



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

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF JUNE 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 last report of the 2021/22 financial year which should give an indication of how the municipality has performed throughout the 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 Constitutional Court confirmed on the 30th of May 2022 that there was no need to halt procurement as the regulations remain effective for at least 12 months from the date of the judgement. 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 final adjustment budget for 2021/22 by the municipality necessitated by the National disaster that affected the municipality during the month of April 2022. This budget was a reprioritisation from possible savings to respond to the immediate needs of the municipality and sourcing of additional funds from the municipality's reserves where possible. Hopefully the contents of this 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

The department currently has no vacant positions to report about for the month.

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 led 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 31st 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. Year -end processes

a. Stock count

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

The inventory count is performed to ensure that all stock movements were recorded and to test effectiveness of stock control measures. This is a process that is done in the presence of the Auditor-General or delegate, in this case delegated to our Internal Audit Unit. The stock count was performed on Thursday the 30th of June 2022 in the following storerooms:

- Finance
- Refuse removal
- Cultural Village
- Electricity

The following is a summary of stock items that the municipality has in our stores:

STOREROOM	FUNCTION	OPENING BALANCE (01/04/2022)	PURCHASES	TRANSFERS	ISSUES/ADJUSTMENTS	CLOSING BALANCE (30/06/2022)
Electricity	Electricity	382 693.59	395 000.00	-	423 756.40	353 937.19
Refuse	Solid Waste Removal	135 246.39	269 971.39	-	330 457.74	74 760.04
Stationery	B.T.O	34 099.44	104 903.75	-	120 058.48	18 944.71
Building Material	Building Material	-	-	-	-	-
Cleaning Material	Admin & Corporate Support	15 220.00	22 600.00	-	35 858.21	1 961.79
Security Equipment	Security Equipment	-	-	-	-	-
Fuel	Fuel	77 694.10	58 118.98	-	135 813.73	(0.65)
Animal Feed	Licensing and control of animals	-	-	-	-	-
Disaster PPE	Human Resources	14 500.00	-	-	14 500.00	-
TOTAL COST		659 453.52	850 594.12	-	1 060 444.56	449 828.94

During this process there were also items that are considered unusable by the user departments which are proposed for a possible disposal. The table below shows a summary if the items including their location within the municipality's store rooms:

Part Number	Part Description	Quantity	Storeroom	TOTAL VALUE	REASON
U08-RMA006	Helmet	22.00	Refuse solid- waste	594.00	User department has no use for it.
RMA012	Peaks	2.00	Refuse solid- waste	1 527.68	Broken
RMA06	spade	3.00	Refuse solid- waste	682.52	Broken
U08-RMA001	Slasher	32.00	Refuse solid-waste	9 095.36	Broken
U08-RMA022	Hard Brooms	3.00	Refuse Solid- Waste	360.00	Broken
E144	Airdac Suspension clamps	100.00	Electricity	1 825.00	User department has no use for it.
RMA01	Secrels	24.00	Refuse Solid- Waste	4 800.00	Broken
U08-RMA020	Bush Knifes	32.00	Refuse Solid- Waste	7 372.16	Broken
E01-EMA031	Globes 40KW	31.00	Electricity	387.50	User department has no use for it.
TOTAL COST		249.00		26 644.22	

b. Irrecoverable traffic fines

The municipality has a traffic department that is responsible for traffic law enforcement which includes issuing of traffic fines where transgressions have been identified. These traffic fines are therefore accounted for in terms of IGRAP 1 where revenue is recognised and debtors recorded. Credit control processes to collect traffic fines include issue of summons and court appearances where the magistrate then issues the final amount payable and then sends them money to the municipality. The municipality being a rural municipality presents a number of challenges in terms of administering the traffic fines due to addresses not very specific as there are not formal house numbers. The municipality then created a policy to make a provision for doubtful debt at year end for all traffic fines older than a year. History has

revealed that most of those traffic fines are never recovered. This therefore is an attempt to advise council to resolve that all traffic fines older than two (2) years be written-off for the following reasons:

- a) Overstatement of the municipality's current assets
- b) Cost to recover might be more than the revenue to be derived
- c) Traffic fines recovered after write-off may still be recoded as bad debts recovered.

8. 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:

Sub - Res ult Are a	Issu e	Strat egic Obje ctive	Obj ective No.	Strate gies	Basel ine Infor mation	Project to be Implemente d	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verificat ion	Budg et	Adjust ed Budget	Int ernal	Ext ernal	Q4 Meas urabl e Perfomance	Non Final Perfo mance	Final Perfo mance	Achi eved / Not Achi eved	Reas on for Varia nce	Re me dial Act ion
Revenue Management	Revenue collection trends are decreasing	To achieve 100% billing for all services that are to be billed by	4.1	Metering of all electricity consumption	Electricity meter reads are recorded, and captured manually	Reading of electricity meters	Accuracy of electricity consumption	4.1.1	0.5	Reading of electricity meter using the Auto Mated system by June 2022	Meter reading Report from the AMR System, Invoice and GRV	R700,000.0	R1,671,984.00	Yes	0	Reading of electricity meter s	94 meter s for April, 94 meter s for May and 94 meter s for June	R253,698.75	Achi eved	N/A	N/A

Re me dial Act ion	Reas son for Variance	Achieved / Not Achieved	Financial Performance	Non Financial Performance	Q4 Measurable Performance	Budget Source		Adjusted Budget	Budget	Means of Verification	Annual Target	KPI Weighting	KPI Priority	Outputs - KPI	Project to be Implemented	Baseline Information	Strategies	Objective No.	Strategic Objective	Issue	Sub- Result Area
						Internal	External														
				and 2 122 (June) and an average of 2 198 accounts units for Q4.	refuse and electricity					and electricity by June 2022				S billed as per consumer master database		90% on refuse					
					Performance month end process duration for consumers, sundry Debtors, has been closed on the 01/07 /2022 which is the 1st working day of the	0	N/A	R0.00	R0.00	12 Month end closing Reports	Billing completed by the 3rd day of each month following the billing month by June 2022	0.5	4.1.4		Completion of billing processes by the 3rd day of each day of the following month	Billing completed beyond the 3rd day of the following month					

Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KP Weighting	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source		Q4 Measurable Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Remedial Action
														Internal	External						
				Implement the Revenue enhancement Strategy	Revenue Enhancement Strategy review in 2019/20	Monitoring of the Revenue enhancement Strategy Action Plan	Improved revenue collection and generation	4.1.6	0.5	Implementation of the Revenue enhancement Strategy Action Plan by June 2022	4 Quarterly Revenue enhancement Strategy Committee minutes and attendance register	R0.00	R0.00	N/A	0	Quarterly Revenue enhancement meeting on the 10 June 2022 for Q4	Meeting was organised on the 10 June 2022	R0.00	Achieved	N/A	N/A
		To achieve at least 95% collection of all debt	4.2	Implementing the credit measures are more than 365 days	Long outstanding debts, which are more than 365 days	Outsourcing of collection services	Debtors analysed and reflect debts within 90 days	4.2.1	0.5	Consumer Data analyses and cleansing to ensure readiness for handing over of all	2 Quarterly Data cleansing report, Progress report on accounts handed over beyond 90 days	R500,000.00	R1488,628.00	Yes	0	N/A	N/A	N/A	N/A	N/A	N/A

Sub - Res ult Are	Issu e	Strat egic Obj ective	Obj ective No.	Strate gies	Basel ine Infor matio n	Project to be implemen ted	Outp ut - KPI	K PI No.	KP I W ei gh t	Annu al Targe t	Means of Verificat ion	Budg et	Adjust ed Budget	Budget Source		Q4 Meas urabl e Perfo man ce	Non Fina ncial Perfo man ce	Fina ncial Perf ormance	Achi eved / Not Achi eved	Reas on for Variance	Re me dial Act ion
														Int er nal	Ext ern al						
		To achieve a clean audit as at 30 June 2022	4.3	Perfor mance of month ly debtors, rates and invest ment recon	Month ly recon ciliatio ns not perfor med by the 7th day of month	Monthly reviewal of debtors, rates and investment reconciliation by the 7th working day of each month	Accou ntable and comp lete recon ciliatio ns	4. 3. 1	0. 5	accoun ts beyond 90 days by June 2022. Handl ing over of accoun ts that are beyond 90 days by June 2022	12 Signed debtors,1 2 investme nts and 12 rates reconcili ation	R0.00	R0.00	N/A	0	Prep aration of 3 debtor s,3 invest ment s and 3rate s recon ciliati	03 Mont hly recon ciliati on for Debt ors, Invest ment s and Rates	R0.0 0	Achi eved	N/A	N/A

Sub - Res - Are a	Issu e	Strat egic Obje ctive	Obj ective No.	Strate gies	Basel ine Infor mation	Project to be Implemented	Outp ut - KPI	KPI No.	KPI Weight	Annu al Target	Means of Verification	Budget	Adjust ed Budget	Budget Source		Q4 Meas urabl e Perfomance	Non Final Perfomance	Final Perf ormance	Achi eved / Not Achi eved	Reas on for Variance	Re me dia l Act ion
														Int ernal	Ext ernal						
	ve			cliatio ns						recon ciliatio n by June 2022						on	have been perfo med for Q4				
Expenditure Management																					
	Invoi ces not subm itted withi n 30 days of recei pt for paym ent	To pay credi tors withi n 30 days in compli ance with the MFMA by June 2022	4.4	Enforc ement of system descript ions and process es as per the Account payab le policy	Invoic es still taking longer to reach BTO for paym ent	Centralisatio n of submission of invoices per department	Age analys is reflecti ng credit ors within 30 days	4.4.1	0.5	Paym ent of all prese nted accep table invoic es within 30 days from receip t of invoice by June 2022	invoic e register and age analysis report	R0.00	R0.00	N/A	0	Paym ent of credit ors within 30 days	All paym ents recei ved have been settle d and paid within 30 days	R0.00	Achi eved	N/A	N/A
	Data string s that are subm itted	To achie ve a clean audit as at	4.5	Devel op sound , strict and effecti	Non imple menta tion of all month	Implementing of month end procedures for 3 modules/cashbo	Subm ission of mont hly report	4.5.1	0.5	Submi tting month ly datast rings	12 confirmat ions of submissi on from LG	R0.00	R0.00	N/A	0	Subm ission of 3 mont hly datas	3 mont hly datas have	R0.00	Achi eved	N/A	N/A

Re-me-dial Action	Reason for Variance	Achieved / Not Achieved	Financial Performance	Non Financial Performance	Q4 Measurement Performance	Budget Source		Adjusted Budget	Budgeted	Means of Verification	Annual Target	KPI Weighting	KPI Number	Output - KPI	Project to be Implemented	Baseline Information	Strategies	Objective No.	Strategic Objective	Issue	Sub-Result Are
				been submitted through LG Portal before the 10th working days for Q4	things to LG Portal		External			Portal not later than 10 working days after month end	and Reports not later than 10 working days after month end of each month by June 2022				OK, GL)	by processes	we processes for reporting		30 June 2022		with incomplete information and month end procedures that are not performed on time
N/A	N/A	Achieved	R0.00		3 months	Preparation of 3 Com-mitment register	0	N/A	R0.00	R0.00	12 months	0.5	4.5.2	Accurate and complete com-mitment register	Monthly review of commitment register by the 7th working day of each month	Com-mitment register with material misstatements					

Sub - Res - Are	Issu e	Strat egic Obje ctive	Obj ective No.	Strate gies	Basel ine Infor mation	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source		Q4 Measurable Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Remarks
														Internal	External						
																	wed for Q4				
	Creditors and grants with error	To achieve a clean audit as at 30 June 2022	4,6	Perform maintenance of monthly Conditional Grants, not performed by the 7th day of each month	Monthly review of Conditional Grants, creditors, retention and reconciliation by the 7th working day of each month	Monthly review of Conditional Grants, creditors, retention and reconciliation by the 7th working day of each month	Accuracy and completeness	4, 6, 1	0, 5	12 monthly reviewed Conditional Grants, 12 creditors, 12 retention and 12 vat reconciliations	12 Signed monthly Conditional Grants, 12 creditors, 12 retention and 12 vat reconciliations	R0.00	R0.00	N/A	0	Preparation of 3 monthly reconciliation	Monthly reconciliation for Q4	R0.00	Achieved	N/A	N/A
	Payroll accounts with errors			Perform maintenance of monthly Conditional Grants, not performed by the 7th day of each month	Monthly review of payroll reconciliation by the 7th working day of each month	Monthly review of payroll reconciliation by the 7th working day of each month	Accuracy and completeness	4, 6, 2	0, 5	12 monthly reviewed payroll	12 Signed monthly payroll reconciliation	R0.00	R0.00	N/A	0	Preparation of 3 monthly reconciliation	Monthly reconciliation for Q4	R0.00	Achieved	N/A	N/A

Sub - Res ult Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source		Q4 Measure Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Re measure dial Action
					Information									Internal	External						
	taking longer to identify and resolve			reconciliation	by the 7th day of each month	month	ons			reconciliation by June 2022						reconciliation	II have been prepared and reviewed for Q4				
Supply Chain Management	Inadequate filing space and system for the volume of documents in the Budget and Treasury payment office	To have an effective filing and reliable filing system for SCM and all awarded tender documents	4.7	Conversion of Supply Chain Management filing to electronic for old documents already audited	Paper based and physical filing	Conversion of information into electronic documents	Electronic filing for Budget and Treasury documents	4.7.1	0.5	Electronic filing system setup and loading of Budget and Treasury Office Documents by June 2022	12 Progress report on BTO scanned documents	R0.00	R0.00	N/A	0	scanning of BTO documents	3 signed monthly progress reports on scanned documents for Q4	R0.00	Achieved	N/A	N/A

Re-me-dial Action	Reason for Variance	Achieved / Not Achieved	Financial Performance	Non Financial Performance	Q4 Measurement Performance	Budget Source	Adjusted Budget	Budget	Means of Verification	Annual Target	KPI Weighting	KPI Number	Output - KPI	Project to be Implemented	Baseline Information	Strategies	Objective No.	Strategic Objective	Issue	Sub-Responsible Area
N/A	N/A	Achieved	R0.00	1200 Muns of authorised printouts /Munsoft Audit Trail for Q4	1200 Suppliers information updated during the year by June 2022	0			Advertisement and Munssoft audit trail	Supplier Database with most bidder's information updated	0.5	4.8.2	Updated Supplier Database	Annual update of the supplier database	Supplier database with bidder's showing information that expires in the past years	Callin g of all suppliers to update their information		procurement system	Supplier Database not updated annually	
N/A	N/A	Achieved	R0.00	Mont hly schedule of seating of bid committee	Schedule of seating of bid committee	6	R0.00	R	Signed schedule of bid committee, attendance registers of members	Schedule of bid committee seating of bid committee	0.5	4.8.3	Schedule of bid committee seating of bid committee	Schedule of bid committee seating of bid committee	Bid committee seating of bid committee	Developing Mechanisms to monitor seating of the bid committee		No schedule of bid committee seating		

Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI Number	KPI Weighting	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source	Q4 Measure Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Recommendation
										of the tender closing by June 2022						attendance registers for Q4				
	Procurement documents not uploaded on the website on time			Monitoring of compliance with public action of documents	Public action documents uploaded on the website	Monthly monitoring of documents uploads	Updated Website will SCM adverts, closing registers and awarded tenders	4, 8, 4	0, 5	Uploading of all Adverts, closing registers and awarded tenders on the municipal website by June 2022	Screenshots of the website showing documents uploaded	R	R0.00	N/A	Uploading of all adverts tendered from April 2022 to June 2022	10 adverts uploaded on E-tender portal, 10 closing registers uploaded on the website and Tender registers showing 4	R0.00	Achieved	N/A	N/A

Sub - Res ult Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	KPI Weighting	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source		Q4 Measurable Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Remarks	
														Internal	External							
					Updates only communicated to Managers	Training of all SCM officials on updates on SCM matters	Capacitate SCM Officials with relevant knowledge	4. 8. 5	0. 5	Capacitation of all SCM officials on updates by June 2022	Email confirmations	R	R0.00	N/A		Distribution to all SCM officials of channels and updates between October 2021 to June 2022	Bids awarded was uploaded for Q4	6 SCM officials attended training in Muns office	R0.00	Achieved	N/A	N/A
	SCM personnel not regularly trained on updates regularly			Communication of all updates on SCM matters	Updates only communicated to Managers	Training of all SCM officials on updates on SCM matters	Capacitate SCM Officials with relevant knowledge	4. 8. 5	0. 5	Capacitation of all SCM officials on updates by June 2022	Email confirmations	R	R0.00	N/A		Distribution to all SCM officials of channels and updates between October 2021 to June 2022	Bids awarded was uploaded for Q4	6 SCM officials attended training in Muns office	R0.00	Achieved	N/A	N/A

Sub - Res Unit Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	KP 1 Weighting	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source		Q4 Measure Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Remarks
														Internal	External						
	Inadequate contract management processes			Monthly review of all existing contracts	Contract acts only reviewed at year end	Contract register to be reviewed and signed monthly	Reviewed contract register	4, 8, 6	0, 5	12 monthly contract registers reviewed by June 2022	12 signed contract registers	R0.00	R0.00	N/A		3 monthly contract registers reviewed	3 monthly contract registers prepared and signed in Q4	R0.00	Achieved	N/A	N/A
	The municipality needs to comply with all statutory training requirements			Training of Supply Chain Management Personnel	Officials operating with outdated information relevant to their sections	Training of SCM Officials by 30 June 2022	Capacitated SCM Officials with relevant knowledge	4, 8, 7	0, 5	Training of 1 Manager and 1 SCM officer on CIPS by June 2022	3 Exam timetable and 3 Exam confirmation letter by the Municipality Manager and Proof of Payment	R0.00	R0.00	N/A	0	2 Exam timetable and Exam confirmation letter for writing Exam	2 exam timetable exam and Exam confirmation letter for 1 SCM official and 1 Manager for Q4	R0.00	Achieved	N/A	N/A

Re-measurement for Actual	Reason for Variance	Achieved / Not Achieved	Financial Performance	Non Financial Performance	Q4 Measurement Performance	Budget Source		Adjusted Budget	Budget	Means of Verification	Annual Target	KPI Weighting	KPI Number	Output - KPI	Project to be Implemented	Baseline Information	Strategies	Objective No.	Strategic Objective	Issue	Sub-Result Area
N/A	N/A	Achieved	R0.00	Physical verification for all Assets in our FAR, Also we have assessed the current conditions of such assets to identify any indications of impairment for Q4.	Quant only verification of Assets	0	N/A	R0.00	R0.00	4 Signed quarterly Assets verification Report	4 Quant only Assets verification Reports by June 2022	0.5	4.9.1	Accounting for all municipal assets	Performing quarterly asset verification within 30 days of the end of each quarter	Movement of assets with Asset Management Agency office being notified	Quarterly update of the fixed asset register	4,9	To accurately account for the value and location of all municipal assets by 30 June 2022	All assets of the municipality to be accounted for the value and location in terms of their value status and location	Asset and Stores Management

Re-me-dial Act-ion	Reas-on for Var-i-ance	Achi-eved / Not Achi-eved	Fin-anc-ial Per-form-ance	Non Fin-anc-ial Per-form-ance	Q4 Meas-urabl-e Per-form-ance	Budget Source	Ad-just-ed Budget	Budg-et	Means of Ver-if-ica-tion	An-nu-al Tar-get	KP I W-ell-gh-t	KPI No.	Out-put - KPI	Project to be Imple-men-ted	Basel ine Infor-ma-tion	Strate-gies	Obj-ec-tive No.	Strat-egic Ob-ject-ive	Issu-e	Sub-j-ect Res-ult Are-a
N/A	N/A	N/A	N/A	N/A	N/A	Yes	R2,753,679.00	R1,300,000.00	Signed GRAP compli-ant Asset regis-ter as at 30 June 2021 by AG, RFI and Coaf Register	GRAP compli-ant Asset regis-ter as at 30 June 2021	0.5	4.9.2	Signed GRAP compli-ant Asset regis-ter	Review of the GRAP compli-ant asset register	GRAP compli-ant Asset regis-ter as at 30 June 2021	Annual review of the asset manage-ment policy and updat-e of the fixed asset regis-ter	4,10	To cor-re-ctly func-tion effec-tively man-age the store func-tion of the munic-ipali-ty	Store func-tion that is not fully struc-tured and prop-erly man-aged	
N/A	N/A	Achi-eved	R0.00		Prep-ared 3 inven-tory recon-cili-ations and per-form-1 stock count for the 4th	Prep-ared 12 month-ly inven-tory recon-cili-ation and 4 signed Stock count Reports		R0.00		12 month-ly inven-tory recon-cili-ation and 4 signed Stock count Reports	0.5	4.10.1	4 stock count reports	Stock updates at least once each quarter	Only one stock count per-form-ed at the end of the year	Quart-erly updat-e of the stock items to ensur-e adequ-ate lev-els are kept at all times				

Sub - Res - Unit Are	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source	External	Q4 Measure Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Remedial Action
Financial Reporting	Financial state ment s with non-compliance with laws	To compile Annual Financial State ment s that comply with all requirements as at 30 June 2022	4.1 1	Develop sound , strict and effective procedures for the compilation of AFS	Audited Annual Financial State ments for 2019/20 with compliance findin gs	Development and approval of processes and procedures for compilation of financial statements by 30 May 2021	Credible Annual Financial State ment s submitted by 31 August 2021	4.11 1	0.5	Credible and fully compliant Annual Financial State ments as at June 2021 submitted by 31 August 2021	AFS and proof of submissi on to AG, Proof of payment, Interim Financial statements	R200,000.00	R178,221.25	Yes	0	Preparation of Interim Financial	Interim Financial State ment were prepared and submitted	R0.00	Achieved	N/A	N/A

Sub - Res Audit Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source	Q4 Measurable Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Remedial Action
		To achieve a clean audit as at 30 June 2022	4.1 2	Manage the external audit by the office of the Auditor General to ensure smooth running	Audit Annual Financial Statements for 2019/20 with compliance findings	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	4.12.1	0.5	Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2022	Proof of submission to AG, COAF register, Audit Action Plan, updated Audit Action Plan	R5,295,993.00	R5,295,993.00	Yes	N/A	N/A	N/A	N/A	N/A	N/A
				Performance of monthly reconciliation by the 7th working day of each month	Reconciliation of monthly reconciliation working day of each month	Performance of monthly reconciliation working day of each month	Signed monthly reconciliation	4.12.2	0.5	12 Reviewed bank reconciliation by June 2022	12 Signed Bank Reconciliation	R0.00	R0.00	N/A	Preparation of 3 Bank Reconciliation	Monthly Bank Reconciliation have been prepared and signed for	R0.00	Achieved	N/A	N/A

Sub - Res Unit Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	KP Weighting	Annual Target	Means of Verification	Budget	Adjusted Budget	Budget Source		Q4 Measurement Performance	Non Financial Performance	Financial Performance	Achieved / Not Achieved	Reason for Variance	Remedial Action
														Internal	External						
	Non compliance with statutory requirements	Adherence to compliance in terms of management and reporting	4.1.3	Preparation and submission of s71 reports	Reports not submitted on time	Submission of s71 Report not later than 10 working day of each month	Signed monthly reports	4.13.1	0.25	Submission of s71 Report by June 2022	Proof of submission of 12 signed s71 Report	R0.00	R0.00	N/A	0	Preparation of 3 monthly reports	3 Monthly s71 reports have been prepared and signed for Q4	R0.00	Achieved	N/A	N/A
				Preparation and submission of s52d reports		Submission of s52d reports within 30 days of the end of each quarter	Signed quarterly reports	4.13.2	0.25	Submission of s52d reports within 30 days of the end of each quarter	Proof of submission of 4 Signed s52d Reports and 4 FMG Quarterly Reports	R0.00	R0.00	N/A	0	Preparation of 4 Quarterly and 4 FMG Reports	s52d and FMG quarterly report has been prepared and submitted	R0.00	Achieved	N/A	N/A

The table shows that the department has achieved 28 out of 29 targets for the last quarter of the financial year which is considered good performance even though a 100% is always much more desirable. The target not achieved relates to the training of the meter reader on the Automated meter reading system which we could not secure an accredited provider for.

9. In-year budget statement tables

a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - M12 June

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	20,145	26,171	21,283	561	21,163	21,283	(120)	-1%	21,283
Service charges	40,257	43,474	43,481	3,923	41,401	43,481	(2,081)	-5%	43,481
Investment revenue	7,604	10,047	10,047	1,037	10,771	10,047	725	7%	10,047
Transfers and subsidies	338,001	295,690	298,973	346	293,672	298,973	(5,301)	-2%	298,973
Other own revenue	16,324	14,651	14,291	772	12,761	14,291	(1,530)	-11%	14,291
Total Revenue (excluding capital transfers and contributions)	422,331	390,032	388,075	6,638	378,768	388,075	(8,307)	-2%	388,075
Employee costs	105,837	126,854	119,489	8,791	101,093	119,489	(18,396)	-15%	119,489
Remuneration of Councillors	23,964	26,007	26,007	2,062	24,284	26,007	(1,723)	-7%	26,007
Depreciation & asset impairment	40,180	52,682	67,682	3,484	42,815	67,682	(24,867)	-37%	67,682
Finance charges	1	150	150	—	—	150	(150)	-100%	150
Inventory consumed and bulk purchases	39,820	48,440	48,141	4,421	42,224	48,141	(5,917)	-12%	48,141
Transfers and subsidies	4,499	5,907	6,050	322	1,255	6,050	(4,795)	-79%	6,050
Other expenditure	128,012	173,490	218,406	30,265	138,845	218,406	(79,561)	-36%	218,406
Total Expenditure	342,313	433,529	485,925	49,345	350,517	485,925	(135,408)	-28%	485,925
Surplus/(Deficit)	80,018	(43,497)	(97,850)	(42,707)	28,251	(97,850)	127,101	-130%	(97,850)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77,425	99,298	96,175	10,480	82,241	96,175	(13,934)	-14%	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)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	157,443	55,799	(1,676)	(32,227)	111,492	(1,676)	113,167	-6754%	(1,676)
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	157,443	55,799	(1,676)	(32,227)	111,492	(1,676)	113,167	-6754%	(1,676)
Capital expenditure & funds sources									
Capital expenditure	141,432	117,727	196,188	44,872	148,273	196,188	(47,916)	-24%	196,188
Capital transfers recognised	67,976	86,399	80,762	7,494	60,353	80,762	(20,409)	-25%	80,762
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	73,456	31,328	115,426	37,378	87,919	115,426	(27,507)	-24%	115,426
Total sources of capital funds	141,432	117,727	196,188	44,872	148,273	196,188	(47,916)	-24%	196,188
Financial position									
Total current assets	364,659	277,032	267,727		393,932				267,727
Total non current assets	739,453	789,359	829,272		829,527				829,272
Total current liabilities	69,907	49,384	64,439		77,744				64,439
Total non current liabilities	5,246	5,495	5,246		5,246				5,246
Community wealth/Equity	1,028,958	1,011,512	1,027,314		1,140,470				1,027,314
Cash flows									
Net cash from (used) operating	209,606	129,537	133,394	(21,506)	157,614	133,394	(24,220)	-18%	133,394
Net cash from (used) investing	(125,089)	(119,176)	(200,317)	(37,182)	(138,601)	(200,317)	(61,716)	31%	(200,317)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the month/year end	258,161	191,588	191,237	—	277,173	191,237	(85,936)	-45%	191,237
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	4,363	2,697	2,606	2,538	2,474	71,478	—	—	86,156
Creditors Age Analysis									
Total Creditors	9,849	—	—	—	—	—	—	—	9,849

The table above shows a summary of the municipality’s financial performance for the period ended 30 June 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) - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		374,264	335,534	331,381	3,087	332,789	331,381	1,408	0%	331,381
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		374,264	335,534	331,381	3,087	332,789	331,381	1,408	0%	331,381
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4,828	5,479	4,673	305	3,895	4,673	(779)	-17%	4,673
Community and social services		544	681	681	19	193	681	(488)	-72%	681
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4,285	4,798	3,992	286	3,702	3,992	(290)	-7%	3,992
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45,586	71,475	71,348	9,756	51,861	71,348	(19,487)	-27%	71,348
Planning and development		127	20,452	20,325	10	838	20,325	(19,487)	-96%	20,325
Road transport		45,459	51,023	51,023	9,745	51,023	51,023	0	0%	51,023
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		75,078	76,840	76,847	3,970	73,464	76,847	(3,382)	-4%	76,847
Energy sources		67,709	68,576	68,577	3,804	65,693	68,577	(2,884)	-4%	68,577
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,369	8,264	8,270	166	7,772	8,270	(498)	-6%	8,270
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	499,756	489,328	484,250	17,118	462,009	484,250	(22,240)	-5%	484,250
Expenditure - Functional										
<i>Governance and administration</i>		144,640	195,801	193,183	13,828	145,073	193,183	(48,110)	-25%	193,183
Executive and council		54,961	62,138	60,062	5,829	52,827	60,062	(7,234)	-12%	60,062
Finance and administration		86,227	127,983	127,586	7,795	88,937	127,586	(38,649)	-30%	127,586
Internal audit		3,452	5,679	5,535	203	3,308	5,535	(2,227)	-40%	5,535
<i>Community and public safety</i>		24,150	31,625	29,320	3,574	24,238	29,320	(5,083)	-17%	29,320
Community and social services		7,338	11,967	10,509	2,080	8,741	10,509	(1,768)	-17%	10,509
Sport and recreation		1,968	2,853	2,558	11	2,289	2,558	(269)	-11%	2,558
Public safety		14,083	15,769	15,282	1,404	12,463	15,282	(2,819)	-18%	15,282
Housing		762	1,037	971	80	745	971	(226)	-23%	971
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		67,912	105,923	133,367	8,404	80,348	133,367	(53,019)	-40%	133,367
Planning and development		21,005	31,356	33,747	3,348	19,152	33,747	(14,594)	-43%	33,747
Road transport		45,335	72,029	97,041	4,903	59,165	97,041	(37,877)	-39%	97,041
Environmental protection		1,572	2,539	2,578	154	2,031	2,578	(547)	-21%	2,578
<i>Trading services</i>		102,932	96,328	125,706	23,290	98,022	125,706	(27,684)	-22%	125,706
Energy sources		79,676	68,375	98,682	20,914	76,972	98,682	(21,710)	-22%	98,682
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23,256	27,952	27,024	2,376	21,051	27,024	(5,974)	-22%	27,024
<i>Other</i>		2,678	3,853	4,349	249	2,836	4,349	(1,513)	-35%	4,349
Total Expenditure - Functional	3	342,313	433,529	485,925	49,345	350,517	485,925	(135,408)	-28%	485,925
Surplus/ (Deficit) for the year		157,443	55,799	(1,676)	(32,227)	111,492	(1,676)	113,167	-6754%	(1,676)

The table above shows the municipality's financial performance for the period ended 30 June 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) - M12 June

LC443 Winthelezi Municipality - Table G4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - 31/12/2021										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		20,145	26,171	21,283	561	21,163	21,283	(120)	-1%	21,283
Service charges - electricity revenue		35,679	38,809	38,810	3,757	37,199	38,810	(1,612)	-4%	38,810
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,678	4,665	4,671	166	4,202	4,671	(469)	-10%	4,671
		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		5,876	3,093	4,022	343	3,972	4,022	(50)	-1%	4,022
Interest earned - external investments		7,604	10,047	10,047	1,037	10,771	10,047	725	7%	10,047
Interest earned - outstanding debtors		4,275	5,133	5,133	431	4,691	5,133	(442)	-9%	5,133
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	938	938	6	335	938	(604)	-64%	938
Licences and permits		2,343	2,756	1,879	228	2,141	1,879	263	14%	1,879
Agency services		1,291	1,265	1,337	68	1,202	1,337	(134)	-10%	1,337
Transfers and subsidies		338,001	295,690	298,973	346	293,672	298,973	(5,301)	-2%	298,973
Other revenue		781	1,466	982	(306)	420	982	(562)	-57%	982
Gains		1,069	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		422,331	390,032	388,075	6,636	379,768	388,075	(8,307)	-2%	388,075

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

- PROPERTY RATES:** The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like the Department of Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R15 million in the 1st month and a decrease to between R521 and R561 thousand for the following months which has been the case for the month of June 2022. The current revenue recognised on this stream shows that the municipality fell short of its projection by about R120 thousand which is a 1% under generation. This 1% is in line with the standards set for budget versus actuals.
- 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 R3.7 million for the month and a year to date actual of R37.1 million. This is below the projection by about 4% (over R1.6 million). The 4% reported is an improvement from the 6% reported in the previous month. As previously reported, the municipality has installed a automated meter reading system to assist in reducing losses and detect areas where there might be tampering with the municipal infrastructure. There are however challenges that the municipality has faced with the system:

- Modems damaged by water
- Modems being stolen or damaged

The municipality's electricity system is working on a solution to have lockable boxes where these modems are installed.

- **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 R166 thousand which is a reduction from R384 thousand which has been the average for the year pushing the billing to less than the projection by 10% which is a regression from the 6% reported in the previous months. An investigation has indicated that the decrease is as a result of the correction of categories from the verification conducted by the user department from the categories previously confirmed for billing purposes.
- **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 7% which is an improvement from the 6% above projection reported in the previous month. This is still less than the normal performance compared to previous years at the same time.
- **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 R431 thousand for the period ended 30 June 2022 which is less

than the amount projected for the period by 9% which is consistent with the 9% 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 just above R6 thousand for the month of June 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 R343 thousand for the month which has resulted in the actual performance to a level just below the projection by 1% which is a result of the revised budget.
- **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 R228 thousand worth of revenue for the period. The municipality has collected above the revised projected collection by 14% 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 R346 thousand has been transferred to revenue for the period ended 30 June 2022 from the operating grants whose conditions have been met. This has recorded a year to date performance of about R293.6 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 93% overall collection rate for the month ended 30 June 2022. However, we note a 95% collection rate on property rates, 93% on electricity and 88% 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	May-22	Jun-22	4th QUARTER	TOTAL
RATES								
billed	16,906,850	2,341,857	2,372,549	794,303	23,209,918	794,755	24,798,976	21,621,256
payment received	13,508,390	1,780,546	2,889,572	812,145	18,893,572	755,992	20,461,709	18,178,508
% of billing received	80%	76%	122%	102%	81%	95%	83%	84%
ELECTRICITY								
billed	7,431,756	7,537,061	4,975,556	2,432,781	27,348,275	2,441,738	32,222,793	19,944,374
payment received	6,033,695	5,811,837	6,433,259	1,786,955	22,914,981	2,263,365	26,965,301	18,278,791
% of billing received	81%	77%	129%	73%	84%	93%	84%	92%
LEASEHOLD FEES								
billed	880,935	956,916	738,605	341,090	3,258,635	331,596	3,931,320	2,576,456
payment received	834,950	751,337	811,732	9,885	3,155,448	407,445	3,572,778	2,398,020
% of billing received	95%	79%	110%	3%	97%	123%	91%	93%
VAT								
billed	1,419,482	1,446,000	1,412,256	472,414	5,217,951	471,875	6,162,240	4,277,739
payment received	1,184,065	1,084,062	1,180,114	222,825	4,287,051	399,419	4,909,294	3,448,241
% of billing received	83%	75%	84%	47%	82%	85%	80%	81%
INTEREST								
billed	509,648	519,110	589,096	207,762	2,032,510	205,956	2,446,229	1,617,854
payment received	1,903,593	285,182	596,903	170,524	3,132,025	132,289	3,434,838	2,785,678
% of billing received	374%	55%	101%	82%	154%	64%	140%	172%
REFUSE REMOVAL								
billed	1,150,525	1,146,024	1,090,878	375,558	4,179,430	372,499	4,927,488	3,387,428
payment received	1,084,299	756,984	969,740	384,891	3,509,369	328,513	4,222,773	2,811,023
% of billing received	94%	66%	89%	102%	84%	88%	86%	83%
TOTAL INCOME								
billed	28,299,196	13,946,969	11,178,941	4,623,908	65,246,719	4,618,419	74,489,046	127,914,153
payment received	24,548,992	10,469,948	12,881,320	3,387,224	55,892,445	4,287,023	63,566,693	111,466,954
% of billing received	87%	75%	115%	73%	86%	93%	85%	87%

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		105,837	126,854	119,489	8,791	101,093	119,489	(18,396)	-15%	119,489
Remuneration of councillors		23,964	26,007	26,007	2,062	24,284	26,007	(1,723)	-7%	26,007
Debt impairment		5,208	9,600	9,600		–	9,600	(9,600)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	67,682	3,484	42,815	67,682	(24,867)	-37%	67,682
Finance charges		1	150	150	–	–	150	(150)	-100%	150
Bulk purchases - electricity		35,022	40,777	40,777	3,488	36,994	40,777	(3,783)	-9%	40,777
Inventory consumed		4,798	7,663	7,363	934	5,230	7,363	(2,134)	-29%	7,363
Contracted services		41,065	98,848	98,785	7,753	77,455	98,785	(21,330)	-22%	98,785
Transfers and subsidies		4,499	5,907	6,050	322	1,255	6,050	(4,795)	-79%	6,050
Other expenditure		38,313	65,042	71,303	7,456	46,321	71,303	(24,982)	-35%	71,303
Losses		43,425	–	38,718	15,056	15,069	38,718	(23,649)	-61%	38,718
Total Expenditure		342,313	433,529	485,925	49,345	350,517	485,925	(135,408)	-28%	485,925

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 June 2022 reflects an amount of R8.7 million for employee costs and R6 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 15% saving that is always expected considering issues like annual and long-term bonuses, resignations, leave provisions and vacant positions.
- Bulk Purchases:** The municipality purchases electricity in bulk from Eskom for distribution to the town customers. This is the main input cost to the distribution of electricity. The table shows that the municipality spent about R4 million on electricity purchases for the period ended 30 June 2022 and a year to date actual of R36.9 which is below the projected expenditure by 9%. This amount only relates to 20 days of May and 10 days of June as the billing by Eskom only takes place on the 10th of each month.
- Depreciation and asset impairment:** The municipality's depreciation run is performed at the end of each month, resulting in the depreciation for June 2022 being R3.4 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 37%. The difference reported is mainly as a result of the adjustment on the budget for impairments that

was effected during the latest adjustment budget in preparation for the disaster damages on the municipality's infrastructure.

- **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 R7.7 million worth of expenditure during the month. This is as a result of slow spending during the first months of each financial year which is always experienced and the municipality finds it difficult to recover from.
- **Other Expenditure:** This also shows a saving of about 35% which might be as a result of the slow spending during the first months of each financial year which is always experienced and the different stages of covid-19 regulations which has meant little activity was recorded for the municipality and some events being cancelled. There was also a period of over three months where government procurement of over R30 000 was halted resulting in major interruptions in government spending during the period.

f) Revenue by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury		354,705	309,070	309,805	2,433	311,064	309,805	1,259	0.4%	309,805
Vote 3 - Corporate Services		405	293	293	13	483	293	190	64.7%	293
Vote 4 - Community Services		12,198	13,743	12,942	471	11,667	12,942	(1,276)	-9.9%	12,942
Vote 5 - Development Planning		19,267	46,466	41,579	572	22,001	41,579	(19,577)	-47.1%	41,579
Vote 6 - Engineering Services		113,181	119,755	119,629	13,549	116,716	119,629	(2,913)	-2.4%	119,629
Total Revenue by Vote	2	499,756	489,328	484,248	17,639	461,930	484,248	(22,318)	-4.6%	484,248

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 R13.5 million for the month with Budget and Treasury showing generation of over R2.4 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 R572 thousand.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure by Vote	1									
Vote 1 - Executive and Council		71,489	83,323	81,119	7,287	68,803	81,119	(12,316)	-15.2%	81,119
Vote 2 - Budget and Treasury		21,935	37,982	37,534	2,468	22,588	37,534	(14,946)	-39.8%	37,534
Vote 3 - Corporate Services		38,505	59,154	59,195	2,639	39,215	59,195	(19,980)	-33.8%	59,195
Vote 4 - Community Services		62,815	78,225	75,527	7,768	62,598	75,527	(12,930)	-17.1%	75,527
Vote 5 - Development Planning		15,969	29,062	30,061	1,801	15,713	30,061	(14,349)	-47.7%	30,061
Vote 6 - Engineering Services		131,601	145,783	202,488	27,383	141,600	202,488	(60,888)	-30.1%	202,488
Total Expenditure by Vote	2	342,313	433,629	485,925	49,345	350,517	485,925	(135,408)	-27.9%	485,925
Surplus/ (Deficit) for the year	2	157,443	55,798	(1,677)	(32,306)	111,413	(1,677)	113,090	-6744.0%	(1,677)

The table above shows the expenditure by municipal vote. The total expenditure for the month of June 2022 amounted to above R49.3 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		20,145	26,171	21,283	561	21,163	21,283	(120)	-1%	21,283
Service charges - electricity revenue		35,679	38,809	38,810	3,757	37,199	38,810	(1,612)	-4%	38,810
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,578	4,665	4,671	166	4,202	4,671	(469)	-10%	4,671
Rental of facilities and equipment		5,876	3,093	4,022	343	3,972	4,022	(50)	-1%	4,022
Interest earned - external investments		7,604	10,047	10,047	1,037	10,771	10,047	725	7%	10,047
Interest earned - outstanding debtors		4,275	5,133	5,133	431	4,691	5,133	(442)	-9%	5,133
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	938	938	6	335	938	(604)	-64%	938
Licences and permits		2,343	2,756	1,879	228	2,141	1,879	263	14%	1,879
Agency services		1,291	1,265	1,337	68	1,202	1,337	(134)	-10%	1,337
Transfers and subsidies		338,001	295,690	298,973	346	293,672	298,973	(5,301)	-2%	298,973
Other revenue		781	1,466	982	(306)	420	982	(562)	-57%	982
Gains		1,069	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		422,331	390,032	388,075	6,638	379,768	388,075	(8,307)	-2%	388,075
Expenditure By Type										
Employee related costs		105,837	126,854	119,489	8,791	101,093	119,489	(18,396)	-15%	119,489
Remuneration of councillors		23,984	26,007	26,007	2,082	24,284	26,007	(1,723)	-7%	26,007
Debt impairment		5,208	9,600	9,600	-	-	9,600	(9,600)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	67,682	3,484	42,815	67,682	(24,867)	-37%	67,682
Finance charges		1	150	150	-	-	150	(150)	-100%	150
Bulk purchases - electricity		35,022	40,777	40,777	3,488	36,994	40,777	(3,783)	-9%	40,777
Inventory consumed		4,798	7,663	7,363	934	5,230	7,363	(2,134)	-29%	7,363
Contracted services		41,065	98,848	98,785	7,753	77,455	98,785	(21,330)	-22%	98,785
Transfers and subsidies		4,499	5,907	6,050	322	1,255	6,050	(4,795)	-79%	6,050
Other expenditure		38,313	65,042	71,303	7,456	46,321	71,303	(24,982)	-35%	71,303
Losses		43,425	-	38,718	15,056	15,069	38,718	(23,649)	-61%	38,718
Total Expenditure		342,313	433,529	485,925	49,345	350,517	485,925	(135,408)	-28%	485,925
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		80,018	(43,497)	(97,850)	(42,707)	29,251	(97,850)	127,101	(0)	(97,850)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		77,425	99,296	96,175	10,480	82,241	96,175	(13,934)	(0)	96,175
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		157,443	55,799	(1,676)	(32,227)	111,492	(1,676)			(1,676)
Taxation								-		
Surplus/(Deficit) after taxation		157,443	55,799	(1,676)	(32,227)	111,492	(1,676)			(1,676)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		157,443	55,799	(1,676)	(32,227)	111,492	(1,676)			(1,676)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		157,443	55,799	(1,676)	(32,227)	111,492	(1,676)			(1,676)

The municipality has so far recorded a surplus of over R111 million for the period ended 30 June 2022 with a deficit of R32.2 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.

10. 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 - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		64,182	34,277	49,184	11,148	46,961	49,184	2,222	4.5%	49,184
Roads Infrastructure		31,539	13,070	22,276	3,771	20,515	22,276	1,761	7.9%	22,276
Roads		31,539	13,070	22,276	3,771	20,515	22,276	1,761	7.9%	22,276
Electrical Infrastructure		32,643	20,957	26,750	7,376	26,289	26,750	461	1.7%	26,750
MV Networks		30,937	18,107	25,800	6,652	25,565	25,800	235	0.9%	25,800
LV Networks		1,707	2,850	950	724	724	950	226	23.8%	950
Solid Waste Infrastructure		—	250	158	—	158	158	—		158
Waste Drop-off Points		—	250	158	—	158	158	—		158
Community Assets		2,803	13,500	13,083	366	9,581	13,083	3,502	26.8%	13,083
Community Facilities		2,803	13,500	12,352	366	9,581	12,352	2,771	22.4%	12,352
Halls		1,356	8,400	7,000	366	6,168	7,000	832	11.9%	7,000
Crèches		—	3,500	3,752	—	3,413	3,752	338	9.0%	3,752
Markets		1,447	1,600	1,600	—	—	1,600	1,600	100.0%	1,600
Sport and Recreation Facilities		—	—	731	—	—	731	731	100.0%	731
Outdoor Facilities		—	—	731	—	—	731	731	100.0%	731
Other assets		736	19,820	16,699	—	597	16,699	16,102	96.4%	16,699
Operational Buildings		736	19,820	16,699	—	597	16,699	16,102	96.4%	16,699
Yards		736	—	—	—	—	—	—		—
Manufacturing Plant		—	19,820	16,699	—	597	16,699	16,102	96.4%	16,699
Computer Equipment		5,784	1,248	5,598	138	1,834	5,598	3,764	67.2%	5,598
Computer Equipment		5,784	1,248	5,598	138	1,834	5,598	3,764	67.2%	5,598
Furniture and Office Equipment		1,154	6,280	1,440	—	84	1,440	1,356	94.2%	1,440
Furniture and Office Equipment		1,154	6,280	1,440	—	84	1,440	1,356	94.2%	1,440
Machinery and Equipment		1,987	300	360	85	85	360	275	76.4%	360
Machinery and Equipment		1,987	300	360	85	85	360	275	76.4%	360
Transport Assets		1,974	1,400	830	—	—	830	830	100.0%	830
Transport Assets		1,974	1,400	830	—	—	830	830	100.0%	830
Total Capital Expenditure on new assets	1	78,620	76,825	87,193	11,737	59,141	87,193	28,052	32.2%	87,193

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		16,495	—	27,624	19,126	23,023	27,624	4,601	16.7%	27,624
Roads Infrastructure		16,495	—	27,624	19,126	23,023	27,624	4,601	16.7%	27,624
Roads		16,495	—	27,624	19,126	23,023	27,624	4,601	16.7%	27,624
Community Assets		12,588	11,000	27,263	5,686	25,919	27,263	1,344	4.9%	27,263
Community Facilities		12,588	11,000	27,263	5,686	25,919	27,263	1,344	4.9%	27,263
Taxi Ranks/Bus Terminals		12,588	11,000	27,263	5,686	25,919	27,263	1,344	4.9%	27,263
Total Capital Expenditure on renewal of existing assets	1	29,083	11,000	54,888	24,812	48,942	54,888	5,946	10.8%	54,888

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		4,152	-	900	-	652	900	248	27.5%	900
Roads Infrastructure		3,543	-	900	-	652	900	248	27.5%	900
Roads		3,543	-	900	-	652	900	248	27.5%	900
Electrical Infrastructure		609	-	-	-	-	-	-		-
LV Networks		609	-	-	-	-	-	-		-
Community Assets		29,576	29,902	53,208	8,324	39,537	53,208	13,671	25.7%	53,208
Community Facilities		19,643	28,402	22,919	4,614	19,960	22,919	2,959	12.9%	22,919
Halls		19,643	28,402	22,919	4,614	19,960	22,919	2,959	12.9%	22,919
Sport and Recreation Facilities		9,933	1,500	30,288	3,710	19,577	30,288	10,711	35.4%	30,288
Outdoor Facilities		9,933	1,500	30,288	3,710	19,577	30,288	10,711	35.4%	30,288
Total Capital Expenditure on upgrading of existing assets	1	33,728	29,902	54,108	8,324	40,169	54,108	13,918	25.7%	54,108

The above tables indicate that the municipality spent only R44.8 million for the month from its capital budget for the period ended 30 June 2022. Even though the expenditure patterns greatly improved during the last two months of the financial year which has really assisted improve the municipality's performance. With all that being said there are still concerns on the pace of the municipality's two major capital projects which have now become three with the taxi rank also joining the queue. None of these projects was completed by the end of the month as initially anticipated. This then poses a risk in the next financial year's budget as these projects may require funds earmarked for other projects and therefore causing the municipality to delay in the implementation of the next IDP.

b) Capital Expenditure by municipal vote

EC443 Winnie Madikizela Mandela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 6 - Engineering Services		29,576	29,902	80,471	14,009	65,456	80,471	(15,015)	-19%	80,471
Total Capital Multi-year expenditure	4,7	29,576	29,902	80,471	14,009	65,456	80,471	(15,015)	-19%	80,471
Single Year expenditure appropriation	2									
Vote 2 - Budget and Treasury		2,096	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		6,269	7,028	5,978	138	1,918	5,978	(4,060)	-68%	5,978
Vote 4 - Community Services		3,035	3,150	2,378	85	243	2,378	(2,135)	-90%	2,378
Vote 5 - Development Planning		1,447	21,420	19,030	-	597	19,030	(18,433)	-97%	19,030
Vote 6 - Engineering Services		99,009	56,227	88,332	30,639	80,060	88,332	(8,272)	-9%	88,332
Total Capital single-year expenditure	4	111,856	87,825	115,717	30,863	82,817	115,717	(32,901)	-28%	115,717
Total Capital Expenditure		141,432	117,727	196,188	44,872	148,273	196,188	(47,916)	-24%	196,188
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		8,470	7,028	6,178	138	1,918	6,178	(4,260)	-69%	6,178
Finance and administration		8,470	7,028	6,178	138	1,918	6,178	(4,260)	-69%	6,178
<i>Community and public safety</i>		1,875	2,450	1,058	-	158	1,058	(900)	-85%	1,058
Community and social services		980	1,650	158	-	158	158	-	-	158
Sport and recreation		-	-	100	-	-	100	(100)	-100%	100
Public safety		896	800	800	-	-	800	(800)	-100%	800
<i>Economic and environmental services</i>		95,848	85,891	161,083	37,273	119,823	161,083	(41,259)	-26%	161,083
Planning and development		44,271	72,822	110,252	14,376	75,633	110,252	(34,619)	-31%	110,252
Road transport		51,577	13,070	50,830	22,897	44,190	50,830	(6,641)	-13%	50,830
<i>Trading services</i>		34,185	22,357	27,870	7,461	26,374	27,870	(1,496)	-5%	27,870
Energy sources		34,185	21,657	26,750	7,376	26,289	26,750	(461)	-2%	26,750
Waste management		-	700	1,120	85	85	1,120	(1,035)	-92%	1,120
<i>Other</i>		1,054	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	141,432	117,727	196,188	44,872	148,273	196,188	(47,916)	-24%	196,188
Funded by:										
National Government		67,776	86,399	80,762	7,494	60,353	80,762	(20,409)	-25%	80,762
Provincial Government		200	-	-	-	-	-	-	-	-
Transfers recognised - capital		67,976	86,399	80,762	7,494	60,353	80,762	(20,409)	-25%	80,762
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	73,456	31,328	115,426	37,378	87,919	115,426	(27,507)	-24%	115,426
Total Capital Funding		141,432	117,727	196,188	44,872	148,273	196,188	(47,916)	-24%	196,188

The above table indicates that the municipality spent R44.8 from its capital budget for the period ended 30 June 2022 which is very big improvement for the first time during the year 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 in the municipality's inability to complete these in the current year as previously committed.

11. 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 - M12 June

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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		(1,227)	24,763	24,243	2,175	21,527	24,243	2,716	11.2%	24,543
Roads Infrastructure		(1,566)	20,663	20,143	1,885	18,527	20,143	1,616	8.0%	20,443
Roads		3	616	316	191	191	316	125	39.8%	616
Road Structures		(2,068)	19,548	19,328	1,694	18,039	19,328	1,289	6.7%	19,328
Road Furniture		500	500	500	-	297	500	203	40.5%	500
Electrical Infrastructure		339	4,100	4,100	290	3,000	4,100	1,100	26.8%	4,100
MV Networks		339	4,100	4,100	290	3,000	4,100	1,100	26.8%	4,100
Community Assets		515	903	1,090	-	482	1,090	608	55.8%	1,090
Community Facilities		515	903	1,090	-	482	1,090	608	55.8%	1,090
Halls		27	300	400	-	-	400	400	100.0%	400
Libraries		281	183	270	-	69	270	201	74.6%	270
Parks		207	420	420	-	413	420	7	1.6%	420
Other assets		4,043	4,439	3,975	61	3,472	3,975	504	12.7%	3,975
Operational Buildings		4,043	4,439	3,975	61	3,472	3,975	504	12.7%	3,975
Municipal Offices		3,894	4,231	3,831	61	3,328	3,831	503	13.1%	3,831
Yards		149	208	144	-	143	144	1	0.6%	144
Computer Equipment		72	100	50	-	35	50	15	29.5%	50
Computer Equipment		72	100	50	-	35	50	15	29.5%	50
Machinery and Equipment		324	570	530	6	256	530	274	51.8%	530
Machinery and Equipment		324	570	530	6	256	530	274	51.8%	530
Transport Assets		1,886	3,496	3,366	250	2,370	3,366	997	29.6%	3,366
Transport Assets		1,886	3,496	3,366	250	2,370	3,366	997	29.6%	3,366
Total Repairs and Maintenance Expenditure	1	5,614	34,271	33,254	2,491	28,141	33,254	5,114	15.4%	33,554

The table above shows the municipality's performance for the month and year to date on maintenance of municipal assets which shows a R2.4 million spending for the month with a year to date of R28.1 million. The spending shows being below the projections made at the start of the year by 15% and will continue to be monitored to ensure that no underspending is recorded in the following year resulting from same problems identified. This may however not be a bad indication as this an area of spending that related to a number of factors which may change at any time.

b) Depreciation and Asset Impairment

EC443 Winnie Madikizela Mandela - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		29,666	39,754	39,754	2,535	30,855	39,754	8,899	22.4%	39,754
Roads Infrastructure		29,499	38,934	38,934	2,424	29,507	38,934	9,427	24.2%	38,934
Roads		29,499	38,934	38,934	1,049	12,774	38,934	26,160	67.2%	38,934
Road Structures					1,339	16,295	-	(16,295)	#DIV/0!	
Road Furniture					36	438	-	(438)	#DIV/0!	
Storm water Infrastructure		-	121	121	45	543	121	(422)	-349.9%	121
Drainage Collection			121	121	17	204	121	(84)	-69.4%	121
Storm water Conveyance					28	338		(338)	#DIV/0!	
Electrical Infrastructure		-	488	488	52	638	488	(150)	-30.8%	488
HV Transmission Conductors			235	235	-	-	235	235	100.0%	235
MV Substations			24	24	4	51	24	(28)	-117.7%	24
MV Switching Stations			43	43		-	43	43	100.0%	43
MV Networks			102	102	35	432	102	(330)	-323.5%	102
LV Networks			84	84	13	155	84	(71)	-84.3%	84
Solid Waste Infrastructure		167	212	212	14	167	212	45	21.3%	212
Landfill Sites		167	212	212	14	167	212	45	21.3%	212
Community Assets		2,371	2,755	2,755	201	2,448	2,755	307	11.2%	2,755
Community Facilities		2,371	2,755	2,755	138	1,676	2,755	1,079	39.2%	2,755
Halls		2,371	1,358	1,358	97	1,182	1,358	177	13.0%	1,358
Centres			1,379	1,379		-	1,379	1,379	100.0%	1,379
Crèches			-	-	24	295	-	(295)	#DIV/0!	
Cemeteries/Crematoria			17	17	1	13	17	4	23.1%	17
Parks			-	-	8	101	-	(101)	#DIV/0!	
Public Ablution Facilities			-	-	2	27	-	(27)	#DIV/0!	
Stalls			-	-	5	58	-	(58)	#DIV/0!	
Sport and Recreation Facilities		-	-	-	63	772	-	(772)	#DIV/0!	
Outdoor Facilities					63	772	-	(772)	#DIV/0!	
Other assets		722	1,128	1,128	55	623	1,128	505	44.7%	1,128
Operational Buildings		722	1,128	1,128	54	610	1,128	518	45.9%	1,128
Municipal Offices		722	1,128	1,128	29	306	1,128	822	72.9%	1,128
Pay/Enquiry Points					0	3	-	(3)	#DIV/0!	
Yards					6	77	-	(77)	#DIV/0!	
Stores					9	115	-	(115)	#DIV/0!	
Training Centres					9	110	-	(110)	#DIV/0!	
Housing		-	-	-	1	13	-	(13)	#DIV/0!	
Social Housing					1	13	-	(13)	#DIV/0!	
Intangible Assets		129	100	100	-	70	100	30	30.1%	100
Licences and Rights		129	100	100	-	70	100	30	30.1%	100
Computer Software and Applications		129	100	100	-	70	100	30	30.1%	100
Computer Equipment		186	400	400	211	2,278	400	(1,878)	-468.9%	400
Computer Equipment		186	400	400	211	2,278	400	(1,878)	-468.9%	400
Furniture and Office Equipment		2,797	3,174	3,174	90	1,199	3,174	1,975	62.2%	3,174
Furniture and Office Equipment		2,797	3,174	3,174	90	1,199	3,174	1,975	62.2%	3,174
Machinery and Equipment		2,856	3,179	3,179	284	3,969	3,179	(790)	-24.9%	3,179
Machinery and Equipment		2,856	3,179	3,179	284	3,969	3,179	(790)	-24.9%	3,179
Transport Assets		1,452	2,191	2,191	107	1,375	2,191	817	37.3%	2,191
Transport Assets		1,452	2,191	2,191	107	1,375	2,191	817	37.3%	2,191
Total Depreciation	1	40,180	52,682	52,682	3,484	42,816	52,682	9,866	18.7%	52,682

12. Supply chain management

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

a. Acquisition management

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

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

b. Handling of tenders during COVID-19

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

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

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

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

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

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

c. 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.

Paragraph 6 of the communication issued by National Treasury on the 3rd March 2022 indicated that, until the new regulations take effect or the Constitutional Court's clarity on the suspension of the invalidity of the 2017 Regulations is provided, whichever occurs first, an organ of state may, in terms of section 3(c) of the Act, request an exemption from the provisions of the Act for a specific procurement or a category of procurement requirements.

On the 12th of May 2022 the municipality wrote to National Treasury to request an exemption as indicated above with such exemption being granted on the 23rd of May 2022 (the effective date). The exemption

would have allowed for the municipality to proceed with procurement requirements above R30 000 to catch up on the service delivery needs of the community it serves.

On the 30th of May 2022, the Constitutional Court issued a judgement on the clarification that the minister was seeking. On the judgement, the Constitutional Court concluded as follows: -

“the [Supreme Court of Appeal’s] order as a whole was suspended when the Minister applied for leave to appeal to this Court; that the order of suspension by the [Supreme Court of Appeal], once suspended by the application for leave to appeal, did not take effect until this Court dismissed the Minister’s appeal; and that the declaration of invalidity as ordered by the [Supreme Court of Appeal] remains suspended and the period of suspension commenced running again after this Court dismissed the Minister’s appeal on 16 February 2022.”

- For the reasons given, there was no need for this clear legal position to be confirmed.
- With the legal position as plain as it is, the judge did not understand how the confusion they were hearing about from the Minister could have arisen
- In summary, there was no substance in the Minister’s submissions
- Obviously, the decision to halt procurement was the result of a misunderstanding of the law. It had nothing to do with the order of the Court

This then meant that the exemption was no longer effective and government should never have stopped procurement at any stage considering that the regulations were still effective for the next 12 months from the date of the court order.

d. Procurement requests below R2000.00

SI3.2. (b)(1) Supply Chain Management policy states that 01 written quotation will be obtain for any procurement of transaction below an amount of R2000 including vat.

Date	Creditor Name	Value	Function	Segment	Specification
2022/06/30	The Institute Of Internal	986.14	Core Function:Governance Function	Membership fees internal audit 515260290	Membership Fees For June 2022
2022/06/06	Institute For Local Government	1,000.00	Core Function:Finance	Membership Fees 1005260170	Membership Fees For June 2023
2022/06/06	Institute For Local Government	1,000.00	Core Function:Finance	Membership Fees 1005260170	Membership Fees For June 2024
2022/06/15	Pondoland Times	1,600.00	Core Function:Supply Chain Management	Advertising fees SCM 1005260540	Advertising Of Preparation Of A Grap Compliant Immovable Asset Regis 2021/22 Financial Year
2022/06/20	Fakade Construction (Pty) Ltd	1,650.00	Core Function:Human Resources	Catering Skills programme 1010	Request For Lunch For 15 People Who Will Attend Training And Developme Ee Meeting On The 20th Of June 2022
2022/06/28	Group Two Media Company	1,800.00	Core Function:Mayor And Council	Advertising MM	Request Advertisement For Ordinary Council Meeting In 2 Local Newsape Held On The 28 June 2022 At Oliver And Adelaide Tambo Regional Hospita Auditorium At 10h00
2022/06/10	Group Two Media Company	1,800.00	Core Function:Finance	Advertising Finance	Request For Publishing Of A Notice Of Debt Amnesty For Consumer Debtor Local News Paper
2022/06/15	Pondoland Times	1,900.00	Administrative And Corporate Support Cor	Advertising Publicity and Marketing:Corporate and Municipal	Request For Advertising Contract For Filment Services
2022/06/15	Pondoland Times	1,900.00	Core Function:Police Forces Traffic And	Traffic Equipment Maintenance	Request Advertisement To Maintain And Repair Of Traffic Lights For A Pe Three Years
2022/06/15	Pondoland Times	1,900.00	Core Function: Economic Development/Plann	Advertising fees 1505	Request For A News Paper Advert For Supply & Delivery Of Arts & Crafte Material & Equipment
2022/06/22	African Compass Trading 37cc	1,995.00	Core Function: Mayor And Council	Catering Councilors meetings	Request For Still Water
2022/06/30	Group Two Media Company	2,000.00	Core Function: Municipal Manager Town Se	Advertising MM	Request Advertising Of The Sdbip For 2022/2023 To A Local Newspaper
2022/06/30	Group Two Media Company	2,000.00	Core Function: Finance	Advertising Finance	Request For Advertising Of 2nd Adjustment Budget
2022/06/27	Group Two Media Company	2,000.00	Non-Core Function: Population Development	Advertising fees community services 2505260540	Request For Advertisement Of A Customised Change Room Container
2022/06/27	Group Two Media Company	2,000.00	Core Function: Economic Development/Plann	Advertising fees 1505	Request For Advert For Qualified Service Provider To Conduct Capacity For Communities Identified For The Construction Of Manufacturing Hubs The Attached Specification
2022/06/15	Group Two Media Company	2,000.00	Core Function: Project Management Unit	Advertising fees PMU 5505260540	Request To Advertise Electrification Of Ziziyameni, Lower-Ethridge, M And Norrlacu
2022/06/08	Olew Trading Projects	2,000.00	Core Function: Mayor And Council	Catering special progrmans gender 505260191	Request For A Pa System

Date	Creditor Name	Value	Function	Segment	Specification
2022/06/06	Iso News (Pty) Ltd	2,000.00	Core Function: Finance	Advertising Finance	Request For Advertising Of The Multi-Utility Online Pre-Paid Electric Management System

31,531.14

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

Date	Creditor Name	Value	Fuction	Segment	Specification
2022/06/07	Group Two Media Company	2,160.00	Core Function: Municipal Manager Town Se	Advertising MM	Advert For Socio-Economic Infrastructure Study
2022/06/07	Group Two Media Company	2,160.00	Core Function: Project Management Unit	MAAA0943404	Request For The Advertisement For The Construction Of Sigingqini To Ma Tshongweni: Sikhaxeni Access Roads, Ecde Ward 13; Electrification Of Lower-Ethridge, Msamweni And Ziziyweni Villages For The Next Finan
2022/06/07	Mthi-Omhle Trading	2,240.00	Core Function: Mayor And Council	Hire Charges Council	Request Fruits (3 Per Person) For Special Council Meeting To Be Held O 06 June 2022 At Council Chamber
2022/06/09	Sihwale Trading 88 Pty Ltd	3,000.00	Core Function: Mayor And Council	Catering Councilors meetings	Request For Water
2022/06/15	Nomvula Sakha And Company	3,174.04	Core Function: Finance	Protective Clothing Uniform 1005	Request For Royal Blue Worksuit With Reflector Tape Size: Large
2022/06/09	Government Printing Works	3,783.00	Core Function: Economic Development/Plan	Advertising fees 1505	Request For Gazetting Of Resolution On Levying Property Rates
2022/06/08	Mle (Pty) Ltd	4,211.24	Core Function: Human Resources	Personnel Recruitment cost 1010	Request For Verification Of Shortlisted Candidates - Min Position
2022/06/27	African Compass Trading 37cc	5,225.00	Core Function: Mayor And Council	Whippery support catering costs 505260175	Request Lunch With Soft Drinks For Constituency Work To Be Held On The 2022 At Council Chamber At 11h00
2022/06/23	Truvelo Manufacturers (Pty) Ltd	5,263.49	Core Function: Police Forces Traffic And	Traffic Equipment Maintenance	Maintenance Eof Pro Laser & Breathing Machine
2022/06/28	Iso News (Pty) Ltd	5,280.00	Core Function: Municipal Manager Town Se	Advertising MM	Request Advertisement For Ordinary Council Meeting In 2 Local Newspaper Held On The 28 June 2022 At Oliver And Adelaide Tambo Regional Hospita At 10h00
2022/06/30	Government Printing Works	6,052.80	Core Function: Economic Development/Plan	Advertising Publicity and Marketing: Corporate and Municipal	Re-issue F800443033-2019/12/09
2022/06/08	Munsoft (Pty) Ltd	6,900.00	Core Function: Finance	mSCOA 1010260900	Request For Munsoft Training For 4 Officials
2022/06/30	Asenati Construction	9,500.00	Core Function: Solid Waste Removal	Transport Hire	Hiring Of 850 Ton Truck To Carry Illegal Structures
2022/06/30	The Institute Of Internal	11,833.49	Core Function: Governance	Membership fees internal audit 515260290	Payment For Membership Fees
2022/06/30	The Institute Of Internal	11,833.52	Core Function: Governance	Membership fees internal audit 515260290	Membership Fees- June 2022
2022/06/23	Lizozo's Construction & Projec	12,850.00	Core Function: Mayor And Council	Community Education catering 505260695	Catering For Community Education On The 24.06.22
2022/06/15	Yoyobahle (Pty) Ltd	12,990.00	Core Function: Mayor And Council	Community Education catering 505260695	Catering For Community Education To Be At Ward 25 Makhwanini Village On 15/06/2022
2022/06/20	Xolani Sizwe Construction	13,500.00	Core Function: Mayor And Council	Support to Traditional Leaders transportation 505260195	Request 3 Taxis For Traditional Leaders To Attend Funeral Of Royal Hig Zanozuko Sigcau On The 21 June 2022 At Ntshakude (Gaukeni) Flagstaff.
2022/06/15	Kwik-Fit Bizana	14,947.81	Core Function: Roads	Roads Vehicle Maintenance	Request For 2x Left Back Tyres For Tipper Truck; Tyre Size 315/80 R22. Hpz 923 Ec

Date	Creditor Name	Value	Function	Segment	Specification
2022/06/27	Tamati Transport Pty Ltd	16,500.00	Core Function:Mayor And Council	Whippery support transport hire	Request Three Quantum For Councilor's Workshop On The 28-30 June 20
2022/06/06	Amatshazi Transport	17,550.00	Core Function:Solid Waste Removal	Transport Hire	Request For Hiring Of Tlb For Refuse Removal Activities For The 06/07, 2022
2022/06/27	Maghlo Trading& Projects	18,000.00	Core Function:Solid Waste Removal	Transport Hire	Request For Truck Hire For 5 Days For Waste Collection Services
2022/06/30	Mabozela Trading And Enterpris	18,400.00	Non-Core Function:Electricity	Transport Hire street lights 6505235001	Request For Crane Truck Services For One Day
2022/06/20	Shie Ntshi Projects	19,675.00	Core Function:Mayor And Council	Promotional Items HivAids 505260440	Request Screening Guns
2022/06/06	Nongjli Trading And Projects P	21,000.00	Core Function:Mayor And Council	CDW support transportation	Transport For Cdw's To East London
2022/06/03	Kwkw-Fit Bizana	21,217.50	Core Function:Roads	Roads Vehicle Maintenance	Request For Three (3) Tyres, 02 From The Front And 01 From The Back Ty 315/80/22.5 154/150m
2022/06/27	Xabani Trading And Projects Cc	22,100.00	Core Function:Mayor And Council	Catering Councilors meetings	Request Tea For Ordinary Council Meeting
2022/06/23	Driving License Card Account	22,515.00	Non-Core Function:Road And Traffic Regul	Stationery vehicle testing and licencing	Payment To Driving Licence Card Account For June 2022
2022/06/06	Karoo Dawn Construction & Pro	23,000.00	Core Function:Solid Waste Removal	Transportation cleaning campaign	Request For Catering For 50 Participants For Waste Management Cleaning On The 04 June 2022 @09h00 At Wmm Lm
2022/06/07	Zebraiah Cwils	24,000.00	Core Function:Roads	Rm Buildings Maintenance roads 5505	Request For Servicing Of Air Conditioners (4)
2022/06/27	Lajanka (Pty)Ltd	27,000.00	Core Function:Solid Waste Removal	Catering cleaning campaign 5020260490	Request Catering For 80 X Participants For Waste Management Recyclers On The 21 June 2022 At Multi- Purpose Youth Centre
2022/06/23	Pam - Tee Trading Pty Ltd	27,800.00	Core Function:Mayor And Council	Catering Childrens program 505260194	Request Lunch For (200) Maidens For Camp At Nompumalange Special Schoo 22-23 June 2022.
2022/06/09	One Vision Academy	28,980.08	Core Function:Finance	Finished Goods:Acquisitions	Request 1 Stamp For Scm Manager
2022/06/15	Mwazanas Construction	29,250.00	Core Function:Mayor And Council	Transport	Request 15 Taxis For Youth Month 2022.
2022/06/23	Snow Love And Care Trading	29,300.00	Non-Core Function: Electricity	Transport Hire street lights 6505235001	Request For Removal Of Cat Roller From Ntshamathe To Wmnie Madikizela Local Municipality Premises.
2022/06/28	Black Butterfly Construction	29,450.00	Core Function: Finance	Finished Goods: Acquisitions	Request For 65 Boxes Of White Printing Papers

532,741.97

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.

Date	Creditor Name	Value	Function	Segment	Specification
2022/06/06	University Of Fort Hare	32,670.01	Core Function: Finance	FMG Minimum Competency Tuition	Study Fees For Soduzuka Nkosiaphendlo
2022/06/30	Ludwala Investment Services	61,980.00	Core Function: Mayor And Council	Promotional Items childrens program 505260194	Payment For Chairs With Arm Rest
2022/06/30	Cape To Cairo Invest (Pty) Ltd	71,307.93	Core Function: Finance	Finished Goods: Acquisitions	Request Payment For Cape To Cairo Supply And Delivery Of Refuse Bags F Month Of June 2022
2022/06/13	Cape To Cairo Invest (Pty) Ltd	71,307.93	Core Function: Finance	Finished Goods: Acquisitions	Request Payment For Supply And Delivery Of Refuse Bags For The Month O
2022/06/13	Cape To Cairo Invest (Pty) Ltd	71,307.93	Core Function: Finance	Finished Goods: Acquisitions	Request Payment For Supply And Delivery For The Month Of May/2022
2022/06/30	The Manes Pty Ltd	74,750.00	Core Function: Solid Waste Removal	Waste receptacles	Payment For The Supply And Delivery Of Waste Receptacles
2022/06/30	Moya Training And Projects	85,000.00	Core Function: Solid Waste Removal	Grass Cutting Machine	Grass Cutting Machines F's 450
2022/06/06	Trenjiwes Business Solutions	93,085.00	Core Function: Human Resources	Medical Checkups	Medical Checkups For 80 Officials
2022/06/30	Sama Business Solutions	99,624.00	Core Function: Mayor and Council	Health care kits HIVAids 505260440	Payment For Supply And Delivery Of Home Care Kits
2022/06/15	Wits School Of Governance	116,000.00	Core Function: Finance	FMG Minimum Competency Tuition	Payment Of Cpnd Fees For Nonzanga Ernest Ntsikane And Nasiphi Sonjica
2022/06/23	Ncalana Trading And Projects	145,400.00	Non-Core Function: Electricity	RM Street Lighting 6505235001	Payment For Galvanised Steel Poles
2022/06/30	Ludwala Investment Services	149,500.00	Core Function: Police Forces Traffic And	Promotional items childrens program 505260194	Payment For Rubber Bullets
2022/06/30	Sama Business Solutions	159,950.00	Core Function: Mayor And Council	Hire costs Legacy 505260188	Payment For Traditional Horse Racing - Sound
2022/06/07	Munsoff (Pty) Ltd	172,500.00	Core Function: Finance	Maintenance of Financial Mangagement System (FMG)	Payment For Valuation Roll Reconciliation
2022/06/10	Kukhanya Energy Services Pty	1,673,595.00	Non-Core Function: Population Development	Solar Energy Subsidy Grant 2505	Payment For Ebe Units For The Month Of July 2021 TO May 2022.

3,077,977.80

13. Status of Tenders

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

a) Mini Tender progress for May 2022

N o	Bidder	Amount	Paid	Balance	Bid number	Description	Award Date
45	Faith Lwa	R 172,400.00	R -	R 172,400.00	WMM LM 10/06/22/01 ABC	Annual Business Conference	Wednesday, 22 June 2022
46	BMI Electrical Pty LTD	R 172,500.00	R -	R 172,500.00	WMM LM27/05/21 S&D SL&P:W18 &EXT 01	Supply & Delivery of Solar Lights @ Panels:Ward 18 and ext 01	Wednesday, 22 June 2022
47	SAMA Business Solutions	R 159,950.00	R 159,950.00	R -	WMM LM 24/02/21 THRE	Traditional Horse Racing Event:WMM LM 24/02/21 THRE	Tuesday, 14 June 2022
48	The Manes	R 74,750.00	R 74,750.00	R -	WMM LM/27/05/21 S&D WR WB.	Supply and Delivery of Waste Receptacles(Wheelie Bins)	Wednesday, 15 June 2022
49	Dosvents	R 124,450.00	R -	R 124,450.00	WMM LM/08/06/22/02 PCM	Procurement of Cleaning Material	Thursday, 23 June 2022
50	Ludwala Investment Services	R 61,980.00	R 61,980.00	R -	WMM LM 14/02/22/02 ETE	Purchase of Educational TOOLS	Thursday, 23 June 2022
51	Moya Training & Projects	R 85,000.00	R 85,000.00	R -	WMM LM/27/05/21 S&D GCM	Supply and Delivery of Grass Cutting Machines	Wednesday, 22 June 2022
52	Ludwala Investment Services	R 149,500.00	R 149,500.00	R -	WMM LM/24/02/21 P PTC	Procurement of Traffic Consumables	Wednesday, 15 June 2022
53	Sihle Pot Trading	R 199,500.00	R -	R 199,500.00	WMM LM/10/06/22	Customer care satisfactory Survey	Thursday, 23 June 2022
54	SAMA Business Solutions	R 99,624.00		R 99,624.00	WMM LM/27/05/21 S&D HCK	Supply and Delivery of Home Care Kits	Friday, 17 June 2022
	TOTAL	R 1,299,654.00	R 531,180.00	R768,474.00			

b) Tenders awarded during the month of June 2022

No tenders were awarded during the month.

c) Status of current tenders

Name of the Project	Bid Number	Chairperson	Advert Date	Closing Date	Appointment Date	Validity	Validity Period	Status
Social Relief Material	WMM LM 0064 SRM	Mr.D.N.Luphoko	Friday, 03 June 2022	Wednesday, 06 July 2022	Friday, 13 August 2021	91	Wednesday, 05 October 2022	To be re-advertised
Socio-Economic Infrastructure Assessment Study	WMM LM 004/ S-EIAS	Not Appointed	Friday, 03 June 2022	Friday, 17 June 2022	Not Appointed	90	Thursday, 15 September 2022	Advertised
Supply and Delivery of Stationery for 12 Months	WMM LM 09/09/1/01 PST	Not Appointed	Friday, 03 June 2022	Monday, 04 July 2022	Not Appointed	90	Sunday, 02 October 2022	Advertised
Provision of Insurance for 3 Years	WMM LM 27/10/21/01 PIS	Mr. S. Mbusi	Friday, 03 June 2022	Monday, 04 July 2022	Tuesday, 13 December 2022	90	Sunday, 02 October 2022	to be evaluated
Supply and Delivery of Protective Clothing for Protection Services	WMM LM 09/06/22 PCPS	To be appointed	Friday, 17 June 2022	Friday, 01 July 2022	Tuesday, 13 December 2022	90	Thursday, 29 September 2022	Advertised
Maintenance of Traffic Lights for 3 years	WMM LM 09/06/22 MTL	To be appointed	Friday, 17 June 2022	Monday, 18 July 2022	Tuesday, 13 December 2022	91	Monday, 17 October 2022	Advertised
Panel for Vehicle Fitness Services	WMM LM 13/06/22/02 PVF	To be appointed	Friday, 17 June 2022	Monday, 18 July 2022	Tuesday, 09 November 2021	90	Sunday, 16 October 2022	Advertised
Supply and Delivery of 15 Skip Bin Containers	WMM LM 31/05/22 S&D SBC	To be appointed	Friday, 17 June 2022	Wednesday, 29 June 2022	Tuesday, 09 November 2021	90	Tuesday, 27 September 2022	Advertised
Supply and Delivery of Arts & Craft Material and Equipment	WMM LM 09/06/22 ACME	To be appointed	Friday, 17 June 2022	Wednesday, 06 July 2022	Tuesday, 09 November 2021	90	Tuesday, 04 October 2022	Advertised
Preparation of a Grap Compliant Immoveable Asset Register for 2021/22 Financial Year	WMM LM 14/06/22 FAR	To be appointed	Friday, 17 June 2022	Monday, 04 July 2022	Tuesday, 09 November 2021	90	Sunday, 02 October 2022	Advertised
Construction of Sigingqini to Marina to Access Road	WMM LM 31/05/22/02 SMA	To be appointed	Friday, 03 June 2022	Friday, 17 June 2022	Tuesday, 09 November 2021	90	Thursday, 15 September 2022	Advertised
Construction of Tshongweni Access Road	WMM LM 31/05/22/03 TAR	To be appointed	Friday, 03 June 2022	Friday, 17 June 2022	Tuesday, 09 November 2021	90	Thursday, 15 September 2022	Advertised

Name of the Project	Bid Number	Chairperson	Advert Date	Closing Date	Appointment Date	Validity	Validity Period	Status
Construction of Sixhenxeni Access Road	WMM LM 31/05/22/04 SAR	To be appointed	Friday, 03 June 2022	Friday, 17 June 2022	Tuesday, 09 November 2021	90	Thursday, 15 September 2022	Advertised
Construction of Early Childhood Development Centre in Ward 13	WMM LM 31/05/22/05 ECD	To be appointed	Friday, 03 June 2022	Friday, 17 June 2022	Tuesday, 09 November 2021	90	Thursday, 15 September 2022	Advertised
Maintenance of Electricity Infrastructure	WMM LM 31/05/22/01 MEI	To be appointed	Friday, 03 June 2022	Friday, 17 June 2022	Tuesday, 09 November 2021	90	Thursday, 15 September 2022	Advertised
Multi Discipline Panel of Consultants	WMM LM 31/05/22/06 MDP	To be appointed	Friday, 03 June 2022	Monday, 04 July 2022	Tuesday, 09 November 2021	90	Sunday, 02 October 2022	Advertised
Supply and Delivery of a Customized Change Rooms Container	WMM 11/02/22/01 CCR	To be appointed	Friday, 03 June 2022	Friday, 17 June 2022	Tuesday, 09 November 2021	90	Thursday, 15 September 2022	Advertised
Pre-Capacity Building for GBS Communities	WMM 10/06/22 B GBS C	To be appointed	Friday, 24 June 2022	Thursday, 14 July 2022	Tuesday, 09 November 2021	90	Wednesday, 12 October 2022	Advertised
Electrification of Lowe Ethridge Village	WMM LM 00057E NV	To be appointed	Friday, 17 June 2022	Monday, 18 July 2022	Tuesday, 09 November 2021	90	Sunday, 16 October 2022	Advertised
Electrification of Msarhweni Village	WMM LM 00060E NV	To be appointed	Friday, 17 June 2022	Monday, 18 July 2022	Tuesday, 09 November 2021	90	Sunday, 16 October 2022	Advertised
Electrification of Zizityaneni Village	WMM LM 00058E NV	To be appointed	Friday, 17 June 2022	Tuesday, 19 July 2022	Tuesday, 09 November 2021	90	Monday, 17 October 2022	Advertised
Electrification of Nomlacu Village	WMM LM 00059E NV	To be appointed	Friday, 17 June 2022	Tuesday, 19 July 2022	Tuesday, 09 November 2021	90	Monday, 17 October 2022	Advertised
Multi-Utility Online Pre-paid Electricity Vending Management System	WMM LM 00088 PVMS	To be appointed	Friday, 03 June 2022	Tuesday, 05 July 2022	Tuesday, 09 November 2021	90	Monday, 03 October 2022	Advertised
Procurement of Service Room Infrastructure	WMM LM 0070 PSR-1	To be appointed	Friday, 17 June 2022	Monday, 04 July 2022	Tuesday, 09 November 2021	90	Sunday, 02 October 2022	Advertised
Fumigation / Disinfection Services for 2 Years	WMM LM 27/10/21/01 PIS	To be appointed	Friday, 17 June 2022	Tuesday, 19 July 2022	Tuesday, 09 November 2021	90	Monday, 17 October 2022	Advertised

d) Deviations

No deviations were recorded during the month.

e) Fruitless and Wasteful Expenditure

No fruitless and wasteful expenditure was incurred during the month.

f) Irregular Expenditure

The MFMA, among other things defines irregular expenditure as any expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998).

Item 16 of Government Gazette No. 46470 on the determination of upper limits of the salaries, allowances and benefits different members of municipal councils stipulates the following:

- 1) Any remuneration paid to a councillor of a municipality otherwise than in accordance with section 167(1) of the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and the municipality –*
 - a) Must recover that remuneration from the political office bearer or member;*
 - b) May not write-off any expenditure incurred by the municipality in paying or giving that remuneration; and*
 - c) Must be reported to the MEC within 30 days of becoming aware*

During the reconciliations of the remuneration of councillors, it was identified that a letter of resignation for one of the councillors who resigned with effect from 1 June 2022 was only submitted for payroll processes after the remuneration had already been processed and therefore creating an overpayment of the said remuneration for the month. The details of the transaction are as follows:

Winnie Madikizela-Mandela Local Municipality		
Irregular, Unauthorised, Fruitless and Wasteful Expenditure - 2021-22		
Transaction details	Type of	Status

Date of Payment	Payment Number	Creditor Name	Amount	Description of Incident	Prohibited Expenditure							General comments
						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15 June 2022	EF007427-0002	Mr. S Magini	R 15,795	Overpayment of a councillor who resigned at the start of the month	Irregular Expenditure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resignation letter received after payment was processed
						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			15,794.85			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

14. Database utilisation

The following table indicates the service providers that have been utilised for the month of June 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	Ward no.
THE INSTITUTE OF INTERNAL INSTITUTE FOR LOCAL GOVERNMENT	P.O BOX 2290 BEDFORDVIEW 2008 2008	Governance Function	2022/06/30	986.14	RECEIV ED	Pretoria
INSTITUTE FOR LOCAL GOVERNMENT	4 karen street Bryston gauteng 2021	Finance	2022/06/06	1,000.00	RECEIV ED	Gauteng
	4 karen street Bryston gauteng 2021	Finance	2022/06/06	1,000.00	RECEIV ED	Gauteng
PONDOLAND TIMES FAKADE CONSTRUCTION (PTY) LTD	P.O.BOX 127 BIZANA WARD 17 4800	Supply Chain Management	2022/06/15	1,600.00	RECEIV ED	Ward 17
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Human Resources	2022/06/20	1,650.00	RECEIV ED	Ward 17
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Mayor and Council	2022/06/28	1,800.00	RECEIV ED	Kokstad
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Finance	2022/06/10	1,800.00	RECEIV ED	Kokstad
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Administrative and Corporate Support	2022/06/15	1,900.00	RECEIV ED	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Police Forces Traffic and	2022/06/15	1,900.00	RECEIV ED	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Economic Development/Plann	2022/06/15	1,900.00	RECEIV ED	Ward 17

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Ward no.
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Mayor and Council	2022/06/ 22	1,995.00	RECEIV ED	Ward 31
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Population Development	2022/06/ 27	2,000.00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Economic Development/Planm	2022/06/ 27	2,000.00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Project Management Unit	2022/06/ 15	2,000.00	RECEIV ED	Kokstad
OLEW TRADING PROJECTS	PO BOX 210613 BIZANA WARD 26 4800	Mayor and Council	2022/06/ 08	2,000.00	RECEIV ED	Ward 26
ISO NEWS (PTY) LTD	P.O BOX 257 KOKSTAD WARD 1 4700	Finance	2022/06/ 06	2,000.00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Municipal Manager Town Se	2022/06/ 07	2,160.00	RECEIV ED	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Project Management Unit	2022/06/ 07	2,160.00	RECEIV ED	Kokstad
MTHI-OMHLE TRADING	MARINA LOCATION MZAMBA LOCATION WARD 23 4800	Mayor and Council	2022/06/ 07	2,240.00	RECEIV ED	Ward 23
SIHWALE TRADING 88 PTY LTD	P.O. BOX 764 PORT EDWARD PORT EDWARD 4800	Mayor and Council	2022/06/ 09	3,000.00	RECEIV ED	Ward 1
NOMVULA SAKHA AND COMPANY	P.O BOX 577 BIZANA 4800	Finance	2022/06/ 15	3,174.04	RECEIV ED	Ward 23
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Mayor and Council	2022/06/ 27	5,225.00	RECEIV ED	Ward 31
TRUVELLO MANUFACTURERS (PTY)LTD	P O BOX 14183 LYTELTON 0140	Police Forces Traffic and	2022/06/ 23	5,263.49	RECEIV ED	Pretoria
ISO NEWS (PTY) LTD	P.O BOX 257 KOKSTAD WARD 1 4700	Municipal Manager Town Se	2022/06/ 28	5,280.00	RECEIV ED	Kokstad
GOVERNMENT PRINTING WORKS	149 BOSMAN STREET PRETORIA	Economic Development/Planm	2022/06/ 30	6,052.80	RECEIV ED	Pretoria
LIZOZO'S CONSTRUCTION & PROIEC	P.O.BOX 253 BIZANA WARD 31 4800	Mayor and Council	2022/06/ 23	12,950.00	RECEIV ED	Ward 31
YOYOBABHE (PTY)LTD	P.O.BOX 1 BIZANA WARD 25 4800	Mayor and Council	2022/06/ 15	12,990.00	RECEIV ED	Ward 25
XOLANI SIZWE CONSTRUCTION	P O BOX 696 WARD 23 PORT EDWARD 4295	Mayor and Council	2022/06/ 20	13,500.00	RECEIV ED	Ward 23
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Roads	2022/06/ 15	14,947.81	RECEIV ED	Ward 1
TAMATI TRANSPORT PTY LTD	P.O BOX 77 BIZANA WARD 17 4800	Mayor and Council	2022/06/ 27	16,500.00	RECEIV ED	Ward 17
AMATSHEZI TRANSPORT	P O BOX 157 BIZANA 4800	Solid Waste Removal	2022/06/ 06	17,550.00	RECEIV ED	Ward 12

Creditor Name	Creditor Address	Function Name	Order Date	Value	Status	Ward no.
MAGHOLO TRADING& PROJECTS	PO BOX 698 BIZANA WARD 13 4800	Solid Waste Removal	2022/06/27	18,000.00	RECEIV ED	Ward 13
MABOZELA TRADING AND ENTERPRIS	P.O BOX 210242 BIZANA 4800	Electricity	2022/06/30	18,400.00	RECEIV ED	Ward 13
STHE NTEYI PROJECTS	PRIVATE BAG X600 BIZANA WARD 15 4800	Mayor and Council	2022/06/20	19,675.00	RECEIV ED	Ward 15
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Roads	2022/06/03	21,217.50	RECEIV ED	Ward 1
XABANI TRADING AND PROJECTS CC	P.O BOX 210766 BIZANA WARD 12 4800	Mayor and Council	2022/06/27	22,100.00	RECEIV ED	Ward 17
DRIVING LICENSE CARD ACCOUNT	P.O. BOX 25223 MONUMENT PARK PRETORIA 0105	Road and Traffic Regul	2022/06/23	22,515.00	RECEIV ED	Pretoria
KAROO DAWN CONSTRUCTION & PRO	P.O BOX 210613 BIZANA WARD 31 4800	Solid Waste Removal	2022/06/06	23,000.00	RECEIV ED	Ward 31
ZEBRAHH CIVILS	A Madiba Location Makhwantini WARD 16 4800	Roads	2022/06/07	24,000.00	RECEIV ED	Ward 16
LAJAMKA (PTY)LTD	NYAKA A/A WARD 18 BIZANA 4800	Core Function:Solid Waste Removal	2022/06/27	27,000.00	RECEIV ED	Ward 18
MABOZELA TRADING AND ENTERPRIS	P.O BOX 210242 BIZANA 4800	Electricity	2022/06/20	27,600.00	RECEIV ED	Ward 17
PAM - TEE TRADING PTY LTD	P.O. BOX 637 MTSHEKEL WENI LOCATION FLAGSTAF 4810	Mayor and Council	2022/06/23	27,800.00	RECEIV ED	Ward 9
ONE VISION ACADEMY	951 NU 16 MDANTSANE 5241	Finance	2022/06/09	28,980.08	RECEIV ED	Ward 13
SHOW LOVE AND CARE TRADING	P O BOX 210568 BIZANA 4800	Electricity	2022/06/23	29,300.00	RECEIV ED	Ward 13
BLACK BUTTERFLY CONSTRUCTION	Amadiba A/A Ward 24 Bizana 4800	Finance	2022/06/28	29,450.00	RECEIV ED	Ward 24

Total 488,575.72

15. 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	MBIZLM27/02/18/02/ENG	R 74 861 072,75
Tunimart(PTY)LTD	Provision of Travel Agency	MBIZ LM/11/05/08/01/TRA	R -
Sizane Consulting	General Valuation Roll 2019/2024	Valuation Roll 2019/2024	R 1 037 685,00
SAGE VIP	Payroll System	None Provided	R -
NZ Mishabe Incorporated	Legal Services	MBIZ LM0009L/EG	R -
MUNSOFT PTY (LTD)	Financial and Billing System	None Provided	R -
Mozi Auctioneers	Fixed asset auctioning	MBIZ LM 0049 AUC	R 0,06
Liitha Projects Managers	GRAP Compliant Fixed Asset Register	MBIZ 0041FAR	R 25 616,10
Konyana Attorneys	Legal Services	MBIZ LM0009L/EG	R -
Esikom Holdings Soc Ltd	Provision of basic services (energy provision)	KES	R -
Jolwana Mgidiwana Incorporated	Legal Services	MBIZ LM0009L/EG	R -
Iqhaya Design Workshop Architects	Professional Fees for Mbizana Civic Center	MBIZ LM /12/1/2017/ENG	R 11 231 788,41
IPM Plant Hire Jv Mozmas's Trading	Construction of Mphuthuni 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 Idea	Construction of Mphuthuni Matumbatha Stadium	MBIZ LM/29/11/03	R 8 094 071,25
Dr Sugudhav-Sewpersadh Attorneys	Legal Services	MBIZ LM0009L/EG	R -

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount
CONLOG	Prepaid electricity agent	Fef6/1/1/5	R -
Boera Construction & Projects	Reviewal of Indigent Register 2018/19-2021/22	MBIZ LM 0042 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	MBIZLM0029MMCC/TV	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	8MVA Back-Bone line Upgrade	MBIZLM000026BBL	R 7 299 823,31
Inggay Design Economic Partnership	MLDP Implementation Project	MBIZLM0016DPI	R 598 000,00
Kumyoz 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
Zinzame 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 -
Mala Emazweni Trading & projects	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
Ithayiya 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 2 292 404,50
Cycle Civils and Projects	Rehabilitation of Dumping Site for 24 Months	MBIZ LM 0008 RDS	R 2 553 896,45
Vodaconn Pty Ltd	Procurement of Mobile Contract	MBIZ LM 0040 PMC	R -
Dibellile Contraction and Projects JV Inventiveness	Supply & Delivery of Refuse Removal Protective Clothing for 36 Months	MBIZ LM 0005 RRPC	R 2 585 777,16
Clear Result 77 (PTY)LTD	Revenue Management and Enhancement Strategy	MBIZ LM 0024 RES	R 600 000,00
Asenati Construction Pty Ltd	Environmental Threatening Oblacle in MLM for 36 Months	MBIZ LM 0007 ETO	R 950 000,00
Eskom Holdings Soc Ltd	Free Basic Electricity	N/A	R -
Blue Cycle Services Pty Ltd	Review of Municipal Corporate Governance for ICT Charter and Framework for Two Years	MBIZ LM 002 ICTC&FM	R 1 180 000,00
SNR Electrical cc	Electrification of 235 Extra Connection in Sigodweni, Mandllobe, Madada and Diphini	MBIZ LM 0025 SIG	R 4 856 335,37
Mala Emazweni Trading & projects	Professional Fees Mgoniwana to Greenville A/R	MBIZLM0055CON	R 712 748,47
S. Zoko Consulting	Professional Fees Extension 4 Bridge	MBIZLM0055CON	R 775 531,76
Cape to Cairo to Investments Pty Ltd	Supply & Delivery of Refuse Plastic Bags for 36 Months	MBIZ LM 0006RPB	R 2 800 000,00
Mabozela Trading and Enterprise JV Boboshe	Electrification of Mabhengutuni Village (Ward 15) 414 Households	MBIZ LM 00057 EMV	R 19 575 046,47
Ndlela Mhlophe Trading	Website Revamp	MBIZ LM 0056 WEB	R 805 000,00
ODG Technologies PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -
Resistam Engineering PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -
Ambrose Civils	Extension 4 Bridge Ward 01	MBIZ LM 0006 EWB	R 3 296 658,31

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 Bekele	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
Derassa Civils and Construction	Construction of Mqoniwana Access Road	MBIZ LM 001MGA	R 8 478 910,00
Isigidini 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
Restam	Panel of Consultants: Mdatya and Bekele (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: Mabhungeni 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 AMR'S	R 2 129 902,23
Iqhayiya Design Workshop	Panel of Consultants- Architectural: Temporary Traders Stalls and Civil Works	MBIZ LM 0055 CON	R 956 705,82
Mabozela Trading JV Boboshe Trading enterprise	Replacement of LV & MV LINES	WMM LM 00059 LV&MV/L	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
Iqhayiya Design and Workshop	Disposal of Municipal Sites for Business and Government Use	MBIZ LM 00060 DMP	R 1 152 032,62
Thake Electrical	Manufacturing Hubs	WMM-LM(Panel of Consultants)	R 3 850 372,50
ODG Technologies	Electrification of Xholobeni Village in Ward 25	WMM LM 00057E MV	R 23 624 770,08
Ngoma JV Dimbane Zikhazi Trading	Ward 20	WMM LM 00057E MV	R 2 362 477,01
Ngoma JV Dimbane Zikhazi Trading	Ward 04	WMM LM 00061 W20CH	R 3 600 000,00
ThakeProjects Jv Magnacorp 522	Construction of ward 01 ECDC	WMM LM 00060 W04CH	R 3 500 000,00
Manyobo Group	Hiring Of Construction Plant and Trucks	WMM LM 00062 W01 ECDC	R 3 191 415,70
Sitra Construction and Projects (Pty) Ltd	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02HPT	R 9 001 800,00
Mabozela Trading	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02HPT	R 1 600 000,00
Siti Cargo	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02HPT	R 4 072 500,00
S Zoko Consulting	Construction of Sigidingini to Marina Access Road	WMM LM 21/07/21/02HPT	R 2 997 000,00
Zinzame Consulting Engineers	Maphaleni Via Mbdazi	MBIZ LM 0055 CON	R 838 341,08
TPA JV Lisa Solutions	Sixhaxeni Access Road	MBIZ LM 0055 CON	R 1 777 614,33
Vitsha Trading	Refurbishment of Mbizana Taxi rank phase 2	MBIZ LM 0055 CON	R 400 000,00
Bukhobefu Security Services	Provision of Private Security Services	WMM LM 01/09/21/02 RTR	R 23 545 916,50
Mtala Emazweni Trading & projects	Construction for VAV Access Road Professional Fees	WMM LM 08/12/20/03 PSC	R 27 820 800,00
Mtala Emazweni Trading & projects	Mshongweni Access Road	WMM LM 08/10/21/03 VMA	R 253 513,69
VHB Associates	Professional Fees Upgrade of Taxi Rank(Phase 2)	MBIZ LM 0055 CON	R 271 621,81
Environmental Vanguard(Pty) Ltd	Reviewal of climate change strategy	WMM LM 11/02/21/01 CCS	R 3 649 617,06
Ncaiana Trading and Projects	LED Streetlight fitting, cables and poles	MBIZ LM 21/07/21/02 PSL	R 390 000,00
Thake Electrical cc	Replacement of ring main unit	WMM LM 10/08/21/02 RRMU	R 540 400,00
Sword Group	material and equipment	WMM LM 06/10/21/01 PME	R 790 493,13
			R 477 000,00

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount
XS Dollarz	Repairs and Maintenance of Municipal Building	WMM LM 17/0921/01 RMW	R 1 339 125,95
MVI Construction and Maintenance	Construction of Mapheleni Via Mbubazi to Dutyini	WMM LM 08/10/21/02 MDA	R 8 032 179,54
The Mane's	Supply and delivery of Laptops and Desktops	WMM LM 00070 S&D L&D	R 1 771 000,00
Tshale 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

16. 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
31/01/2022	EF007515-0002	SALGA	R 1,489,258.00	Membership fees	Chief Financial Officer	11/11/202	Mayor and Council	No	One quotation requested	Sole Provider
31/01/2022	EF007561-0006	Umgeni Water	R 5,497.00	Water Quality Testing	Chief Financial Officer	17/12/202	Community Services	No	One quotation requested	Sole Provider
15/03/2022	EF007584-0003	UNISA	R 21,500.00	Study Fees	Chief Financial Officer	27/01/202	Corporate Services	No	One quotation requested	Preferred accredited Institution
28/01/2022	EF007584-0002	Southern Business School	R 15,800.00	Study Fees	Chief Financial Officer	27/01/202	Corporate Services	No	One quotation requested	Preferred accredited Institution
28/01/2022	EF007584-0001	Southern Business School	R 2,230.00	Study Fees	Chief Financial Officer	27/01/202	Corporate Services	No	One quotation requested	Preferred accredited Institution
03/03/2022	EF007616-0001	Nelson Mandela Metropolitan Municipality	R 72,640.00	Study Fees	Chief Financial Officer	27/01/202	Community Services	No	One quotation requested	Preferred accredited Institution
13/01/2022	EF007569-0008	Umgeni Water	R 5,497.00	Water Quality Testing	Chief Financial Officer	13/01/202	Community Services	No	One quotation requested	Sole Provider
28/02/2022	EF007629-0001	Umgeni Water	R 10,994.00	Water Quality Testing	Chief Financial Officer	28/02/202	Community Services	No	One quotation requested	Sole Provider
15/02/2022	EF007599-0004	Umgeni Water	R 8,245.50	Water Quality Testing	Chief Financial Officer	15/02/202	Community Services	No	One quotation	Sole Provider

paid	8	nt Printing Works	1,008.80		Financial Officer	2	Planning		quotation requested	
			2,152,234.39							

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 also finalised 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 - M12 June												
Description	NT Code	Budget Year 2021/22							Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr				
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Ex-change Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Ex-change Transactions - Electricity	1300	2,442	1,485	1,425	1,369	1,284	13,401	-	21,406	16,054	-	-
Receivables from Non-ex-change Transactions - Property Rates	1400	795	548	542	530	518	33,547	-	36,479	34,594	-	-
Receivables from Ex-change Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-
Receivables from Ex-change Transactions - Waste Management	1600	372	293	251	243	236	8,147	-	9,542	8,626	-	-
Receivables from Ex-change Transactions - Property Rental Debtors	1700	332	8	48	20	20	535	-	963	575	-	-
Interest on Arrear Debtor Accounts	1810	206	205	221	200	191	12,301	-	13,324	12,692	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	216	158	118	175	225	3,548	-	4,442	3,945	-	-
Total By Income Source	2000	4,363	2,697	2,606	2,538	2,474	71,478	-	86,156	76,490	-	-
2020/21 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	863	872	843	799	710	38,985	-	43,072	40,494	-	-
Commercial	2300	3,188	1,555	1,487	1,481	1,535	19,841	-	29,087	22,657	-	-
Households	2400	312	270	276	257	229	12,651	-	13,956	13,138	-	-
Other	2500	(0)	0	(0)	0	1	0	-	1	1	-	-
Total By Customer Group	2600	4,363	2,697	2,606	2,538	2,474	71,478	-	86,156	76,490	-	-

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

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

4. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description		NT Code	Budget Year 2021/22								Prior year totals for chart (same period)	
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		Total
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	9,849									9,849	
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type		1000	9,849	-	-	-	-	-	-	-	9,849	-

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 - M12 June

Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate *	Commisio n Paid (Rands)	Commisio n Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0.001422259	0	N/A	not fixed	7,200	10	(7,210)	-	(0)
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0.003185108	0	N/A	not fixed	46	0	(46)	-	(0)
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.003137836	0	N/A	not fixed	320,316	1,005	(53,830)	-	267,492
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0.00307991	0	N/A	not fixed	354	1	(8)	-	357
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0.002980153	0	N/A	not fixed	6	0	(6)	-	0
FNB CALL DEPOSIT ACCOUNT(62898110170)		Not fixed	Call Deposit	No	Variable	0.003080498	0	N/A	not fixed	6,391	20	(105)	-	6,305
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.002979507	0	N/A	not fixed	69	0	(69)	-	0
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	0.002979445	0	N/A	not fixed	621	2	(623)	-	(0)
Municipality sub-total										335,013		(61,897)	-	274,154
Entities														
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									335,013		(61,897)	-	274,154

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 R61.9 million which lead to a decrease in its investments

for the month of June 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
30-Apr-22	CELL C 0007750901 I101	R 696.99	Fraudulent Debit order
14-May-22	CELL C 0007834180 I101	R 1,352.91	Fraudulent Debit order
16-May-22	CELL C 0007873332 I041	R 14,605.94	Fraudulent Debit order
30-May-22	PM8+CELOB1 02B28EC	R 5,000.00	Fraudulent Debit order

FRAUDULENT DEBIT ORDER IDENTIFIED AND REVERSED			
Transaction Date	Transaction Description	Transaction Amount	Reason for Reversal
31-May-22	CELL C 0008390138 I101	R 626.99	Fraudulent Debit order
03-Jun-22	ACKERMANS 1010009798069	R 3,000.00	Fraudulent Debit order
15-Jun-22	CELL C 0008492651 I041	R 14,675.94	Fraudulent Debit order
15-Jun-22	CELL C 0008549358 I095	R 248.97	Fraudulent Debit order
15-Jun-22	CELL C 0008562382 I101	R 725.92	Fraudulent Debit order
25-Jun-22	CELL C 0008609204 I101	R 1,950.97	Fraudulent Debit order
25-Jun-22	CELL C 0008679368 I095	R 1,205.88	Fraudulent Debit order
		R 221,647.51	

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 - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		363,013	323,643	326,764	—	323,643	326,764	(3,121)	-1.0%	326,764
Local Government Equitable Share		332,422	289,620	289,620	—	289,620	289,620	—		289,620
Finance Management		2,000	2,000	2,000	—	2,000	2,000	—		2,000
EPWP Incentive		2,389	3,570	3,570	—	3,570	3,570	—		3,570
Integrated National Electrification Programme		26,202	28,453	28,453	—	28,453	28,453	—		28,453
	3				—			—		
					—			—		
					—			—		
					—			—		
Neighbourhood Development Partnership				3,121			3,121	(3,121)	-100.0%	3,121
Provincial Government:		773	500	500	—	500	500	—		500
Sport and Recreation		500	500	500	—	500	500	—		500
	4							—		
								—		
Other transfers and grants [insert description]		273						—		
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
								—		
Other grant providers:		—	—	—	—	—	—	—		—
[insert description]								—		
								—		
								—		
								—		
								—		
Total Operating Transfers and Grants	5	363,786	324,143	327,264	—	324,143	327,264	(3,121)	-1.0%	327,264
Capital Transfers and Grants										
National Government:		49,714	70,843	67,722	—	57,994	67,722	(0)	0.0%	70,843
Municipal Infrastructure Grant (MIG)		45,459	51,023	51,023	—	51,023	51,023	(0)	0.0%	51,023
Neighbourhood Development Partnership		4,255	19,820	16,699	—	6,971	16,699			19,820
								—		
								—		
								—		
								—		
Other capital transfers [insert description]								—		
Provincial Government:		—	—	—	—	—	—	—		—
[insert description]								—		
								—		
								—		
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
								—		
Other grant providers:		—	—	—	—	—	—	—		—
[insert description]								—		
								—		
								—		
								—		
Total Capital Transfers and Grants	5	49,714	70,843	67,722	—	57,994	67,722	(0)	0.0%	70,843
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	413,500	394,986	394,986	—	382,137	394,986	(3,121)	-0.8%	398,106

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		368,781	323,643	326,764	59,064	248,566	326,764	(78,198)	-23.9%	323,643
Local Government Equitable Share		332,421	289,620	289,620	58,447	214,543	289,620	(75,077)	-25.9%	289,620
Finance Management		2,000	2,000	2,000	617	2,000	2,000	—		2,000
EPWP Incentive		2,389	3,570	3,570	—	3,570	3,570	—		3,570
Integrated National Electrification Programme		31,966	28,453	28,453	—	28,453	28,453	—		28,453
					—		—	—		
Neighbourhood Development Partnership			—	3,121	—	—	3,121	(3,121)	-100.0%	
Disaster Grant	5						—	—		
Provincial Government:		912	500	500	7	144	500	(356)	-71.2%	500
Sport and Recreation		511	500	500	7	144	500	(356)	-71.2%	500
								—		
								—		
Greenest Municipality		402						—		
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
Other grant providers:		—	—	—	—	—	—	—		—
[insert description]								—		
Total operating expenditure of Transfers and Grants:		369,694	324,143	327,264	59,071	248,710	327,264	(78,554)	-24.0%	324,143
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		45,459	70,843	67,722	7,051	51,709	67,722	(16,013)	-23.6%	70,843
Municipal Infrastructure Grant (MIG)		45,459	51,023	51,023	7,051	51,023	51,023	—		51,023
Neighbourhood Development Partnership		—	19,820	16,699	—	686	16,699	(16,013)	-95.9%	19,820
								—		
								—		
Other capital transfers [insert description]								—		
Provincial Government:		—	—	—	—	—	—	—		—
								—		
District Municipality:		—	—	—	—	—	—	—		—
								—		
								—		
Other grant providers:		—	—	—	—	—	—	—		—
								—		
Total capital expenditure of Transfers and Grants		45,459	70,843	67,722	7,051	51,709	67,722	(16,013)	-23.6%	70,843
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		415,153	394,986	394,986	66,122	300,419	394,986	(94,567)	-23.9%	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 - M12

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

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

7. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		15,110	56,951	56,951	546	21,235	56,951	(35,717)	-63%	56,951
Service charges		23,019	29,346	29,346	4,624	43,512	29,346	14,165	48%	29,346
Other revenue		9,342	8,896	8,536	1,160	8,656	8,536	120	1%	8,536
Transfers and Subsidies - Operational		335,485	295,690	295,853	-	295,690	295,853	(163)	0%	295,853
Transfers and Subsidies - Capital		77,425	99,296	99,296	-	87,203	99,296	(12,093)	-12%	99,296
Interest		11,879	10,047	10,047	1,036	10,760	10,047	713	7%	10,047
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(262,653)	(370,638)	(366,584)	(28,872)	(309,441)	(366,584)	(57,143)	16%	(366,584)
Finance charges		(1)	(50)	(50)	-	-	(50)	(50)	100%	(50)
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		209,606	129,537	133,394	(21,506)	157,614	133,394	(24,220)	-18%	133,394
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		276	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	68	68	-	68	#DIV/0!	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(125,365)	(119,176)	(200,317)	(37,250)	(138,669)	(200,317)	(61,648)	31%	(200,317)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(125,089)	(119,176)	(200,317)	(37,182)	(138,601)	(200,317)	(61,716)	31%	(200,317)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		84,516	10,361	(66,923)	(58,688)	19,012	(66,923)			(66,923)
Cash/cash equivalents at beginning:		173,644	181,236	258,161	335,861	258,161	258,161			258,161
Cash/cash equivalents at month/year end:		258,161	191,598	191,237		277,173	191,237			191,237

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 - M12 June

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		9,353	12,892	9,353	2,950	9,353
Call investment deposits		248,808	178,706	181,884	274,223	181,884
Consumer debtors		56,546	46,512	41,771	62,210	41,771
Other debtors		47,905	37,398	32,244	54,099	32,244
Current portion of long-term receivables		—	—	—	—	—
Inventory		2,046	1,524	2,475	450	2,475
Total current assets		364,659	277,032	267,727	393,932	267,727
Non current assets						
Long-term receivables						
Investments					(66)	
Investment property		36,655	32,436	36,655	36,655	36,655
Investments in Associate		—	—	—	—	—
Property, plant and equipment		701,498	755,509	791,386	791,708	791,386
Biological		—	—	—	—	—
Intangible		69	73	—	(1)	—
Other non-current assets		1,231	1,341	1,231	1,231	1,231
Total non current assets		739,453	789,359	829,272	829,527	829,272
TOTAL ASSETS		1,104,112	1,066,391	1,096,998	1,223,459	1,096,998
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits		505	503	505	456	505
Trade and other payables		49,412	28,928	43,944	63,488	43,944
Provisions		19,990	19,953	19,990	13,800	19,990
Total current liabilities		69,907	49,384	64,439	77,744	64,439
Non current liabilities						
Borrowing						
Provisions		5,246	5,495	5,246	5,246	5,246
Total non current liabilities		5,246	5,495	5,246	5,246	5,246
TOTAL LIABILITIES		75,153	54,879	69,685	82,990	69,685
NET ASSETS	2	1,028,958	1,011,512	1,027,314	1,140,470	1,027,314
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,028,958	1,011,512	1,027,314	1,140,470	1,027,314
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	1,028,958	1,011,512	1,027,314	1,140,470	1,027,314

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

9. Municipal Manager's quality certification

Quality Certificate

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

☒ The monthly budget statement

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

Print name: Luvuyo Mahlaka

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

Signature: 

Date: 10/07/2022