumbatha Stadium	MBIZ LM/29/11/03	R 8 094 071,25	R -	R 364 991,16	R 618 408,00
Dr Sugudhav-Sewpersadh Attorneys	Legal Services	MBIZ LM0009LEG	R -	R 179 346,45	R 3 877 623,84	-R 17 482 438,74
CONLOG	Prepaid electricity agent	Fef:6/1/1/5	R -	R 46 676,56	R 46 676,56	-R 6 774 129,72
Boara Construction & Projects	Reviewal of Indigent Register 2018/19-2021/22	MBIZ LM 0042 RIR	R 1 993 600,00	R -	R 295 278,00	R 166 807,00
West Bank Linited	Fuel	MBIZ LM/06/03/18/LT/BTO	R -	R -	R 417 302,85	-R 417 302,85
Abangula ICT	Supply & Delivery of Microsoft Licenses and Management Tool	MBIZ LM 0053 MIC	R 2 051 919,59	R -	R 1 906 475,00	-R 411 352,61
Fleet Horizon Solutions	Municipal Fleet Management System	MBIZ LM 0000047 FMS	R 444 370,41	R -	R 46 559,68	-R 641 169,11
Thenjiwe Business Solutions t/a Umusa	Medical Check-ups	MBIZ LM 0000085	R -	R -	R 198 902,11	-R 959 795,86
Abangula Trading Enterprise	Maintance of CCTV Cameras	MBIZLM0029 MMCCTV	R 307 395,00	R -	R 836 027,34	-R 1 415 117,77
Mbizana Roadworthy	Leasing of Land For Vehicle Testing Centre	MBIZLM0000078	R 2 100 000,00	R -	R -	R -
Njilo Technology Systems	Automated Electronic Perfomance Management Systems	MBIZ LM 0000079	R 1 900 000,00	R -	R 249 030,00	R 1 035 711,00
Thake Electrical cc	8MVA Back-Bone line Upgrade	MBIZLM000026BBL	R 7 299 823,31	R -	R 364 991,16	R 0,01
Ingqayi Design Economic Partnership	MLDP Implamentation Project	MBIZLM0016 DPI	R 598 000,00	R -	R -	R 449 000,00

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	22-Feb	Total Expenditure	Closing Balance
Kumyolz Investments	Debt collection services for 3 years	MBIZ LM 00022 DCS	R 0,13	R 87 350,85	R 979 800,02	-R 979 800,02
Genbiz Trading 1001 PTY LTD	Procurement of printers/copiers for 3 years	MBIZ LM 0030 PP/C	R 782 112,24	R -	R 517 448,21	-R 504 595,88
Khanya Africa Networks	Integrated Financial Records and Archiving Solutions (IFRA) for 3 years	MBIZ LM 0035 IFRA	R 5 300 000,00	R -	R 120 000,00	R 335 292,19
Ziinzame Consulting Engineers	Multi Discipline Panel of Consulants-Civil Engineering	MBIZ LM 0055 CON	R -	R -	R 277 616,52	-R 484 284,52
VHB Associates	Multi Discipline Panel of Consultants-Architectural	MBIZ LM 0055 CON	R -	R -	R 20 000,00	-R 1 783 623,83
BMK Consulting Engineering	Multi Discipline Panel of Consultants-Civil Engineering	MBIZ LM 0055 CON	R -	R -	R -	-R 2 101 507,91
TPA JV Lisa Solutions	Multi Discipline Panel of Consultants-Civil Engineering	MBIZ LM 0055 CON	R -	R -	R 1 103 640,01	-R 1 353 303,83
S. Zoko Consulting	Multi Discipline Panel of Consultants-Civil Engineering	MBIZ LM 0055 CON	R -	R -	R -	-R 290 000,00
Mlala Emazweni Trading & projects	Multi Discipline Panel of Consultants-Civil Engineering	MBIZ LM 0055 CON	R -	R -	R 1 063 114,65	-R 1 063 114,65
Iqhayiya Design Workshop Architects	Multi Discipline Panel of Consultants-Architectural	MBIZ LM 0055 CON	R -	R -	R 772 371,20	-R 5 149 264,39
Techseeds Pty Ltd	Procurement of IP-PBX	MBIZ LM 0041 IP-PBX	R 3 292 404,50	R -	R 430 068,89	R 46 599,87
Cycle Civils and Projects	Rehabilitation of Dumping Site for 24 Months	MBIZ LM 0008 RDS	R 2 553 896,45	R 95 187,11	R 599 257,47	R 583 670,06
Vodacom Pty Ltd	Procurement of Mobile Contract	MBIZ LM 0040 PMC	R -	R -	R 2 105 279,07	-R 3 747 829,98
Dibelihle Conraction and Projects JV Inventiveness	Supply & Delivery of Refuse Removal Protective Clothing for 36 Months	MBIZ LM 0005 RRPC	R 2 585 777,16	R -	R 63 455,00	R 1 055 300,17
Clear Result 77 (PTY)LTD	Revenue Management and Enhancement Strategy	MBIZ LM 0024 RES	R 600 000,00	R -	R -	R -

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	22-Feb	Total Expenditure	Closing Balance
Asenati Construction Pty Ltd	Environmental Threatening Obtacle in MLM for 36 Months	MBIZ LM 0007 ETO	R 950 000,00	R -	R 209 200,00	R -
Eskom Holdings Soc Ltd	Free Basic Electricity	N/A	R -	R -	R -	-R 4 007 101,15
Blue Cycle Services Pty Ltd	Review of Municipal Corporate Governance for ICT Charter and Framework for Two Years	MBIZ LM 002 ICTC&FM	R 1 180 000,00	R -	R -	-R 487 991,81
SNR Electrical cc	Electrification of 235 Extra Connection in Sigodlweni, Mandlobe, Madada and Diphini	MBIZ LM 0025 SIG	R 4 856 335,37	R -	R 107 881,29	R 3 944 150,75
Mlala Emazweni Trading & projects	Professional Fees Mqonjwana to Greenville A/R	MBIZLM0055 CON	R 712 748,47	R -	R -	R 94 765,30
S. Zoko Consulting	Professional Fees Extention 4 Bridge	MBIZLM0055 CON	R 775 531,76	R -	R 176 393,89	R 52 713,81
Cape to Cairo to Investments Pty Ltd	Supply & Delivery of Refuse Plastic Bags for 36 Months	MBIZ LM 0006RPB	R 2 800 000,00	R -	R 590 539,65	R 571 460,35
Mabozela Trading and Enterprise Jv Boboshe	Electrification of Mabhenguteni Village (Ward 15) 414 Households	MBIZ LM 00057 EMV	R 19 575 046,47	R -	R 7 041 973,62	R 1 795 088,77
Ndlela Mhlophe Trading	Website Revamp	MBIZ LM 0058 WEB	R 805 000,00	R -	R -	R 168 500,00
ODG Technologies PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -	R -	R -	R -
Restsam Engineering PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -	R -	R 952 598,70	-R 1 735 035,05
Ambrose Civils	Extension 4 Bridge Ward 01	MBIZ LM 0006 EWB	R 3 296 658,31	R 494 346,12	R 1 331 885,37	R 167 733,08
MAT Trading Enterprise	Deliver and servicing of skip bins	MBIZ LM 0062 SSB	R 990 000,00	R -	R 72 000,00	R 39 333,00
Thake Electrical cc	Electrification of Sigidi Village/Mdatya Bekele	MBIZ LM 00057 EMV	R 18 944 944,21	R 935 655,38	R 5 631 541,49	R 231 795,28
YG Solutions (Pty) Ltd	Electrification of Sidanga Village	MBIZ LM 00066 E SV	R 2 453 216,26	R -	R -	R 19 986,28
Denasa Civils and Construction	Construction of Mqonjwana Access Road	MBIZ LM 001MGA	R 8 478 910,00	R -	R -	R 7 737 115,04

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	22-Feb	Total Expenditure	Closing Balance
Isigidimi Solutions	Co-Sourcing arrangements for internal auditing	MBIZ LM 00050 IAU	R 2 100 000,00	R -	R 936 000,00	R 12 000,00
Siti Cargo	Maintenance of Tshayingca Road	MBIZ LM 0048 RTAR	R 4 534 471,20	R -	R 625 028,31	R 523 934,60
Mayenziwe Holdings Pty Ltd	Maintenance of 2 Nurseries for a Period of 12 Months	MBIZ LM 00072 MN12M	R 620 000,00	R 51 663,00	R 413 332,00	R -
Restsam	Panel of Consultants: Mdatya and Bekela (Sigidi Village)	MBIZ LM 0055 CON	R 1 228 319,50	R 168 266,62	R 445 883,14	R 0,01
YG Solutions Pty Ltd	Electrification of Sidanga Village (Ward 28) link line	MBIZ LM 04/02/21/02 SVL	R 1 997 310,57	R -	R 1 248 229,07	-R 106 740,46
ODG Technologies	Panel of Consultants: Sidanga Electrification	MBIZ LM 0055 CON	R 249 663,82	R -	R 186 322,25	-R 383 648,46
ODG Technologies PTY Ltd	Panel of Consultants: Mabhenguteni Electrification	MBIZ LM 0055 CON	R 1 958 862,20	R -	R 1 103 640,01	-R 1 248 340,41
Emerald Metering and Utility Management Pty Ltd	Supply & Maintenance of Automated Meter Reading System for 3 years	MBIZ LM 0085 AMR'S	R 2 129 902,23	R -	R 1 215 659,68	R 255 110,39
Iqhayiya Design Workshop	Panel of Consultants-Architectural: Temporary Traders Stalls and Civil Works	MBIZ LM 0055 CON	R 956 705,82	R -	R -	R 374 363,15
Mabozela Trading JV Boboshe Trading enterprise	Replacement of LV &MV LINES	WMM LM 00059 LV&MVL	R 2 603 711,60	R -	R -	R 1 972 982,60
YG Solutions	Maintenance of Bulk Metering and Cables	WMM LM 0091 MBM&C	R 641 603,26	R -	R 85 979,43	R 555 623,83
IPM Plant Hire Pty Ltd	Disposal of Municipal Sites for Business and Government Use	MBIZ LM 00060 DMP	R 1 152 032,62	R -	R -	R 1 152 032,62
Thake Electrical cc JV Ubuntu Bam Rural Developers Pty Ltd	Disposal of Municipal Sites for Business and Government Use	MBIZ LM 00060 DMP	R 1 152 032,62	R -	R -	R 1 152 032,62
Iqhayiya Design and Workshop	Manufacturing Hubs	WMM-LM(Panel of Consulltants)	R 3 850 372,50	R 686 006,12	R 686 006,12	R 3 164 366,38
Thake Electrical	Electrifification of Xholobeni	WMM LM 00057E MV	R 23 624 770,08	R -	R 12 602 194,01	R 11 022 576,07

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	22-Feb	Total Expenditure	Closing Balance
	Village in Ward 25					
ODG Technologies	Electrifification of Xholobeni Village in Ward 25	WMM LM 00057E MV	R 2 362 477,01	R 413 433,48	R 1 476 548,13	R 885 928,88
Ngoma JV Dimbane Zikhazi Trading	Ward 20	WMM LM 00061 W20CH	R 3 600 000,00	R -	R 1 840 658,59	R 1 759 341,41
Ngoma JV Dimbane Zikhazi Trading	Ward 04	WMM LM 00060 W04CH	R 3 500 000,00	R 413 999,56	R 2 056 550,79	R 1 443 449,21
ThahleProjects Jv Magnacorp 522	Construction of ward 01 ECDC	WMM LM 00062 W01 ECDC	R 3 191 415,70	R 339 730,56	R 1 706 120,96	R 1 485 294,74
Manyobo Group	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H PT	R 9 001 800,00	R 1 245 455,00	R 9 085 369,96	-R 83 569,96
Stira Construction and Projects (Pty) Ltd	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H PT	R 1 600 000,00	R -	R 1 593 900,00	R 6 100,00
Mabozela Trading	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H PT	R 4 072 500,00	R -	R 4 659 301,26	-R 586 801,26
Siti Cargo	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H PT	R 2 997 000,00	R 397 075,00	R 2 997 000,00	R -
S. Zoko Consulting	Construction of Siginqini to Marina Access Road	MBIZ LM 0055 CON	R 838 341,08	R -	R -	R 449 813,88
Ziinzame Consulting Engineers	Maphaleni Via Mbubazi	MBIZ LM 0055 CON	R 1 777 614,33	R -	R 72 000,00	R 1 073 614,33
TPA JV Lisa Solutions	Sixhanxeni Access Road	MBIZ LM 0055 CON	R 400 000,00	R -	R 397 429,37	R 2 570,63
Vitsha Trading	Refurbishment of Mbizana Taxi rank phase 2	WMM LM 01/09/21/02 RTR	R 23 545 916,50	R 3 000 000,00	R 10 652 236,97	R 12 893 679,53
Bukhobethu Security Services	Provission of Private Security Services	WMM LM 08/12/20/03 PSC	R 27 820 800,00	R 772 800,00	R 3 091 200,00	R 24 729 600,00
Mlala Emazweni Trading & projects	Construction for VAV Access Road Professional Fees	WMM LM 08/10/21/03 VMA	R 253 513,69	R -	R 107 881,29	R 20 737,91
Mlala Emazweni Trading & projects	Msthongweni Access Road	MBIZ LM 0055 CON	R 271 621,81	R -	R 207 913,72	R 63 708,09
VHB Associates	Professional Fees Upgrade of Taxi Rank(Phase 2)	MBIZLM0055 CON	R 3 649 617,06	R -	R 2 751 810,66	R 897 806,40
Environmental Vanguard(Pty) Ltd	Reviewal of climate change strategy	WMM LM 11/02/21/01 CCS	R 390 000,00	R -	R -	R 390 000,00
Ncaiana Trading and	LED Streetlight fitting, cables	MBIZ LM 21/07/21/02	R 540 400,00	R -	R -	R 540 400,00

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	22-Feb	Total Expenditure	Closing Balance
Projects	and poles	PSL				
Thake Electrical cc	Replacement of ring main unit	WMM LM 10/08/21/02 RRMU	R 790 493,13	R -	R 790 493,13	R -
Sword Group	material and equipment	WMM LM 06/10/21/01 PME	R 477 000,00	R -	R 477 000,00	R -
XS Dollarz	Repairs and Maitenance of Municipal Building	WMM LM 17/0921/01 RMW	R 1 339 125,95	R 396 919,05	R 396 919,05	R 942 206,90
MVI Construction and Maintenance	Construction of Mapheleni Via Mbubazi to Dutyini	WMM LM 08/10/21/02 MDA	R 8 032 179,54	R 2 201 501,77	R 2 201 501,77	R 5 830 677,77
The Mane's	Supply and delivery of Laptops and Desktops	WMM LM 00070 S&D L&D	R 1 771 000,00	R 331 500,00	R 331 500,00	R 1 439 500,00
Thahle Projects Jv Magnacorp 522	Construction of VAV Memorial College Access Road	WMM LM 08/10/21/03 VMA	R 1 820 533,00	R -	R 503 936,80	R 1 316 596,20
Mabozela Trading and Enterprise	Construction of Leonard to Simakadeni Access Road	WMM LM 08/10/21/01 LSA	R 3 560 171,73	R 1 316 883,93	R 1 316 883,93	R 2 243 287,80
Phahle Construction	Repairs and Maitenance of DLTC	WMM LM 17/09/21/02 RDL	R 730 737,50	R 466 900,00	R 466 900,00	R 263 837,50
S. Zoko Consulting	Leonard to Smakadeni Access Road	MBIZ LM 0055 CON	R 1 261 214,89	R -	R 148 635,17	R 637 522,84
XS Dollarz	Maintanance of Cultural Village	WMM LM17/09/21/03 RCV	R 1 124 887,68	R 434 021,50	R 434 021,50	R 690 866,18
			R 411 026 370,24	**R 20 684 175,44**	**R 127 085 083,61**	**R 56 375 017,56**

PART 2 – SUPPORTING DOCUMENTATION

1. The impact of COVID-19 to the municipality

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

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

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

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

a. Financial Performance

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

i. Refuse removal

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

ii. Electricity distribution

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

iii. Licences and permits

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

2. 2023 Draft budget progress

The Budget and Treasury office consolidated all the budget guidelines from the National budget, MFMA budget circulars, the Division of Revenue Bill, the Provincial Treasury Gazette, Guidelines from NERSA in relation to the electricity tariffs, and inputs from departments.

The municipality's realistically anticipated revenues were worked out using these guidelines mentioned above. Expenditure limits for departments were also worked out using the same guidelines to ensure affordability and funding of the budget as required by the MFMA and the Municipal Budgeting and Reporting Regulations.

The municipality continues to find itself highly dependant on grants from the national fiscus which makes it impossible to contribute with the development and service delivery needs as it wishes as these allocations do not depend on the municipality. Despite the municipality having implemented a number of incentives for property rates within the past five years where property rates tariffs remained unchanged, collection levels on household and business debt have not improved putting a strain on the limited resources required to deliver services. Monthly reports continue to show growth in the amounts owed to the municipality while resources are required to deliver services in the town area to keep it attractive for business investments. This unfortunately means that the municipality continues to utilise the grants allocated to assist the poor to deliver services in areas that are expected to be able to fund their own development. The report shows over R30 million increase on the equitable share allocation to the municipality in the next year which will assist in funding the municipal operations and possibly contribute to capital funding, however little. This coupled with debt collection efforts by the municipality with its appointed debt collector is expected to bring in the much-needed financial resources to assist the municipality in the implementation of its programmes and plans. This then requires a serious balancing act that is coupled with realistic analysis of affordability levels before any decision is taken.

Below is the summary of the proposed adjustment budget:

EC443 Winnie Madikizela Mandela - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance										
Property rates	18,967	16,284	20,145	26,171	21,283	21,283	17,354	21,468	22,323	23,212
Service charges	35,685	38,374	40,257	43,474	43,481	43,481	17,014	36,680	38,299	40,022
Investment revenue	8,772	9,660	7,604	10,047	10,047	10,047	4,649	8,760	9,146	9,557
Transfers recognised - operational	235,075	268,843	338,001	295,690	298,973	298,973	133,151	335,600	342,397	363,947
Other own revenue	31,397	23,499	16,324	14,651	13,721	13,721	5,072	14,189	15,160	16,081
Total Revenue (excluding capital transfers and contributions)	329,895	356,660	422,331	390,032	387,505	387,505	177,239	416,697	427,325	452,820
Employee costs	102,675	104,852	105,837	126,854	119,529	119,529	45,114	124,615	129,995	135,718
Remuneration of councillors	23,244	23,970	23,964	26,007	26,007	26,007	9,757	27,047	28,129	29,254
Depreciation & asset impairment	41,890	39,437	40,180	52,682	52,682	52,682	17,854	49,735	50,730	51,744
Finance charges	66	11	1	150	150	150	–	100	104	108
Inventory consumed and bulk purchases	35,276	41,417	39,820	48,440	48,640	48,640	17,292	47,872	54,188	59,115
Transfers and grants	702	1,418	4,499	5,907	5,623	5,623	273	3,550	3,692	3,840
Other expenditure	118,240	158,537	128,012	173,490	225,752	225,752	54,849	186,110	150,382	156,258
Total Expenditure	322,093	369,642	342,313	433,529	478,383	478,383	145,140	439,029	417,219	436,038
Surplus/(Deficit)	7,802	(12,982)	80,018	(43,497)	(90,878)	(90,878)	32,100	(22,333)	10,106	16,782
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	85,899	79,423	77,425	99,296	96,175	96,175	23,293	85,040	85,433	89,241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	93,702	66,441		55,799	5,296	5,296	55,393	62,707	95,539	106,023
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	93,702	66,441	–	55,799	5,296	5,296	55,393	62,707	95,539	106,023
Capital expenditure & funds sources										
Capital expenditure	98,857	88,202	141,432	117,727	188,684	188,684	35,538	109,088	148,251	107,742
Transfers recognised - capital	69,652	60,628	67,976	86,399	80,762	80,762	21,460	74,288	82,561	86,242
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	29,205	27,574	73,456	31,328	107,921	107,921	14,078	34,800	65,690	21,500
Total sources of capital funds	98,857	88,202	141,432	117,727	188,684	188,684	35,538	109,088	148,251	107,742
Financial position										
Total current assets	204,603	255,161	364,659	277,032	277,878	277,878	319,348	438,634	348,854	326,337
Total non current assets	675,090	680,111	739,453	789,359	836,767	836,767	657,067	798,736	883,059	956,654
Total current liabilities	51,366	58,261	69,907	49,384	75,113	75,113	58,691	55,301	64,840	64,840
Total non current liabilities	3,920	5,495	5,246	5,495	5,246	5,246	–	5,246	5,246	5,246
Community wealth/Equity	824,407	871,515	1,028,958	1,011,512	1,034,286	1,034,286	1,080,441	1,176,824	1,161,826	1,212,904
Cash flows										
Net cash from (used) operating	121,501	136,790	209,606	129,537	126,155	126,155	152,105	148,553	148,698	165,995
Net cash from (used) investing	(92,567)	(86,608)	(125,089)	(119,176)	(182,428)	(182,428)	(40,416)	(119,428)	(197,357)	(107,742)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	123,463	173,644	258,161	191,598	201,887	201,887	369,850	385,303	336,644	394,897
Cash backing/surplus reconciliation										
Cash and investments available	123,463	173,644	258,161	191,598	201,887	201,887	101,888	385,303	290,429	259,401
Application of cash and investments	(47,072)	(735)	(16,126)	(65,830)	(34,276)	(34,276)	(89,292)	(34,941)	(6,906)	(18,731)
Balance - surplus (shortfall)	170,535	174,379	274,286	257,428	236,163	236,163	191,180	420,244	297,335	278,132
Asset management										
Asset register summary (WDV)	678,643	680,111	739,453	682,761	661,231	661,231	661,231	703,348	745,908	852,012
Depreciation	39,506	39,437	40,180	52,682	52,682	52,682	52,682	49,735	50,730	51,744
Renewal and Upgrading of Existing Assets	23,458	22,731	62,811	40,902	103,405	103,405	103,405	10,974	64,105	11,200
Repairs and Maintenance	5,809	12,873	5,614	34,271	33,664	33,664	33,664	33,155	44,935	45,537
Free services										
Cost of Free Basic Services provided	1,561	1,819	1,373	1,156	1,156	1,156	4,800	4,800	4,992	5,192
Revenue cost of free services provided	–	–	–	408	408	408	597	597	608	621
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	6	6	6	6	6	6	5	5	4	3
Refuse:	48	48	48	48	48	48	49	49	49	51

3. Implementation of the Finance Management Internship Programme

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

a) Number of interns, which is 5 at all times

b) The minimum requirements for recruitment of the interns

c) The recruitment process to be followed

d) The duration of the programme

e) The remuneration structure and limits

f) The reporting requirements

g) The structure of the programme

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

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

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

The municipality has since enrolled two financial management interns on the programme who have started attending classes during the month of June 2021 to date. One of the two interns has since resigned during the month of January 2022.

The municipality is also in the process of recruiting three additional Financial Management Interns to make the required number of 5. This was anticipated to be completed before the end of March 2022 to allow the municipality the full number that is required and avoid having unspent funds at the end of the year meant for the stipends of these interns.

4. Debtors' analysis

Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2021/22											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,426	1,409	1,440	1,355	1,378	12,564	–	–	20,572	15,297	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	789	540	527	524	522	32,744	–	–	35,645	33,789	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	379	269	267	265	262	8,237	–	–	9,678	8,764	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	326	20	20	20	6	442	–	–	837	469	–	–
Interest on Arrear Debtor Accounts	1810	195	190	176	171	166	12,278	–	–	13,176	12,615	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	373	148	228	152	209	3,377	–	–	4,488	3,739	–	–
Total By Income Source	**2000**	**4,489**	**2,576**	**2,657**	**2,488**	**2,544**	**69,642**	–	–	**84,396**	**74,674**	–	–
2020/21 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	760	772	821	854	895	37,027	–	–	41,128	38,775	–	–
Commercial	2300	3,422	1,545	1,574	1,408	1,407	20,209	–	–	29,565	23,024	–	–
Households	2400	307	259	262	226	242	12,406	–	–	13,702	12,874	–	–
Other	2500	0	(0)	0	0	(0)	0	–	–	0	0	–	–
Total By Customer Group	**2600**	**4,489**	**2,576**	**2,657**	**2,488**	**2,544**	**69,642**	–	–	**84,396**	**74,674**	–	–

The table above shows municipal debtors for the month of February 2022 per income source and per customer group. It should be noted that the municipality's leading source of income when it comes to debtors is property rate followed by interest on arrears which is an indication that we have more debtors that have stayed for longer periods outstanding. It should also be noted that the municipality's majority of debtors are more than 150 days old. This could prompt a write-off at some point if these are not collected as they overstate the municipality's balance sheet.

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

5. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)
R thousands		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	
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	76								76	
Auditor General	0800									–	
Other	0900									–	
Total By Customer Type	**1000**	76	–	–	–	–	–	–	–	76	–

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

6. Investment portfolio analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

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 ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0.00066761	0	N/A	not fixed	15,083	10	(18,183)	13,755	10,665
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0	0	N/A	not fixed	0	–			0
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.00252977	0	N/A	not fixed	319,506	808	(27,093)	10,000	303,221
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0.001000193	0	N/A	not fixed	926	1	(543)	–	384
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	4.21017E-06	0	N/A	not fixed	2,513	0	(2,508)	–	5
FNB CALL DEPOSIT ACCOUNT(62896110170)		Not fixed	Call Deposit	No	Variable	0.406533481	0	N/A	not fixed	38	15	(686)	6,971	6,338
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.002301352	0	N/A	not fixed	68	0	–	–	69
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	0.001236324	0	N/A	not fixed	1,717	2	(971)		748
Municipality sub-total										339,851		(49,984)	30,726	321,430
Entities														
														–
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2									339,851		(49,984)	30,726	321,430

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 R19 million which lead to a decrease in its investments for the month of February 2022. It should however be noted that this only reflects the difference between what was received and what was spent.

We have noted an increase in the number of fraudulent transactions taking place on the municipality's bank account in the form of debit orders which we have been reversing at least twice a month. Engagements with the bank have highlighted the difficulties in getting personal details since the effectiveness of the POPIA which fraudsters have also taken advantage of. We have since decided to analyse our transactions at least once a week so that we can detect these early and have them reversed as soon as they are identified.

FRAUDULENT DEBIT ORDER IDENTIFIED AND REVERSED			
Transaction Date	**Transaction Description**	**Transaction Amount**	**Reason for Reversal**
15-Nov-21	HOMECHOICE315914065	R 1,221.38	Fraudulent Debit order
15-Dec-21	HOMECHOICE315914065	R 625.01	Fraudulent Debit order
22-Dec-21	PM8+CELOB1 02AD5A1	R 5,000.00	Fraudulent Debit order
24-Dec-21	PM8+CELOB1 02AD692	R 5,000.00	Fraudulent Debit order
24-Dec-21	KUDOUGHCS 157973670 NET	R 119.00	Fraudulent Debit order
30-Dec-21	PM8+CELOB1 02AD903	R 4,000.00	Fraudulent Debit order
03-Jan-22	PM8+CELOB1 02ADBB6	R 4,000.00	Fraudulent Debit order
10-Jan-22	KUDOUGHCS 154503649 NET	R 119.00	Fraudulent Debit order
14-Jan-22	HOMECHOICE315914065	R 3,125.03	Fraudulent Debit order
29-Jan-22	PM8+CELOB1 02AE6CE	R 5,000.00	Fraudulent Debit order
31-Jan-22	NRBFIN 64292515001	R 13,000.00	Fraudulent Debit order
03-Feb-22	PM8+CELOB1 02AEAF9	R 5,000.00	Fraudulent Debit order
05-Feb-22	MBD 7800078092711	R 719.28	Fraudulent Debit order
05-Feb-22	MBD 7800078099189	R 6,504.69	Fraudulent Debit order
05-Feb-22	VVM 78682046801X2	R 1,736.59	Fraudulent Debit order
07-Feb-22	ACKERMANS 1010009798069	R 1,090.00	Fraudulent Debit order
		R 56,259.98	

Our research has indicated that the only option that other municipalities have used is to stop all debit orders but that requires that we inform all our creditors that we pay through debit orders of the change and arrange for them to send invoices for direct payment.

7. Allocation and grant receipts and expenditure

a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		369,319	323,643	326,764	–	239,714	217,843	21,871	10.0%	326,764
Local Government Equitable Share		332,422	289,620	289,620	–	217,215	193,080	24,135	12.5%	289,620
Finance Management		2,000	2,000	2,000	–	2,000	1,333	667	50.0%	2,000
EPWP Incentive		2,389	3,570	3,570	–	2,499	2,380	119	5.0%	3,570
Integrated National Electrification Programme		32,508	28,453	28,453	–	18,000	18,969	(969)	-5.1%	28,453
					–		–			
	3				–			–		
								–		
								–		
								–		
Neighbourhood Development Partnership				3,121			2,081	(2,081)	-100.0%	3,121
Provincial Government:		500	500	500	–	500	333	167	50.0%	500
Sport and Recreation		500	500	500	–	500	333	167	50.0%	500
								–		
	4							–		
								–		
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	369,819	324,143	327,264	–	240,214	218,176	22,038	10.1%	327,264
Capital Transfers and Grants										
National Government:		62,478	70,843	67,722	13,755	46,239	45,148	5,253	11.6%	70,843
Municipal Infrastructure Grant (MIG)		45,459	51,023	51,023	13,755	39,268	34,015	5,253	15.4%	51,023
Neighbourhood Development Partnership		17,019	19,820	16,699	–	6,971	11,132			19,820
							–	–		–
								–		
								–		
								–		
Other capital transfers *[insert description]*								–		
Provincial Government:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Capital Transfers and Grants	5	62,478	70,843	67,722	13,755	46,239	45,148	5,253	11.6%	70,843
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	432,296	394,986	394,986	13,755	286,453	263,324	27,291	10.4%	398,106

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		368,781	323,643	326,764	13,872	146,074	217,843	(71,769)	-32.9%	323,643
Local Government Equitable Share		332,421	289,620	289,620	13,079	113,407	193,080	(79,673)	-41.3%	289,620
Finance Management		2,000	2,000	2,000	211	1,327	1,333	(6)	-0.5%	2,000
EPWP Incentive		2,389	3,570	3,570	–	3,570	2,380	1,190	50.0%	3,570
Integrated National Electrification Programme		31,966	28,453	28,453	582	27,770	18,969	8,801	46.4%	28,453
					–		–	–		
Neighbourhood Development Partnership			–	3,121	–	–	2,081	(2,081)	-100.0%	
Disaster Grant		5						–		
Provincial Government:		912	500	500	11	117	333	(217)	-65.0%	500
Sport and Recreation		511	500	500	11	117	333	(217)	-65.0%	500
								–		
								–		
								–		
Greenest Municipality		402						–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Total operating expenditure of Transfers and Grants:		369,694	324,143	327,264	13,883	146,190	218,176	(71,985)	-33.0%	324,143
Capital expenditure of Transfers and Grants										
National Government:		45,459	70,843	67,722	12,484	27,562	45,148	(17,586)	-39.0%	70,843
Municipal Infrastructure Grant (MIG)		45,459	51,023	51,023	11,798	26,876	34,015	(7,139)	-21.0%	51,023
Neighbourhood Development Partnership		–	19,820	16,699	686	686	11,132	(10,446)	-93.8%	19,820
								–		
								–		
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
								–		
Total capital expenditure of Transfers and Grants		45,459	70,843	67,722	12,484	27,562	45,148	(17,586)	-39.0%	70,843
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		415,153	394,986	394,986	26,366	173,753	263,324	(89,571)	-34.0%	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 - M08

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

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

8. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		15,110	56,951	56,951	476	18,680	37,967	(19,288)	-51%	56,951
Service charges		23,019	29,346	29,346	4,933	28,013	19,564	8,449	43%	29,346
Other revenue		9,342	8,896	7,966	715	5,382	5,311	71	1%	7,966
Transfers and Subsidies - Operational		335,485	295,690	295,853	–	222,214	197,235	24,979	13%	295,853
Transfers and Subsidies - Capital		77,425	99,296	99,296	13,755	64,995	66,197	(1,202)	-2%	99,296
Interest		11,879	10,047	10,047	1,589	6,948	6,698	250	4%	10,047
Dividends					–		–	–		
Payments										
Suppliers and employees		(262,653)	(370,638)	(373,254)	(30,106)	(223,623)	(248,836)	(25,213)	10%	(373,254)
Finance charges		(1)	(50)	(50)	–	–	(33)	(33)	100%	(50)
Transfers and Grants							–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		209,606	129,537	126,155	(8,638)	122,609	84,103	(38,506)	-46%	126,155
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		276						–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(125,365)	(119,176)	(182,428)	(12,406)	(59,339)	(121,619)	(62,279)	51%	(182,428)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(125,089)	(119,176)	(182,428)	(12,406)	(59,339)	(121,619)	(62,279)	51%	(182,428)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits			–	–	–	–	–	–		–
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		84,516	10,361	(56,273)	(21,044)	63,270	(37,515)			(56,273)
Cash/cash equivalents at beginning:		173,644	181,236	258,161	342,475	258,161	258,161			258,161
Cash/cash equivalents at month/year end:		258,161	191,598	201,887		321,430	220,645			201,887

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

9. Statement of Financial Position

EC443 Winnie Madikizela Mandela - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2020/21	Budget Year 2021/22			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		9,353	12,892	9,353	244	9,353
Call investment deposits		248,808	178,706	192,534	321,186	192,534
Consumer debtors		56,546	46,512	41,771	60,439	41,771
Other debtors		47,905	37,398	32,244	70,604	32,244
Current portion of long-term receivables		–	–	–	–	–
Inventory		2,046	1,524	1,976	719	1,976
Total current assets		**364,659**	**277,032**	**277,878**	**453,192**	**277,878**
Non current assets						
Long-term receivables						
Investments					1	
Investment property		36,655	32,436	36,655	36,655	36,655
Investments in Associate			–	–	–	–
Property, plant and equipment		701,498	755,509	798,882	728,677	798,882
Biological				–		–
Intangible		69	73	–	(1)	–
Other non-current assets		1,231	1,341	1,231	1,231	1,231
Total non current assets		**739,453**	**789,359**	**836,767**	**766,563**	**836,767**
TOTAL ASSETS		**1,104,112**	**1,066,391**	**1,114,645**	**1,219,755**	**1,114,645**
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits		505	503	505	460	505
Trade and other payables		49,412	28,928	54,618	60,287	54,618
Provisions		19,990	19,953	19,990	15,956	19,990
Total current liabilities		**69,907**	**49,384**	**75,113**	**76,703**	**75,113**
Non current liabilities						
Borrowing						
Provisions		5,246	5,495	5,246	5,246	5,246
Total non current liabilities		**5,246**	**5,495**	**5,246**	**5,246**	**5,246**
TOTAL LIABILITIES		**75,153**	**54,879**	**80,359**	**81,949**	**80,359**
NET ASSETS	2	**1,028,958**	**1,011,512**	**1,034,286**	**1,137,806**	**1,034,286**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,028,958	1,011,512	1,034,286	1,137,806	1,034,286
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,028,958**	**1,011,512**	**1,034,286**	**1,137,806**	**1,034,286**

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

10. Municipal Manager's quality certification

Quality Certificate

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

☒ The monthly budget statement

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

Print name: LUNUYO MAHLAKA

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

Signature: ______________________

Date: 09/03/2022