



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

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**REPORT IN TERMS OF s71 OF THE MFMA FOR THE  
MONTH OF APRIL 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 10<sup>th</sup> report of the 2021/22 financial year which should give an indication of how the municipality has performed on its 10 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 was 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, however, National Treasury issued an instruction that resulted in all procurement above R30 000 being put in abeyance from the beginning of March 2022 in response to a judgement that was handed down on the challenge of the Preferential Procurement Regulations, 2017. This has an impact in the programmes the municipality planned to implement between March 2022 until the ban on tenders has been lifted. This is also a report for a period that has coincided with the preparation and finalisation of the draft budget by the municipality where activity may have also been affected in terms of spending. This draft budget was somehow informed by the adjusted budget as 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 eight 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 non 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.

#### **b) mSCOA Governance Structures**

The introduction of mSCOA introduced a number of governance structures that were meant to ensure full compliance and seamless transition when the deadlines for full implementation came. Key structures that were established were as follows:

- Project steering committee
  - This was made of the following prescribed persons:
    - Project sponsor – Accounting Officer
    - Chief Financial Officer
    - Senior Manager – Corporate Services
    - Senior Manager – Engineering Services
    - Senior Manager – Community Services
    - Manager – Internal Audit
    - Manager – ICT
    - Manager – Municipal Operations
    - Manager – Budgeting and Reporting
    - Manager – Revenue and Expenditure
- Project implementation team
  - This is a committee that was assigned by the municipality's Project Steering Committee which also included a multi-disciplinary team as follows:

- Chief Financial Officer – Project Manager
- Manager – Human Resources
- Manager – Project Management Unit
- Manager – Environmental Management
- Manager – ICT
- Senior Internal Auditor
- Manager – Municipal Operations
- Manager – Budgeting and Reporting
- Manager – Revenue and Expenditure
- Manager – Supply Chain Management

All these structures were initially appointed in 2015 before full implementation of mSCOA. There has been a number of changes in the municipality's personnel which has lead to these structures being re-established to include new members of management.

## **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,**
  - The action plan required that competency assessments be introduced for other employees by the 31<sup>st</sup> of March 2022 during the recruitment processes by Human Resources management, there is however no indication that these have been introduced.
- **Doing business with companies linked to persons in the service of the state**
  - All companies identified have been blacklisted from the municipality's database and existing contracts terminated where there was an existing contract with the municipality. It is worth reporting though that most of these transactions were once-off supply and delivery
- **Incorrect calculation of electricity distribution losses**

- Distribution losses are now calculated at the end of each quarter to allow for thorough review processes
- **Differences in the ageing of receivables**
  - The system vendor has been engaged to develop a program that would assist in the ageing of categories that did not have the split but the system vendor has indicated that it was not possible to develop such a module
- **Statutory receivables not tying up**
  - The system vendor has been engaged to develop a program that would assist in the ageing of categories that did not have the split but the system vendor has indicated that it was not possible to develop such a module

## **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 were expected to have been delivered by the end of May 2022 but due to unavailability of stock, especially of the 4X4 vehicles it does not look likely that the municipality will get these vehicles before the of August 2022 which was also made worse by the recent floods that affected one of the major depots in the country that is situated in KwaZulu Natal.

## **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 continue to monitor the performance of the contract after these and provide more guidance on ways to improve our maintenance work.

## 7. Strategic Objectives

The Budget Treasury Office was part of the development of strategies for the municipality for the next five years from which short-term operational plans and targets relating to at least a period of one financial year. This is done in the form of the Service Delivery and Budget Implementation Plan (SDBIP) which was approved by the mayor within 30 days after the adoption of the annual budget by the municipal council.

The table below gives the details of the SDBIP with the targets that the department will be working to achieve on a quarterly basis. The table shows the department's performance per quarter to ensure they are monitored and achieved by the end of the financial year:

KPA N0 4: Budget & Treasury																			
Outcome 9 Objective			Budget: MTREF				Budget Source												
Sub-Resu It Area	Issue	Strategic Objective No.	Objectiv e No.	Strategie s	Baseli ne Information	Project to be Implemented	K P I	K P I We igh t	Means of Verification	Budg et	Int ern al	Ext ern al	Q1	Q2	Q3	Q4	W AR D	Respon sible Sectio n	Respon sible Agen cy/s
Revenue Management	Revenue collection trends are decreasing posing a threat to the municipality's going concern	To achieve 100% billing for all services that are to be billed by June 2022	4.1	Metering of all electricity consumption	Electricity meters are read, recorded and capture manually	Reading of electricity meters	Accurate te	0.5	Reading of 78 electric city meters utilizing the Automated system	R	Yes	700.0 00.00	0	0	0	0	Readin g of electric city meters	Readin g of electric city meters	Manager: Revenue and Expenditure
			4.1	Training of meter reader			Automati on	0.5	by June 2022	Applicatio n letter, Attende	Yes		n/a	n/a	n/a	n/a	Attendin g trainin g	n/a	Revenue Section

KPA N°4: Budget & Treasury

Outcome 9 Objective										Budget Source				Budget: MTREF		W AR D		Responsible Sector		Responsive Agen	
Sub-Resu lt Area	Issue	Strat egic Objec tive	Obj ectiv e No.	Strateg ic	Baseli ne Inform ation	Project to be Implemented															
	n				90% billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	4. 1. 3	0.5	Billing of 246 consumer account is for property rates, refuse and electricity by June 2022	12 monthly Billing Report	R -	N/ A	0	Billing of 246 consumer account is for property rates, refuse and electricity	Billing of 246 consumer account is for property rates, refuse and electricity	Wa rd I	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure		
Monthly					Billing completed beyond the 3rd day of each month 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	Perfom m month end procedure for consumer debtors	Perfom m month end procedure for consumer debtors	Wa rd I	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure		
					Sending of monthly statement using emails and sms's	Manual distribution of consumer statements	4. 1. 5	0.5	Distribution of electro nical monthly consumer statements by June 2022	12 Monthly Statements distributio n Report	R -	N/ A	0	Emailing of monthly consumer statements	Emailing of monthly consumer statements	Wa rd I	Emailing of monthly consumer statements	Emailing of monthly consumer statements	Emailing of monthly consumer statements		

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				Budget: MTRF			
Sub-Resu-lt Area	Strategic Objective	Obj-ectiv-e No.	Strateg-ies	Baseli-ne Infor-mation	Project to be Implemented				Budget Source		W-A-R-D	Respon-sibil-e Sectio-n	Respon-sible Agen-t				
				Revenue Enhancement Strategy Action Plan	Monitoring of the Revenue enhancement Strategy Action Plan	Improved revenue collection and generation	Implementation of the Revenue enhancement Strategy	4 Quarterly Revenue enhancement Committee minutes and attendance register	N/A	Quarterly Revenue enhancement meeting	Quarterly Revenue enhancement meeting	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure				
				Implementation of the Revenue enhancement Strategy reviewed in 2019/20	Revenue Enhancement Strategy Action Plan by June 2022	Consumer Data analysis and cleansing	Debtors age analysis reflecting debtor's within 90 days	2 Quarterly Data cleansing report, handing over of all accounts beyond 90 days by June 2022.	R 500,000	Investigate account information	Wa rd 1	Investigate account information	Manager: Revenue and Expenditure				
To achieve at least 95% collection of all debt	Implementation of credit control measures	4.2	Long outstanding debtors which are more than 365 days	Outsourcing of collection services	Debtors age analysis reflecting debtor's within 90 days			Progress report on accounts handed over beyond 90 days	Yes	Investigate account information	n/a	Wa rd 1	Investigate account information	Manager: Revenue and Expenditure			

KPA N04: Budget & Treasury

Outcome 9 Objective										Expenditure Management									
Sub-Resu-It-Area	Issue	Strat-egic Objec-tive	Obj-ec-tive No.	Strategic-ies	Baseli-ne Infor-mation	Project to be Implemented				Budget Source				W-AR-D	Respon-sibil-e Sectio-n	Respon-sibil-e Agen-cy			
Accou-nits with errors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	4.3	Performance of monthly debtors	Monthly review of debtors, rates and investment reconciliation by the 7th working day of each month	Accuracy and completeness of monthly debtors, rates and investment reconciliation by the 7th working day of each month	12 monthly review of debtors,12 investments and 12 rates reconciliation by June 2022	12 Signed debtors,12 investments and 12 rates reconciliation	R -	N/A	Preparation of 3 debtor s,3 investment s and 3 rates reconciliation	Preparation of 3 debtor s,3 investment s and 3 rates reconciliation	R -	N/A	Preparation of 3 debtor s,3 investment s and 3 rates reconciliation	Preparation of 3 debtor s,3 investment s and 3 rates reconciliation	Manager: Revue and Expenditur e			
Invoic-es not submitted within 30 days in compli-ance with the MFM A by June 2022	To pay credit ors within 30 days in compli-ance with the MFM A by June 2022	4.4	Enforce-ment of invoice system	Invoice system descriptions still taking longer to reach BTO as per the Account payable policy	Age analysis reflecting credito rs within 30 days	Centralisation of submission of invoices per department	Invoice register and age analysis report	R -	N/A	Payme nt of credito rs within 30 days	Payme nt of credito rs within 30 days	R -	N/A	Payme nt of credito rs within 30 days	Payme nt of credito rs within 30 days	Manager: Revue and Expenditur e			
Datastr-uctures that are submit-ted with incom-plete informa-tion and month end proce-dures that are not	To achie-ve a clean audit as at 30 June 2022	4.5	Develo-p sound, strict and effectiv e	Non implemen-tation of all monthly procedures for reporting	Implementing of month end procedures for modules(credit ors,cashbook,G L)	Submission of monthly reports	12 monthly datastruc-tures and Report s not later than 10 working days after month end of each month by June	R -	N/A	Submi-tting monthly datastruc-tures and Report s not later than 10 working days after month end of each month by June	Submi-tting monthly datastruc-tures and Report s not later than 10 working days after month end of each month by June	R -	N/A	Submi-tting monthly datastruc-tures and Report s not later than 10 working days after month end of each month by June	Submi-tting monthly datastruc-tures and Report s not later than 10 working days after month end of each month by June	Manager: Revue and Expenditur e			

KPA N° 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF						W A R D		Responsible Section	
Sub-Resu It Area	Issue	Strategic Objec tive	Obj ectiv e No.	Strateg icies	Baseli ne Inform ation	Project to be Implemented	2022	Budget Source			Budget: MTREF								
Inaccu rate and incomplete commitment register	perfo med on time	Commitment register with material missat ements		Accurate and complete commitment register by the 7th working day of each month	Monthly reviewal of commitment register by the 7th working day of each month	4. 5. 2	0.5	12 monthly review	12 signed committee register	R -	N/ A	0	Preparation of 3 Committment register	Preparation of 3 Commitment register	Preparation of 3 monthly Admin Offic es	Preparation of 3 monthly Admin Offic es	Manager: Reve nue and Expe nditur e		
Credit ors and grants with errors taking longer to identify and resolv e	To achieve a clean audit as at 30 June 2022	Performance of monthly Conditio nal Grants, creditors' retention and vat reconciliation by the 7th day of each month		Accurate and complete reconciliation by the 7th working day of each month	Monthly reviewal of Conditional Grants, creditors' retention and vat reconciliation by the 7th working day of each month	4. 6	0.5	12 monthly review	12 Signed monthly Conditiona l grants, 12 creditors, 12 credito rs, 12 retention and 12 vat reconciliati ons	R -	N/ A	0	Preparation of 3 monthly credito rs,3 retention and 3 vat reconciliati on	Preparation of 3 monthly credito rs,3 retention and 3 vat reconciliati on	Preparation of 3 monthly Admin Offic es	Preparation of 3 monthly Admin Offic es	Manager: Reve nue and Expe nditur e		
Payroll	June 2022	Performance of monthly payroll reconciliation		Accurate and complete payroll reconciliation by the 7th working day of each month	Monthly reconciliation not performed by the 7th working day of each month	4. 6. 2	0.5	12 monthly review	12 Signed monthly payroll reconciliation by June 2022	R -	N/ A	0	Preparation of 3 monthly payroll reconciliati on	Preparation of 3 monthly payroll reconciliati on	Preparation of 3 monthly Admin Offic es	Preparation of 3 monthly payroll reconciliati on	Manager: Reve nue and Expe nditur e		

**KPA N0 4: Budget & Treasury**

Outcome 9 Objective										Supply Chain Management									
Sub-Resu lt Area	Issue	Strat egic Objecti ve	Obj ectiv e No.	Strateg ic Strateg ies	Baseli ne Informat ion	Project to be Implemented	Budget Source			Budget: MTREF			W AR D			Responsible Sectio n			Responsible Agent
Inadequate filing space and system for the volume of documents in the Budget tender documents and Treasury office	To have an effective filing space and system for SCM and all awarded tenders	Conver sion of Supply Chain Management filing to electro nic for old documents already audited	4.7	Paper based and physical filing	Conversion of information into electronic documents	Electronic filing for Budget and Treasury documents	N/ A	R	-	12 Progress report on BTO scanned documents	0	0	scanning of BTO documents	scanning of BTO documents	scanning of BTO documents	Admin Offic es	Manager: SCM	Supply Chain Mana gement	Manager: SCM
No clear monitoring of the procurement plan	To have fully capacitated Supply Chain Management	Approved procurement plan adherence to the procurement plan	4.8	Monitoring of adherence to the procurement plan	Report on adherence to the procurement plan	Monthly monitoring of the procurement plan	4.8.1	R	N/ A	12 monthly reports on the monitoring of the procurement plan by June 2022	0	0	3 signed reports	3 signed reports	3 signed reports	Admin Offic es	Manager: SCM	Supply Chain Mana gement	Manager: SCM
Supplier Database not updated annually	Personnel and effective procurement system	Supplier database with most bidders showing update information that expired in the past	4.8	Calling of all suppliers to update their information	Supplier database Update	Annual update of the supplier database	4.8.2	R	5,000.00	Advertis ement and Munsoft audit trail during the year by	0	0	300 Suppliers	600 Suppliers	1200 Suppliers	Admin Offic es	Manager: SCM	Supply Chain Mana gement	Manager: SCM

Supply Chain Management

KPA N° 4: Budget & Treasury

Outcome 9 Objective									
Sub-Resu It Area	Issue	Strategic Objec tive	Obj ectiv e No.	Strateg icies	Baseli ne Inform ation	Project to be Implemented	Budget Source	Budget: MTREF	W AR D
					years	June 2022			Responsible Section
No scheduling of bid committee seating	Developing Mecha nisms to monitor seating random ly	Bid committees seating randomly	Schedule of seating of bid committees	Schedule of bid commi ttee seating s with confir med dates	4. 8. 3	0.5	Signed schedule of bid committee s. attendance registers of members	R N/ A	Development and approval of the Bid committee schedule
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	Uploading Website SCM adverts	4. 8. 4	0.5	Screenshots of the website showing documents uploaded	R N/ A	Upload of all tenders advertised from July 2021 to September 2021
				Uploading of all Advert s.					Upload of all tenders advertised from October 2021 to December 2021
				Uploading of all tenders advertised from January 2022 to June 2022					Upload of all tenders advertised from April 2022 to June 2022
									Manager: SCM
									Manager: SCM

KPA No 4: Budget & Treasury

Outcome 9 Objective									
Sub-Resul t Area	Issue	Strat egic Objec tive	Obj ectiv e No.	Strateg icies	Baseli ne Inform ation	Project to be Implemented			Budget Source
SCM personnel not regularly trained on update regulations	Comm unications only communicated to Managers and Senior Managers	Upda tes only communicated on all updates on SCM matters	Training of all SCM officials on updates on SCM matters	Capacitated SCM Officials with relevant knowledge	Capacity building of all SCM officials on updates by June 2022	Email confirmations	R	N/A	Distribution to all SCM officials of changes and updates between March 2021 to September 2021
Inadequate contracts management processes	Monthly review of all existing contracts	Contract register to be reviewed and signed monthly	Reviewed contact register	12 monthly	12 monthly	12 signed contract registers	R	N/A	Distribution to all SCM officials of changes and updates between March 2021 to September 2021
The municipality needs to comply with all statutory training requirements	Training of Supply Chain Management Personnel	Officially operating with outdated information relevant to their section	Training of SCM Officials by 30 June 2022	Capacitated SCM Officials with relevant knowledge	Training of 1 Manager and 1 SCM officer on CIPS by June 2022	Proof of attendance	R	N/A	Distribution to all SCM officials of changes and updates between March 2021 to September 2021

KPA N°4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF					W A R D		Responsible Section	
Sub-Resu It Area	Issue	Strategic Objective	Obj ective No.	Strateg icies	Baseli ne Information	Project to be Implemented				Budget Source								
	All assets of the municipality to be accounted and located for in terms of their value, status and location by 30 June 2022	To accrue account for the value and location of all municipal assets by 30 June 2022	Quarterly update of the fixed asset register	Move ment of assets without Asset Management office being notified	Performing quarterly asset verification within 30 days of the end of each quarter	Accounting for all municipal assets	4.9	4.9.1	0.5	Assets verification Report s by June 2022	R -	N/A	0	4 Signed quarterly Assets verification Report s by June 2022	Quar terly verific ation of Assets	Quar terly verific ation of Assets	Manager: Asset Stores	Asset Manager: Stores
	Stores function that is not fully structured and proper ly managed	To correctl y update the stock items to comm only one stock item perfon med at the end of the year	Quarterly update of the stock items to commonly one stock item perfon med at the end of the year	Only one stock count reports	Stock updates at least once each quarter	Stock updates at least once each quarter	4.10	4.10.1	0.5	Stock count reports	R -	N/A	0	4 Signed quarterly Assets verification Report s by June 2022	Quar terly verific ation of Assets	Quar terly verific ation of Assets	Manager: Asset Stores	Asset Manager: Stores
Asset and Stores Management										Budget Source								

KPA No 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				W A R D		Responsible Section	
Sub-Result Area	Issue	Strategic Objectives	Objective No.	Strategies	Basel Information	Project to be Implemented			Budget Source								Responsible Agent
		To complete Annual Financial Statement that comply with all requirements as at 30 June 2022	4.11	Develop sound, strict and effective procedures for the compilation of AFS findings	Audited Annual Financial Statement for 2019/20 with compliance findings	Credible Annual Financial Statement submitted by 30 May 2021	Credible and fully compliant Annual Financial Statement submitted by 31 August 2021			R 200,000.00	Yes	0	Renew of Case License	n/a	Preparation of Interim Financial Statements to the AG	Submit 2020/21 Annual Financial Statement to the AG	Manager: Budget and Reporting
Financial statements with non-compliance with laws	To achieve a clean audit status as at 30 June 2022	4.12	Manage audit and ensure audit readiness	Audited Annual Financial Statement for 2019/20 with compliance findings	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	Manages the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2022			R 993,00	Yes	0	Proof of submission to AG, COAF register, Audit Action Plan, updated Audit Action Plan	Response to AG's queries and provide CoAfr register	Development of Audit Action plan, implementation and monitoring of Audit Action Plan	Submit 2019/20 Annual Financial Statement to the AG	Manager: Budget and Reporting
Financial Reporting																	

KPA No 4: Budget & Treasury

Outcome 9 Objective									Budget: MTREF				W A R D				Responsible Section	
Sub-Resu lt Area	Issue	Strategic Objective	Obj ective No.	Strateg icies	Baseli ne Information	Project to be Implemented			Budget Source								Manager;	Responsible Agent
Non complianc e with statuto ry requirement s	Adher e to complianc e in terms of manageme nt and report ing	4.13	Prepar ation and submis sion of all in- year statutor y reports	Report s not submit ed on time	Submission of \$71 Report not later than 10 working day of each month	Signed monthly reports	4.13.1	0.5	Proof of submission of 12 signed \$71 Report	N/ A	0	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Preparation of 3 monthly reports	Ad min Offic es	Report ing	
The municip ality needs to compl y with all statuto ry budget and reporting require ment s	Budgeting	4.14	Prepar ation and submis sion of all in- year statutor y reports	Submission of \$52d reports within 30 days of the end of each quarter	Signed quarterly reports	4.13.2	0.5	Submission of all statutor y reports as required by June 2022	N/ A	0	Preparation of 4 Signed \$52 Reports and 4 FMG Quarterly Reports	Preparation of Quart erly and FMG Reports	Preparation of Quart erly and FMG Reports	Preparation of Quart erly and FMG Reports	Ad min Offic es	Report ing		
					Submission of the \$72 report by the 25th of January 2022	Signed mid-year assessment report	4.13.3	0.5	Proof of submission \$72 Report by the 25th of Jan 2022	N/ A	0	n/a	n/a	Preparation of \$72 Report	n/a	Ad min Offic es	Report ing	
						Training of 3 financial management interns and 1 finance official to meet minimum competency requirements by June 2022	Traine d interns and financ e officials	4.15.1	0.5	Training of 2 financial management interns and 1 finance staff to meet minimum competency requirements by June 2022	R 403.8 0.00	Yes	Enroll ment of 2 Finance interns	Attendance of the training	Attendance of the training	Ad min Offic es	Budgeting	Manager;

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget Source			Budget: MTREF			W AR D			Responsible Section		
Sub-Result Area	Issue	Strategic Objective	Objectiv e No.	Strategie s	Baseli ne Information	Project to be Implemented															
To timely produce budgets in line with the National Treasury guidelines and regulations				Develop and monitor budget process to ensure timely preparation, adoption and publication of creditable municipal budgets	Council 2022 and draft budget approved by council	Compile three budgets to be approved by council	3	Approved budget by June 2022	R	N/A	0	n/a	Adopted budget adjustment 2022/23	Approved 2022/23	Draft budget 2022/23	Ad min Off ices	Ad min Off ices	Ad min Off ices	Manager; Budget and Reporting		
4.15							4.15	0.5	15.2	15.2	0	n/a	Final Budget and Council resolutions								

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 - M10 April

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	20,145	26,171	21,283	521	20,063	17,736	2,327	13%	21,283
Service charges	40,257	43,474	43,481	4,017	34,575	36,234	(1,659)	-5%	43,481
Investment revenue	7,604	10,047	10,047	1,001	8,743	8,372	371	4%	10,047
Transfers and subsidies	338,001	295,690	298,973	1,149	294,685	249,144	45,540	18%	298,973
Other own revenue	16,324	14,651	13,721	1,367	10,844	11,434	(590)	-5%	13,721
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,331</b>	<b>390,032</b>	<b>387,505</b>	<b>8,056</b>	<b>368,910</b>	<b>322,921</b>	<b>45,989</b>	<b>14%</b>	<b>387,505</b>
Employee costs	105,837	126,854	119,529	8,420	83,736	99,607	(15,872)	-16%	119,529
Remuneration of Councillors	23,964	26,007	26,007	2,062	20,159	21,672	(1,513)	-7%	26,007
Depreciation & asset impairment	40,180	52,682	52,682	3,502	35,707	43,902	(8,194)	-19%	52,682
Finance charges	1	150	150	—	—	125	(125)	-100%	150
Inventory consumed and bulk purchases	39,820	48,440	48,640	3,116	34,389	40,533	(6,145)	-15%	48,640
Transfers and subsidies	4,499	5,907	5,623	—	933	4,686	(3,753)	-80%	5,623
Other expenditure	128,012	173,490	225,752	7,125	100,583	188,127	(87,544)	-47%	225,752
<b>Total Expenditure</b>	<b>342,313</b>	<b>433,529</b>	<b>478,383</b>	<b>24,226</b>	<b>275,507</b>	<b>398,653</b>	<b>(123,145)</b>	<b>-31%</b>	<b>478,383</b>
<b>Surplus/(Deficit)</b>	<b>80,018</b>	<b>(43,497)</b>	<b>(90,878)</b>	<b>(16,169)</b>	<b>93,403</b>	<b>(75,732)</b>	<b>169,135</b>	<b>-223%</b>	<b>(90,878)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77,425	99,296	96,175	13,969	64,303	80,146	#####	-20%	96,175
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>157,443</b>	<b>55,799</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>	<b>153,292</b>	<b>3473%</b>	<b>5,296</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>157,443</b>	<b>55,799</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>	<b>153,292</b>	<b>3473%</b>	<b>5,296</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>141,432</b>	<b>117,727</b>	<b>188,684</b>	<b>4,777</b>	<b>81,952</b>	<b>157,236</b>	<b>(75,284)</b>	<b>-48%</b>	<b>188,684</b>
Capital transfers recognised	67,976	86,399	80,762	3,256	46,872	67,302	(20,430)	-30%	80,762
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	73,456	31,328	107,921	1,521	35,080	89,934	(54,855)	-61%	107,921
<b>Total sources of capital funds</b>	<b>141,432</b>	<b>117,727</b>	<b>188,684</b>	<b>4,777</b>	<b>81,952</b>	<b>157,236</b>	<b>(75,284)</b>	<b>-48%</b>	<b>188,684</b>
<b>Financial position</b>									
Total current assets	364,659	277,032	277,878	—	491,307	—	—	—	277,878
Total non current assets	739,453	789,359	836,767	—	785,692	—	—	—	836,767
Total current liabilities	69,907	49,384	75,113	—	85,070	—	—	—	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	—	1,186,684	—	—	—	1,034,286
<b>Cash flows</b>									
Net cash from (used) operating	209,606	129,537	126,155	(10,409)	196,342	105,129	(91,213)	-87%	126,155
Net cash from (used) investing	(125,089)	(119,176)	(182,428)	(4,928)	(87,126)	(152,023)	(64,898)	43%	(182,428)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the month/year end</b>	<b>268,161</b>	<b>101,608</b>	<b>201,887</b>	<b>—</b>	<b>367,377</b>	<b>211,266</b>	<b>(156,110)</b>	<b>-74%</b>	<b>201,887</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Ds</b>	<b>151-180 Ds</b>	<b>181 Ds-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	4,773	2,814	2,562	2,533	2,585	70,810	—	—	86,076
<b>Creditors Age Analysis</b>									
Total Creditors	210	—	—	—	—	—	—	—	210

The table above shows a summary of the municipality's financial performance for the period ended 30 April 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) - M10 April

Description R thousands	Ref 1	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Revenue - Functional</b>										
Governance and administration		374,264	335,534	330,811	3,011	327,263	275,676	51,587	19%	330,811
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		374,264	335,534	330,811	3,011	327,263	275,676	51,587	19%	330,811
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		4,828	5,479	4,673	289	3,339	3,894	(556)	-14%	4,673
Community and social services		544	681	681	87	165	587	(402)	-71%	681
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		4,285	4,798	3,992	202	3,173	3,327	(153)	-5%	3,992
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		45,586	71,475	71,348	6,210	36,022	59,457	(23,435)	-39%	71,348
Planning and development		127	20,452	20,325	2	815	16,938	(16,123)	-95%	20,325
Road transport		45,459	51,023	51,023	6,208	35,207	42,519	(7,312)	-17%	51,023
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		75,078	76,840	76,847	12,516	66,589	64,039	2,550	4%	76,847
Energy sources		67,709	68,576	68,577	11,438	59,368	57,148	2,220	4%	68,577
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		7,369	8,264	8,270	1,078	7,221	6,891	330	5%	8,270
Other	4	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	2	<b>499,756</b>	<b>489,328</b>	<b>483,680</b>	<b>22,026</b>	<b>433,213</b>	<b>403,066</b>	<b>30,147</b>	<b>7%</b>	<b>483,680</b>
<b>Expenditure - Functional</b>										
Governance and administration		144,640	195,801	200,566	12,092	118,750	167,138	(48,388)	-29%	200,566
Executive and council		54,961	62,138	61,135	4,400	42,590	50,946	(8,356)	-16%	61,135
Finance and administration		86,227	127,983	134,083	7,383	73,472	111,736	(38,265)	-34%	134,083
Internal audit		3,452	5,679	5,348	309	2,689	4,457	(1,768)	-40%	5,348
Community and public safety		24,150	31,625	30,707	1,497	19,060	25,589	(6,528)	-26%	30,707
Community and social services		7,338	11,967	11,806	368	6,201	9,838	(3,637)	-37%	11,806
Sport and recreation		1,968	2,853	2,558	162	2,119	2,132	(13)	-1%	2,558
Public safety		14,083	15,769	15,372	887	10,154	12,810	(2,656)	-21%	15,372
Housing		762	1,037	971	79	586	809	(223)	-28%	971
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		67,912	105,923	117,631	4,945	65,717	98,026	(32,309)	-33%	117,631
Planning and development		21,005	31,356	32,901	1,389	14,214	27,418	(13,204)	-48%	32,901
Road transport		45,335	72,029	82,151	3,406	50,112	68,460	(18,347)	-27%	82,151
Environmental protection		1,572	2,539	2,578	149	1,391	2,149	(757)	-35%	2,578
Trading services		102,932	96,328	125,216	5,467	69,608	104,347	(34,739)	-33%	125,216
Energy sources		79,676	68,375	98,132	3,945	52,557	81,777	(29,219)	-36%	98,132
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		23,256	27,952	27,084	1,522	17,050	22,570	(5,520)	-24%	27,084
Other		2,678	3,853	4,263	225	2,371	3,552	(1,181)	-33%	4,263
<b>Total Expenditure - Functional</b>	3	<b>342,313</b>	<b>433,529</b>	<b>478,383</b>	<b>24,226</b>	<b>275,507</b>	<b>398,653</b>	<b>(123,145)</b>	<b>-31%</b>	<b>478,383</b>
<b>Surplus/ (Deficit) for the year</b>		<b>157,443</b>	<b>55,799</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>	<b>153,292</b>	<b>3473%</b>	<b>5,296</b>

The table above shows the municipality's financial performance for the period ended 30 April 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) - M10 April

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
<b>Revenue By Source</b>										
Property rates		20,145	26,171	21,283	521	20,063	17,736	2,327	13%	21,283
Service charges - electricity revenue		35,679	38,809	38,810	3,675	30,923	32,342	(1,419)	-4%	38,810
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,578	4,665	4,671	342	3,651	3,892	(241)	-6%	4,671
Rental of facilities and equipment		5,876	3,093	3,452	612	3,287	2,877	410	14%	3,452
Interest earned - external investments		7,604	10,047	10,047	1,001	8,743	8,372	371	4%	10,047
Interest earned - outstanding debtors		4,275	5,133	5,133	433	3,819	4,277	(458)	-11%	5,133
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	938	938	3	329	782	(453)	-58%	938
Licences and permits		2,343	2,756	1,879	148	1,730	1,566	164	10%	1,879
Agency services		1,291	1,265	1,337	50	1,075	1,114	(39)	-4%	1,337
Transfers and subsidies		338,001	295,690	298,973	1,149	294,685	249,144	45,540	18%	298,973
Other revenue		781	1,466	982	121	605	818	(213)	-26%	982
Gains		1,069	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>422,331</b>	<b>390,032</b>	<b>387,505</b>	<b>8,056</b>	<b>368,910</b>	<b>322,921</b>	<b>45,989</b>	<b>14%</b>	<b>387,505</b>

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 1<sup>st</sup> month and a decrease to between R561 and R521 thousand for the following months which has been the case for the month of April 2022. The current revenue recognised on this stream may seem to be above the monthly target but it is important to note that this is only due to government properties levied only at the beginning of the financial year for the whole year.
- **ELECTRICITY REVENUE:** The municipality distributes electricity in the town area as per its distribution licence. This is one of the major sources of revenue for the municipality as households now depend on electricity for their day to day living. This is a trading service where the municipality gives electricity equivalent to the amount provided by the consumer. Municipalities are therefore expected to at least recover the cost of providing the service. The approval of tariffs by NERSA is set up such that the municipality can make some form of surpluses from sale of electricity so that it may be able to maintain the infrastructure used to render the service and defray

all other operating expenses related to the service provision. The municipality has generated over R3.6 million for the month and a year to date actual of R30.9 million. This is below the projection by about 4% (over R1.4 million) which may add up to R1.6 million by the end of the year if attempts to remedy the situation do not yield any results. The 4% reported is an improvement from the 6% 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 positive results, there are however some disturbing observations that have been made by the professional service provider contracted by the municipality to install automated meter reading system. Some of the large power users in town that are owned by the different persons seem to have a way to lower the way in which our meters read consumption leading to less billing and more consumption from their side. The municipality has made some research and learnt that a solution might be installing a automated meter reading system that is able to identify when a meter changes its reading in real time. The installation process has assessments reports that have been shared with the municipality's Electricity Section with findings that also require action from the municipality to protect revenue losses.

- **Solid Waste Removal:** Collection and disposal of solid waste is one of the services that the municipality provides to the town area and a few sites outside of town including the Wild Coast Sun Casino. The municipality has implemented a new billing approach which ensures that all customers who individually generate waste are billed individually. The exercise was conducted by the refuse section and the billing database has significantly increased and showed us that there are customers we have been providing the service to at no cost at all. This has resulted in the revenue billed for the month to be over R342 thousand which is less than the projection by 6% which is consistent with the 6% 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 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 3% above projection reported in the previous month. 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 were 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 recent interest rate hikes that have been approved in the past three quarters in the remaining 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 R443 thousand for the period ended 30 April 2022 which is less than the amount projected for the period by 11% which is an improvement from the 12% 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 transgressions. The municipality generated only R3 thousand revenue for the month of April 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 R612 thousand for the month which has pushed the actual performance to a level above the projection by 14% which is a result of other revised contracts that have been concluded. This still an increase from the 3% above performance reported in the previous month. This was also impacted by the correction of the incorrect billing identified in the previous month where accounts were incorrectly billed during the month, which was then corrected in this billing cycle and the affected account holders were informed of the error identified. Below is the analysis of the accounts affected and the impact thereof:

ACCOUNT HOLDER NAME:	LEASE CHARGED	LEASE MEANT TO BE CHARGED	DIFFERENCE
ENYUKA PROP HOLDINGS PTY LTD	-	181,756.45	181,756.45
AB 350	-	27,907.66	27,907.66
HCS EIGHTY TWENTY (PTY)			-

ACCOUNT HOLDER NAME:	LEASE CHARGED	LEASE MEANT TO BE CHARGED	DIFFERENCE
LTD	-	71,496.71	71,496.71
BLUE RAIN DROPS	167,734.80	155,310.00	12,424.80
	<b>167,734.80</b>	<b>436,470.82</b>	<b>268,736.02</b>

- **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 R148 thousand worth of revenue for the period. The municipality has collected above the revised projected collection by 10% 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 R1.1 million has been transferred to revenue for the period ended 30 April 2022 from the operating grants whose conditions have been met. This has recorded a year to date performance of about R294.6 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, December and March.

d) Debt Collection

The table below shows a 73% overall collection rate for the month ended 30 April 2022. However, we note a 102% collection rate on property rates, 73% on electricity and 102% on refuse removal for the period.

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

INCOME TYPE		1st QUARTER	2nd QUARTER	3rd QUARTER	Apr-22	4th QUARTER	TOTAL
<b>RATES</b>							
billed		16,906,850		2,341,857		794,303	21,621,256
payment received		13,508,390		1,780,546		812,145	18,178,508
% of billing received		80%		76%		102%	84%
<b>ELECTRICITY</b>							
billed		7,431,756	7,537,061	4,975,556	2,432,781	2,432,781	19,944,374
payment received		6,033,695	5,811,837	6,433,259	1,786,955	1,786,955	18,278,791
% of billing received		81%	77%	129%	73%	73%	92%
<b>LEASEHOLD FEES</b>							
billed		880,935	956,916	738,605	341,090	341,090	2,576,456
payment received		834,950	751,337	811,732	9,885	9,885	2,398,020
% of billing received		95%	79%	110%	3%	3%	93%
<b>VAT</b>							
billed		1,419,482	1,446,000	1,412,256	472,414	472,414	4,277,739
payment received		1,184,065	1,084,062	1,180,114	222,825	222,825	3,448,241
% of billing received		83%	75%	84%	47%	47%	81%
<b>INTEREST</b>							
billed		509,648	519,110	589,096	207,762	207,762	1,617,854
payment received		1,903,593	285,182	596,903	170,524	170,524	2,785,678
% of billing received		374%	55%	101%	82%	82%	172%
<b>REFUSE REMOVAL</b>							
billed		1,150,525	1,146,024	1,090,878	375,558	375,558	3,387,428
payment received		1,084,299	756,984	969,740	384,891	384,891	2,811,023
% of billing received		94%	66%	89%	102%	102%	83%
<b>TOTAL INCOME</b>							
billed		28,299,196	13,946,969	11,178,941	4,623,908	4,623,908	58,049,015
payment received		24,548,992	10,469,948	12,881,320	3,387,224	3,387,224	51,287,485
% of billing received		87%	75%	115%	73%	73%	88%

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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 %
<b>Expenditure By Type</b>									
Employee related costs		105,837	126,854	119,529	8,420	83,736	99,607	(15,872)	-16%
Remuneration of councillors		23,964	26,007	26,007	2,062	20,159	21,672	(1,513)	-7%
Debt impairment		5,208	9,600	9,600	-	-	8,000	(8,000)	-100%
Depreciation & asset impairment		40,180	52,682	52,682	3,502	35,707	43,902	(8,194)	-19%
Finance charges		1	150	150	-	-	125	(125)	-100%
Bulk purchases - electricity		35,022	40,777	40,777	3,107	30,483	33,981	(3,498)	-10%
Inventory consumed		4,798	7,663	7,863	9	3,906	6,552	(2,646)	-40%
Contracted services		41,065	98,848	102,070	4,491	65,094	85,058	(19,964)	-23%
Transfers and subsidies		4,499	5,907	5,623	-	933	4,686	(3,753)	-80%
Other expenditure		38,313	65,042	75,364	2,635	35,482	62,803	(27,321)	-44%
Losses		43,425	-	38,718	-	7	32,265	(32,258)	-100%
<b>Total Expenditure</b>		<b>342,313</b>	<b>433,529</b>	<b>478,383</b>	<b>24,226</b>	<b>275,507</b>	<b>398,653</b>	<b>(123,145)</b>	<b>-31%</b>
									<b>478,383</b>

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

- Employee costs and Remuneration of councillors:** The municipality has remunerated employees who are remunerated as per the prevailing Bargaining Council agreements. The expenditure for the period ended 30 April 2022 reflects an amount of R8.4 million for employee costs and R2 million for the remuneration of councillors. The remuneration of councillors continues to show a 7% 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 R3.1 million on electricity purchases for the period ended 30 April 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 March and 10 days of April as the billing by Eskom only takes place on the 10<sup>th</sup> 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 April 2022 being R3.5 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 February 2022. 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 R4.4 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 44% which might be as a result of the slow spending during the first months of each financial year which is always experienced and the national lockdown which has meant that no activity was recorded for the municipality and some events being cancelled. This requires though that departments that are currently underspending be sensitised of the matter.

f) Revenue by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

Vote Description R thousands	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Revenue by Vote</b>	1	~	-	-	-	-	-	-	-	
Vote 1 - Executive and Council		354,705	309,070	309,235	2,380	306,825	257,696	49,129	19.1%	309,235
Vote 2 - Budget and Treasury		405	293	293	110	375	245	131	53.4%	293
Vote 3 - Corporate Services		12,198	13,743	12,942	1,367	10,560	10,785	(225)	-2.1%	12,942
Vote 4 - Community Services		19,267	46,466	41,579	524	20,879	34,649	(13,770)	-39.7%	41,579
Vote 5 - Development Planning		113,181	119,755	119,630	17,645	94,574	99,692	(5,117)	-5.1%	119,630
Vote 6 - Engineering Services		~	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]										
<b>Total Revenue by Vote</b>	2	<b>499,756</b>	<b>489,328</b>	<b>483,679</b>	<b>22,026</b>	<b>433,213</b>	<b>403,066</b>	<b>30,147</b>	<b>7.5%</b>	<b>483,679</b>

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 R17.6 million for the month with Budget and Treasury showing generation of over R2.3 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 Development Planning at over R524 thousand.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

Vote Description R thousands	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		71,489	83,323	82,105	6,380	54,931	68,421	(13,490)	-19.7%	82,105
Vote 2 - Budget and Treasury		21,935	37,982	39,379	1,483	18,821	32,816	(13,995)	-42.6%	39,379
Vote 3 - Corporate Services		38,505	59,154	63,472	2,977	32,879	52,894	(20,014)	-37.8%	63,472
Vote 4 - Community Services		62,815	78,225	76,867	4,418	49,813	64,056	(14,243)	-22.2%	76,867
Vote 5 - Development Planning		15,969	29,062	31,046	1,182	12,819	25,872	(13,053)	-50.5%	31,046
Vote 6 - Engineering Services		131,601	145,783	185,513	7,786	106,245	154,594	(48,349)	-31.3%	185,513
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>342,313</b>	<b>433,529</b>	<b>478,383</b>	<b>24,226</b>	<b>275,507</b>	<b>398,653</b>	<b>(123,145)</b>	<b>-30.9%</b>	<b>478,383</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>157,443</b>	<b>55,798</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>	<b>153,292</b>	<b>3473.1%</b>	<b>5,296</b>

The table above shows the expenditure by municipal vote. The total expenditure for the month of April 2022 amounted to above R24.2 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		20,145	26,171	21,283	521	20,063	17,736	2,327	13%	21,283
Service charges - electricity revenue		35,679	38,809	38,810	3,675	30,923	32,342	(1,419)	-4%	38,810
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,578	4,665	4,671	342	3,651	3,892	(241)	-6%	4,671
Rental of facilities and equipment		5,876	3,093	3,452	612	3,287	2,877	410	14%	3,452
Interest earned - external investments		7,604	10,047	10,047	1,001	8,743	8,372	371	4%	10,047
Interest earned - outstanding debtors		4,275	5,133	5,133	433	3,819	4,277	(458)	-11%	5,133
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	938	938	3	329	782	(453)	-58%	938
Licences and permits		2,343	2,756	1,879	148	1,730	1,566	164	10%	1,879
Agency services		1,291	1,265	1,337	50	1,075	1,114	(39)	-4%	1,337
Transfers and subsidies		338,001	295,690	298,973	1,149	294,685	249,144	45,540	18%	298,973
Other revenue		781	1,466	982	121	605	818	(213)	-26%	982
Gains		1,069	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>422,331</b>	<b>390,032</b>	<b>387,505</b>	<b>8,056</b>	<b>368,910</b>	<b>322,921</b>	<b>45,989</b>	<b>14%</b>	<b>387,505</b>
<b>Expenditure By Type</b>										
Employee related costs		105,837	126,854	119,529	8,420	83,736	99,607	(15,872)	-16%	119,529
Remuneration of councillors		23,964	26,007	26,007	2,062	20,159	21,672	(1,513)	-7%	26,007
Debt impairment		5,208	9,600	9,600	-	-	8,000	(8,000)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	52,682	3,502	35,707	43,902	(8,194)	-19%	52,682
Finance charges		1	150	150	-	-	125	(125)	-100%	150
Bulk purchases - electricity		35,022	40,777	40,777	3,107	30,483	33,981	(3,498)	-10%	40,777
Inventory consumed		4,798	7,663	7,863	9	3,906	6,552	(2,646)	-40%	7,863
Contracted services		41,065	98,848	102,070	4,491	65,094	85,058	(19,964)	-23%	102,070
Transfers and subsidies		4,499	5,907	5,623	-	933	4,686	(3,753)	-80%	5,623
Other expenditure		38,313	65,042	75,364	2,635	35,482	62,803	(27,321)	-44%	75,364
Losses		43,425	-	38,718	-	7	32,265	(32,258)	-100%	38,718
<b>Total Expenditure</b>		<b>342,313</b>	<b>433,529</b>	<b>478,383</b>	<b>24,226</b>	<b>275,507</b>	<b>398,653</b>	<b>(123,145)</b>	<b>-31%</b>	<b>478,383</b>
<b>Surplus/(Deficit)</b>		<b>80,018</b>	<b>(43,497)</b>	<b>(90,878)</b>	<b>(16,169)</b>	<b>93,403</b>	<b>(75,732)</b>	<b>169,135</b>	<b>(0)</b>	<b>(90,878)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		77,425	99,296	96,175	13,969	64,303	80,146	(15,843)	(0)	96,175
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-	-	
Transfers and subsidies - capital (in-kind - all)								-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>157,443</b>	<b>55,799</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>			<b>5,296</b>
Taxation								-	-	
<b>Surplus/(Deficit) after taxation</b>		<b>157,443</b>	<b>55,799</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>			<b>5,296</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>157,443</b>	<b>55,799</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>			<b>5,296</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>157,443</b>	<b>55,799</b>	<b>5,296</b>	<b>(2,200)</b>	<b>157,706</b>	<b>4,414</b>			<b>5,296</b>

The municipality has so far recorded a surplus of over R159 million for the period ended 30 April 2022 with a deficit of R2.2 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 - M10 April

Description R thousands	Ref 1	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		64,182	34,277	41,901	1,180	32,421	34,917	2,496	7.1%	41,901
Roads Infrastructure		31,539	13,070	14,843	840	14,834	12,369	(2,465)	-19.9%	14,843
Roads		31,539	13,070	14,843	840	14,834	12,369	(2,465)	-19.9%	14,843
Electrical Infrastructure		32,643	20,957	26,900	340	17,429	22,417	4,987	22.2%	26,900
MV Networks		30,937	18,107	24,150	340	17,429	20,125	2,696	13.4%	24,150
LV Networks		1,707	2,850	2,750	—	—	2,292	2,292	100.0%	2,750
Solid Waste Infrastructure		—	250	158	—	158	131	(26)	-20.0%	158
Waste Drop-off Points		—	250	158	—	158	131	(26)	-20.0%	158
<u>Community Assets</u>		2,803	13,500	13,731	1,096	8,242	11,443	3,201	28.0%	13,731
Community Facilities		2,803	13,500	13,000	1,096	8,242	10,833	2,592	23.9%	13,000
Halls		1,356	8,400	8,200	759	5,374	6,833	1,459	21.4%	8,200
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	3,500	3,200	337	2,867	2,667	(201)	-7.5%	3,200
Markets		1,447	1,600	1,600	—	—	1,333	1,333	100.0%	1,600
Sport and Recreation Facilities		—	—	731	—	—	609	609	100.0%	731
Outdoor Facilities		—	—	731	—	—	609	609	100.0%	731
<u>Other assets</u>		736	19,820	16,699	—	597	13,916	13,319	95.7%	16,699
Operational Buildings		736	19,820	16,699	—	597	13,916	13,319	95.7%	16,699
Yards		736	—	—	—	—	—	—	—	—
Manufacturing Plant		—	19,820	16,699	—	597	13,916	13,319	95.7%	16,699
<u>Computer Equipment</u>		5,784	1,248	5,598	—	1,655	4,665	3,010	64.5%	5,598
Computer Equipment		5,784	1,248	5,598	—	1,655	4,665	3,010	64.5%	5,598
<u>Furniture and Office Equipment</u>		1,154	6,280	2,940	95	84	2,450	2,366	96.6%	2,940
Furniture and Office Equipment		1,154	6,280	2,940	95	84	2,450	2,366	96.6%	2,940
<u>Machinery and Equipment</u>		1,987	300	360	(13)	—	300	300	100.0%	360
Machinery and Equipment		1,987	300	360	(13)	—	300	300	100.0%	360
<u>Transport Assets</u>		1,974	1,400	4,050	—	—	3,375	3,375	100.0%	4,050
Transport Assets		1,974	1,400	4,050	—	—	3,375	3,375	100.0%	4,050
Total Capital Expenditure on new assets	1	78,620	76,825	85,278	2,357	42,998	71,065	28,067	39.5%	85,278

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M10 April

Description R thousands	Ref 1	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		16,495	—	16,000	696	3,898	13,333	9,436	70.8%	16,000
Roads Infrastructure		16,495	—	16,000	696	3,898	13,333	9,436	70.8%	16,000
Roads		16,495	—	16,000	696	3,898	13,333	9,436	70.8%	16,000
<u>Community Assets</u>		12,588	11,000	27,815	—	9,365	23,179	13,814	59.6%	27,815
Community Facilities		12,588	11,000	27,815	—	9,365	23,179	13,814	59.6%	27,815
Taxi Ranks/Bus Terminals		12,588	11,000	27,815	—	9,365	23,179	13,814	59.0%	27,815
Total Capital Expenditure on renewal of existing assets	1	29,083	11,000	43,815	696	13,262	36,512	23,250	63.7%	43,815

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M10 April

Description R thousands	Ref 1	2020/21		Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>									
<u>Infrastructure</u>		4,152	-	900	67	652	750	98	13.1%
Roads Infrastructure		3,543	-	900	67	652	750	98	13.1%
Roads		3,543	-	900	67	652	750	98	13.1%
Electrical Infrastructure		609	-	-	-	-	-	-	-
LV Networks		609	-	-	-	-	-	-	-
<u>Community Assets</u>		29,576	29,902	58,690	1,657	25,040	48,909	23,869	48.8%
Community Facilities		19,643	28,402	28,402	1,657	11,695	23,668	11,973	50.6%
Halls		19,643	28,402	28,402	1,657	11,695	23,668	11,973	50.6%
Sport and Recreation Facilities		9,933	1,500	30,288	-	13,344	25,240	11,896	47.1%
Outdoor Facilities		9,933	1,500	30,288	-	13,344	25,240	11,896	47.1%
Total Capital Expenditure on upgrading of existing assets	1	33,728	29,902	59,590	1,724	25,692	49,659	23,967	48.3%
									59,590

The above tables indicate that the municipality spent only R4.7 million for the month from its capital budget for the period ended 30 April 2022. This level of performance really casts serious doubts on the completion of the municipality's key projects, especially on the three 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) - M10 April

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								%	
<u>Multi-Year expenditure appropriation</u>	2									
Vote 6 - Engineering Services		29,576	29,902	86,505	1,657	34,404	72,088	(37,683)	-52%	86,505
Total Capital Multi-year expenditure	4,7	29,576	29,902	86,505	1,657	34,404	72,088	(37,683)	-52%	86,505
<u>Single Year expenditure appropriation</u>	2									
Vote 2 - Budget and Treasury		2,096	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		6,269	7,028	9,298	84	1,739	7,748	(6,010)	-78%	9,298
Vote 4 - Community Services		3,035	3,150	4,278	(2)	158	3,565	(3,407)	-96%	4,278
Vote 5 - Development Planning		1,447	21,420	19,030	-	597	15,858	(15,262)	-96%	19,030
Vote 6 - Engineering Services		99,009	56,227	69,573	3,038	45,055	57,978	(12,923)	-22%	69,573
Total Capital single-year expenditure	4	111,856	87,825	102,178	3,120	47,548	85,149	(37,601)	-44%	102,178
<b>Total Capital Expenditure</b>		<b>141,432</b>	<b>117,727</b>	<b>188,684</b>	<b>4,777</b>	<b>81,952</b>	<b>157,236</b>	<b>(75,284)</b>	<b>-48%</b>	<b>188,684</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		8,470	7,028	9,498	95	1,739	7,915	(6,176)	-78%	9,498
Finance and administration		8,470	7,028	9,498	95	1,739	7,915	(6,176)	-78%	9,498
<b>Community and public safety</b>		1,875	2,450	2,258	(13)	158	1,881	(1,724)	-92%	2,258
Community and social services		980	1,650	1,358	-	158	1,131	(974)	-86%	1,358
Sport and recreation		-	100	-	-	-	83	(83)	-100%	100
Public safety		896	800	800	(13)	-	667	(667)	-100%	800
<b>Economic and environmental services</b>		95,848	85,891	147,508	4,356	62,627	122,923	(60,297)	-49%	147,508
Planning and development		44,271	72,822	115,735	2,753	43,243	96,446	(53,203)	-55%	115,735
Road transport		51,577	13,070	31,773	1,603	19,384	26,478	(7,094)	-27%	31,773
<b>Trading services</b>		34,185	22,357	29,420	340	17,429	24,517	(7,087)	-29%	29,420
Energy sources		34,185	21,657	27,600	340	17,429	23,000	(5,571)	-24%	27,600
Waste management		-	700	1,820	-	-	1,517	(1,517)	-100%	1,820
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>141,432</b>	<b>117,727</b>	<b>188,684</b>	<b>4,777</b>	<b>81,952</b>	<b>157,236</b>	<b>(75,284)</b>	<b>-48%</b>	<b>188,684</b>
<b>Funded by:</b>										
National Government		67,776	86,399	80,762	3,256	46,872	67,302	(20,430)	-30%	80,762
Provincial Government		200	-	-	-	-	-	-	-	-
Transfers recognised - capital		67,976	86,399	80,762	3,256	46,872	67,302	(20,430)	-30%	80,762
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		73,456	31,328	107,921	1,521	35,080	89,934	(54,855)	-61%	107,921
<b>Total Capital Funding</b>		<b>141,432</b>	<b>117,727</b>	<b>188,684</b>	<b>4,777</b>	<b>81,952</b>	<b>157,236</b>	<b>(75,284)</b>	<b>-48%</b>	<b>188,684</b>

The above table indicate that the municipality spent R4.7 from its capital budget for the period ended 30 April 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 - M10 April

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		(1,227)	24,763	24,593	215	18,450	20,494	2,044	10.0%	24,593
Roads Infrastructure		(1,566)	20,663	20,493	–	15,740	17,078	1,338	7.8%	20,493
Roads		3	616	616	–	–	513	513	100.0%	616
Road Structures		(2,068)	19,548	19,378	–	15,443	16,148	705	4.4%	19,378
Road Furniture		500	500	500	–	297	417	119	28.6%	500
Electrical Infrastructure		339	4,100	4,100	215	2,710	3,417	706	20.7%	4,100
MV Networks		339	4,100	4,100	215	2,710	3,417	706	20.7%	4,100
<u>Community Assets</u>		515	903	1,090	–	482	908	426	46.9%	1,090
Community Facilities		515	903	1,090	–	482	908	426	46.9%	1,090
Halls		27	300	400	–	–	333	333	100.0%	400
Libraries		281	183	270	–	69	225	156	69.5%	270
Parks		207	420	420	–	413	350	(63)	-18.1%	420
<u>Other assets</u>		4,043	4,439	4,375	305	3,382	3,646	264	7.2%	4,375
Operational Buildings		4,043	4,439	4,375	305	3,382	3,646	264	7.2%	4,375
Municipal Offices		3,894	4,231	4,231	305	3,239	3,526	287	8.1%	4,231
Yards		149	208	144	–	143	120	(23)	-19.3%	144
<u>Computer Equipment</u>		72	100	50	–	1	42	40	96.9%	50
Computer Equipment		72	100	50	–	1	42	40	96.9%	50
<u>Machinery and Equipment</u>		324	570	530	–	249	442	193	43.6%	530
Machinery and Equipment		324	570	530	–	249	442	193	43.6%	530
<u>Transport Assets</u>		1,886	3,496	3,026	449	2,009	2,522	513	20.3%	3,026
Transport Assets		1,886	3,496	3,026	449	2,009	2,522	513	20.3%	3,026
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>5,614</b>	<b>34,271</b>	<b>33,664</b>	<b>969</b>	<b>24,574</b>	<b>28,054</b>	<b>3,480</b>	<b>12.4%</b>	<b>33,664</b>

The table above shows the municipality's performance for the month and year to date on maintenance of municipal assets which shows a R969 thousand spending for the month with a year to date of R24.5 million. The spending shows being below the projections made at the start of the year by 12% 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 - M10 April

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Depreciation by Asset Class/Sub-class</u>										
Infrastructure		29,666	39,754	39,754	2,536	25,699	33,129	7,429	22.4%	39,754
Roads Infrastructure		29,499	38,934	38,934	2,425	24,577	32,445	7,868	24.3%	38,934
Roads		29,499	38,934	38,934	1,050	10,640	32,445	21,805	67.2%	38,934
Road Structures					1,339	13,572	—	(13,572)	#DIV/0!	
Road Furniture					36	365	—	(365)	#DIV/0!	
Storm water Infrastructure		—	121	121	45	452	101	(352)	-349.6%	121
Drainage Collection			121	121	17	170	101	(70)	-69.3%	121
Storm water Conveyance					28	282	—	(282)	#DIV/0!	
Electrical Infrastructure		—	488	488	52	531	406	(125)	-30.8%	488
HV Transmission Conductors			235	235	—	—	196	196	100.0%	235
MV Substations			24	24	4	43	20	(23)	-117.5%	24
MV Switching Stations			43	43	—	—	36	36	100.0%	43
MV Networks			102	102	35	359	85	(275)	-323.3%	102
LV Networks			84	84	13	129	70	(59)	-84.2%	84
Solid Waste Infrastructure		167	212	212	14	139	177	38	21.4%	212
Landfill Sites		167	212	212	14	139	177	38	21.4%	212
Community Assets		2,371	2,755	2,755	201	2,038	2,296	257	11.2%	2,755
Community Facilities		2,371	2,755	2,755	138	1,396	2,296	900	39.2%	2,755
Halls		2,371	1,358	1,358	97	984	1,132	148	13.1%	1,358
Centres			1,379	1,379	—	—	1,149	1,149	100.0%	1,379
Crèches			—	—	24	246	—	(246)	#DIV/0!	—
Cemeteries/Crematoria			17	17	1	11	14	3	23.2%	17
Purls			—	—	8	84	—	(84)	#DIV/0!	—
Public Ablution Facilities			—	—	2	22	—	(22)	#DIV/0!	—
Stalls			—	—	5	48	—	(48)	#DIV/0!	—
Sport and Recreation Facilities		—	—	—	63	643	—	(643)	#DIV/0!	—
Outdoor Facilities					63	643	—	(643)	#DIV/0!	
Other assets		722	1,128	1,128	55	511	940	429	45.7%	1,128
Operational Buildings		722	1,128	1,128	54	500	940	440	46.8%	1,128
Municipal Offices		722	1,128	1,128	29	246	940	694	73.8%	1,128
Pay/Enquiry Points					0	3	—	(3)	#DIV/0!	
Yards					6	64	—	(64)	#DIV/0!	
Stores					9	96	—	(96)	#DIV/0!	
Training Centres					9	91	—	(91)	#DIV/0!	
Housing		—	—	—	1	11	—	(11)	#DIV/0!	—
Social Housing					1	11	—	(11)	#DIV/0!	—
Intangible Assets		129	100	100	—	70	83	13	16.1%	100
Licences and Rights		129	100	100	—	70	83	13	16.1%	100
Computer Software and Applications		129	100	100	—	70	83	13	16.1%	100
Computer Equipment		186	400	400	210	1,843	334	(1,509)	-452.3%	400
Computer Equipment		186	400	400	210	1,843	334	(1,509)	-452.3%	400
Furniture and Office Equipment		2,797	3,174	3,174	95	1,011	2,645	1,635	61.8%	3,174
Furniture and Office Equipment		2,797	3,174	3,174	95	1,011	2,645	1,635	61.8%	3,174
Machinery and Equipment		2,856	3,179	3,179	291	3,385	2,649	(736)	-27.8%	3,179
Machinery and Equipment		2,856	3,179	3,179	291	3,385	2,649	(736)	-27.8%	3,179
Transport Assets		1,452	2,191	2,191	113	1,151	1,826	675	37.0%	2,191
Transport Assets		1,452	2,191	2,191	113	1,151	1,826	675	37.0%	2,191
Total Depreciation	1	40,180	52,682	52,682	3,502	35,708	43,902	8,194	18.7%	52,682

## **11. Supply chain management**

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

### **a. Acquisition management**

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

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

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

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

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

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

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

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

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

### **c. 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.

Order Date	Creditor Name	Value	Specifications	Function Name	Segment
2022/04/2 2	Kwik-Fit Bizana	350,00	Request For Repairs Of Truck (Fwk 197 Ec) For Refuse Removal Section	Core Function: Solid Waste Removal	Refuse- Vehicle Maintenance
2022/05/0 4	The Institute Of Internal	1 279,95	Payment for Institute Of Internal Auditors For New Membership	Core Function: Governance Function	Internal Audit Fees
2022/04/0 6	Sithwale Trading 88 Pty Ltd	1 800,00	Request High Tea For Special Executive Meeting To Be Held On The 06 Ap At Council Chamber	Core Function: Mayor and Council	Catering Councillors Meetings
2022/04/1 2	Nandi-Lee Jnr	1 950,00	Request For Still Water For 15 People On The 07th Of April 2022	Core Function: Human Resources	Catering Induction Programme 1010
2022/04/2 1	Group Two Media Company	1 990,00	Request For Advertisement Of Easter Message On Two Local Newspapers On The 15th April 2022.	Core Function: Municipal Manager Town Se	Advertising Mm
2022/04/1 2	Lusikisiki Spares Cc	1 999,99	Request For One Battery For Crafter With Registration Number Hlt 043ec	Core Function: Fleet Management	Vehicle Maintenance Outsourced 1010235115

**9 369,94**

**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

Order Date	Creditor Name	Value	Specifications	Function Name	Segment
2022/04/13	Mancosa	3 450,00	Study Fees For Clfr T.D. Mafumabatha	Core Function:Human Resources	Tuition Fees
2022/04/26	Group Two Media Company	3 600,00	Advert For Idp And Budget Roadshows On Draft Idp For 2022-2027 And Bud 2022-2025 Financial Year.	Core Function:Corporate Wide Strategic P	Advertising Fees Idp 515260540
2022/04/22	Meyife Construction And Project	5 400,00	Lunch Packs For Mayoral Attending Disaster Floods As Per The Spec	Non-Core Function:Population Development	Social Services Awarnesses Catering 2505
2022/04/06	Amangute Trading & Projects	5 700,00	Request Lunch With Soft Drinks For Local Moral Regeneration Movement O 07 April 2022 Municipal Council Chamber	Core Function:Mayor And Council	Support To Traditional Leaders Catering
2022/04/06	Pondo News	8 970,00	Request For Advertising Of Draft Budget 2022/2023 On The Local News Pa	Core Function:Finance	Advertising Finance
2022/05/03	Driving License Card Account	9 006,00	Paymetn To Driving License Card Account For April 2022	Non-Core Function:Road And Traffic Regul	Stationery Vehicle Testing And Licensing
2022/04/12	Tedds Projects	9 400,00	Request Pa System With 2 Cordless Mic's	Core Function:Mayor And Council	Community Education Hiring Costs 505260695
2022/04/06	Kwik-Fit Bizana	9 656,55	Request For Two Tyres Of Isuzu Kb 300l With Registration Jnx733ec Siz R18 All Terrain Tyres Also Supply And Installation Of Tyres	Core Function:Fleet Management	Vehicle Maintenance Outsourced 1010235115
2022/04/06	Arena Holdings	9 729,00	Request To Advertised The Position Of The Municipal Manager On Provincial Newspaper	Core Function:Human Resources	Advertising Fees Human Resources 1010260540
2022/04/29	Umgenei Water	10 994,00	Payment For Water Sampling : 2022-0243	Core Function:Biodiversity And Landscape	Blue Flag Water Sampling
2022/04/22	Umgenei Water	10 994,00	Laboratory Testing Services-Cert.No: 2022-0146	Core Function:Biodiversity And Landscape	Blue Flag Water Sampling
2022/04/29	Kwik-Fit Bizana	12 615,00	Request For One (1) Tlb Tyre Size 16.9-28. Reg No. Fsc 235 Ec	Core Function:Roads	Roads Vehicle Maintenance
2022/05/03	Fistrand	13 343,40	Fuel For Disiel Tanker	Core Function:Finance	Finished Goods:Acquisitions
2022/04/21	Moya Training And Projects	16 470,00	20 X Aaa Batteries	Core Function:Information Technology	Rm Computer Equipment 1010
2022/04/19	Auditor General	19 Payment For External Audit Services Rendered February 2022		Core Function:Finance	Operational Cost:External Audit Fees

Order Date	Creditor Name	Value	Specifications	Function Name	Segment
08		856,59			
2022/04/26	Mthi-Omhle Trading	20 500,00	Request Lunch With Soft Drinks On The 04 April 2022 At Oliver And Adel Regional Hospital Auditorium At 09h00	Core Function:Mayor And Council	Whippery Support Catering Costs 505260175
2022/04/29	Synergy Events	21 348,60	Tousism Indaba	Core Function:Tourism	Tourism Indaba Registration 1505
2022/04/06	Odd's Construction	22 500,00	Catering for Achievement awards	Core Function:Mayor And Council	Catering Youth Programe 510260190
2022/04/28	Sne Construction Ltd	24 000,00	RequestFor Truck Hire For 5 Days For Waste Collection Services	Core Function:Solid Waste Removal	Transport Hire
2022/04/21	Zamantambo Construction	24 000,00	Request For 50 Boxes Of White Printing Papers	Core Function:Finance	Finished Goods:Acquisitions
2022/04/06	Vuyisas Pride .(Pty) Ltd	25 000,00	RequestFor Truck Hire For 5 Days For Waste Management	Core Function:Solid Waste Removal	Transport Hire
2022/04/06	Firstrand	26 344,93	Payment Request For Diesel For Mayor Hired Car	Core Function:Finance	Finished Goods:Acquisitions
2022/04/13	Therijwes Solutions	27 305,00	Payment For Site Inspection	Core Function:Human Resources	Facilitator Ohs 1010260397
2022/04/26	Likiho Trading Gc	28 000,00	Request For Bed Form Mattress For People Affected By Floods	Non-Core Function:Population Development	Social Services Awarenesses Promotional Materials 2505
2022/04/21	Unity N Joy Trading And Projec	28 547,60	Request For 300 Makhulu Rakes For Waste Management	Core Function:Solid Waste Removal	Finished Goods:Acquisitions
2022/04/21	Magholo Trading& Projects	28 725,00	Request For Supply And Delivery Of 15x Samp For Social Relief Materi	Non-Core Function:Population Development	Social Relief Promotional Material 2505
2022/04/26	Amabariwa Co-Op	28 900,75	Request For 10x16 Trunkings (5)	Core Function:Roads	Municipal Building Maintenance

**454 356,42**

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

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

Order Date	Creditor Name	Value	Specifications	Function Name	Segment
2022/04/12	Government Works	41 360,80	Payment For By Laws Gazzetting	Core Function: Legal Services	Printing Bylaws 515225011
2022/04/06	Arena Holdings	47 182,20	Request To Advertised The Position Of The Municipal Manager On National Newspaper	Core Function: Human Resources	Advertising Fees Human Resources 1010260340
2022/04/22	Wits School Of Governance	58 000,00	Study Fees For Mrs Babalwa Madikizela	Core Function: Human Resources	Tuition Fees
2022/04/14	Evetho 820(Pty) Ltd	63 500,00	Payment For Supply And Delivery Of 10 Sign Boards	Core Function: Town Planning Building Re	Building Regulations Sign Boards 1505

**210 043,00**

## **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 April 2022**

No mini tenders were awarded during the month of April 2022.

b) Tenders awarded during the month of April 2022

Competitive Bidding

NO	SUCCESSFUL TENDERER	AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END DEPARTMENT	USER
25	Mabozela Trading and Enterprise	R 2 986 224,78	WMM LM 10/12/21/01 CBD	CBD Road Maintenance	01/04/2022	Engineering Services	
26	Masilo Projects Pty Ltd	R 2 187 151,60	WMM LM 18/08/21 IPF:HM	Supply and Installation of 2 High Mast Lights	13/04/2022	Engineering Services	
Total		R 5 173 376,38					

c) Status of current tenders

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity Period	Status
Social Relief Material	WMM LM 0064 SRM	Mr. V. Nontanda	Monday, 13 December 2021	Wednesday, 19 January 2022	Sunday, 13 March 2022	to be re-advertised
Fencing of Mzamba Community Hall & Extension of Dudumeni Hall	MBIZ LM /02/02/01 FEW	Ms. N. Xoko	Thursday, 02 December 2021	Wednesday, 06 January 2021	Wednesday, 02 March 2022	to be re-advertised
Supply and Delivery of Furniture	WMM LM 05/05/21/01 OFF	Ms. N. Xoko	Thursday, 02 December 2021	Thursday, 06 January 2022	Wednesday, 02 March 2022	to be re-advertised
Socio-Economic Infrastructure Assessment Study	WMM LM 004/ S-EIAS	Ms. N. Jokweni	Friday, 14 January 2022	Wednesday, 19 January 2022	Thursday, 14 April 2022	to be re-advertised
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	Thursday, 05 May 2022	to be adjudicated
Supply and Delivery of SMME Goods	WMM 30/11/21/01 SMM	Mr. V. Nontanda	Thursday, 06 January 2022	Wednesday, 19 January 2022	Wednesday, 06 April 2022	to be re-advertised
Procurement of Printers	WMM LM 21/12/21/01 PRI	Mr. S. Mbusi	Monday, 24 January 2022	Tuesday, 25 January 2022	Sunday, 24 April 2022	to be adjudicated
Fumigation/ Disinfection Services for 3 years	WMM LM 27/10/21/01 PIS	Ms. N. Ngejane	Monday, 13 December 2021	Wednesday, 26 January 2022	Sunday, 13 March 2022	advertised



**d) Deviations**

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

**e) Fruitless and Wasteful Expenditure**

No fruitless and wasteful expenditure was incurred during the month.

### 13. Database rotation

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

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Specifications	Ward No.
KWK-FIT BIZANA	SHC/P 221 45 MAIN STREET BIZANA 4800	Solid Waste Removal	2022/04/2	2 350,00	OPEN	REQUEST FOR REPAIRS OF TRUCK (FWK 197 EC) FOR REFUSE REMOVAL SECTION	Ward 01
THE INSTITUTE OF INTERNAL AUDITORS FOR NEW GAUTENG	P.O. BOX 2290 BEDFORDVIEW 2098	Governance Function	2022/05/0	4 279,95	RECEIVED	PAYMENT FOR INSTITUTE OF INTERNAL AUDITORS FOR NEW GAUTENG MEMBERSHIP	Gauteng
STHWALE TRADING 88 PTY LTD	P.O. BOX 764 PORT EDWARD 4820	Mayor and Council	2022/04/0	6 800,00	RECEIVED	REQUEST HIGH TEA FOR SPECIAL EXECUTIVE MEETING TO BE HELD ON THE 06 APR AT COUNCIL CHAMBER	Ward 01
NANDI-LEE JNR	P.O.BOX 210428 BIZANA WARD 17 4800	Human Resources	2022/04/1	2 950,00	RECEIVED	REQUEST FOR STILL WATER FOR 15 PEOPLE ON THE 07TH OF APRIL 2022	Ward 17
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KIKSTAD 4700	Municipal Manager Se	2022/04/2	1 990,00	RECEIVED	REQUEST FOR ADVERTISEMENT OF EASTER MESSAGE ON TWO LOCAL NEWSPAPERS ON THE 15TH APRIL 2022.	Kokstad
LUSIKISIKI SPARES CC	P O BOX 207 PORT SHEPSTONE 4240	Fleet Management	2022/04/1	2 999,99	RECEIVED	REQUEST FOR ONE BATTERY FOR CRAFTER WITH REGISTRATION NUMBER H1043EC	Ward 01
MANCOSA	P.O BOX 49494 DURBAN 3120	Human Resources	2022/04/1	3 450,00	RECEIVED	STUDY FEES FOR CLR T.D. MAFUMBATHA	Durban
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KIKSTAD 4700	Corporate Wide Strategic P	2022/04/2	6 600,00	OPEN	ADVERT FOR IDP AND BUDGET ROADSHOWS ON DRAFT IDP FOR 2022-2027 AND BUD 2022-2025 FINANCIAL YEAR.	Kokstad
MEYIFE CONSTRUCTION	P O BOX 210168 WARD 9 BIZANA 4800	Population Development	2022/04/2	2 400,00	RECEIVED	LUNCH PACKS FOR MAYORAL ATTENDING DISASTER FLOODS AS PER THE SPEC	Ward 09

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Specifications	Ward No.
AND PROJECTS							
AMANGUTE TRADING & PROJECTS	P.C BOX 10 WARD 1 BIZANA 4800	Mayor Council	2022/04/06	5 700,00	RECEIVED	REQUEST LUNCH WITH SOFT DRINKS FOR LOCAL MORAL REGENERATION MOVEMENT O 07 APRIL 2022 MUNICIPAL COUNCIL CHAMBER	Ward 01
PONDO NEWS	BOX 1275 KOKSTAD	Finance	2022/04/06	8 970,00	RECEIVED	Request for advertising of Draft Budget 2022/2023 on the local news pa	Kokstad
TEDDS PROJECTS	P.C.BOX 450 FLAGSTAFF 4810	Mayor Council	2022/04/12	9 400,00	OPEN	REQUEST PA SYSTEM WITH 2 CORDLESS MIC'S	Flagstaff
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Fleet Management	2022/04/06	9 656,55	RECEIVED	REQUEST FOR TWO TYRES OF ISUZU KB 300L WITH REGISTRATION INX733EC SIZ R18 ALL TERRAIN TYRES ALSO SUPPLY AND INSTALLATION OF TYRES	Ward 01
ARENA HOLDINGS	P.C. BOX 2447 CAPE TOWN 8000 8000	Human Resources	2022/04/06	9 729,00	RECEIVED	REQUEST TO ADVERTISED THE POSITION OF THE MUNICIPAL MANAGER ON PROVINCIAL NEWSPAPER	East London
UMGENI WATER	P O BOX 3200 PIETERMARITZBURG	Biodiversity and Landscape	2022/04/29	10 994,00	RECEIVED	PAYMENT FOR WATER SAMPLING : 2022-0243	Pietermaritzburg
UMGENI WATER	P O BOX 3200 PIETERMARITZBURG	Biodiversity and Landscape	2022/04/22	10 994,00	RECEIVED	PAYMENT FOR ONE (1) TLB TYRE SIZE 16.9-28. REG NO. FSC 235 EC	Pietermaritzburg
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Function:Roads	2022/04/09	12 615,00	OPEN	LABORATORY TESTING SERVICES-CERT.NO: 2022-0146	Ward 01
MOYA TRAINING AND PROJECTS	NGJINGO LOCATION WARD 13 BIZANA 4800	Information Technology	2022/04/01	16 470,00	OPEN	20 X AAA Batteries	Ward 13
AUDITOR GENERAL	P O BOX 466 PRETORIA GP	Finance	2022/04/08	19 856,59	RECEIVED	PAYMENT FOR EXTERNAL AUDIT SERVICES RENDERED FEBRUARY 2022	Pretoria
MTHI-OMHLE TRADING	MARINA LOCATION WARD 23 4800	Mayor Council	2022/04/06	20 500,00	RECEIVED	REQUEST LUNCH WITH SOFT DRINKS ON THE 04 APRIL 2022 AT OLIVER AND ADEL REGIONAL HOSPITAL AUDITORIUM AT 09H00	Ward 23
SYNERGY BUSINESS EVENTS	PRIVATE BAG X7000 PARKLANDS PARKTOWN GAJTENG 2121	Core Function:Tours	2022/04/09	21 348,60	RECEIVED	PAYMENT FOR REGISTRATIONS AND EXHIBITION STANDS-TOURISM INDABA	Gauteng
ODD'S KORIA CONSTRUCTION	P.G.BOX 210114 BIZANA WARD 13 4800	Mayor Council	2022/04/06	22 500,00	RECEIVED	LUNCH AND DRINKS FOR MAYORAL SCHOOL ACHIEVEMENT AWARDS	Ward 13
SNE JAY CONSTRUCTION	P O BOX 228 BIZANA WARD 30 4800	Solid Waste Removal	2022/04/08	24 000,00	OPEN	REQUEST FOR TRUCK HIRE FOR 5 DAYS FOR WASTE COLLECTION SERVICES	Ward 30

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Specifications	Ward No.
(PTY) LTD							
ZAMANTAMBO CONSTRUCTION	P.O.BOX 296 BIZANA WARD 1 4800	Core Function:Finance	2022/04/21	000,00 24	RECEIVED	REQUEST FOR 50 BOXES OF WHITE PRINTING PAPERS	Ward 01
VUYISAS PRIDE (PTY) LTD	P.O. BOX 210527 BIZANA 4800	Solid Waste Removal	2022/04/06	000,00 25	RECEIVED	REQUEST FOR TRUCK HIRE FOR 5 DAYS FOR WASTE MANAGEMENT	Ward 20
THENIWE'S BUSINESS SOLUTIONS	C1278 MADLEBEC GLIMDE ROAD UMLAZI 4031	Human Resources	2022/04/13	305,00 27	RECEIVED	PAYMENT FOR SITE INSPECTION	Durban
LIKHO TRADING CC	P O BOX 229 BIZANA WARD 17 4800	Population Development	2022/04/26	000,00 28	RECEIVED	REQUEST FOR BED FORM MATTRESS FOR PEOPLE AFFECTED BY FLOODS	Ward 17
UNITY N JOY AND TRADING PROJECT	P O BOX 807 PORT WDWARD WARD 24 4295	Solid Waste Removal	2022/04/21	547,60 28	RECEIVED	REQUEST FOR 300 MAKHULU RAKES FOR WASTE MANAGEMENT	Ward 24
MAGHOLQ TRADING & PROJECTS	PC BOX 698 BIZANA WARD 13 4800	Population Development	2022/04/21	725,00 28	RECEIVED	REQUEST FOR SUPPLY AND DELIVERY OF 15X SAMP FOR SOCIAL RELIEF MATERIA	Ward 13
AMABANIWA CO-Op	P O BOX 58 FLAGSTAFF WARD 3 4820	Roads	2022/04/26	900,75 28	OPEN	REQUEST FOR 16X16 TRUNKINGS (5)	Ward 03
Total				415 032,03			

## 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
Zama Dunga Business Enterprise	Construction of Mbizana Civic Centre	MBIZLM27/02/18/02ENG	R 74 861 072,75
Tunimart(PTY)LTD	Provision of Travel Agency	MBIZ_LM/11/05/08/01/TRA	R -
Sizanane Consulting	General Valuation Roll 2019/2024	Valuation Roll 2019/2024	R 1 037 685,00
SAGE VIP	Payroll System	None Provided	R -
NZ Mtshabe Incorporated	Legal Services	MBIZ_LM0009LEG	R -
MUNSOFT PTY (LTD)	Financial and Billing System	None Provided	R -
Mozi Auctioneers	Fixed asset auctioning	MBIZ_LM_0049 AUC	R 0,06
Lilitha Projects Managers	GRAP Compliant Fixed Asset Register	MBIZ_0041/FAR	R 25 616,10
Konyana Attorneys	Legal Services	MBIZ_LM0009LEG	R -
Eskom Holdings Soc Ltd	Provision of basic services ( energy provision)	KES	R -
Jolwana Mgidi ana Incorporated	Legal Services	MBIZ_LM_0009LEG	R -
Iqhaviya Design Workshop Architects	Professional Fees for Mbizana Civic Center	MBIZ_LM /12/1/2017/ENG	R 11 231 788,41
IPM Plant Hire Jy Mozn as's Trading	Construction of Mphuthumini Matumbatha Stadium	MBIZ_LM_18/1/18/ENG	R 53 768 483,44
Indwe Risk Services	Provision of Insurance Services	MBIZ_LM/02/05/18/INS/BTO	R 1 059 844,97
Iheans Travelling Agency	Provision of Travel Agency	MBIZ_LM/11/05/08/01/TRA	R -
First Rand Limited	Provision of Banking Services	MBIZ_LM/06/03/18/LT/BTO	R -
Dumack and Bright Idee	Construction of Mphuthumini Matumbatha Stadium	MBIZ_LM/29/11/03	R 8 094 071,25
Dr Sugudhav-Sewpersad Attorneys	Legal Services	MBIZ_LM0009LEG	R -

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount
CONLOG	Prepaid electricity agent	Fef/6/1/11/5	R -
Boara Construction & Projects	Reviewal of Indigent Register 2018/19-2021/22	MBIZ LM 00442 RIR	R 1 993 600,00
West Bank Limited	Fuel	MBIZ LM/06/03/18/LT/BTO	R -
Abangula ICT	Supply & Delivery of Microsoft Licenses and Management Tool	MBIZ LM 0053 MIC	R 2 051 919,59
Fleet Horizon Solutions	Municipal Fleet Management System	MBIZ LM 0000047 FMS	R 444 370,41
Thenjiwe Business Solutions t/a Umusa	Medical Check-ups	MBIZ LM 0000085	R -
Abangula Trading Enterprise	Maintenance of CCTV Cameras	MBIZLM0029MMCCTV	R 307 395,00
Mbizana Roadworthy	Leasing of Land For Vehicle Testing Centre	MBIZLM0000078	R 2 100 000,00
Njilo Technology Systems	Automated Electronic Performance Management Systems	MBIZ LM 0000079	R 1 900 000,00
Thake Electrical cc	8MV/A Back-Bone line Upgrade	MBIZLM000026BBL	R 7 299 823,31
Inggayi Design Economic Partnership	MLDP Implementation Project	MBIZLM0016DPI	R 598 000,00
Kumyozl Investments	Debt collection services for 3 years	MBIZ LM 00022 DCS	R 0,13
Genbiz Trading 1001 PTY LTD	Procurement of printers/copiers for 3 years	MBIZ LM 0030 PP/C	R 782 112,24
Khanya Africa Networks	Integrated Financial Records and Archiving Solutions (IFRA) for 3 years	MBIZ LM 0035 IFRA	R 5 300 000,00
Zlinzame Consulting Engineers	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
VHB Associates	Multi Discipline Panel of Consultants- Architectural	MBIZ LM 0055 CON	R -
BMK Consulting Engineering	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
TPA JV Lisa Solutions	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
S. Zoko Consulting	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
Mlala Emazweni Trading & projects	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
Iqhayiya Design Workshop Architects	Multi Discipline Panel of Consultants- Architectural	MBIZ LM 0055 CON	R -
Techseeds Pty Ltd	Procurement of IP-PBX	MBIZ LM 0041 IP-PBX	R 3 292 404,50
Cycle Civils and Projects	Rehabilitation of Dumping Site for 24 Months	MBIZ LM 0008 RDS	R 2 553 896,45
Vodacom Pty Ltd	Procurement of Mobile Contract	MBIZ LM 0040 PMC	R -
Dibelihle Contractors and Projects JV	Supply & Delivery of Refuse Removal Protective Clothing for 36 Months	MBIZ LM 0005 RRPC	R 2 585 777,16
Inventiveness	Revenue Management and Enhancement Strategy	MBIZ LM 0024 RES	R 600 000,00
Clear Result 77 (PTY) LTD	Environmental Threatening Obstacle in MLM for 36 Months	MBIZ LM 0007 ETO	R 950 000,00
Asenati Construction Pty Ltd	Free Basic Electricity	N/A	R -
Eskom Holdings Soc Ltd	Review of Municipal Corporate Governance for ICT Charter and Framework for Two Years	MBIZ LM 0002 ICTC&FM	R 1 180 000,00
Blue Cycle Services Pty Ltd	Electrification of 235 Extra Connection in Sigodlwini, Mandlobeni, Madada and Diphini	MBIZ LM 0025 SIG	R 4 856 335,37
SNR Electrical cc	Professional Fees Mqonjwana to Greenville A/R	MBIZLM0055CON	R 712 748,47
Mlala Emazweni Trading & projects	Professional Fees Extension 4 Bridge	MBIZLM0055CON	R 775 531,76
S. Zoko Consulting	Supply & Delivery of Refuse Plastic Bags for 36 Months	MBIZ LM 0006RPB	R 2 800 000,00
Cape to Cairo to Investments Pty Ltd	Electrification of Mahlhenguteni Village (Ward 15) 414 Households	MBIZ LM 00057 EMV	R 19 575 046,47
Mabozela Trading and Enterprise Jv Boboshe	Website Revamp	MBIZ LM 0058 WEB	R 805 000,00
Ndela Mhlophe Trading	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -
ODG Technologies PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -
Restsam Engineering PTY Ltd	Extension 4 Bridge Ward 01	MBIZ LM 0006 EWB	R 3 296 658,31
Ambrose Civils			

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount
MAT Trading Enterprise	Deliver and servicing of skip bins	MBIZ LM 0062 SSB	R 990 000,00
Thake Electrical cc	Electrification of Sigidi Village/Mdatya Bekelle	MBIZ LM 00057 EMV	R 18 944 944,21
YG Solutions (Pty) Ltd	Electrification of Sidanga Village	MBIZ LM 00066 E SV	R 2 453 216,26
Denasa Civils and Construction	Construction of Mqonjwana Access Road	MBIZ LM 001MGA	R 8 478 910,00
Isigidimi Solutions	Co-Sourcing arrangements for internal auditing	MBIZ LM 00050 IAU	R 2 100 000,00
Siti Cargo	Maintenance of Tshayingca Road	MBIZ LM 0048 RTAR	R 4 534 471,20
Mayenziwe Holdings Pty Ltd	Maintenance of 2 Nurseries for a Period of 12 Months	MBIZ LM 00072 MN12M	R 620 000,00
Restisan	Panel of Consultants: Mdatya and Bekela (Sigidi Village)	MBIZ LM 0055 CON	R 1 228 319,50
YG Solutions Pty Ltd	Electrification of Sidanga Village (Ward 28) link line	MBIZ LM 04/02/21/02 SVL	R 1 997 310,57
ODG Technologies	Panel of Consultants: Sidanga Electrification	MBIZ LM 0055 CON	R 249 663,82
ODG Technologies PTY Ltd	Panel of Consultants: Mabenguteni Electrification	MBIZ LM 0055 CON	R 1 958 862,20
Emerald Metering and Utility Management Pty Ltd	Supply & Maintenance of Automated Meter Reading System for 3 years	MBIZ LM 0085 AMRS	R 2 129 902,23
Iqhaya Design Workshop	Panel of Consultants- Architectural: Temporary Traders Stalls and Civil Works	MBIZ LM 0055 CON	R 956 705,82
Mabozela Trading JV B2boshe Trading enterprise	Replacement of LV & MV LINES	WMM LM 00059 LV&MVL	R 2 603 711,60
YG Solutions	Maintenance of Bulk Metering and Cables	WMM LM 0091 MBM&C	R 641 603,26
IPM Plant Hire Pty Ltd	Disposal of Municipal Sites for Business and Government Use	MBIZ LM 00060 DMP	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
Iqhaya Design and Workshop	Manufacturing Hubs	WMM-LM(Panel of Consultants)	R 3 850 372,50
Thake Electrical	Electrification of Xholobeni Village in Ward 25	WMM LM 00057E MV	R 23 624 770,08
ODG Technologies	Electrification of Xholobeni Village in Ward 25	WMM LM 00057E MV	R 2 362 477,01
Ngoma JV Dimbanee Zikhazi Trading	Ward 20	WMM LM 00061 W20CH	R 3 600 000,00
Ngoma JV Dimbanee Zikhazi Trading	Ward 04	WMM LM 00060 W04CH	R 3 500 000,00
ThahleProjects Jv Magnacorp 522	Construction of ward 01 ECDC	WMM LM 00062 W01 ECDC	R 3 191 415,70
Manyobo Group	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H-PJT	R 9 001 800,00
Stira Construction and Projects (Pty) Ltd	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H-PJT	R 1 600 000,00
Mabozela Trading	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H-PJT	R 4 072 500,00
Siti Cargo	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02H-PJT	R 2 997 000,00
S. Zoko Consulting	Construction of Sigingini to Marina Access Road	MBIZ LM 0055 CON	R 838 341,08
Zinzaime Consulting Engineers	Maphaleni Via Mbubazi	MBIZ LM 0055 CON	R 1 777 614,33
TPA JV Lisa Solutions	Sixhanxeni Access Road	MBIZ LM 0055 CON	R 400 000,00
Vitsha Trading	Refurbishment of Mbizana Taxi rank phase 2	WMM LM 01/09/21/02 RTR	R 23 545 916,50
Bukhobethu Security Services	Provision of Private Security Services	WMM LM 08/12/20/03 PSC	R 27 820 800,00
Miala Emazweni Trading & projects	Construction for VAV Access Road Professional Fees	WMM LM 08/10/21/03 VMA	R 253 513,69
Miala Emazweni Trading & projects	Msthongweni Access Road	MBIZ LM 0055 CON	R 271 621,81
VHB Associates	Professional Fees Upgrade of Taxi Rank(Phase 2)	MBIZLM0055CON	R 3 649 617,06
Environmental Vanguard(Pty) Ltd	Review of climate change strategy	WMM LM 11/02/21/01 CCS	R 390 000,00
Ncaiana Trading and Projects	LED Streetlight fitting, cables and poles	MBIZ LM 21/07/21/02 PSL	R 540 400,00
Thake Electrical cc	Replacement of ring main unit	WMM LM 10/08/21/02 RRMU	R 790 493,13
Sword Group	material and equipment	WMM LM 06/10/21/01 PME	R 477 000,00

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount
XS Dollarz	Repairs and Maintenance of Municipal Building	WMM LM 17/09/21/01 RMW	R 1 339 125,95
MVI Construction and Maintenance	Construction of Mapheleli Via Mbulazi to Dulyini	WMM LM 08/10/21/02 MDA	R 8 032 179,54
The Mane's	Supply and delivery of Laptops and Desktops	WMM LM 00/07/0 S&D L&D	R 1 771 000,00
Thahle Projects Jv Magnacorp 522	Construction of VAV Memorial College Access Road	WMM LM 08/10/21/03 VMA	R 1 820 533,00
Mabozela Trading and Enterprise	Construction of Leonard to Simakadeni Access Road	WMM LM 08/10/21/01 LSA	R 3 560 171,73
Phahle Construction	Repairs and Maintenance of DLTC	WMM LM 17/09/21/02 RDL	R 730 737,50
S.Zoko Consulting	Leonard to Smakadeni Access Road	MBIZ LM 0055 CON	R 1 261 214,89
XS Dollarz	Maintenance of Cultural Village	WMM LM17/09/21/03 RCV	R 1 124 887,68

R 411 026 370,24

Below is a list of contracts that have been extended beyond their initial contract period. The extensions were necessitated by different reason ranging from the financial benefit to the municipality, Covid-19 restrictions, instructions from National Treasury on the procurement of financial systems as well as correction of errors in the process of procuring the contract where the duration should only have been the main factor with rates but amounts were used leading to incorrect interpretation of the contract arrangement.

CONTRACT REFERENCE	CONTRACT TITLE	NAME OF SUPPLIER	ORIGINAL COMPLETION DATE	EXTENSION DURATION	REVISED COMPLETION DATE	APPOINTMENT AMOUNT	VARIATION ORDERS	CONTRACT CATEGORY	END USER DEPARTMENT
1 MBIZ LM/11/05/08/01/7RA	Provision of Travel Agency	Tunimatt(PTY) LTD	03 August 2018	02 August 2021	12	02 August 2022	R	-	R
2 None Provided	Payroll System	SAGE VIP	31 May 2016	31 May 2019	36	30 May 2022	R	-	R
3 None Provided	Financial and Billing System	MUNSOFT PTY (LTD)	31 May 2016	31 May 2019	48	30 May 2023	R	-	R
4 MBIZ LM/02/05/18/INS/BTO	Provision of Insurance Services	Indwe Risk Services	10 August 2018	09 August 2021	12	09 August 2022	R	380 338,00	R
5 MBIZ LM/11/05/08/01/7RA	Provision of Travel Agency	Iheans Travelling Agency	03 August 2018	02 August 2021	12	02 August 2022	R	-	R
6 Fef/6/1/15	Prepaid electricity agent	CONLOG	01 August 2018	31 July 2021	12	31 July 2022	R	-	R

It is recommended that the standing committee notes these contract extensions and further recommend them to the executive committee for noting with their revised extension dates.

## 15. Regulation 17(1) c Procurement

Regulation 17 of the Municipal Supply Chain Management Regulations dealing with Formal written price quotations allows the municipality where it is not possible to obtain at least three quotations that reasons be recorded and approved by the Chief Financial Officer. This differs from the Deviations provided on regulation 36 of the same regulations.

Below is the list of transactions that have been procured through the utilisation of the regulation 17(1)c during the year:

SECTION 17 TRANSACTION DETAILS						PROCUREMENT PROCESS				
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
31/01/22	EF007515-0002	SALGA	R 1 489 258,00	Membership fees	Chief Financial Officer	11/11/2021	Mayor and Council	No	One quotation requested	Sole Provider
31/01/22	EF007561-0006	Umgeni Water	R 5 497,00	Water Quality Testing	Chief Financial Officer	17/12/2021	Community Services	No	One quotation requested	Sole Provider
15/03/22	EF007584-0003	UNISA	R 21 500,00	Study Fees	Chief Financial Officer	27/01/2022	Corporate Services	No	One quotation requested	Preferred accredited Institution
28/01/22	EF007584-0002	Southern Business School	R 15 800,00	Study Fees	Chief Financial Officer	27/01/2022	Corporate Services	No	One quotation requested	Preferred accredited Institution
28/01/22	EF007584-0001	Southern Business School	R 2 230,00	Study Fees	Chief Financial Officer	27/01/2022	Corporate Services	No	One quotation requested	Preferred accredited Institution
03/03/22	EF007616-0022	Nelson Mandela Metropolitan Municipality	R 72 640,00		Chief Financial Officer	27/01/2022	Community Services	No	One quotation requested	Preferred accredited Institution
13/01/22	EF007569-0008	Umgeni Water	R 5 497,00	Water Quality Testing	Chief Financial Officer	13/01/2022	Community Services	No	One quotation requested	Sole Provider
28/02/22	EF007629-0001	Umgeni Water	R 10 994,00	Water Quality Testing	Chief Financial Officer	28/02/2022	Community Services	No	One quotation requested	Sole Provider
15/02/22	EF007599-0004	Umgeni Water	R 8 245,50	Water Quality	Chief Financial	15/02/2022	Community Services	No	One quotation requested	Sole Provider

SECTION 17 TRANSACTION DETAILS							PROCUREMENT PROCESS			
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by Officer	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
15/02/22	EF007599-0003	Excellent Conferencing	R 30 000,00	NERSA (NERD/E C132)	Chief Financial Officer	15/02/2022	Engineering Services	No	One quotation requested	Preferred accredited Institution
14/02/22	EF007594-0006	Umgeni Water	R 8 245,50	Water Quality Testing	Chief Financial Officer	11/02/2022	Community Services	No	One quotation requested	Sole Provider
	EF007594-0001	WEssa	R 11 130,00	Blue Flag	Chief Financial Officer	15/02/2022	Community Services	No	One quotation requested	Sole Provider
14/02/22	EF007594-0005	University of Witwaterstrand	R 174 000,00	Study Fees	Chief Financial Officer	10/02/2022	Corporate Services	No	One quotation requested	Preferred accredited Institution
14/03/22	EF00	ARMS-AUDIT	R 32 000,00	Study Fees	Chief Financial Officer	03/03/2022	Municipal Manager	No	One quotation requested	Preferred accredited Institution
16/11/22	EF007608-0008	University of Witwaterstrand	R 58 000,00	Study Fees	Chief Financial Officer	20/04/2022	Corporate Services	No	One quotation requested	Preferred accredited Institution
22/04/22	EF007666-0004	Umgeni Water	R 10 994,00	Water Quality Testing	Chief Financial Officer	22/04/2022	Community Services	No	One quotation requested	Sole Provider
Not yet paid		Government Printing Works	R 41 360,80	The liquor by-Law and the informal trading by-law	Chief Financial Officer	04/04/2022	Municipal Manager	No	One quotation requested	Preferred accredited Institution
Not yet paid		Umgeni Water	R 10 994,00	Water Quality Testing	Chief Financial Officer	29/04/2022	Community Services	No	One quotation requested	Sole Provider
29/04/22	EF007675-0002	Synergy Business Events	R 21 348,60	Tourism Indaba	Chief Financial Officer	29/04/2022	Development Planning	No	One quotation requested	Sole Provider
Not yet paid		The Institute of Internal Auditors	R 1 279,95	Annual Affiliation	Chief Financial Officer	26/04/2022	Municipal Manager	No	One quotation requested	Sole Provider

SECTION 17 TRANSACTION DETAILS						PROCUREMENT PROCESS				
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17

2031 014,35

## **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. 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.

### 3. Debtors' analysis

#### Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

Description R thousands	NT Code	Budget Year 2021/22								
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Ds	151-180 Ds	181 Ds-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,433	1,560	1,321	1,366	1,415	13,461	-	-	21
Receivables from Non-exchange Transactions - Property Rates	1400	794	594	530	527	514	32,918	-	-	35
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	379	276	263	261	258	8,175	-	-	9
Receivables from Exchange Transactions - Property Rental Debtors	1700	610	20	20	20	20	860	-	-	1
Interest on Arrear Debtor Accounts	1810	222	202	194	189	174	12,247	-	-	13
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	334	161	234	170	202	3,148	-	-	4
<b>Total By Income Source</b>	<b>2000</b>	<b>4,773</b>	<b>2,814</b>	<b>2,562</b>	<b>2,533</b>	<b>2,585</b>	<b>70,810</b>	<b>-</b>	<b>-</b>	<b>86</b>
2020/21 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2200	858	828	755	767	815	38,704	-	-	42
Commercial	2300	3,585	1,715	1,566	1,539	1,540	19,683	-	-	29
Households	2400	329	270	241	226	230	12,423	-	-	13
Other	2500	(0)	0	(0)	(0)	(0)	0	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>4,773</b>	<b>2,814</b>	<b>2,562</b>	<b>2,533</b>	<b>2,585</b>	<b>70,810</b>	<b>-</b>	<b>-</b>	<b>86</b>

The table above shows municipal debtors for the month of March 2022 per income source and per customer group. It should be noted that the leading source of income when it comes to debtors is property rate followed by interest on arrears which is an indication that these debts have stayed for longer periods outstanding. It should also be noted that the municipality's majority of debtors are more than 1 year old, 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 accounts that are being disputed by consumers and government schools that public works says are not surveyed and therefore their processes until they have been surveyed.

## 4. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description R thousands	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700		210							210	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210</b>	<b>-</b>

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.

## 5. Investment portfolio analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>Municipality</b>														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0.002591645	0	N/A	not fixed	16,707	43	(3,479)	-	13,271
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0.002449049	0	N/A	not fixed	2,587	6	(139)	-	2,454
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.002604136	0	N/A	not fixed	354,737	924	(13,724)	-	341,937
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0.002671214	0	N/A	not fixed	378	1	-	-	379
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0.002671478	0	N/A	not fixed	6	0	-	-	6
FNB CALL DEPOSIT ACCOUNT(62896110170)		Not fixed	Call Deposit	No	Variable	0.002671234	0	N/A	not fixed	6,355	17	-	-	6,372
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.002671204	0	N/A	not fixed	69	0	(0)	-	69
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	0.002667068	0	N/A	not fixed	658	2	(17)	-	642
<b>Municipality sub-total</b>										381,496		(17,359)	-	365,130
<b>Entities</b>														
<b>Entities sub-total</b>														
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									381,496		(17,359)	-	365,130

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 R17.3 million which lead to a decrease in its investments for the month of April 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
01-Mar-22	CELL C 0005965749 I041	R 14,465.94	Fraudulent Debit order
01-Mar-22	CELL C 0006498879 I101	R 725.92	Fraudulent Debit order
15-Mar-22	RCSCARDS 0000000011030	R 30,180.48	Fraudulent Debit order
15-Mar-22	CELL C 0006584227 I041	R 14,465.94	Fraudulent Debit order
24-Mar-22	RCSCARDS 0000000011030	R 40,499.89	Fraudulent Debit order
31-Mar-22	CELL C 0007119090	R 626.99	Fraudulent Debit order
13-Apr-22	PM8+CELOB1 02B1186	R 5,000.00	Fraudulent Debit order
16-Apr-22	CELL C 0007196966 I041	R 725.92	Fraudulent Debit order
16-Apr-22	CELL C 0007234623 I041	R 14,605.94	Fraudulent Debit order
		R 177,557.00	

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.

## 6. Allocation and grant receipts and expenditure

### a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M10 April

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
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:										
Local Government Equitable Share	363,013	323,643	326,764	—	323,643	272,303	51,340	18.9%	326,764	
Finance Management	332,422	289,620	289,620	—	289,620	241,350	48,270	20.0%	289,620	
EPWP Incentive	2,000	2,000	2,000	—	2,000	1,667	333	20.0%	2,000	
Integrated National Electrification Programme	2,389	3,570	3,570	—	3,570	2,975	595	20.0%	3,570	
	26,202	28,453	28,453	—	28,453	23,711	4,742	20.0%	28,453	
Neighbourhood Development Partnership				3,121			2,601	(2,601)	-100.0%	3,121
Provincial Government:	773	500	500	—	500	417	83	20.0%	500	
Sport and Recreation	500	500	500	—	500	417	83	20.0%	500	
Other transfers and grants [insert description]	273									
District Municipality:										
[insert description]	—	—	—	—	—	—	—	—	—	
Other grant providers:										
[insert description]	—	—	—	—	—	—	—	—	—	
<b>Total Operating Transfers and Grants</b>	5	363,786	324,143	327,264	—	324,143	272,720	51,423	18.9%	327,264
<b>Capital Transfers and Grants</b>										
National Government:										
Municipal Infrastructure Grant (MIG)	49,714	70,843	67,722	—	57,994	56,435	8,504	15.1%	70,843	
Neighbourhood Development Partnership	45,459	51,023	51,023	—	51,023	42,519	8,504	20.0%	51,023	
	4,255	19,820	16,699	—	6,971	13,916			19,820	
Other capital transfers [insert description]										
Provincial Government:										
[insert description]	—	—	—	—	—	—	—	—	—	
District Municipality:										
[insert description]	—	—	—	—	—	—	—	—	—	
Other grant providers:										
[insert description]	—	—	—	—	—	—	—	—	—	
<b>Total Capital Transfers and Grants</b>	5	49,714	70,843	67,722	—	57,994	56,435	8,504	15.1%	70,843
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	413,500	394,986	394,986	—	382,137	329,155	59,927	18.2%	398,106

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M10 April

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
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		368,781	323,643	326,764	12,788	174,939	272,303	(97,364)	-35.8%	323,643
Local Government Equitable Share		332,421	289,620	289,620	12,767	141,552	241,350	(99,798)	-41.4%	289,620
Finance Management		2,000	2,000	2,000	22	1,364	1,667	(303)	-18.2%	2,000
EPWP Incentive		2,389	3,570	3,570	-	3,570	2,975	595	20.0%	3,570
Integrated National Electrification Programme		31,966	28,453	28,453	-	28,453	23,711	4,742	20.0%	28,453
Neighbourhood Development Partnership			-	3,121	-	-	2,601	(2,601)	-100.0%	
Disaster Grant		5					-	-		
<b>Provincial Government:</b>		912	500	500	7	131	417	(286)	-68.6%	500
Sport and Recreation		511	500	500	7	131	417	(286)	-68.6%	500
Greenest Municipality		402						-		
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]								-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]								-		
<b>Total operating expenditure of Transfers and Grants:</b>		369,694	324,143	327,264	12,796	175,069	272,720	(97,650)	-35.8%	324,143
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		45,459	70,843	67,722	3,866	37,758	56,435	(18,677)	-33.1%	70,843
Municipal Infrastructure Grant (MIG)		45,459	51,023	51,023	3,866	37,072	42,519	(5,448)	-12.8%	51,023
Neighbourhood Development Partnership		-	19,820	16,699	-	686	13,916	(13,230)	-95.1%	19,820
Other capital transfers [insert description]								-		
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>		45,459	70,843	67,722	3,866	37,758	56,435	(18,677)	-33.1%	70,843
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		415,153	394,986	394,986	16,662	212,827	329,155	(116,328)	-35.3%	394,986

The above table shows expenditure on grants that have been allocated to the municipality.

c) Expenditure on approved rollovers

EC443 Winnie Madikizela Mandela - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M1C

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

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

## 7. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M10 April

Description R thousands	Ref 1	2020/21		Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		15,110	56,951	56,951	700	20,117	47,459	(27,342)	-58%	56,951	
Service charges		23,019	29,346	29,346	4,094	35,190	24,455	10,735	44%	29,346	
Other revenue		9,342	8,896	7,966	324	6,588	6,638	(51)	-1%	7,966	
Transfers and Subsidies - Operational		335,485	295,690	295,853	—	295,690	246,544	49,146	20%	295,853	
Transfers and Subsidies - Capital		77,425	99,296	99,296	—	87,203	82,746	4,456	5%	99,296	
Interest		11,879	10,047	10,047	1,001	8,724	8,372	352	4%	10,047	
Dividends					—	—	—	—	—		
<b>Payments</b>											
Suppliers and employees		(262,653)	(370,638)	(373,254)	(16,527)	(257,170)	(311,045)	(53,874)	17%	(373,254)	
Finance charges		(1)	(50)	(50)	—	—	(42)	(42)	100%	(50)	
Transfers and Grants					—	—	—	—	—		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>209,606</b>	<b>129,537</b>	<b>126,155</b>	<b>(10,409)</b>	<b>196,342</b>	<b>105,129</b>	<b>(91,213)</b>	<b>-87%</b>	<b>126,155</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		276							—		
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—		
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—		
<b>Payments</b>											
Capital assets		(125,365)	(119,176)	(182,428)	(4,928)	(87,126)	(152,023)	(64,898)	43%	(182,428)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(125,089)</b>	<b>(119,176)</b>	<b>(182,428)</b>	<b>(4,928)</b>	<b>(87,126)</b>	<b>(152,023)</b>	<b>(64,898)</b>	<b>43%</b>	<b>(182,428)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans								—	—		
Borrowing long term/refinancing								—	—		
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—		
<b>Payments</b>											
Repayment of borrowing								—	—		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>84,516</b>	<b>10,361</b>	<b>(56,273)</b>	<b>(15,337)</b>	<b>109,216</b>	<b>(46,894)</b>			<b>(56,273)</b>	
Cash/cash equivalents at beginning:		173,644	181,236	258,161	382,713	258,161	258,161			258,161	
Cash/cash equivalents at month/year end:		258,161	191,598	201,887		367,377	211,266			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.

## 8. Statement of Financial Position

EC443 Winnie Madikizela Mandela - Table C6 Monthly Budget Statement - Financial Position - M10 April

Description R thousands	Ref 1	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		9,353	12,892	9,353	2,247	9,353
Call investment deposits		248,808	178,706	192,534	365,130	192,534
Consumer debtors		56,546	46,512	41,771	62,119	41,771
Other debtors		47,905	37,398	32,244	60,675	32,244
Current portion of long-term receivables		–	–	–	–	–
Inventory		2,046	1,524	1,976	1,137	1,976
<b>Total current assets</b>		<b>364,659</b>	<b>277,032</b>	<b>277,878</b>	<b>491,307</b>	<b>277,878</b>
<b>Non current assets</b>						
Long-term receivables						
Investments		36,655	32,436	36,655	36,655	36,655
Investment property		–	–	–	–	–
Investments in Associate		701,498	755,509	798,882	747,806	798,882
Property, plant and equipment		–	–	–	–	–
Biological		69	73	–	(1)	–
Intangible		1,231	1,341	1,231	1,231	1,231
<b>Total non current assets</b>		<b>739,453</b>	<b>789,359</b>	<b>836,767</b>	<b>785,692</b>	<b>836,767</b>
<b>TOTAL ASSETS</b>		<b>1,104,112</b>	<b>1,066,391</b>	<b>1,114,645</b>	<b>1,277,000</b>	<b>1,114,645</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing		505	503	505	462	505
Consumer deposits		49,412	28,928	54,618	69,439	54,618
Trade and other payables		19,990	19,953	19,990	15,169	19,990
Provisions						
<b>Total current liabilities</b>		<b>69,907</b>	<b>49,384</b>	<b>75,113</b>	<b>85,070</b>	<b>75,113</b>
<b>Non current liabilities</b>						
Borrowing		5,246	5,495	5,246	5,246	5,246
Provisions						
<b>Total non current liabilities</b>		<b>5,246</b>	<b>5,495</b>	<b>5,246</b>	<b>5,246</b>	<b>5,246</b>
<b>TOTAL LIABILITIES</b>		<b>75,153</b>	<b>54,879</b>	<b>80,359</b>	<b>90,316</b>	<b>80,359</b>
<b>NET ASSETS</b>	2	<b>1,028,958</b>	<b>1,011,512</b>	<b>1,034,286</b>	<b>1,186,684</b>	<b>1,034,286</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1,028,958	1,011,512	1,034,286	1,186,684	1,034,286
Reserves						
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1,028,958</b>	<b>1,011,512</b>	<b>1,034,286</b>	<b>1,186,684</b>	<b>1,034,286</b>

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

## 9. Municipal Manager's quality certification

### Quality Certificate

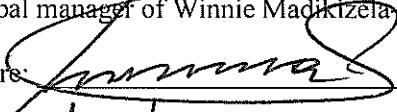
I, Luvuyo Mahlako, the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

- The monthly budget statement

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

Print name: Luvuyo Mahlako

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

Signature: 

Date: 10/05/2022

