



WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY

MONTHLY REPORT

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF MAY 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 11th report of the 2021/22 financial year which should give an indication of how the municipality has performed on its 11 months of operation in the indicated year. This is generally a reporting period during which most programs have already taken shape and expenditure patterns improved compared to the start of the financial year. The situation was expected to be better this year compared to the same period last year considering that the country was operating under stricter lockdown regulations that made it impossible to operate optimally, however, National Treasury issued an instruction that resulted in all procurement above R30 000 being put in abeyance from the beginning of March 2022 in response to a judgement that was handed down on the challenge of the Preferential Procurement Regulations, 2017. This has an impact in the programmes the municipality planned to implement between March 2022 until the ban on tenders has been lifted. This is also a report for a period that has coincided with the preparation and finalisation of the final budget for 2022/23 by the municipality where activity may have also been affected in terms of spending. This budget was somehow informed by the adjusted budget as the baseline for the 2022/23 draft budget coupled with community engagements on the draft budget that took place during the month which were also largely influenced by the impact of the floods that occurred in April resulting in a need to refocus spending to rebuilding damaged infrastructure. Hopefully the contents of each report will help council and its structures to understand fully the status of the municipality's financial performance and decisions that need to be taken to ensure sustainability of the institution and continued service delivery.

1.1 The Political Oversight

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

- | | |
|-----------------------|------------------|
| • Cllr N. Madikizela | Chairperson |
| • Cllr A. Diya | Committee Whip |
| • Cllr. N Cengimbo | Committee Member |
| • Cllr. X. Bhabhazela | Committee Member |

• Cllr S. Nomvalo	Committee Member
• Cllr S. Jayiya	Committee Member
• Cllr L. Silangwe	Committee Member
• Cllr. P. Siramza	Committee Member

2. Administration

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

3. Staff turnover

During the past eight months we have been reporting no vacant positions within the department except for the three internship opportunities that were in the recruitment processes. The process as previously reported was expected to have been concluded by 30 June 2021, which unfortunately did not take place. The process was eventually concluded by the end of November 2021. Out of the three appointed candidates, two did not fully meet the minimum requirements as set by National Treasury, meaning only one internship opportunity was filled. The Senior Manager Corporate services requested approval from the accounting officer to have the two non qualifying interns to be absorbed by the municipality and have the shortlisting and interviews be redone from the candidates who submitted their applications to ensure that the process is not delayed. This was in January 2022 but we report with concern that there has not been progress on the commitment to fill these positions. During the month of January, we also received a resignation of one of the interns previously enrolled who has opted for pursuing other career opportunities. This still therefore required recruitment of three more qualifying young graduates to meet the required number of five.

The delay in the recruitment processes poses a serious risk of not being able to spend the conditional grant that is allocated to the municipality for this specific purpose which may lead to the money being returned to the national revenue fund at the end of the year.

4. Implementation of mSCOA

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

a) Challenges Identified

i. Version Changes

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

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

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

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

ii. IDP Budgeting

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

iii. Production of in-year reports

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

iv. Budget and reporting module functionality

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

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

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

b) mSCOA Governance Structures

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

- Project steering committee
 - This was made of the following prescribed persons:
 - Project sponsor – Accounting Officer
 - Chief Financial Officer
 - Senior Manager – Corporate Services
 - Senior Manager – Engineering Services
 - Senior Manager – Community Services
 - Manager – Internal Audit
 - Manager – ICT
 - Manager – Municipal Operations
 - Manager – Budgeting and Reporting
 - Manager – Revenue and Expenditure
- Project implementation team

- This is a committee that was assigned by the municipality's Project Steering Committee which also included a multi-disciplinary team as follows:
 - Chief Financial Officer – Project Manager
 - Manager – Human Resources
 - Manager – Project Management Unit
 - Manager – Environmental Management
 - Manager – ICT
 - Senior Internal Auditor
 - Manager – Municipal Operations
 - Manager – Budgeting and Reporting
 - Manager – Revenue and Expenditure
 - Manager – Supply Chain Management

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

5. Implementation of the 2020/21 Audit Action Plan

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

- Errors in the calculation of prior corrections on the cash flow statement,
- **Competency assessments not done for all employees during the recruitment process,**
 - The action plan required that competency assessments be introduced for other employees by the 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. Strategic Objectives

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

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

KPA N0 4: Budget & Treasury									
Outcome 9 Objective			Budget: MTREF				Budget: MTREF		
Sub-Resu-It-Area	Issue	Strategic Objective	Strategic Objectives No.	Baseli-ne Information	Project to be Implemented	KPI Weight	Annual Target	Means of Verification	Budget
Revenue Management	Revenue collection trends are decreasing posing a threat to the municipality's going concern	Target achievement of 10% billing for all services	4.1	Electricity meters are read, recorded and captured manually	Reading of electricity meters	4.1	Reading of 78 electricity meters utilizing the Automated system by June 2022	Meter reading report from the AMR System, invoice and GRV	R 700,000.00
				Metering of all electricity consumption	Accurate billing of electricity consumption	4.1	Training of meter reader	Reading of electricity city meters	Yes 0
						2			Yes
								Attending training	n/a
									n/a

KPA N0 4: Budget & Treasury

Outcome 9 Objective											
Sub-Resu-lt Area	Issue	Strategic Objec-tive	Objec-tive No.	Strateg-ies	Base-line Infor-mation	Project to be Implemented	Budget Source	Budget: MTREF	W-AR-D	Respon-sible Sectio-n	Respon-sible Agen-t
	n				90% billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	Billing of 246 consumer accounts for property rates, refuse and electricity by June 2022	Billing of 246 consumer accounts for property rates, refuse and electricity by June 2022	Billing of 246 consumer accounts for property rates, refuse and electricity by June 2022	Wa-rd-1	Ma-na-ge-ment
					4. 1. 3	0.5	12 monthly Billing Report	R -	N/A	Wa-rd-1	Reve-nue and Expe-niture
					Mer queries -	Billing completed by the 3rd day of each month following the billing month by June 2022	Billing completed by the 3rd day of each month following the billing month by June 2022	R -	N/A	Wa-rd-1	Perfo-ration
					4. 1. 4	0.5	12 Month end closing Reports	R -	N/A	Wa-rd-1	Perfo-ration
					Se	Distribu-tion of electro-nical monthly consumer statements by June 2022	Distribu-tion of electro-nical monthly consumer statements by June 2022	R -	N/A	Wa-rd-1	Emailing of monthly consumer statements
					4. 1. 5	0.5	12 Monthly Statements distribu-tion Report	R -	N/A	Wa-rd-1	Emailing of monthly consumer statements

KPA N0 4: Budget & Treasury

KPA N0 4: Budget & Treasury

Outcome 9 Objective									Budget Source				Budget: MTREF		W A R D		Responsible Section						
Sub-Resu-It Area	Issue	Strategic Objec-tive No.	Project to be Implemented	Baseline Information	Performance of monthly debtors - rates and investment reconciliations	Monthly review of debtors, rates and investment by the 7th working day of each month	12 monthly review	12 signed debtors,12 investment rates and 12 reconciliation by June 2022	N/A	R	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Manager: Revenue and Expenditure							
Accounts with errors taking longer to identify and resolve	To achieve a clean audit as at 30 June 2022	4.3	4.3	4.3	4.3	4.3	4.3	4.3	Monthly review of debtors, rates and investment by the 7th working day of each month	Accurate and complete reconciliations	4.3	0.5	1	12 signed debtors,12 investment rates and 12 reconciliation by June 2022	N/A	R	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Preparation of 3 debtor s,3 investments and 3 rates reconciliation	Manager: Revenue and Expenditure	
Invoices not submitted within 30 days of receipt for payment	To pay creditors within 30 days of receipt with the MFM A by June 2022	4.4	4.4	4.4	4.4	4.4	4.4	4.4	Enforcement of system descriptions and processes as per the Account payable policy	Invoice s still taking longer to reach BTO for payment	Age analysis reflects credit worthy within 30 days	4.4	0.5	1	Payment of all present ed acceptable invoices within 30 days from receipt of invoice by June 2022	N/A	R	Invoice register and age analysis report	Invoice register and age analysis report	Manager: Revenue and Expenditure			
Datastills that are submitted with incomplete information and month end procedures that are not	To achieve a clean audit as at 30 June 2022	4.5	4.5	4.5	4.5	4.5	4.5	4.5	Develop sound, strict and effective procedures for reporting	Non implementation of month end procedures for modules(creditors,cashbook,G L.)	Submission of monthly reports	4.5	0.5	1	Submitting monthly datastrills confirmations and Report s not later than 10 working days after month end of each month by June	N/A	R	Submission of 3 monthly datastrills to LG Portal	Submission of 3 monthly datastrills to LG Portal	Submission of 3 monthly datastrills to LG Portal	Submission of 3 monthly datastrills to LG Portal	Submission of 3 monthly datastrills to LG Portal	Manager: Revenue and Expenditure

Expenditure Management

KPA N0 4: Budget & Treasury

Outcome 9 Objective							Budget Source			Budget: MTREF		W AR D		Responsible Section		Responsibile Agent	
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented											
Inaccurate and incomplete commitment register	performed on time																
Creditors and grants with errors taking longer to identify active vs a clean audit as at 31) June 2022																	
Payroll accounts with errors taking longer to identify active vs a clean audit as at 30 June 2022																	

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget: MTREF				Budget Source		
Sub-Result Area	Issue	Strategic Objective No.	Objectives	Strategies	Baseline Information	Project to be Implemented								W AR D	Responsible Section	Responsive Agent
Inadequate filing space and system for the volume of documents in the Budget and Treasury office	To have an effective and reliable filing system for SCM documents in the Budget and Treasury office	Conversion of Supply Chain Management filing to electronic filing	Paper based and physical filing	Conversion of information into electronic documents	Electro nic filing system setup and loading of Budget and Treasury documents	12 Progress report on BTO scanned documents	R -	N/A	0	scanning of BTO documents	scanning of BTO documents	scanning of BTO documents	Ad min Off ices	Manager: SCM	Supply Chain Management	
No clear monitoring of the procurement plan	To have fully capacitated Supplier Chain Management	Approved procurement plan	Monitoring of adherence to the procurement plan	Monthly monitoring of the procurement plan	Report on adherence to the procurement plan	12 monthly reports on the monitoring of the procurement plan by June 2022	R	N/A	0	3 signed reports	3 signed reports	3 signed reports	Ad min Off ices	Manager: SCM	Supply Chain Management	
Supplier Database not updated annually	Personnel and effectiveness procurement system	Supplier database	Calling of all suppliers to update their information	Annual update of the supplier database	Supplier Database	Supplier Database with most bidders information updated during the year by	R	N/A	0	3 signed reports	3 signed reports	3 signed reports	1200 Suppliers information update d	Public ation of the call to suppliers to update their information	Ad min Off ices	

Supply Chain Management

KPA N° 4: Budget & Treasury

Outcome 9 Objective									
Sub-Result Area	Strategic Issue	Strategic Objective	Objectiv e No.	Strateg ic areas	Baseline Information	Project to be Implemented	Budget Source	Budget: MTREF	W ARR D
					years	June 2022			Responsible Sector
No schedule of bid committee seating	Developing Mechanisms to monitor seating of the bid committees	Bid committee seating randomly	Schedule of seating of bid committees	Schedule of seating of bid committees	Scheduled seating of bid committees ensuring each bid is concluded within 60 days of the tender closing by June 2022	Signed schedule of bid committee s. attendance registers of members	R	N/ A	Development and approval of the Bid committee schedule
No schedule of bid committee seating	Developing Mechanisms to monitor seating of the bid committees	Bid committee seating randomly	Schedule of seating of bid committees	Schedule of seating of bid committees	Upload of all Adverts, closing registers and award ed tenders on the municipal website by June 2022	Screenshot s of the website showing documents uploaded	R	N/ A	Uploading of all tenders advertised from October 2021 to December 2021
Procurement documents not uploaded on the website on time	Monitoring compliance with publication of documents	Publication documents will be uploaded late on the website	Monthly monitoring of documents uploads	Update d Website will be SC M advert isers	Upload of all Adverts, closing registers and award ed tenders on the municipal website by June 2022	Uploading of all tenders advertised from July 2021 to September 2021			Uploading of all tenders advertised from January 2022 to June 2022

KPA N° 4: Budget & Treasury

Outcome 9 Objective							Budget Source	Budget: MTREF		WAD	Responsible Section	Responsive Agent
Sub-Result Area	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented							
SCM personnel not regularly trained on updates regularly	Communication of all updates on SCM matters	Comm unications on all updates on SCM matters	Update s only communicated to Managers and Senior Managers	Training of all SCM officials on updates on SCM matters	Capaci tated SCM Official s with releva nt knowl edge	Capaci tating of all SCM official s on updates by June 2022	Email confirmati ons	N/A	Distrib ution to all SCM officia ls of change s and update s between n October 2021 to June 2022	Distrib ution to all SCM officia ls of change s and update s between n March 2021 to September 2021	Manager: SCM	Manager: SCM
Inadequate contract management processes	Monthly review of all existing contracts	Contra ct only review ed at year end	Contract register to be reviewed and signed monthly	Reviewed contact register	Revie wed contact register	12 monthly contrac t registers reviewed by June 2022	12 signed contract registers	N/A	3 monthly contra ct registers reviewed	3 monthly contra ct registers reviewed	Ad min Off ices	Manager: SCMs
The municipality needs to comply with all statutory training requirement	Training of Supply Chain Management Personnel	Officia ls operating with outdated information relevant to their section	Training of SCM Officials by 30 June 2022	Capaci tated SCM Official s with releva nt knowl edge	Trainin g of 1 Manager and 1 SCM officer on CIPS by June 2022	Proof of attendance	N/A	5 Classes attendance	5 Classes attendance	Ad min Off ices	Manager: SCM	Manager: SCM

KPA N0 4; Budget & Treasury

Outcome 9 Objective										Budget Source				Budget: MTREF		
Sub-Resu-It Area	Issue	Strategic Objec-tive	Objec-tive No.	Strategic Informa-tion	Project to be Implemented									W-A-R-D	Respon-sible Sec-tion	Respon-sible Agen
All assets of the municipality to be accounted for in terms of their value, status and location	Tc accrue-able account for the value added and municipa- ipalities	Quarterly update of the fixed asset register	Move-ment of assets without Asset Manager office being notified	Performing quarterly asset verification within 30 days of the end of each quarter	Accou-ning for all municipal assets	4.0.5	4.9.1	4.0.5	4. Signed quarterly Assets verifica-tion Report by June 2022	R -	N/A	0	Quar-terly verifi-ca-tion of Assets	Quar-terly verifi-ca-tion of Assets	Manager: Asset and Stores	Asset Manager and Stores
Stores function that is not fully structured and properly managed	To correc-tly and effec-tively man-age the stores function on behalf of the municipali-ty	Quarterly update of stock items to ensure adequa-te levels are kept at all times	Only one stock count performed at the end of the year	Stock updates at least once each quarter	4 stock count reports	4.10.1	4.10.1	0.5	4. Signed quarterly Invento-ry reconcili-a-tion and Stock count Reports by June 2022	R -	N/A	0	Quar-terly verifi-ca-tion of Assets	Quar-terly verifi-ca-tion of Assets	Manager: Asset and Stores	Asset Manager and Stores
Asset and Stores Management										Signed GRAP compli-ant Asset register, 30 June 2021 by June 2022	Signed GRAP compli-ant Asset register, 30 June 2021 by June 2022	R 1,300,000.00	Yes	0	n/a	Ad-min Off-ices
										Signed monthly Inventory reconcili-a-tion and Stock count Reports by June 2022	Signed monthly Inventory reconcili-a-tion and Stock count Reports by June 2022	R -	-	n/a	n/a	Ad-min Off-ices

KPA N0 4: Budget & Treasury

Outcome 9 Objective										Budget Source				Budget: MTREF		W A R D		Responsible Section	
Sub-Result Area	Issue	Strategic Objective	Objectiv e No.	Strategie s	Baseli ne Information	Project to be Implemented													
	To comply with Annealed Financial Statement requirements that complies with all requirements as at 30 June 2022	Annual financial Statement	4.11	Develop sound, strict and effective procedures for compilation of Compliant annual financial statements by 30 May 2021	Audited Annual Financial Statement	Credible Annual Financial Statement	Credible Annual Financial Statement	AFS and proof of submission to AG.	R 200,000.00	Yes	Submit 2020/21 Annual Financial Statements to the AG	Renew of Caseware Licence	n/a	Preparation of Interim Financial	Ad min Off ices	Report ing	Manager; Budget and Reporting		
Financial statements with non-compliance with laws	To achieve clean audit as at 30 June 2027	Annual Financial Statement	4.12	Manage the external audit by the office of the Auditor General to ensure smooth running	Audited Annual Financial Statement	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	R 5,295,000	Yes	Submit 2019/20 Annual Financial Statements to the AG	Proof of submission to AG COAF register: Audit Action Plan, updated Audit Action Plan	n/a	Development of Audit Action Plan, Implementation and monitoring of Audit Action Plan	Ad min Off ices	Report ing	Manager; Budget and Reporting			
Financial Reporting										12 Signed Bank Reconciliation	R -	N/ A	Preparation of 3 Bank Reconciliation	Ad min Off ices	Report ing	Manager; Budget and Reporting			

KPA N0 4: Budget & Treasury

Outcome 9 Objective									
Sub-Result Area	Strategic Objective	Objectiv e No.	Strategie s	Baseline Information	Project to be Implemented	Budget Source	Budget: MTREF	W AR D	Responsible Section
Non compliance with statutory requirements	Adhere to compliance terms of mandatory reporting	4.13	Preparation and submission of all in-year statutor y reports	Report s not submit ed on time	Submission of \$7 Report not later than 10 working day of each month	Signed monthly reports	Proof of submission of 12 signed \$71 Report	N/ A	Manager; Budg et and Repor ting
The municipality needs to comply with all statutory budgeting and reporting requirements	Adhere to compliance with Municipal budget and reporting requirements	4.14	Preparation and submission of all in-year statutor y reports	Submission of \$52d reports within 30 days of the end of each quarter	Signed quarterly reports	Submission of all statutor y reports as require d by June 2022	Proof of submission of 4 Signed \$52 Reports and 4 Quarterly FMG Reports	N/ A	Manager; Budg et and Repor ting
Budgeting	The municipality needs to comply with all statutory budgeting and reporting requirements		Training of financial management interns and new accountants	Appoint ed interns and new accountants	Trainin g 3 financial management interns and 1 finance official s to meet minimum competency requirements by June 2022	Training of 2 financial management interns and 1 finance official s to meet minimum competency requirements by June 2022	Proof of registration and Attendance register	R 403.8 00.00	Manager; Budg et and Repor ting

Outcome 9 Objective										Budget Source			Budget: MTREF			W AR D			Responsible Sector		
Sub-Result Area		Issue		Strategic Objective		Objective No.		Strategic Information		Project to be Implemented											
To timely produce budgets in line with the National Treasury guidelines and regulations	Develop and monitor budget process to ensure timely preparation of each year, adoption final budget approved 31 May 2022	Council	3	Approved budget by June 2022	0.5	0.5	15.2	4.15	Compile three budgets to be approved by council	Adopted budget adjustment	n/a	R	N/A	0	n/a	Approved budget adjustment	Adopted budget	Draft budget advert	Adopted final budget	Manager; Budget and Reporting	
To timely produce budgets in line with the National Treasury guidelines and regulations	Adjustments budget approved by 28 February 2022	Council	3	Approved budget by June 2022	0.5	0.5	15.2	4.15	Adjustments budget 21/22; Draft budget 22/23; Approved 22/23 Final Budget and Council resolutions	Adopted budget adjustment	n/a	R	-	-	n/a	Approved budget adjustment	Adopted budget	Draft budget advert	Adopted final budget	Manager; Budget and Reporting	
To timely produce budgets in line with the National Treasury guidelines and regulations	Publication of at least three approved budgets	Publications	4.15	Published of at least three approved budgets	0.5	0.5	15.3	4.15	Publication of three approved budgets June 2022	Published of three approved budgets June 2022	Yes	R	60.20	0.00	n/a	n/a	Published of three approved budgets	Adopted budget	Draft budget advert	Adopted final budget	Manager; Budget and Reporting

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

8. In-year budget statement tables

a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - M11 May

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	539	20,602	19,510	1,092	6%	21,283
Service charges	40,257	43,474	43,481	2,903	37,478	39,858	(2,380)	-6%	43,481
Investment revenue	7,604	10,047	10,047	992	9,735	9,209	525	6%	10,047
Transfers and subsidies	338,001	295,690	298,973	29	294,714	274,059	20,655	8%	298,973
Other own revenue	16,324	14,651	13,721	1,145	11,989	12,577	(588)	-5%	13,721
Total Revenue (excluding capital transfers and contributions)	422,331	390,032	387,505	5,607	374,517	355,213	19,304	5%	387,505
Employee costs	105,837	126,854	119,529	8,567	92,303	109,568	(17,265)	-16%	119,529
Remuneration of Councillors	23,964	26,007	26,007	2,062	22,222	23,840	(1,618)	-7%	26,007
Depreciation & asset impairment	40,180	52,682	52,682	3,624	39,331	48,292	(8,960)	-19%	52,682
Finance charges	1	150	150	-	-	138	(138)	-100%	150
Inventory consumed and bulk purchases	39,820	48,440	48,640	3,414	37,802	44,587	(6,784)	-15%	48,640
Transfers and subsidies	4,499	5,907	5,623	-	933	5,155	(4,222)	-82%	5,623
Other expenditure	128,012	173,490	225,752	7,997	108,580	206,940	(98,359)	-48%	225,752
Total Expenditure	342,313	433,529	478,383	25,665	301,172	438,518	(137,346)	-31%	478,383
Surplus/(Deficit)	80,018	(43,497)	(90,878)	(20,058)	73,345	(83,305)	156,650	-188%	(90,878)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77,425	99,296	96,175	6,071	70,374	88,160	(17,786)	-20%	96,175
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	157,443	55,799	5,296	(13,987)	143,719	4,855	138,864	2860%	5,296
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	157,443	55,799	5,296	(13,987)	143,719	4,855	138,864	2860%	5,296
Capital expenditure & funds sources									
Capital expenditure	141,432	117,727	188,684	21,448	103,400	172,960	(69,560)	-40%	188,684
Capital transfers recognised	67,976	86,399	80,762	5,987	52,859	74,032	(21,173)	-29%	80,762
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	73,456	31,328	107,921	15,461	50,541	98,928	(48,387)	-49%	107,921
Total sources of capital funds	141,432	117,727	188,684	21,448	103,400	172,960	(69,560)	-40%	188,684
Financial position									
Total current assets	364,659	277,032	277,878		454,436				277,878
Total non current assets	739,453	789,359	836,767		803,570				836,767
Total current liabilities	69,907	49,384	75,113		80,063				75,113
Total non current liabilities	5,246	5,495	5,246		5,246				5,246
Community wealth/Equity	1,028,958	1,011,512	1,034,286		1,172,697				1,034,286
Cash flows									
Net cash from (used) operating	209,606	129,537	126,155	(17,222)	179,120	115,642	(63,478)	-55%	126,155
Net cash from (used) investing	(125,089)	(119,176)	(182,428)	(14,293)	(101,419)	(167,226)	(65,806)	39%	(182,428)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	258,161	191,598	201,887	-	335,861	206,577	(129,285)	-63%	201,887
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	4,456	2,922	2,580	2,535	2,496	70,996	-	-	85,984
Creditors Age Analysis									
Total Creditors	140	-	-	-	-	-	-	-	140

The table above shows a summary of the municipality's financial performance for the period ended 31 May 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) - M11 May

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										
Governance and administration		374,264	335,534	330,811	2,439	329,702	303,244	26,458	9%	330,811
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		374,264	335,534	330,811	2,439	329,702	303,244	26,458	9%	330,811
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		4,828	5,479	4,673	251	3,589	4,284	(694)	-16%	4,673
Community and social services		544	681	681	8	173	624	(451)	-72%	681
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4,285	4,798	3,992	243	3,416	3,660	(243)	-7%	3,992
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		45,586	71,475	71,348	6,083	42,105	65,403	(23,297)	-36%	71,348
Planning and development		127	20,452	20,325	12	828	18,632	(17,804)	-96%	20,325
Road transport		45,459	51,023	51,023	6,071	41,278	46,771	(5,493)	-12%	51,023
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		75,078	76,840	76,847	2,905	69,494	70,443	(949)	-1%	76,847
Energy sources		67,709	68,576	68,577	2,521	61,889	62,862	(974)	-2%	68,577
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,369	8,264	8,270	384	7,606	7,581	25	0%	8,270
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	499,756	489,328	483,680	11,678	444,891	443,373	1,518	0%	483,680
Expenditure - Functional										
Governance and administration		144,640	195,801	200,566	12,494	131,245	183,852	(52,608)	-29%	200,566
Executive and council		54,961	62,138	61,135	4,408	46,998	56,040	(9,042)	-16%	61,135
Finance and administration		86,227	127,983	134,083	7,670	81,142	122,910	(41,768)	-34%	134,083
Internal audit		3,452	5,679	5,348	416	3,105	4,902	(1,798)	-37%	5,348
Community and public safety		24,150	31,625	30,707	1,603	20,663	28,148	(7,485)	-27%	30,707
Community and social services		7,338	11,987	11,806	459	6,661	10,822	(4,161)	-38%	11,806
Sport and recreation		1,968	2,853	2,558	159	2,278	2,345	(67)	-3%	2,558
Public safety		14,083	15,769	15,372	905	11,059	14,091	(3,032)	-22%	15,372
Housing		762	1,037	971	79	665	890	(225)	-25%	971
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		67,912	105,923	117,631	6,227	71,944	107,829	(35,884)	-33%	117,631
Planning and development		21,005	31,356	32,901	1,591	15,805	30,160	(14,355)	-48%	32,901
Road transport		45,335	72,029	82,151	4,150	54,262	75,305	(21,043)	-28%	82,151
Environmental protection		1,572	2,539	2,578	486	1,877	2,364	(486)	-21%	2,578
Trading services		102,932	96,328	125,216	5,124	74,732	114,782	(40,050)	-35%	125,216
Energy sources		79,676	68,375	98,132	3,500	56,058	89,954	(33,897)	-38%	98,132
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23,256	27,952	27,084	1,624	18,674	24,827	(6,153)	-25%	27,084
Other		2,678	3,853	4,263	216	2,588	3,907	(1,320)	-34%	4,263
Total Expenditure - Functional	3	342,313	433,529	478,383	25,665	301,172	438,518	(137,346)	-31%	478,383
Surplus/ (Deficit) for the year		157,443	55,799	5,296	(13,987)	143,719	4,855	138,864	2860%	5,296

The table above shows the municipality's financial performance for the period ended 31 May 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) - M11 May

Description R thousands	Ref	2020/21		Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source									
Property rates		20,145	26,171	21,283	539	20,602	19,510	1,092	6%
Service charges - electricity revenue		35,679	38,809	38,810	2,518	33,442	35,576	(2,134)	-6%
Service charges - water revenue		-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,578	4,665	4,671	384	4,036	4,281	(246)	-6%
Rental of facilities and equipment		5,876	3,093	3,452	342	3,629	3,165	464	15%
Interest earned - external investments		7,604	10,047	10,047	992	9,735	9,209	525	6%
Interest earned - outstanding debtors		4,275	5,133	5,133	440	4,259	4,705	(446)	-9%
Dividends received		-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	938	938	-	329	860	(531)	-62%
Licences and permits		2,343	2,756	1,879	183	1,913	1,722	191	11%
Agency services		1,291	1,265	1,337	59	1,134	1,225	(91)	-7%
Transfers and subsidies		338,001	295,690	298,973	29	294,714	274,059	20,655	8%
Other revenue		781	1,466	982	120	725	900	(175)	-19%
Gains		1,069	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		422,331	390,032	387,505	5,607	374,517	355,213	19,304	5%
									387,505

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

- PROPERTY RATES:** The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like the Department of Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R15 million in the 1st month and a decrease to between R521 and R561 thousand for the following months which has been the case for the month of May 2022. The current revenue recognised on this stream may seem to be above the monthly target but it is important to note that this is only due to government properties levied only at the beginning of the financial year for the whole year.
- ELECTRICITY REVENUE:** The municipality distributes electricity in the town area as per its distribution licence. This is one of the major sources of revenue for the municipality as households now depend on electricity for their day to day living. This is a trading service where the municipality gives electricity equivalent to the amount provided by the consumer. Municipalities are therefore expected to at least recover the cost of providing the service. The approval of tariffs by NERSA is set up such that the municipality can make some form of surpluses from sale of

electricity so that it may be able to maintain the infrastructure used to render the service and defray all other operating expenses related to the service provision. The municipality has generated over R2.5 million for the month and a year to date actual of R33.4 million. This is below the projection by about 6% (over R2.1 million) which may add up to R2.3 million by the end of the year if attempts to remedy the situation do not yield any results. The 6% reported is a regression from the 4% reported in the previous month. Even though new bulk meters have been installed for identified large power users that we expect would bring positive results, there are however some disturbing observations that have been made by the professional service provider contracted by the municipality to install automated meter reading system. Some of the large power users in town that are owned by the different persons seem to have a way to lower the way in which our meters read consumption leading to less billing and more consumption from their side. The municipality has made some research and learnt that a solution might be installing a automated meter reading system that is able to identify when a meter changes its reading in real time. The installation process has assessments reports that have been shared with the municipality's Electricity Section with findings that also require action from the municipality to protect revenue losses.

- **Solid Waste Removal:** Collection and disposal of solid waste is one of the services that the municipality provides to the town area and a few sites outside of town including the Wild Coast Sun Casino. The municipality has implemented a new billing approach which ensures that all customers who individually generate waste are billed individually. The exercise was conducted by the refuse section and the billing database has significantly increased and showed us that there are customers we have been providing the service to at no cost at all. This has resulted in the revenue billed for the month to be over R384 thousand which is less than the projection by 6% which is consistent with the 6% reported in the previous month which will be monitored against performance of other periods to follow.
- **Interest on Investments:** The municipality invests surplus cash and unspent grants to generate interest that would be utilised to fund other municipal programmes, this interest includes interest on the municipality's positive balance in the municipality's main account. The table above shows that the municipality generated over R992 thousand worth of interest on investments with a year to date actual that is above the projection by 6% which is an improvement from the 4% above projection reported in the previous month. ~~This is still less than the normal performance in the previous years~~ at the same time. This underperformance may be due to interest rates cuts that were implemented by the South African Reserve Bank since the outbreak of Covid-19. This may also be attributable to the decrease in revenue collection since the outbreak of COVID-19 which has meant the

municipality continues to spend without making any significant funds coming in. We hope to see the impact of the recent interest rate hikes that have been approved in the past three quarters in the remaining months to follow.

- **Interest on outstanding debtors:** The municipality charges interest on debtors owing for more than 30 days at a rate of prime plus 2% as per the municipality's credit control and debt collection policy. This has yielded interest of R440 thousand for the period ended 31 May 2022 which is less than the amount projected for the period by 9% which is an improvement from the 11% 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 did not generate any revenue for the month of May 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 so 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 R342 thousand for the month which has pushed the actual performance to a level above the projection by 15% which is a result of other revised contracts that have been concluded. This still an increase from the 14% above performance reported in the previous month.
- **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 R183 thousand worth of revenue for the period. The municipality has collected above the revised projected collection by 11% 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 R29 thousand has been transferred to revenue for

the period ended 31 May 2022 from the operating grants whose conditions have been met. This has recorded a year to date performance of about R294.7 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 102% overall collection rate for the month ended 31 May 2022. However, we note a 83% collection rate on property rates, 112% on electricity and 78% on refuse removal for the period.

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

	INCOME TYPE	1st QUARTER	2nd QUARTER	3rd QUARTER	Apr-22	May-22	4th QUARTER	TOTAL
RATES								
billed	16,906,850	2,341,857	2,372,549	794,303	794,359	1,588,662	23,209,918	
payment received	13,508,390	1,780,546	2,889,572	812,145	658,568	1,470,713	19,649,220	
% of billing received	80%	76%	122%	102%	83%	93%	85%	
ELECTRICITY								
billed	7,431,756	7,537,061	4,975,556	2,432,781	2,439,502	4,872,283	24,816,657	
payment received	6,033,695	5,811,837	6,433,259	1,786,955	2,728,632	4,515,588	22,794,378	
% of billing received	81%	77%	129%	73%	112%	93%	92%	
LEASEHOLD FEES								
billed	880,935	956,916	738,605	341,090	341,090	682,179	3,258,635	
payment received	834,950	751,337	811,732	9,885	375,254	385,239	2,783,259	
% of billing received	95%	79%	110%	3%	110%	56%	85%	
VAT								
billed	1,419,482	1,446,000	1,412,256	472,414	473,676	946,091	5,223,830	
payment received	1,184,065	1,084,062	1,180,114	222,825	496,755	719,580	4,167,822	
% of billing received	83%	83%	75%	84%	47%	105%	80%	
INTEREST								
billed	509,648	519,110	589,096	207,762	206,894	414,656	2,032,510	
payment received	1,903,593	285,182	596,903	170,524	180,464	350,988	3,136,666	
% of billing received	374%	55%	101%	82%	87%	85%	154%	
REFUSE REMOVAL								
billed	1,150,525	1,146,024	1,090,878	375,558	377,251	752,810	4,140,238	
payment received	1,084,299	756,984	969,740	384,891	293,517	678,408	3,489,431	
% of billing received	94%	66%	89%	102%	78%	90%	84%	
TOTAL INCOME								
billed	28,299,196	13,946,969	11,178,941	4,623,908	4,632,773	9,256,681	62,681,788	
payment received	24,548,992	10,467,948	12,881,320	3,387,224	4,733,291	8,120,516	56,020,776	
% of billing received	87%	75%	115%	73%	102%	88%	89%	

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description R thousands	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		105,837	126,854	119,529	8,567	92,303	109,568	(17,265)	-16%	119,529
Remuneration of councillors		23,964	26,007	26,007	2,062	22,222	23,840	(1,618)	-7%	26,007
Debt impairment		5,208	9,600	9,600	—	—	8,800	(8,800)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	52,682	3,624	39,331	48,292	(8,960)	-19%	52,682
Finance charges		1	150	150	—	—	138	(138)	-100%	150
Bulk purchases - electricity		35,022	40,777	40,777	3,023	33,506	37,379	(3,873)	-10%	40,777
Inventory consumed		4,798	7,663	7,863	390	4,296	7,208	(2,911)	-40%	7,863
Contracted services		41,065	98,848	102,070	4,607	69,702	93,564	(23,863)	-26%	102,070
Transfers and subsidies		4,499	5,907	5,623	—	933	5,155	(4,222)	-82%	5,623
Other expenditure		38,313	65,042	75,364	3,383	38,866	69,084	(30,218)	-44%	75,364
Losses		43,425	—	38,718	6	13	35,492	(35,479)	-100%	38,718
Total Expenditure		342,313	433,529	478,383	25,665	301,172	438,518	(137,346)	-31%	478,383

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

- Employee costs and Remuneration of councillors:** The municipality has remunerated employees who are remunerated as per the prevailing Bargaining Council agreements. The expenditure for the period ended 31 May 2022 reflects an amount of R8.5 million for employee costs and R2 million for the remuneration of councillors. The remuneration of councillors continues to show a 7% underspending compared to what was expected at the same period. Employee costs have continued to record a 16% saving that is always expected considering issues like, annual increment, annual and long-term bonuses, resignations, leave provisions and vacant positions.
- Bulk Purchases:** The municipality purchases electricity in bulk from Eskom for distribution to the town customers. This is the main input cost to the distribution of electricity. The table shows that the municipality spent about R3 million on electricity purchases for the period ended 31 May 2022 and a year to date actual of R33.5 which is below the projected expenditure by 10%. This amount only relates to 20 days of April and 10 days of May 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 May 2022 being R3.6 million. The monthly depreciation calculations have been performed and recorded manually for the six months from July to December 2021 and when this was corrected to record these movements through the assets module, seven months were recorded as the movement for one month which has then been corrected through processing of journals and therefore correcting the month February 2022. This has resulted in the depreciation recorded being below the projection for the period by about 19%.

- **Contracted Services:** This relates to the municipality's general expenses that have been incurred during the month where only external service providers could be used to render the service or procure goods. This shows that the municipality incurred R4.6 million worth of expenditure during the month. This is as a result of slow spending during the first months of each financial year which is always experienced.
- **Other Expenditure:** This also shows a saving of about 44% which might be as a result of the slow spending during the first months of each financial year which is always experienced and the national lockdown which has meant that no activity was recorded for the municipality and some events being cancelled. This requires though that departments that are currently underspending be sensitised of the matter.

f) Revenue by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description R thousands	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Revenue by Vote</u>	1	-	-	-	-	-	-	-	-	-
Vote 1 - Executive and Council		354,705	309,070	309,235	1,805	308,630	257,696	50,934	19.8%	309,235
Vote 2 - Budget and Treasury		405	293	293	95	470	245	226	92.2%	293
Vote 3 - Corporate Services		12,198	13,743	12,942	635	11,195	10,785	410	3.8%	12,942
Vote 4 - Community Services		19,267	46,466	41,579	551	21,429	34,649	(13,219)	-38.2%	41,579
Vote 5 - Development Planning		113,181	119,755	119,630	8,592	103,166	99,892	3,474	3.5%	119,630
Total Revenue by Vote	2	499,756	489,328	483,679	11,678	444,891	403,066	41,825	10.4%	483,679

The table above shows revenue generated per municipal vote as defined in s1 of the MFMA. The table shows that Engineering services has generated over R8.5 million for the month with Budget and Treasury showing generation of over R1.8 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 R561 thousand.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description R thousands	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote	1									
Vote 1 - Executive and Council		71,489	83,323	82,105	6,585	61,516	68,421	(6,905)	-10.1%	82,105
Vote 2 - Budget and Treasury		21,935	37,982	39,379	1,299	20,120	32,816	(12,696)	-38.7%	39,379
Vote 3 - Corporate Services		38,505	59,154	63,472	3,697	36,576	52,894	(16,317)	-30.8%	63,472
Vote 4 - Community Services		62,815	78,225	76,867	5,018	54,830	64,056	(9,226)	-14.4%	76,867
Vote 5 - Development Planning		15,969	29,062	31,046	1,093	13,912	25,872	(11,960)	-46.2%	31,046
Vote 6 - Engineering Services		131,601	145,783	185,513	7,972	114,217	154,594	(40,377)	-26.1%	185,513
Total Expenditure by Vote	2	342,313	433,529	478,383	25,665	301,172	398,653	(97,481)	-24.5%	478,383
Surplus/ (Deficit) for the year	2	157,443	55,798	5,296	(13,987)	143,719	4,414	139,305	3156.2%	5,296

The table above shows the expenditure by municipal vote. The total expenditure for the month of May 2022 amounted to above R25.6 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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	539	20,602	19,510	1,092	6%	21,283
Service charges - electricity revenue		35,679	38,809	38,810	2,518	33,442	35,576	(2,134)	-6%	38,810
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,578	4,665	4,671	384	4,036	4,281	(246)	-6%	4,671
Rental of facilities and equipment		5,876	3,093	3,452	342	3,629	3,165	464	15%	3,452
Interest earned - external investments		7,604	10,047	10,047	992	9,735	9,209	525	6%	10,047
Interest earned - outstanding debtors		4,275	5,133	5,133	440	4,259	4,705	(446)	-9%	5,133
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		688	938	938	-	329	860	(531)	-62%	938
Licences and permits		2,343	2,756	1,879	183	1,913	1,722	191	11%	1,879
Agency services		1,291	1,265	1,337	59	1,134	1,225	(91)	-7%	1,337
Transfers and subsidies		338,001	295,690	298,973	29	294,714	274,059	20,655	8%	298,973
Other revenue		781	1,466	982	120	725	900	(175)	-19%	982
Gains		1,069	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		422,331	390,032	387,505	5,607	374,517	355,213	19,304	5%	387,505
Expenditure By Type										
Employee related costs		105,837	126,854	119,529	8,567	92,303	109,568	(17,265)	-16%	119,529
Remuneration of councillors		23,964	26,007	26,007	2,062	22,222	23,840	(1,618)	-7%	26,007
Debt impairment		5,208	9,600	9,600	-	-	8,800	(8,800)	-100%	9,600
Depreciation & asset impairment		40,180	52,682	52,682	3,624	39,331	48,292	(8,960)	-19%	52,682
Finance charges		1	150	150	-	-	138	(138)	-100%	150
Bulk purchases - electricity		35,022	40,777	40,777	3,023	33,506	37,379	(3,873)	-10%	40,777
Inventory consumed		4,798	7,663	7,863	390	4,296	7,208	(2,911)	-40%	7,863
Contracted services		41,065	98,848	102,070	4,607	69,702	93,564	(23,863)	-26%	102,070
Transfers and subsidies		4,499	5,907	5,623	-	933	5,155	(4,222)	-82%	5,623
Other expenditure		38,313	65,042	75,364	3,383	38,866	69,084	(30,218)	-44%	75,364
Losses		43,425	-	38,718	6	13	35,492	(35,479)	-100%	38,718
Total Expenditure		342,313	433,529	478,383	25,665	301,172	438,518	(137,346)	-31%	478,383
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		80,018	(43,497)	(90,878)	(20,058)	73,345	(83,305)	156,650	(0)	(90,878)
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	6,071	70,374	88,160	(17,786)	(0)	96,175
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		157,443	55,799	5,296	(13,987)	143,719	4,855			5,296
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		157,443	55,799	5,296	(13,987)	143,719	4,855			5,296
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		157,443	55,799	5,296	(13,987)	143,719	4,855			5,296
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		157,443	55,799	5,296	(13,987)	143,719	4,855			5,296

The municipality has so far recorded a surplus of over R143 million for the period ended 31 May 2022 with a deficit of R13.9 million for the month. This must be seen in the correct perspective as there has been receipts of the expected grants from the national purse. The municipality is still heavily reliant on grant funding and as such the surpluses still need to be seen in that perspective as they relate to

expenditures that are still to be incurred. Measures still need to be put in place to move the municipality towards self-sustainability.

9. Capital programme performance

a) Capital expenditure by asset class and sub-class

EC443 Winnie Madikizela Mandela - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M11 May

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		64,182	34,277	41,901	3,392	35,813	38,409	2,596	6.8%	41,901
Roads Infrastructure		31,539	13,070	14,843	1,909	16,743	13,606	(3,137)	-23.1%	14,843
Roads		31,539	13,070	14,843	1,909	16,743	13,606	(3,137)	-23.1%	14,843
Electrical Infrastructure		32,643	20,957	26,900	1,483	18,913	24,658	5,746	23.3%	26,900
MV Networks		30,937	18,107	24,150	1,483	18,913	22,138	3,225	14.6%	24,150
LV Networks		1,707	2,850	2,750	—	—	2,521	2,521	100.0%	2,750
Solid Waste Infrastructure		—	250	158	—	158	144	(13)	-9.1%	158
Waste Drop-off Points		—	250	158	—	158	144	(13)	-9.1%	158
<u>Community Assets</u>		2,803	13,500	13,731	973	9,215	12,587	3,372	26.8%	13,731
Community Facilities		2,803	13,500	13,000	973	9,215	11,917	2,702	22.7%	13,000
Halls		1,356	8,400	8,200	427	5,801	7,517	1,715	22.8%	8,200
Crèches		—	3,500	3,200	546	3,413	2,933	(480)	-16.4%	3,200
Markets		1,447	1,600	1,600	—	—	1,467	1,467	100.0%	1,600
Sport and Recreation Facilities		—	—	731	—	—	670	670	100.0%	731
Outdoor Facilities		—	—	731	—	—	670	670	100.0%	731
<u>Other assets</u>		736	19,820	16,699	—	597	15,307	14,711	96.1%	16,699
Operational Buildings		736	19,820	16,699	—	597	15,307	14,711	96.1%	16,699
Yards		736	—	—	—	—	—	—	—	—
Manufacturing Plant		—	19,820	16,699	—	597	15,307	14,711	96.1%	16,699
<u>Computer Equipment</u>		5,784	1,248	5,598	41	1,696	5,132	3,436	67.0%	5,598
Computer Equipment		5,784	1,248	5,598	41	1,696	5,132	3,436	67.0%	5,598
<u>Furniture and Office Equipment</u>		1,154	6,280	2,940	—	84	2,695	2,611	96.9%	2,940
Furniture and Office Equipment		1,154	6,280	2,940	—	84	2,695	2,611	96.9%	2,940
<u>Machinery and Equipment</u>		1,987	300	360	—	—	330	330	100.0%	360
Machinery and Equipment		1,987	300	360	—	—	330	330	100.0%	360
<u>Transport Assets</u>		1,974	1,400	4,050	—	—	3,713	3,713	100.0%	4,050
Transport Assets		1,974	1,400	4,050	—	—	3,713	3,713	100.0%	4,050
Total Capital Expenditure on new assets	1	78,620	76,825	85,278	4,406	47,404	78,172	30,768	39.4%	85,278

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M11 May

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		16,495	—	16,000	—	3,898	14,667	10,769	73.4%	16,000
Roads Infrastructure		16,495	—	16,000	—	3,898	14,667	10,769	73.4%	16,000
Roads		16,495	—	16,000	—	3,898	14,667	10,769	73.4%	16,000
<u>Community Assets</u>		12,588	11,000	27,815	10,868	20,233	25,497	5,264	20.6%	27,815
Community Facilities		12,588	11,000	27,815	10,868	20,233	25,497	5,264	20.6%	27,815
Taxi Ranks/Bus Terminals		12,588	11,000	27,815	10,868	20,233	25,497	5,264	20.6%	27,815
Total Capital Expenditure on renewal of existing assets	1	29,083	11,000	43,815	10,868	24,131	40,164	16,033	39.9%	43,815

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M11 May

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		4,152	—	900	—	652	825	173	21.0%	900
Roads Infrastructure		3,543	—	900	—	652	825	173	21.0%	900
<i>Roads</i>		3,543	—	900	—	652	825	173	21.0%	900
Electrical Infrastructure		609	—	—	—	—	—	—	—	—
<i>LV Networks</i>		609	—	—	—	—	—	—	—	—
<u>Community Assets</u>		29,576	29,902	58,690	6,174	31,213	53,800	22,586	42.0%	58,690
Community Facilities		19,643	28,402	28,402	3,651	15,346	26,035	10,689	41.1%	28,402
<i>Halls</i>		19,643	28,402	28,402	3,651	15,346	26,035	10,689	41.1%	28,402
Sport and Recreation Facilities		9,933	1,500	30,288	2,523	15,867	27,764	11,897	42.9%	30,288
<i>Outdoor Facilities</i>		9,933	1,500	30,288	2,523	15,867	27,764	11,897	42.9%	30,288
Total Capital Expenditure on upgrading of existing assets	1	33,728	29,902	59,590	6,174	31,865	54,625	22,759	41.7%	59,590

The above tables indicate that the municipality spent only R21.4 million for the month from its capital budget for the period ended 31 May 2022. This level of performance really casts serious doubts on the completion of the municipality's key projects, especially on the three major capital programmes being implemented by the municipality as it poses a number of risks for the institution including paying for work that has not been completed come the end of the year chasing targets and expenditure performance.

b) Capital Expenditure by municipal vote

EC443 Winnie Madikizela Mandela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description R thousands	Ref 1	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Multi-Year expenditure appropriation</u>	2									
Vote 6 - Engineering Services		29,576	29,902	86,505	17,042	51,447	79,297	(27,850)	-35%	86,505
Total Capital Multi-year expenditure	4.7	29,576	29,902	86,505	17,042	51,447	79,297	(27,850)	-35%	86,505
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		2,096	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		6,269	7,028	9,298	41	1,779	8,523	(6,744)	-79%	9,298
Vote 4 - Community Services		3,035	3,150	4,278	-	158	3,921	(3,764)	-96%	4,278
Vote 5 - Development Planning		1,447	21,420	19,030	-	597	17,444	(16,847)	-97%	19,030
Vote 6 - Engineering Services		99,009	56,227	69,573	4,365	49,420	63,775	(14,355)	-23%	69,573
Total Capital single-year expenditure	4	111,856	87,825	102,178	4,406	51,954	93,664	(41,710)	-45%	102,178
Total Capital Expenditure		141,432	117,727	188,684	21,448	103,400	172,960	(69,560)	-40%	188,684
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		8,470	7,028	9,498	41	1,779	8,707	(6,927)	-80%	9,498
Finance and administration		8,470	7,028	9,498	41	1,779	8,707	(6,927)	-80%	9,498
<i>Community and public safety</i>		1,875	2,450	2,258	-	158	2,069	(1,912)	-92%	2,258
Community and social services		980	1,650	1,358	-	158	1,244	(1,087)	-87%	1,358
Sport and recreation		-	100	-	-	-	92	(92)	-100%	100
Public safety		896	800	800	-	-	733	(733)	-100%	800
<i>Economic and environmental services</i>		95,848	85,891	147,508	19,924	82,551	135,216	(52,665)	-39%	147,508
Planning and development		44,271	72,822	115,735	18,015	61,258	106,090	(44,833)	-42%	115,735
Road transport		51,577	13,070	31,773	1,909	21,293	29,125	(7,833)	-27%	31,773
<i>Trading services</i>		34,185	22,357	29,420	1,483	18,913	26,968	(8,056)	-30%	29,420
Energy sources		34,185	21,657	27,600	1,483	18,913	25,300	(6,387)	-25%	27,600
Waste management		-	700	1,820	-	-	1,668	(1,668)	-100%	1,820
<i>Other</i>		1,054	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	141,432	117,727	188,684	21,448	103,400	172,960	(69,560)	-40%	188,684
<u>Funded by:</u>										
National Government		67,776	86,399	80,762	5,987	52,859	74,032	(21,173)	-29%	80,762
Provincial Government		200	-	-	-	-	-	-	-	-
Transfers recognised - capital		67,976	86,399	80,762	5,987	52,859	74,032	(21,173)	-29%	80,762
Borrowing	6	73,456	31,328	107,921	15,461	50,541	98,928	(48,387)	-49%	107,921
Total Capital Funding		141,432	117,727	188,684	21,448	103,400	172,960	(69,560)	-40%	188,684

The above table indicate that the municipality spent R21.4 from its capital budget for the period ended 31 May 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 begun to cast serious doubts over the municipality's ability to complete these in the current year as previously committed.

10. Maintenance of municipal assets

a) Repairs and maintenance

EC443 Winnie Madikizela Mandela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 May

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	24,593	902	19,352	22,544	3,192	14.2%	24,593
Roads Infrastructure		(1,566)	20,663	20,493	902	16,642	18,785	2,144	11.4%	20,493
Roads		3	616	616	–	–	564	564	100.0%	616
Road Structures		(2,068)	19,548	19,378	902	16,344	17,763	1,418	8.0%	19,378
Road Furniture		500	500	500	–	297	458	161	35.1%	500
Electrical Infrastructure		339	4,100	4,100	–	2,710	3,758	1,048	27.9%	4,100
MV Networks		339	4,100	4,100	–	2,710	3,758	1,048	27.9%	4,100
Community Assets		515	903	1,090	–	482	999	517	51.8%	1,090
Community Facilities		515	903	1,090	–	482	999	517	51.8%	1,090
Halls		27	300	400	–	–	367	367	100.0%	400
Libraries		281	183	270	–	69	247	179	72.3%	270
Purls		207	420	420	–	413	385	(28)	-7.4%	420
Other assets		4,043	4,439	4,375	29	3,411	4,011	600	14.9%	4,375
Operational Buildings		4,043	4,439	4,375	29	3,411	4,011	600	14.9%	4,375
Municipal Offices		3,894	4,231	4,231	29	3,268	3,879	611	15.7%	4,231
Yards		149	208	144	–	143	132	(11)	-8.5%	144
Computer Equipment		72	100	50	34	35	46	11	23.0%	50
Computer Equipment		72	100	50	34	35	46	11	23.0%	50
Machinery and Equipment		324	570	530	–	249	486	237	48.7%	530
Machinery and Equipment		324	570	530	–	249	486	237	48.7%	530
Transport Assets		1,886	3,496	3,026	111	2,009	2,774	765	27.6%	3,026
Transport Assets		1,886	3,496	3,026	111	2,009	2,774	765	27.6%	3,026
Total Repairs and Maintenance Expenditure	1	5,614	34,271	33,664	1,076	25,538	30,859	5,321	17.2%	33,664

The table above shows the municipality's performance for the month and year to date on maintenance of municipal assets which shows a R1 million spending for the month with a year to date of R25.5 million. The spending shows being below the projections made at the start of the year by 17% and will continue to be monitored to ensure that no underspending is recorded.

b) Depreciation and Asset Impairment

EC443 Winnie Madikizela Mandela - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M11 May

Description	Ref	2020/21	Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
<u>Depreciation by Asset Class/Sub-class</u>									
<u>Infrastructure</u>		29,666	39,754	39,754	2,621	28,320	36,441	8,121	22.3%
Roads Infrastructure		29,499	38,934	38,934	2,506	27,083	35,689	8,606	24.1%
Roads		29,499	38,934	38,934	1,085	11,725	35,689	23,964	67.1%
Road Structures					1,384	14,956	—	(14,956)	#DIV/0!
Road Furniture					37	402	—	(402)	#DIV/0!
Storm water Infrastructure		—	121	121	46	498	111	(388)	-350.4%
Drainage Collection			121	121	17	188	111	(77)	-69.6%
Storm water Conveyance					29	311	—	(311)	#DIV/0!
Electrical Infrastructure		—	488	488	54	585	447	(138)	-31.0%
HV Transmission Conductors			235	235	—	—	216	216	100.0%
MV Substations			24	24	4	47	22	(25)	-117.9%
MV Switching Stations			43	43	—	—	39	39	100.0%
MV Networks			102	102	37	396	93	(303)	-324.1%
LV Networks			84	84	13	142	77	(65)	-84.5%
Solid Waste Infrastructure		167	212	212	14	153	195	41	21.2%
Landfill Sites		167	212	212	14	153	195	41	21.2%
<u>Community Assets</u>		2,371	2,755	2,755	208	2,181	2,525	345	13.6%
Community Facilities		2,371	2,755	2,755	142	1,538	2,525	987	39.1%
Halls		2,371	1,358	1,358	100	1,085	1,245	161	12.9%
Centres			1,379	1,379	—	—	1,264	1,264	100.0%
Crèches			—	—	25	271	—	(271)	#DIV/0!
Cemeteries/Crematoria			17	17	1	12	16	4	23.0%
Purls			—	—	9	93	—	(93)	#DIV/0!
Public Ablution Facilities			—	—	2	25	—	(25)	#DIV/0!
Stalls			—	—	5	53	—	(53)	#DIV/0!
Sport and Recreation Facilities		—	—	—	66	643	—	(643)	#DIV/0!
Outdoor Facilities					66	643	—	(643)	#DIV/0!
<u>Other assets</u>		722	1,128	1,128	57	568	1,034	466	45.1%
Operational Buildings		722	1,128	1,128	56	556	1,034	478	46.2%
Municipal Offices		722	1,128	1,128	30	277	1,034	758	73.3%
Pay/Enquiry Points					0	3	—	(3)	#DIV/0!
Yards					7	70	—	(70)	#DIV/0!
Stores					10	106	—	(106)	#DIV/0!
Training Centres					9	101	—	(101)	#DIV/0!
Housing		—	—	—	1	12	—	(12)	#DIV/0!
Social Housing					1	12	—	(12)	#DIV/0!
<u>Intangible Assets</u>		129	100	100	—	70	92	22	23.7%
Licences and Rights		129	100	100	—	70	92	22	23.7%
Computer Software and Applications		129	100	100	—	70	92	22	23.7%
<u>Computer Equipment</u>		186	400	400	224	2,067	367	(1,700)	-463.1%
Computer Equipment		186	400	400	224	2,067	367	(1,700)	-463.1%
<u>Furniture and Office Equipment</u>		2,797	3,174	3,174	98	1,108	2,910	1,801	61.9%
Furniture and Office Equipment		2,797	3,174	3,174	98	1,108	2,910	1,801	61.9%
<u>Machinery and Equipment</u>		2,856	3,179	3,179	299	3,684	2,914	(771)	-26.5%
Machinery and Equipment		2,856	3,179	3,179	299	3,684	2,914	(771)	-26.5%
<u>Transport Assets</u>		1,452	2,191	2,191	117	1,268	2,009	741	36.9%
Transport Assets		1,452	2,191	2,191	117	1,268	2,009	741	36.9%
Total Depreciation	1	40,180	52,682	52,682	3,624	39,266	48,292	9,025	18.7%
									52,682

11. Supply chain management

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

a. Acquisition management

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

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

b. Handling of tenders during COVID-19

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

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

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

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

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

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

c. Suspension of procurement processes

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

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

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

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

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

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

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

Order Date	Creditor Name	Value	Function	Specification	Segment
2022/05/30	Tributary Of Success Projects	1 500,00	Core Function: Human Resources	Catering Employment Equity Plan Hr 1010	Request High Tea For Ten (10) Vip's On The 31 May 2022 At Council Cham 09h00.
2022/06/01	Sizamukuphila Trading Enterpr	1 700,00	Core Function: Mayor and Council	Hivads Support Group Catering	Request Catering For (20) People Who Will Be Attending Candle Light Me At Nlabantulu At 09h00.
2022/05/06	Lusikisiki Spares Cc	1 999,99	Core Function: Police Forces Traffic And	Police- Vehicle Maintenance	Request Replacement Of Battery For Vip Vehicle Jkj 146 Ec (12v 66h 582 133tc 562 Cca (Sae)
2022/06/02	Group Two Media Company	2 000,00	Non-Core Function: Population Development	Advertising Fees Community Services 2505260540	Advert For Social Relief Material
2022/05/26	Stithwale Trading 88 Pty Ltd	2 000,00	Core Function: Corporate Wide Strategic P	Mayoral Imbizo Roadshows- Hire Charges	Hiring Of 2 Mobile Toilets For Idp Road Shows On 13/05/22 At Multi Pur Center
		9 199,99			

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

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

Order Date	Creditor Name	Value	Function	Segment	Specification
2022/05 /24	Kwik-Fit Bizana	2 100,00	Core Function: Police Forces Traffic And	Police- Vehicle Maintenance	Request Replacement Of Battery For Traffic Patrol Vehicle Hln 084 Ec
2022/05 /18	Tyres & Kokstad	2 421,90	Core Function: Fleet Management	Finished Goods: Acquisitions	Request For One Battery For Isuzu Kb With Registration Number Jrs 3
2022/05 /06	Kwik-Fit Bizana	2 495,00	Core Function: Fleet Management	Vehicle Maintenance Outsourced	Supply And Installation Of Battery For Jrs36tec Isuzu Bakkie
2022/05 /18	Gees and Bullie's Trading	2 500,00	Core Function: Corporate Wide Strategic P	Mayoral Imbizo Roadshows- Charges	Request 2 Pole Tent For The Idp Roadshows At Ludeke Village Ward 04 On 16/05/2022
2022/05 /26	Amangule Trading & Projects	2 750,00	Core Function: Mayor And Council	Catering Councillors Meetings	Request High Tea For Special Executive Meeting To Be Held On The 25 Ma
2022/05 /12	Zongs Mshasvelathi	2 800,00	Core Function: Mayor and Council	Transportation Special Program Gender 505260191	Request 2 Quantams For Women And Men's Forum On The 09 May 2022 At Wil Sun
2022/05 /24	Mayaba Holdings	2 990,00	Core Function: Corporate Wide Strategic P	Mayoral Imbizo Roadshows- Charges	Request 2 Ordinary Toilets For The Idp Roadshow On Ward 01 On The 20/0
2022/06 /02	Group Two Media Company	3 000,00	Core Function: Corporate Wide Strategic P	Advertising Fees Idp 515260540	Request Advertising Of The Attached Public Notice For The Adoption Of In 2 Local Newspapers
2022/05 /30	Nandi-Lee Jrr	3 325,00	Core Function: Economic Development/Plann	Stakeholder Consultation Catering Costs 1505	Request For The Provision Of Catering By Means Of Finger Lunch For 35 Attending Psc Meeting At Council Chambers & To Be Served At 13:00hrs
2022/05 /13	Kwik-Fit Bizana	3 869,92	Core Function:Fleet Management	Vehicle Maintenance Outsourced	Request For One Tyre(All Terrain Tyres) For Isuzu Kb 300I With Regi Number Jnx 733 Et Size 265/60R18
2022/06 /02	Izwi Le Afrika Newspaper	4 000,00	Core Function:Solid Removal	Waste Advertising 5020	Request For Advertisement For Supply And Delivery Of Skips
2022/05 /13	Piplo Civils And Construction	4 299,99	Core Function:Corporate Wide Strategic P	Mayoral Imbizo Roadshows- Charges	P.A System With 2 Cordless Mics For Idp Road Shows In Ward 01 On 13/05/
2022/06 /02	Group Two Media Company	4 320,00	Core Function:Supply Management	Advertising Fees Scm 1005260540	Request For Re-Advertising Of Supply And Delivery Of Stationery For 12 And Provision Of Insurance Services
2022/05 /30	Meyife Construction And Projec	5 400,00	Core Function:Mayor And Council	Whippery Support Catering Costs 505260175	Request Lunch With Soft Drinks For Constituency Work Programme To Be H 29 May 2022 At Council Chamber At 09h00
2022/06 /02	Iso News Pty Ltd	5 760,00	Core Function:Corporate Wide Strategic P	Advertising Fees Idp 515260540	Request Advertising Of Public Notice For The Adoption Of Final Idp In 2 Local Newspapers

Order Date	Creditor Name	Value	Function	Segment	Specification
2022/05 /27	Philakona	6 000,00	Core Function:Biodiversity And Landscape	Stakeholder Meetings	Request For 50 X Catering For Waste Management Committee(Stakholders On The 26 May 2022 @ 09h00
2022/05 /18	Magholo Trading& Projects	6 500,00	Core Function:Solid Removal	Transport Hire	Request For Hiring Of 1 X Mini Bus To Transport Councillors To Attend Climate Change Strategy On The 17 May 2022 In Wild Coast Sun @09h00
2022/06 /02	Ezamavovo Trading (Pty) Ltd	7 000,00	Core Function:Mayor And Council Aids	Transportation Strategic Review Hiv	Request Transport For 15 People To Ntbankulu On The 02 June 2022.
2022/05 /12	Nkosi Nniza Trading Enterpris	7 000,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 14 For Idp Road Shows On 11/05/2 Meje Community Hall
2022/05 /24	Senzwa Civis And Project	7 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 29 For Idp Road Shows On 06/05/2 Majola Ishusha Community Hall
2022/05 /11	Kwakhanya Bumbantaba	8 000,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 18 For Idp Road Shows On 05/05/2 At Nomangesi Malunga Community Hall
2022/05 /11	Oozy And Oozy Construction	8 000,00	Core Function:Corporate Strategic P	Mayoral Imbizo Roadshows- Hire Charges	Catering Lunch For 100 People In Ward 03 On 16/05/2022 At Sithukuthizi Hall For Idp Road Shows
2022/05 /06	Kwik-Fit Bizara	8 044,25	Core Function:Solid Removal	Refuse- Vehicle Maintenance	Request For Replacement Of 5 Tyres For 1.3 Ton Truck (Jnx 120 Ec)
2022/05 /23	Yoyobahle (Pty) Ltd	8 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 25 For Idp Road Shows On 10/05/2 Theophilus Tshangela Community Hall
2022/05 /20	Zizentle T-adring Enterprise	8 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering For 100 People In Ward 24 For Idp Road Shows On 06/04/22 At Ehenzier Community Hall
2022/05 /20	Cujana	8 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 15 For Idp Road Shows On 11/05/2 Makhosonke Community Hall
2022/05 /13	Amajola Agricultural Primary	8 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering For 100 People In Ward 21 For Idp Road Shows On 06/04/22 At Elityeni Community Hall
2022/05 /13	Ozwa And Tidos Trading Co-Cper	8 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 23 For Idp Road Shows On 06/05/2 At Zikhuba Community Hall
2022/05 /12	Xolani Hopefield Civil Constru	8 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 07 For Idp Road Shows On 12/05/2 Mzamba Community Hall
2022/05 /11	Dagaya's Construction Pty Ltd	8 500,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering Lunch For 100 People In Ward 01 For Idp Road Shows On 13/05/2 At Multi-Purpose Youth Centre
2022/05 /13	Lustarz Project	8 600,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Catering For 100 People In Ward 08 For Idp Road Shows On 10/05/2 At Monwabiso Mfingwana Community Hall
2022/05 /26	Sizisa Uthanyo Trading 111S	9 000,00	Core Function:Corporate Strategic P	Idp Catering 515260555	Request Lunch For 100 People For The Idp Roadshow To Be Held On The 23 At Afm Church Ward 16
2022/05	Maphalala Trading	9 000,00	Core Function:Corporate Wide	Idp Catering 515260555	Catering Lunch For 100 People In Ward 28 For Idp Road Shows On 10/05/2 At

Order Date	Creditor Name	Value	Function	Segment	Specification
/13			Strategic P		Lundini Community Hall
2022/05 /12	Sne Jay Construction (Pty) Ltd	9 000,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering Lunch For 100 People In Ward 30 For Idp Road Shows On 11/05/22 At Gwebityala Gobolemamba Community Hall
2022/05 /12	Sandulube Trading And Projects	9 000,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering Lunch For 100 People In Ward 13 For Idp Road Shows On 05/05/22 At Ngcingo Community Hall
2022/05 /11	Tamati Transport Pty Ltd	9 000,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering For 100 People In Ward 17 For Idp Road Shows On 05/05/22 At Sicielo Bhani Community Hall
2022/05 /11	Tributary Of Success Projects	9 120,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering For 100 People Idp - Ward 09
2022/05 /13	Spa And Vujo	9 240,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering Lunch For 100 People In Ward 10 For Idp Road Shows On 10/05/22 At P.J Mhanti Community Hall
2022/05 /18	Miazana Trading Enterprise Pty	9 500,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering Lunch For 100 People In Ward 06 On 18/05/22 At Ntshamathane Com
2022/05 /18	Lizozo's Construction & Project	9 500,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering Lunch For 100 People In Ward 31 For Idp Road Shows On 04/05/22 At Skhumba Sika Mzitshana Community Hall
2022/05 /12	Anforcept Trading Enterprise	9 545,00	Core Function:Mayor And Council	Hiring-Public Participation	Request For 3 Pole Tent
2022/05 /18	Phialakona	9 588,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Request 120 Lunch Packs For The Idp Roadshows
2022/05 /30	Mpuku Transport Company	9 700,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Request Catering For Ward 05 Idp And Budget Roadshows
2022/05 /30	Nandi-Lee Jnr	9 900,00	Non-Core Development	Population	Stakeholder Consultation Catering Costs 1505 Request For 30 Lunch Packs For Exco/ Mayors Itinerary For 3 Days As Fr 25/04/2022; 26/04/2022 & 28/04/2022 For Disaster Floods
2022/05 /18 01	Why Not Trading	10 000,00	Core Function:Corporate Strategic P	Wide	Contractors:Catering Services Request Lunch For The Roadshow To Be Held On The 18/05/2022 At Ward 02 Mbuthweni Community Hall.
2022/05 /26	Mthobeli Msiza	10 400,00	Core Function:Mayor And Council	Wide	Mayoral Imbizo Roadshows- Hire Stakeholder Consultation Catering Costs 1505 Request Lunch For 100 People For The Idp Roadshow To Be Held At Ntaben Hall Ward 12 On The 23/05/2022
2022/06 /01	Matita Trading (Pty) Ltd	11 000,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering Lunch For 100 People For Idp Road Shows On 18/05/22 In Ward 1 Ngindili Community Hall
2022/05 /13	Olew Trading Projects	11 000,00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering For Mayoral Imbizo In Ward 26
2022/05 /11	Spa And Vujo	11 400,00	Core Function:Human Resources	Contractors:Stage And Sound Crew	Request One 3 Poles Tent For Financial Fitness Campaign On The 1/2022

Order Date	Creditor Name	Value	Function	Segment	Specification
2022/05 /24	Mabuyane Trading	12 000.00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering For 100 People In Ward 19 For Idp Road Shows On 20/05/2
2022/05 /24	Dazzle Trading	12 500.00	Core Function:Corporate Strategic P	Wide	Idp Catering 515260555 Catering For 100 People Attending Idp Roadshows Ward 20
2022/05 /30	Cr17 Siyavuma Trading	12 750.00	Core Function:Mayor And Council		Request High Tea For Special Council Meeting On The 30th May 2022 At C
2022/05 /12	Gadula Construction	13 000.00	Core Function:Corporate Strategic P	Wide	Catering Councilors Meetings Idp Catering 515260555 Catering For 100 People In Ward 04 For Idp Road Shows On 12/05/2
2022/05 /24	Thanks To Give Trading And Pro	14 000.00	Core Function:Mayor And Council	Hire	Request Lunch For 100 People In Ward 04 For Idp Road Shows On 12/05/2 Ludeke Mission Chamber At 09h00.
2022/05 /31	Thanks To Give Trading And Pro	14 500.00	Core Function:Corporate Strategic P	Wide	Request Lunch For 100 People For Ward 32 Roadshow Idp Catering 515260555 Request Lunch For 100 People For Ward 32 Roadshow
2022/05 /24	G-U Trading & Projects	14 900.00	Core Function:Mayor And Council		Request 100 Lunch Packs For The Lgbqi Community Education To Be Held 20/05/2022 At Ward 01 Catering Special Programs Gender 505260191
2022/05 /26	Excellent Conferencing Pty Ltd	15 000.00	Core Function:Human Resources	Tuition Fees	Payment For Tuition Fees For Sandile Ntsozakhe
2022/05 /11	Dibandela Transport And Projie	15 000.00	Core Function:Corporate Strategic P	Wide	Mayoral Imbizo Roadshows- Hire Mayoral Imbizo Roadshows- Hire Catering For 100 People In Ward 27 For Idp Road Shows On 04/05/22 At Qobo Jss
2022/05 /13	Lugwijiini Cleaning And Caterin	16 500.00	Core Function:Corporate Strategic P	Wide	Catering For Idp Roadshows At Ward 22 Idp Catering 515260555
2022/05 /11	Milosi Construction	17 500.00	Core Function:Corporate Strategic P	Wide	25 Lunch Packs Per Day For 7 Days (175 Lunch Packs) For Idp Road Show 04/05/22 To 13/05/22
2022/05 /18	Likho Trading Cc	18 000.00	Core Function:Mayor And Council		Request Lunch With Soft Drinks For Ghy Awareness To Be Held On The 12 At Marelane Sss Catering Special Programs Gender 505260191
2022/05 /12	African Compass Trading 37cc	18 400.00	Core Function:Mayor And Council	Whiperry Support Catering Costs	Request Lunch 505260175
2022/05 /24	Malulwani Trading	18 900.00	Core Function:Biodiversity And Landscape	Blue Flag Programme Sign Boards	Request For Supply, Delivery And Installation Of 2 Blue Flag Sign Boar 2505260485 Roads Vehicle Maintenance
2022/05 /18	Kwik-Fit Bizana	19 544.25	Core Function:Roads	Roads Vehicle Maintenance	Request For Tyre Grader X1 ; Tyre Size 17.5-25; Reg No.Jcf 375 Ec
2022/05 /06	Lajamka (Pty) Ltd	20 393.75	Core Function:Finance	Finished Goods:Acquisitions	Request For 30 Boxes Staples Standard Boxed 5000/26/6mm Boo
2022/05	Driving License	20 619.00	Non-Core Function:Road And	Stationery Vehicle Testing And	Payment To Driving Licence Card Account - May 2022

Order Date	Creditor Name	Value	Function	Segment	Specification
2022/05/27	Card Account		Traffic Regul	Licensing	
2022/05/06	Amatshezi Transport	22 500,00	Core Function:Solid Removal	Waste	Transport Hire
2022/05/06	Black Smoke Trading (Pty) Ltd	22 600,00	Core Function:Finance		Finished Goods:Acquisitions
2022/05/24	Kwik-Fi Bizana	23 219,94	Core Function:Fleet Management	Vehicle Maintenance	Outsourced
2022/05/13	Mvazanas Construction	24 000,00	Core Function:Solid Removal	Waste	Transport Hire
2022/05/12	Meyife Construction And Projec	24 325,00	Core Function:Mayor And Council	Hire Charges	Council Meeting To Be Held On T 2022
2022/05/31	Thulani And Mom Trading Enter	24 390,00	Core Function:Roads		Protective Clothing Roads 5505
2022/05/31	Vds Concept	27 000,09	Core Function:Biodiversity And Landscape	Environmental Awareness	Catering
2022/05/06	Lions Den Projects	27 100,00	Core Function:Solid Removal	Waste	R&M Refuse Powertools
2022/05/24	The Mane's Pty Ltd	27 500,00	Core Function:Solid Removal		Finished Goods:Acquisitions
2022/05/24	Bsy Enterprise (Fty) L	28 000,00	Core Function:Mayor And Council		
2022/06/01	Pondo News	28 290,00	Core Function:Finance		Advertising Finance
2022/05/12	Savage Dynasty	28 880,00	Non-Core Function:Libraries And Archives		Library Awareness Catering
2022/05/24	Lustaz Project (Pty) Ltd	29 100,00	Core Function:Mayor And Council		Promotional Items Pwd 505260280
2022/05/30	African Compass Trading 37cc	29 400,00	Core Function:Mayor And Council	505260194	Catering Childrens Program
2022/05/27	Ngeswa Trading	29 750,00	Core Function:Police Forces Traffic And	Traffic Awareness	Catering Campaign
		1 022 631,09			

f. Procurement above R30 000 but below R200 000

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

Order Date	Creditor Name	Function Name	Function	Segment	Specification
2022/05/20	Driving License Account	Card	39 342,00	Non-Core Function:Road And Traffic Regul	Stationery Vehicle Testing And Licensing
2022/05/13	Leadership Academy Pty Ltd		39 714,10	Core Function:Human Resources	Tuition Fees
2022/05/13	Government Works	Printing	51 452,20	Core Function:Legal Services	Printing 515225011
2022/05/13	Government Works	Printing	72 638,40	Core Function:Legal Services	Printing 515225011
2022/05/24	Fleet Horizon Solutions		93 119,36	Core Function:Fleet Management	Tracker Fleet Management
2022/05/06	Nmi Durban South Motors Pty		139 475,16	Core Function:Solid Waste Removal	Refuse-Maintenance
			435 744,22		

12. Status of Tenders

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

a) Mini Tender progress for May 2022

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

b) Tenders awarded during the month of May 2022

No tenders were awarded during the month.

c) Status of current tenders

Name of the Project	Bid Number	Chairper son	Closing Date	Appointment Date	Validity Period	Status
Social Relief Material	W/MM LM 0064 SRM	N/A	Friday, 17 June 2022	N/A	Thursday, September 2022	15 Advertised
Panel for Land Survey Services	MBIZLM00069PLS	N/A	N/A	N/A	N/A	to be re-advertised
Supply and Delivery of Furniture	W/MM 05/05/21/01 OFF	LM N/A	N/A	N/A	N/A	to be re-advertised
Socio-Economic Infrastructure Assessment Study	W/MM LM 004/ S-EIAS	N/A	Friday, 17 June 2022	N/A	N/A	to be re-advertised
Review of Registry Policy, Procedure Manual & Development of Records Strategy	W/MM LM 00123 IRM	N/A	N/A	N/A	N/A	to be re-advertised
Supply and Delivery of Stationery for 12 Months	W/MM 09/09/1/01 PST	LM N/A	Monday, July 2022	04 Not Appointed	Sunday, 02 October 2022	Advertised
Provision of Insurance for 3 Years	W/MM 27/10/21/01 PIS	LM N/A	Friday, 15 July 2022	Sunday, December 2022	04 Thursday, 13 October 2022	Advertised
Construction of Sigingqini to Marina Access Road	W/MM 31/05/22/02 SMA	LM N/A	Friday, 17 June 2022	N/A	Friday, 17 June 2022	Advertised
Construction of Tshangweni Access Road	W/MM 31/05/22/03 TAR	LM N/A	Friday, 17 June 2022	N/A	Friday, 17 June 2022	Advertised
Construction of Sixhènxi Access Road	W/MM 31/05/22/04 SAR	LM N/A	Friday, 17 June 2022	N/A	Friday, 17 June 2022	Advertised
Construction of Early Childhood Development Centre in Ward 13	W/MM 31/05/22/05 ECD	LM N/A	Friday, 17 June 2022	N/A	Friday, 17 June 2022	Advertised
Maintenance of Electricity Infrastructure	W/MM 31/05/22/01 MEI	LM N/A	Friday, 17 June 2022	N/A	Friday, 17 June 2022	Advertised
Multi Discipline Panel of Consultants	W/MM LM	N/A	Friday, 17 June	N/A	Friday, 17 June 2022	Advertised

Name of the Project	Bid Number	Chairperson	Closing Date	Appointment Date	Validity Period	Status
	31/05/22/06 MDP	2022				
Supply and Delivery of a Customized Change Rooms Container	WMM 11/02/22/01 CCR	LM N/A	Friday, 17 June 2022	N/A	Friday, 17 June 2022	Advertised

d) Deviations

The table below shows details of deviations approved by the accounting officer for various services ranging from groceries used as a humanitarian relief for flood victims, crane truck urgently required to restore electricity in town after a vehicle had collided with a pole carrying a transformer and therefore damaging the transformer as well as costs to repair a vehicle of the municipal employee that was damaged during the protest action that took place in the municipality during the year with the vehicle still being warrantee and therefore required to be repaired by a manufacturer approved autobody repairer.

Date Reported to council	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 Deviation
Not yet Reported	31/01/2022	EF007580-0005	Ndizanoyolo Trading Enterprise	R 5 580,00	Supply and delivery of Groceries for Mass Funeral	Municipal Manager	28/12/2021	Mayor and Council	No	One quotation requested	Emergency
Not yet Reported	31/01/2022	EF007585-0008	Middle Man Trading Enterprises	R 15 000,00	Hiring of Crane Truck	Municipal Manager	28/12/2021	Mayor and Council	No	One quotation requested	Emergency
Not yet Reported	15/03/2022	EF007585-0008	Margate Panel Beaters	R 43 819,04	Car Repairs	Municipal Manager	09/02/2022	Corporate Services	No	One quotation requested	Emergency
							R 64 399,04				

The above transactions are brought to the committee for further recommendation to council for approval.

e) Fruitless and Wasteful Expenditure

No fruitless and wasteful expenditure was incurred during the month.

13. Database rotation

The following table indicates the service providers that have been utilised for the month of May 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	Order No.	Order Date	Value	Status	Specifications	Ward no.
STHWALE TRADING 88 PTY LTD	P.O. BOX 764 PORT EDWARD PORT EDWARD 4800	3230 1	2022/05/26	2 000,00	RECEIVED	HIRING OF 2 MOBILE TOILETS FOR IDP ROAD SHOWS ON 13/05/22 AT MULTI PUR CENTER	Ward 1
GEEFS AND BULIES TRADING	P.O.BOX 134 BIZANA WARD 04 4800	3226 8	2022/05/18	2 500,00	RECEIVED	REQUEST 2 POLE TENT FOR THE IDP ROADSHOWS AT LUDEKE VILLAGE WARD 04 ON 16/05/2022	Ward 4
MAYABA HOLDINGS	ERF 78 WINNIE MADIKIZELA MANDELA STRE WARD 01 4800	3228 8	2022/05/24	2 990,00	RECEIVED	REQUEST 2 ORDINARY TOILETS FOR THE IDP ROADSHOW ON WARD 01 ON THE 20/0	Ward 1
PIPLI CIVILS AND CONSTRUCTION	P.O.BOX 25485 WARD 22 BIZANA 4800	3224 8	2022/05/13	4 299,99	RECEIVED	P.A SYSTEM WITH 2 CORDLES MIC'S FOR IDP ROAD SHOWS IN WARD 01 ON 13/05/	Ward 1
NKOSI NINIZA TRADING ENTERPRIS	Po Box 31 Bizzana WARD 14 4800	3223 1	2022/05/12	7 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 14 FOR IDP ROAD SHOWS ON 11/05/22 MEJE COMMUNITY HALL	Ward 14
SENZWA CIVILS AND PROJECT	P.O BOX 475 PORT EDWARD WARD 29 4800	3228 5	2022/05/24	7 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 29 FOR IDP ROAD SHOWS ON 06/05/22 MAJOLA TSHUTSHA COMMUNITY HALL	Ward 29
KWAKHANYA BUMBANTABA	IMIZIZI A/A BIZANA WARD 18	3222 4	2022/05/11	8 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 18 FOR IDP ROAD SHOWS ON 05/05/22 AT NOMANGESI MALUNGA COMMUNITY HALL	Ward 18
OOZY AND OOZY CONSTRUCTION	P.O BOX WARD 17 BIZANA 4800	3222 2	2022/05/11	8 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 03 ON 16/05/2022 AT SITHUKUTHEZI HALL FOR IDP ROAD SHOWS	Ward 03
YOYOBALIE (PTY)LTD	P.O.BOX 1 BIZANA WARD 25 4800	3228 1	2022/05/23	8 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 25 FOR IDP ROAD SHOWS ON 10/05/22 THEOPHILUS TSHANGELA COMMUNITY HALL	Ward 25
ZIMENTLE TRADING ENTERPRISE	AMADIBA A/A CINGWENI LOCATION BIZANA WARD 24 4800	3227 9	2022/05/20	8 500,00	RECEIVED	CATERING FOR 100 PEOPLE IN WARD 24 FOR IDP ROAD SHOWS ON 06/04/22 AT EBENEZER COMMUNITY HALL	Ward 24
CUJANA	P O BOX534 BIZANA ward 15 4800	3227 8	2022/05/20	8 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 15 FOR IDP ROAD SHOWS ON 11/05/22 MAKHOSONKE COMMUNITY HALL	Ward 15
AMAIOLA AGRICULTURAL	P O BOX 210241 WARD 6 BIZANA 4800	3225 4	2022/05/13	8 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 21 FOR IDP ROAD SHOWS ON 13/05/22 ELITYENI COMMUNITY HALL	Ward 21

Creditor Name	Creditor Address	Order No.	Order Date	Value	Status	Specifications	Ward no.
PRIMARY							
OZWA AND TIDOS TRADING CO-OPER	P.O.BOX 292 BIZANA WARD 23 4800	32225	2022/05/13	8 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 23 FOR IDP ROAD SHOWS ON 06/05/2 AT ZIKHUBA COMMUNITY HALL	Ward 23
XOLANI HOPEFIELD CIVIL CONSTRU	P.O.BOX 210734 BIZANA 4800	32223	2022/05/12	8 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 07 FOR IDP ROAD SHOWS ON 12/05/2 MZAMBA COMMUNITY HALL	Ward 7
DAGAYA'S CONSTRUCTION PTY LTD	P.O BOX 123 BIZANA WARD 1 4800	32222	2022/05/11	8 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 01 FOR IDP ROAD SHOWS ON 13/05/2 AT MULTI-PURPOSE YOUTH CENTRE	Ward 1
LUSTARZ PROJECT (PTY) LTD	P.O BOX 226003 BIZANA WARD 8 4800	32224	2022/05/13	8 600,00	RECEIVED	CATERING FOR 100 PEOPLE IN WARD 08 FOR IDP ROAD SHOWS ON 10/05/22 AT MONWBISI MFINGWANA COMMUNITY HALL	Ward 8
SIZISA UKHANYC TRADING 1119	P O BOX 12 BIZANA WARD 16 4800	32321	2022/05/26	9 000,00	RECEIVED	REQUEST LUNCH FOR 100 PEOPLE FOR THE IDP ROADSHOW TO BE HELD ON THE 23 AT AFM CHURCH WARD 16	Ward 16
MAPHALALA TRADING	MNGUNGU VILLAGE P.O BOX 210003 WARD 28 4800	32224	2022/05/13	9 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 28 FOR IDP ROAD SHOWS ON 10/05/2 AT LUNDINI COMMUNITY HALL	Ward 28
SNE JAY CONSTRUCTION (PTY) LTD	P O BOX 228 BIZANA WARD 30 4800	32223	2022/05/12	9 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 30 FOR IDP ROAD SHOWS ON 11/05/2 AT GWEBITYALA GOBOLEMAMBA COMMUNITY HALL	Ward 30
SANDULUBE TRADING AND PROJECTS	P O BOX 223 BIZANA BIZANA 4800	32222	2022/05/12	9 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 13 FOR IDP ROAD SHOWS ON 05/05/22 AT NGINGO COMMUNITY HALL	Ward 13
TAMATI TRANSPORT LTD	P.O BOX 77 BIZANA WARD 17 4800	32222	2022/05/11	9 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 17 FOR IDP ROAD SHOWS ON 05/05/22 AT SICELO BHANI COMMUNITY HALL	Ward 17
TRIBUTARY OF SUCCESS PROJECTS	P O BOX 649 FLAGSTAFF WARD 9 4800	32224	2022/05/13	9 120,00	RECEIVED	CATERING FOR 100 PEOPLE IDP - WARD 09	Ward 19
SPA AND VUYO	P O BOX 433 WARD1 BIZANA 4800	32225	2022/05/13	9 240,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 10 FOR IDP ROAD SHOWS ON 10/05/2 AT P.J MHLANTI COMMUNITY HALL	Ward 10
MIAZANA TRADING ENTERPRISE PTY	P.O.BOX 1926 BIZANA WARD 01 4800	32227	2022/05/18	9 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 06 ON 18/05/22 AT NTSHAMATHE COM	Ward 6
LIZOZO'S CONSTRUCTION & PROJEC	P.O.BOX 253 BIZANA WARD 31 4800	32227	2022/05/18	9 500,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 31 FOR IDP ROAD SHOWS ON 04/05/2 AT SKHUMBA SIKA MZITSHANA COMMUNITY HALL	Ward 31

Creditor Name	Creditor Address	Order No.	Order Date	Value	Status	Specifications	Ward no.
PHILAKONA	P.O BOX 220 BIZANA WARD 01 4800	3227	2022/05/18	9 588,00	RECEIVED	REQUEST 120 LUNCH PACKS FOR THE IDP ROADSHOWS	Lunch packs
MPUKU TRANSPORT COMPANY	MABHELENI LOC. EASTERN CAPE 4800	3233	2022/05/30	9 700,00	RECEIVED	REQUEST CATERING FOR FORWARD 05 IDP AND BUDGET ROADSHOWS	Ward 5
WHY NOT TRADING 01	P O BOX 210036 BIZANA WARD 02 4800	3226	2022/05/18	10 000,00	RECEIVED	REQUEST LUNCH FOR THE ROADSHOW TO BE HELD ON THE 18/05/2022 AT WARD 02 MBUTHWENI COMMUNITY HALL.	Ward 2
MTHOBELI MSIZA,	P.O.BOX 603 BIZANA WARD 12 4800	3230	2022/05/26	10 400,00	RECEIVED	REQUEST LUNCH FOR 100 PEOPLE FOR THE IDP ROADSHOW TO BE HELD AT NTABEN HALL WARD 12 ON THE 23/05/2022	Ward 12
MATITA TRADING (PTY) LTD	P O BOX 1111 FLAGSTAFF WARD 10 4800	3234	2022/06/01	11 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE FOR IDP ROAD SHOWS ON 18/05/22 IN WARD 1 NGQINDILILI COMMUNITY HALL	Ward 11
OLEW TRADING PROJECTS	PO BOX 210613 BIZANA WARD 26 4800	3224	2022/05/13	11 000,00	RECEIVED	CATERING FOR MAYORAL IMBIZO IN WARD 26	Ward 26
MABUYANE TRADING	P O BOX 609 WARD 19 BIZANA 4800	3229	2022/05/24	12 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 19 FOR IDP ROAD SHOWS ON 20/05/22 NTABEZULU COMMUNITY HALL	Ward 19
DAZZLE TEARS TRADING	P.O.BOX 774 WARD 20 BIZANA 4800	3228	2022/05/24	12 500,00	RECEIVED	CATERING FOR 100 PEOPLE ATTENDING IDP ROADSHOWS WARD 20 ON 12/05/22 LUDEKE MISSION	Ward 20
GADULA CONSTRUCTION	MDIKISWENI ISIKELO A/A WARD 4 4800	3223	2022/05/12	13 000,00	RECEIVED	CATERING LUNCH FOR 100 PEOPLE IN WARD 04 FOR IDP ROAD SHOWS ON 12/05/22 LUDEKE MISSION	Ward 4
THANKS TO GIVE TRADING AND PRO	P.O BOX 12 WARD 32 BIZANA 4800	3233	2022/05/31	14 500,00	RECEIVED	REQUEST LUNCH FOR 100 PEOPLE FOR WARD 32 ROADSHOW	Ward 32
DIBANDLELA TRANSPORT AND PROJECT	P O BOX 594 BIZANA WARD 27 4800	3221	2022/05/11	15 000,00	RECEIVED	CATERING FOR 100 PEOPLE IN WARD 27 FOR IDP ROAD SHOWS ON 04/05/22 AT QOBO JSS	Ward 27
LUGWIJINI CLEANING CATERIN	LUGWIJINI LOCATION BIZANA 4800	3225	2022/05/13	16 500,00	RECEIVED	CATERING FOR IDP ROADSHOWS AT WARD 22	Ward 22
MULOSI CONSTRUCTION	P OBOX 210472 WARD BIZANA 4800	3221	2022/05/11	17 500,00	PAR TLY	25 LUNCH PACKS PER DAY FOR 7 DAYS (175 LUNCH PACKS) FOR IDP ROAD SHOW 04/05/22 TO 13/05/22	Lunch packs

Creditor Name	Creditor Address	Order No.	Order Date	Value	Status	Specifications	Ward no.
Total		355		437,99			

14. Contract Management

SI16(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 Businesses 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 -
Sizanane 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		MBIZ LM0009LEG	R -
MUNSOFT PTY (LTD)	Financial and Billing System	None Provided	R -
Mozi Auctioneers	Fixed asset auctioning	MBIZ LM 0049 AUC	R 0,06
Lilitha Projects Managers	GRAP Compliant Fixed Asset Register	MBIZ 0041FAR	R 25 616,10
Konyana Attorneys	Legal Services	MBIZ LM0009LEG	R -
Eskom Holdings Soc Ltd	Provision of basic services (energy provision)	KES	R -
Jowana Mgidihana Incorporated	Legal Services	MBIZ LM0009LEG	R -
Iqhayiya Design Workshop Architects	Profesional Fees for Mbizana Civic Center	MBIZ LM /12/1/2017/ENG	R 11 231 788,41
IPM Plant Hire Jv Mozman's Trading	Construction of Mphuthumi Mafumabatha Stadium	MBIZ LM 18/11/18/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/LTIBTO	R -
Dumack and Bright Idea	Construction of Mphuthumi Mafumabatha Stadium	MBIZ LM/29/11/03	R 8 094 071,25
Dr Sugudhav-Sewpersad Attorneys	Legal Services	MBIZ LM0009LEG	R -

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount
CONLOG	Prepaid electricity agent	Ref.6/1/1/5	R -
Boara 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
Theniwe Business Solutions t/a Umussa	Medical Check-ups	MBIZ LM 0000085	R -
Abangula Trading Enterprise	Maintenance of CCTV Cameras	MBIZLM0029MM/CCTV	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
Inqiqayi Design Economic Partnership	MLDP Implementation Project	MBIZLM0016DPI	R 598 000,00
Kumyoliz 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
Zimzame Consulting Engineers	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
VHB Associates	Multi Discipline Panel of Consultants- Architectural	MBIZ LM 0055 CON	R -
BMK Consulting Engineering	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
TPA JV Lisa Solutions	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
S.Zoko Consulting	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
Mlala Emazweni Trading & projects	Multi Discipline Panel of Consultants- Civil Engineering	MBIZ LM 0055 CON	R -
Iahayiya Design Workshop Architects	Multi Discipline Panel of Consultants- Architectural	MBIZ LM 0055 CON	R -
Techseeds Pty Ltd	Procurement of IP-PBX	MBIZ LM 0041 IP-PBX	R 3 292 404,50
Cycle Civils and Projects	Rehabilitation of Dumping Site for 24 Months	MBIZ LM 0008 RDS	R 2 553 896,45
Vodacom Pty Ltd	Procurement of Mobile Contract	MBIZ LM 0040 PMC	R -
Dibeble Contraction and Projects JV	Supply & Delivery of Refuse Removal Protective Clothing for 36 Months	MBIZ LM 0005 RRPC	R 2 585 777,16
Inventiveness	Revenue Management and Enhancement Strategy	MBIZ LM 0024 RES	R 600 000,00
Clear Result 77 (PTY)LTD	Environmental Threatening Obstacle in MLM for 36 Months	MBIZ LM 0007 ETO	R 950 000,00
Asenati Construction Pty Ltd	Free Basic Electricity	N/A	R -
Eskom Holdings Spc Ltd	Review of Municipal Corporate Governance for ICT Charter and Framework for Two Years	MBIZ LM 002 ICTC&FM	R 1 180 000,00
Blue Cycle Services Pty Ltd	Electrification of 235 Extra Connection in Sigodweni, Mandllobe, Madada and Diphini	MBIZ LM 0025 SIG	R 4 856 335,37
SNR Electrical cc	Professional Fees Mqonjwana to Greenville A/R	MBIZLM0055CON	R 712 748,47
Mlala Emazweni Trading & projects	Professional Fees Extension 4 Bridge	MBIZLM0055CON	R 775 531,76
S.Zoko Consulting	Supply & Delivery of Refuse Plastic Bags for 36 Months	MBIZ LM 0006RPB	R 2 800 000,00
Cape to Cairo Investments Pty Ltd	Electrification of Mabhenguteni Village (Ward 15) 414 Households	MBIZ LM 00057 EMV	R 19 575 046,47
Mabozela Trading and Enterprise Jv Boboshe	Website Revamp	MBIZ LM 0058 WEB	R 805 000,00
Ndlela Mhlophe Trading	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -
ODG Technologies PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -
Restsam Engineering PTY Ltd	Extension 4 Bridge Ward 01	MBIZ LM 0006 EWB	R 3 296 658,31
Ambrose Civils			

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount
MAT Trading Enterprise	Deliver and servicing of skip bins	MBIZ LM 0062 SSB	R 990 000,00
Thake Electrical cc	Electrification of Sigidi Village/Mdatya Bekelle	MBIZ LM 00057 EMV	R 18 944 944,21
YG Solutions (Pty) Ltd	Electrification of Sidanga Village	MBIZ LM 00066 E SV	R 2 453 216,26
Denasa Civils and Construction	Construction of Mqonjwana Access Road	MBIZ LM 001MGA	R 8 478 910,00
Isigidimi Solutions	Co-Sourcing arrangements for internal auditing	MBIZ LM 00050 IAU	R 2 100 000,00
Siti Cargo	Maintenance of Tshayingca Road	MBIZ LM 0048 RTAR	R 4 534 471,20
Mayenziwi Holdings Pty Ltd	Maintenance of 2 Nurseries for a Period of 12 Months	MBIZ LM 00072 MN12M	R 620 000,00
Restsam	Panel of Consultants: Mdatya and Bekelle (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: Mabhenguteni Electrification Supply & Maintenance of Automated Meter Reading System for 3 years	MBIZ LM 0055 CON	R 1 958 862,20
Emerald Metering and Utility Management Pty Ltd	Panel of Consultants:- Architectural: Temporary Traders Stalls and Civil Works	MBIZ LM 0085 AMRS	R 2 129 902,23
Iqhayiya Design Workshop	Replacement of LV & MV LINES	WMM LM 00059 LV&MVL	R 956 705,82
Mabozela Trading JV Boboshe Trading enterprise	Maintenance of Bulk Metering and Cables	WMM LM 0091 MBM&C	R 2 603 711,60
YG Solutions	Disposal of Municipal Sites for Business and Government Use	MBIZ LM 00060 DMP	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	WMM-LM(Panel of Consultants)	R 1 152 032,62
Iqhayiya Design and Workshop	Manufacturing Hubs	WMM LM 00057E MV	R 3 850 372,50
Thake Electrical	Electrification of Xholobeni Village in Ward 25	WMM LM 00057E MV	R 23 624 770,08
ODG Technologies	Electrification of Xholobeni Village in Ward 25	WMM LM 00061 W20CH	R 2 362 477,01
Ngoma JV Dimbane Zikhazi Trading	Ward 20	WMM LM 00060 W04CH	R 3 600 000,00
Ngoma JV Dimbane Zikhazi Trading	Construction of ward 01 ECDC	WMM LM 00062 W01 ECDC	R 3 191 415,70
ThakleProjects Jv Magnacorp 522	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02HPT	R 9 001 800,00
Manyobo Group	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02HPT	R 1 600 000,00
Stira Construction and Projects (Pty) Ltd	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02HPT	R 4 072 500,00
Mabozela Trading	Hiring Of Construction Plant and Trucks	WMM LM 21/07/21/02HPT	R 2 997 000,00
Siti Cargo	Construction of Siginqini to Marima Access Road	MBIZ LM 0055 CON	R 838 341,08
S. Zoko Consulting	Maphaleni Via Mbubazi	MBIZ LM 0055 CON	R 1 777 614,33
Zinzame Consulting Engineers	Sixhaxeni Access Road	MBIZ LM 0055 CON	R 400 000,00
TPA JV Lisa Solutions	Refurbishment of Mbizana Taxi rank phase 2	WMM LM 01/09/21/02 RTR	R 23 545 916,50
Vitisha Trading	Provision of Private Security Services	WMM LM 08/12/20/03 PSC	R 27 820 800,00
Bukhobethu Security Services	Construction for VAV Access Road Professional Fees	WMM LM 08/10/21/03 VMA	R 253 513,69
Mlala Emazweni Trading & projects	Msthongweni Access Road	MBIZ LM 0055 CON	R 271 621,81
VHB Associates	Professional Fees Upgrade of Taxi Rank(Phase 2)	MBIZLM0055CON	R 3 649 617,06
Environmental Vanguard(Pty) Ltd	Reviewal of climate change strategy	WMM LM 11/02/21/01 CCS	R 390 000,00
Ncaiana Trading and Projects	LED Streetlight fitting, cables and poles	MBIZ LM 21/07/21/02 PSL	R 540 400,00
Thake Electrical cc	Replacement of ring main unit material and equipment	WMM LM 10/08/21/02 RRMU	R 790 493,13
Sword Group		WMM LM 06/10/21/01 PME	R 477 000,00

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

R 411 026 370,24

15. Regulation 17(1) c Procurement

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

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

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

SECTION 17 TRANSACTION DETAILS						PROCUREMENT PROCESS				
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
15/02/2022	EF007599-0003	Excellent Conferencing	R 30 000,00	NERSA (NER/D/E C132)	Chief Financial Officer	15/02/2022	Engineering Services	No	One quotation requested	Preferred accredited Institution
14/02/2022	EF007594-0006	Umgeni Water	R 8 245,50	Water Quality Testing	Chief Financial Officer	11/02/2022	Community Services	No	One quotation requested	Sole Provider
	EF007594-0001	WESSA	R 11 130,00	Blue Flag	Chief Financial Officer	15/02/2022	Community Services	No	One quotation requested	Sole Provider
14/02/2022	EF007594-0005	University of Witwatersrand	R 174 000,00	Study Fees	Chief Financial Officer	10/02/2022	Corporate Services	No	One quotation requested	Preferred accredited Institution
14/03/2022	EF00	ARMS-AUDIT	R 32 000,00	Study Fees	Chief Financial Officer	03/03/2022	Municipal Manager	No	One quotation requested	Preferred accredited Institution
16/11/2021	EF007608-0008	University of Witwatersrand	R 58 000,00	Study Fees	Chief Financial Officer	20/04/2022	Corporate Services	No	One quotation requested	Preferred accredited Institution
22/04/2022	EF007666-0004	Umgeni Water	R 10 994,00	Water Quality Testing	Chief Financial Officer	22/04/2022	Community Services	No	One quotation requested	Sole Provider
Not yet paid		Government Printing Works	R 41 360,80	The liquor by-Law and the informal trading by-law	Chief Financial Officer	04/04/2022	Municipal Manager	No	One quotation requested	Preferred accredited Institution
Not yet paid		Umgeni Water	R 10 994,00	Water Quality Testing	Chief Financial Officer	29/04/2022	Community Services	No	One quotation requested	Sole Provider
29/04/2022	EF007676-0002	Synergy Business Events	R 21 348,60	Tourism Indaba	Chief Financial Officer	29/04/2022	Development Planning	No	One quotation requested	Sole Provider
		The Institute of Internal Auditors	R 1 279,95	Annual Affiliation	Chief Financial Officer	26/04/2022	Municipal Manager	No	One quotation requested	Sole Provider

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

2031014.35

PART 2 – SUPPORTING DOCUMENTATION

1. The impact of COVID-19 to the municipality

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

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

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

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

a. Financial Performance

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

i. Refuse removal

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

ii. Electricity distribution

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

iii. Licences and permits

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

2. Implementation of the Finance Management Internship Programme

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

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

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

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

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

The municipality has 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 - M11 May

R thousands	Description	Budget Year 2021/22										
		NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Over 1Yr	Total	Total over 90 days
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,438	1,502	1,381	1,307	1,356	13,237	-	-	-	21,221	15,900
Receivables from Non-exchange Transactions - Property Rates	1400	789	577	538	526	524	33,162	-	-	-	36,116	34,212
Receivables from Exchange Transactions - Water Management	1500	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	402	275	260	257	255	8,241	-	-	-	9,690	8,753
Receivables from Exchange Transactions - Property Rental Debts	1700	263	191	20	20	20	523	-	-	-	1,039	564
Interest on Arrear Debtor Accounts	1810	207	222	201	193	188	12,243	-	-	-	13,254	12,624
Recoverable unauthorised, irregular, trifling and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	356	155	180	232	152	3,590	-	-	-	4,664	3,974
Total By Income Source	2000	4,456	2,922	2,580	2,535	2,496	70,996	-	-	-	85,984	76,027
2020/21 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	885	845	812	741	757	38,594	-	-	-	42,634	40,091
Commercial	2300	3,261	1,790	1,507	1,561	1,518	19,894	-	-	-	29,531	22,973
Households	2400	310	287	260	233	221	12,509	-	-	-	13,820	12,963
Other	2500	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-	(0)	(0)
Total By Customer Group	2600	4,456	2,922	2,580	2,535	2,496	70,996	-	-	-	85,984	76,027

The table above shows municipal debtors for the month of May 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 - M11 May

Description R thousands	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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		140							140	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	140	-	-	-	-	-	-	-	140	-

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 - M11 May

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commissio n Paid (Rand)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance	
Municipality															
FNB CALL DEPOSIT ACCOUNT (62550717767)			Not fixed	Call Deposit	No	Variable	0.002333057	0	N/A	not fixed	13,271	31	(6,102)	-	7,200
FNB CALL DEPOSIT ACCOUNT (62459758078)			Not fixed	Call Deposit	No	Variable	0.001099249	0	N/A	not fixed	2,454	3	(2,411)	-	46
FNB CALL DEPOSIT ACCOUNT (62028477992)			Not fixed	Call Deposit	No	Variable	0.00270378	0	N/A	not fixed	341,937	925	(22,545)	-	320,316
FNB CALL DEPOSIT ACCOUNT (62816769220)			Not fixed	Call Deposit	No	Variable	0.002920455	0	N/A	not fixed	379	1	(15)	-	364
FNB CALL DEPOSIT ACCOUNT (62816773073)			Not fixed	Call Deposit	No	Variable	0.002923654	0	N/A	not fixed	6	0	-	-	6
FNB CALL DEPOSIT ACCOUNT (62896110170)			Not fixed	Call Deposit	No	Variable	0.002924657	0	N/A	not fixed	6,372	19	-	-	6,391
FNB CALL DEPOSIT ACCOUNT (62852108531)			Not fixed	Call Deposit	No	Variable	0.002924611	0	N/A	not fixed	69	0	-	-	69
FNB CALL DEPOSIT ACCOUNT (62550715828)			Not fixed	Call Deposit	No	Variable	0.002921186	0	N/A	not fixed	642	2	(24)	-	621
Municipality sub-total											365,130		(31,097)	-	335,013
Entities															-
Entities sub-total															-
TOTAL INVESTMENTS AND INTEREST	2										365,130		(31,097)	-	335,013

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 R31 million which lead to a decrease in its investments for the month of May 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

FRAUDULENT DEBIT ORDER IDENTIFIED AND REVERSED			
Transaction Date	Transaction Description	Transaction Amount	Reason for Reversal
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
31-May-22	CELL C 0008390138 I101	R 626.99	Fraudulent Debit order
		R 199,839.83	

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 - M11 May

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:										
Local Government Equitable Share		363,013	323,643	326,764	—	323,643	299,273	24,370	8.1%	326,764
Finance Management		332,422	289,620	289,620	—	289,620	265,485	24,135	9.1%	289,620
EPWP Incentive		2,000	2,000	2,000	—	2,000	1,833	167	9.1%	2,000
Integrated National Electrification Programme		2,389	3,570	3,570	—	3,570	3,273	298	9.1%	3,570
		26,202	28,453	28,453	—	28,453	26,082	2,371	9.1%	28,453
Neighbourhood Development Partnership	3									
Sport and Recreation										
Other transfers and grants [insert description]										
District Municipality:										
[Insert description]										
Other grant providers:										
[Insert description]										
Total Operating Transfers and Grants	5	363,786	324,143	327,264	—	324,143	299,732	24,411	8.1%	327,264
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		49,714	70,843	67,722	—	57,994	62,078	4,252	6.8%	70,843
Neighbourhood Development Partnership		45,459	51,023	51,023	—	51,023	46,771	4,252	9.1%	51,023
		4,255	19,820	16,699	—	6,971	15,307			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	62,078	4,252	6.8%	70,843
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	413,500	394,986	394,986	—	382,137	361,810	28,663	7.9%	398,106

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

Description	Ref	2020/21		Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
EXPENDITURE											
Operating expenditure of Transfers and Grants											
National Government:		368,781	323,643	326,764	14,574	189,512	299,534	(110,021)	-36.7%	323,643	
Local Government Equitable Share		332,421	289,620	289,620	14,544	156,096	265,485	(109,389)	-41.2%	289,620	
Finance Management		2,000	2,000	2,000	29	1,393	1,833	(440)	-24.0%	2,000	
EPWP Incentive		2,389	3,570	3,570	-	3,570	3,273	298	9.1%	3,570	
Integrated National Electrification Programme		31,966	28,453	28,453	-	28,453	26,082	2,371	9.1%	28,453	
Neighbourhood Development Partnership											
Disaster Grant		5		3,121	-	-	2,861	(2,861)	-100.0%		
Provincial Government:		912	500	500	6	137	458	(322)	-70.2%	500	
Sport and Recreation		511	500	500	6	137	458	(322)	-70.2%	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	14,580	189,649	299,992	(110,343)	-36.8%	324,143	
Capital expenditure of Transfers and Grants											
National Government:		45,459	70,843	67,722	6,900	44,658	62,078	(17,420)	-28.1%	70,843	
Municipal Infrastructure Grant (MIG)		45,459	51,023	51,023	6,900	43,972	46,771	(2,799)	-6.0%	51,023	
Neighbourhood Development Partnership		-	19,820	16,699	-	686	15,307	(14,621)	-95.5%	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	6,900	44,658	62,078	(17,420)	-28.1%	70,843	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		415,153	394,986	394,986	21,480	234,307	362,070	(127,763)	-35.3%	394,986	

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

c) Expenditure on approved rollovers

EC443 Winnie Madikizela Mandela - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M11

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

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

7. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description R thousands	Ref 1	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		15,110	56,951	56,951	572	20,689	52,205	(31,516)	-60%	
Service charges		23,019	29,346	29,346	3,698	38,888	26,901	11,987	45%	
Other revenue		9,342	8,896	7,966	909	7,496	7,302	194	3%	
Transfers and Subsidies - Operational		335,485	295,690	295,853	—	295,690	271,198	24,492	9%	
Transfers and Subsidies - Capital		77,425	99,296	99,296	—	87,203	91,021	(3,818)	-4%	
Interest		11,879	10,047	10,047	999	9,724	9,209	514	6%	
Dividends					—	—	—	—		
Payments										
Suppliers and employees		(262,653)	(370,638)	(373,254)	(23,399)	(280,569)	(342,149)	(61,580)	18%	
Finance charges		(1)	(50)	(50)	—	—	(46)	(46)	100%	
Transfers and Grants						—	—	—	(50)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		209,606	129,537	126,155	(17,222)	179,120	115,642	(63,478)	-55%	
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		276						—		
Decrease (increase) in non-current receivables								—		
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	
Payments										
Capital assets		(125,365)	(119,176)	(182,428)	(14,293)	(101,419)	(167,226)	(65,806)	39%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(125,089)	(119,176)	(182,428)	(14,293)	(101,419)	(167,226)	(65,806)	39%	
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								—		
Borrowing long term/refinancing								—		
Increase (decrease) in consumer deposits			—	—	—	—	—	—	—	
Payments										
Repayment of borrowing								—		
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	
NET INCREASE/ (DECREASE) IN CASH HELD		84,516	10,361	(56,273)	(31,515)	77,701	(51,584)		(56,273)	
Cash/cash equivalents at beginning:		173,644	181,236	258,161	367,377	258,161	258,161		258,161	
Cash/cash equivalents at month/year end:		258,161	191,598	201,887		335,861	206,577		201,887	

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

8. Statement of Financial Position

EC443 Winnie Madikizela Mandela - Table C6 Monthly Budget Statement - Financial Position - M11 May

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	849	9,353
Call investment deposits		248,808	178,706	192,534	335,013	192,534
Consumer debtors		56,546	46,512	41,771	62,038	41,771
Other debtors		47,905	37,398	32,244	55,531	32,244
Current portion of long-term receivables		—	—	—	—	—
Inventory		2,046	1,524	1,976	1,006	1,976
Total current assets		364,659	277,032	277,878	454,436	277,878
Non current assets						
Long-term receivables						
Investments					2	
Investment property		36,655	32,436	36,655	36,655	36,655
Investments in Associate			—	—	—	—
Property, plant and equipment		701,498	755,509	798,882	765,683	798,882
Biological						
Intangible		69	73	—	(1)	—
Other non-current assets		1,231	1,341	1,231	1,231	1,231
Total non current assets		739,453	789,359	836,767	803,570	836,767
TOTAL ASSETS		1,104,112	1,066,391	1,114,645	1,258,006	1,114,645
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits		505	503	505	460	505
Trade and other payables		49,412	28,928	54,618	64,990	54,618
Provisions		19,990	19,953	19,990	14,614	19,990
Total current liabilities		69,907	49,384	75,113	80,063	75,113
Non current liabilities						
Borrowing						
Provisions		5,246	5,495	5,246	5,246	5,246
Total non current liabilities		5,246	5,495	5,246	5,246	5,246
TOTAL LIABILITIES		75,153	54,879	80,359	85,309	80,359
NET ASSETS	2	1,028,958	1,011,512	1,034,286	1,172,697	1,034,286
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,028,958	1,011,512	1,034,286	1,172,697	1,034,286
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	1,028,958	1,011,512	1,034,286	1,172,697	1,034,286

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

9. Municipal Manager's quality certification

Quality Certificate

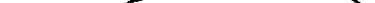
I, Luvuyo Makhake, the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

- The monthly budget statement

for the month of May 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: / /

