



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

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE  
MONTH OF JULY 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 first report of the 2022/23 financial year which should give an indication of how the municipality is performing in the month of August in its budgeting. There is generally nothing to report during this month as processes to close the previous year normally takes part of it. This situation may be better this year compared to July 2021 considering that the country is now operating without any lockdown regulations that made it impossible to operate fully in the past two financial years. This will be the baseline for the new financial year and hopefully the contents of each report will help council and its structures to understand fully the status of the municipality's financial performance and decisions that need to be taken to ensure sustainability of the institution.

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

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

- |                        |                  |
|------------------------|------------------|
| • Cllr N. Madikizela   | Chairperson      |
| • Cllr A. Diya         | Committee Whip   |
| • Cllr. N Cengimbo     | Committee Member |
| • Cllr. X. Bhabhazelwa | 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 previous month's report, BTO did not report any vacant positions as those that were vacant had since been filled. It is however very unfortunate to report that the department, has, during the month of July received two resignations from critical positions within the department. The department received resignations from the following positions:

- Accountant: Reporting – last day being 31 July 2022
- Manager Assets and Stores Management – last day being 31 August 2022

Both these are very critical positions in the processes of preparation and submission of annual financial statements as well as the audit process and this could not have come at a worse time than this.

Requests to have these positions filled have already been submitted to Corporate Services and hopefully they will be prioritised. We however do not expect these to be filled anytime before the end of the audit and therefore must find ways to go through the processes without these members.

### **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 were held with Provincial Treasury during the month of May 2022.

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

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

ii. IDP Budgeting

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

iii. Production of in-year reports

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

iv. Budget and reporting module functionality

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

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

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

## **5. Implementation of the 2020/21 Audit Action Plan**

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

- Errors in the calculation of prior corrections on the cash flow statement,
- **Competency assessments not done for all employees during the recruitment process,**
  - The action plan required that competency assessments be introduced for other employees by the 31<sup>st</sup> of March 2022 during the recruitment processes by Human Resources management, there is however no indication that these have been introduced.
- **Doing business with companies linked to persons in the service or 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 Containment regulations effective from 1 July 2019. The regulations required municipalities to develop, adopt and implement policies as part of its budget related policies to support cost containment measures. These regulations were unfortunately approved after the municipal budget processes had been concluded which made it

difficult for municipalities to develop these policies at such a short space of time. The council of Winnie Madikizela-Mandela Local municipality developed and adopted a policy on cost containment that is now being implemented.

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

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

The implementation of these regulations has seen a reduction in the amounts spent on traveling and accommodation and catering expenses which we believe will assist the municipality to redirect these funds to other service delivery initiatives in the years to come including the 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 at the end of the financial year:

| Outcome 9 Objective      |   |  |  |  |                               |   |  |                       |  | VITREF   |  |    |    | WAD |    |  |                              | Responsible Agency |                     |
|--------------------------|---|--|--|--|-------------------------------|---|--|-----------------------|--|--|--|----|----|-----|----|--|------------------------------|--------------------|---------------------|
| Sub-Objectives           | Strategic Objective   | Objective No.                                    | Baseline Information                                   |  | Project to be Implemented     | Output KPI                                  | Annual Target  | Means of Verification | Budget Source  | Budget Allocation  | Internal Audit                             | Q1 | Q2 | Q3  | Q4 | Ward                                       | Responsible Section          | Ward               | Responsible Section |
|                          |   |  | Strategies   | Indicators   |                               |   |  |                       |  |  |  |    |    |     |    |  |                              |                    |                     |
| Revenue collection trend | To achieve 100% billing for all electric services that are to be implemented by June 2027 | Revenue collection decree is issued by June 2023 | Metering of all electric city consumption by June 2023 | Electric meter readers are read, recorded, and captured manually | Reading of electricity meters | Accurate billing of electricity consumption | 12 months electricity meter reading report from the AMR System, invoice and GRV system | Report of 900,000.00  | Revenue from the AMR System, invoice and GRV system by June 2023 | Revenue from the AMR System, invoice and GRV system by June 2023 | Montly Readings of 92 electric city meters | 3  | 3  | 3   | 3  | Montly Readings of 92 electric city meters | Manager Revenue and Expenses |                    |                     |
| Revenue collection trend | To achieve 100% billing for all electric services that are to be implemented by June 2027 | Revenue collection decree is issued by June 2023 | Metering of all electric city consumption by June 2023 | Electric meter readers are read, recorded, and captured manually | Reading of electricity meters | Accurate billing of electricity consumption | 12 months electricity meter reading report from the AMR System, invoice and GRV system | Report of 900,000.00  | Revenue from the AMR System, invoice and GRV system by June 2023 | Revenue from the AMR System, invoice and GRV system by June 2023 | Montly Readings of 92 electric city meters | 3  | 3  | 3   | 3  | Montly Readings of 92 electric city meters | Manager Revenue and Expenses |                    |                     |

|   |  |       |     |   |  |            |      |   |  |         |                                      |
|---|--|-------|-----|---|--|------------|------|---|--|---------|--------------------------------------|
|   |  |       |     |   |  |            |      |   |  |         |                                      |
| ern   |  |       |     |   |  |            |      |   |  |         |                                      |
| 90% billin g on prope ry rates, 80% on electri city and 90% on refuse | Maintain an accurate and complete consumer master database for refuse,electricity and property rates | 4.1.2 | 0.5 | Billin g of 246 consumer accounts for Property rates, refuse and electricity by June 2023 | 12 monthly Billing Report                  | R -        | N/ A | 03 Mont hly Billin g of 246 consumer accounts for Property rates, refuse and electricity by June 2023 | 03 Mont hly Billin g of 246 consumer accounts for Property rates, refuse and electricity | W ard 1 | Mana ger: Reve nue and Expe nditur e |
| Mont hly billing of all consumers for all services by June 2023       | Billin g completed beyond the 3rd day of the following month   | 4.1.3 | 0.5 | Billin g completed by the 3rd day of each month following the billing month by June 2023  | 12 Month end closing Reports               | R -        | N/ A | Perfo rm month end procedure for consumer debtors   | Perfo rm month end procedure for consumer debtors  | W ard 1 | Mana ger: Reve nue and Expe nditur e |
| Manu al distrib ution of consumer state ments                         | Sending of monthly statement using emails and sms's  | 4.1.4 | 0.5 | Distrib ution of electrical monthly statements by June 2023                               | 12 Monthly Statement s distribution Report | R 7,000.00 | 0    | Emailing of monthly consumer statements   | Emailing of monthly consumer statements  | W ard 1 | Mana ger: Reve nue and Expe nditur e |

| Project Alpha: Customer Experience Enhancement |   | Project Beta: Financial Performance Optimization |          | Project Gamma: Operational Efficiency   |                |        |
|--|---|--|----------|---|----------------|--------|
| Phase  | Description   | Lead Manager                                     | Timeline | Manager   | Timeline       |        |
| Phase 1: Consumer Interaction                  | Develop a systematic way of managing consumer transactions and consumer portal system | John Doe   | 4.1.5    | Implementation of a consumer care system that is directly linked with the billing system by June 2023     | Randy Williams | Ward 1 |
| Phase 2: Revenue Management                    | Review and implementation of the Revenue Enhancement Strategy revised in 2020/21      | Sarah Johnson                                    | 4.1.6    | Implementation of the Revenue enhancement Strategy Committee minutes and attendance register by June 2023 | Randy Williams | Ward 1 |
| Phase 3: Debt Collection                       | Implementation of credit control measures by June 2023                                | David Lee  | 4.1.7    | Debtors aging analysis reflecting debtors which are more than 90 days                                     | Randy Williams | Ward 1 |
| Phase 4: Long-term Planning                    | To achieve at least 95% collection of all debt by June 2027                           | Emily Green                                      | 4.1.8    | Outsourcing of collection services within 90 days   | Randy Williams | Ward 1 |



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|---|--|--|--|--|---|---|--|-----|---|-------------------------------------|---|
|   | Promulgation of Property Rates policy and credit control into by-laws by June 2023 | Revenue laws that not promulgated on timely                            | Promulgating property rates policy and credit control policy                               | Number of promulgated policies into by-laws          | 02 Promulgated property rates policy and credit control policy by June 2023 | R - Promulgated policies  | n/a                                      | n/a | 02 Promulgated property rates policy and credit control policy by June 2023 | Adm in Of fice es                   | Manager Revenue and Expenditure         |
| To ensure proper regulation of the municipal powers and functions by June 2027    | Compliance with laws and regulations   | Promulgation of the approved municipal tariff (gazetting) by June 2023 | Gazetting of approved municipal tariff (gazetting) b y June 2023                           | Promulgation of the approved tariffs (gazetting)     | Number of advertised (gazetted) tariffs                                     | 01 Promulgated of the approved tariffs (gazetting) by June 2023 | Advertiser or Gazette for tariffs        | R - | 01 Promulgated of the approved tariffs (gazetting)                          | Adm in Of fice es                   | Manager Revenue and Expenditure         |
| To pay creditors within 30 days in compliance with 30 days of receipt for payment | Expenditure Management   | Invoices not submitted within 30 days of receipt for payment           | Enforcement of system descriptions and processes as per the Account payable policy by June | Invoice still taking longer to reach BTO for payment | Centralisation of submission of invoices per department                     | Payment of all presented acceptable invoices                    | Invoice register and age analysis report | R - | Payment of creditors within 30 days   | Payment of creditors within 30 days | Manager Revenue and Expenditure Section |
|   |  |  |  |  |   | N/A   | 0  |     |   |                                     |   |

| Category        | Task Description   | Start Date | End Date   | Lead Manager | Team A Progress   | Team B Progress   | Team C Progress   | Team D Progress   | Overall Status |
|-----------------|--|------------|------------|--------------|---|---|---|---|----------------|
| Data Submission | Submit monthly datasets to LG Portal by June 2023.                         | 2023-05-01 | 2023-06-01 | Manager A    | Submittal confirmed. Submission of 3 datasets completed.                                    | Submission of 3 datasets completed.   | Submission of 3 datasets completed.   | Submission of 3 datasets completed.   | On Track       |
| Implementation  | Implement monthly end procedures for 3 modules (creditors, cashbook, GL).  | 2023-05-01 | 2023-06-01 | Manager B    | Implementation of monthly end procedures for 3 modules (creditors, cashbook, GL) completed. | Implementation of monthly end procedures for 3 modules (creditors, cashbook, GL) completed. | Implementation of monthly end procedures for 3 modules (creditors, cashbook, GL) completed. | Implementation of monthly end procedures for 3 modules (creditors, cashbook, GL) completed. | On Track       |
| Development     | Develop sound, strict and effective procedures for reporting by June 2023. | 2023-05-01 | 2023-06-01 | Manager C    | Development of sound, strict and effective procedures for reporting by June 2023 completed. | Development of sound, strict and effective procedures for reporting by June 2023 completed. | Development of sound, strict and effective procedures for reporting by June 2023 completed. | Development of sound, strict and effective procedures for reporting by June 2023 completed. | On Track       |
| Inaccurate Data | Inaccurate and incomplete data submission on time.                         | 2023-05-01 | 2023-06-01 | Manager D    | Inaccurate and incomplete data submission on time.  | At Risk        |

|  |   |  |                                      |                        |   |   |   |     |  |  |   |
|--|---|--|--------------------------------------|------------------------|---|---|---|-----|--|--|---|
|  |   |  |                                      |                        |   |   |   |     |  |  |   |
| Creditors and grants with errors taking longer to identify and resolve | Performance of monthly Conditional Grants, creditors, retainers, not performed by the 7th day of each month | Monthly review of Condition Grants, creditors, retention and VAT reconciliation by the 7th working day of each month | Accurate and complete reconciliation | 12 month review period | Signed monthly Conditional grants, 12 creditors, 12 retention and VAT reconciliations | Preparation of 3 monthly creditors, 12 retention and VAT reconciliations        | Preparation of 3 monthly creditors, 12 retention and VAT reconciliations        | N/A | Preparation of 3 monthly creditors, 12 retention and VAT reconciliations | Preparation of 3 monthly creditors, 12 retention and VAT reconciliations | Manager, Revenue and Expenditure  |
| Payroll accounts with errors taking longer to identify and resolve     | Performance of monthly payroll reconciliation   | Monthly review of payroll reconciliation by the 7th working day of each month  | Accurate and complete reconciliation | 12 month review period | Signed monthly payroll reconciliation   | Preparation of 3 monthly payroll reconciliation                                 | Preparation of 3 monthly payroll reconciliation                                 | N/A | Preparation of 3 monthly payroll reconciliation                          | Preparation of 3 monthly payroll reconciliation                          | Manager, Revenue and Expenditure  |
| Annual Review of sectionals Policies                                   | Reviewing sectional policies that are not reviewed by June 2023 annually                                    | Review of existing sectional policies and presentation to relevant stakeholders                                      | Number of reviewed policies          | 02 Review period       | Reviewed and signed sectional policies  | Review of existing sectional policies and presentation to relevant stakeholders | Review of existing sectional policies and presentation to relevant stakeholders | n/a | n/a  | n/a  | Review of existing sectional policies and presentation to the relevant stakeholders |
| Oudated Policies   | Annually  | Annually   | Annually                             | 02 Review period       | Reviewed and signed sectional policies  | Annually  | Annually  | n/a | n/a  | n/a  | Manager, Revenue and Expenditure  |

| Supply Chain Management |                      |                              |                                |                         |                                |            |            |              |                             |
|-------------------------|----------------------|------------------------------|--------------------------------|-------------------------|--------------------------------|------------|------------|--------------|-----------------------------|
| Project Overview        |                      | Objectives                   |                                | Scope                   |                                | Timeline   |            | Resources    |                             |
| Category                | Description          | Primary Objective            | Secondary Objective            | Task Type               | Task Description               | Start Date | End Date   | Manager      | Suppliers                   |
| Initiation              | Stakeholder Analysis | Identify key stakeholders    | Assess their interests         | Information Gathering   | Conduct interviews and surveys | 2023-06-01 | 2023-06-30 | John Doe     | Market Research             |
| Planning                | Strategic Plan       | Define overall goals         | Set performance metrics        | Planning                | Develop operational strategy   | 2023-06-01 | 2023-06-30 | Jane Smith   | Logistics Services          |
| Execution               | Supplier Onboarding  | Select reliable suppliers    | Establish contracts            | Procurement             | Source raw materials           | 2023-07-01 | 2023-08-31 | Mike Johnson | Raw Material Suppliers      |
| Execution               | Manufacturing Setup  | Configure production lines   | Test equipment                 | Manufacturing           | Start small-scale production   | 2023-07-01 | 2023-08-31 | Sarah Lee    | Manufacturing Equipment     |
| Execution               | Inventory Management | Optimize stock levels        | Minimize waste                 | Inventory Control       | Monitor product availability   | 2023-07-01 | 2023-08-31 | David Wilson | Warehouse Management System |
| Monitoring              | Quality Control      | Ensure product quality       | Identify defects               | Quality Assurance       | Conduct regular inspections    | 2023-07-01 | 2023-08-31 | Emily Chen   | Quality Control Tools       |
| Improvement             | Supplier Performance | Analyze supplier reliability | Identify areas for improvement | Performance Measurement | Review supplier reports        | 2023-07-01 | 2023-08-31 | Robert Green | Supplier Data               |
| Improvement             | Process Optimization | Identify inefficiencies      | Propose solutions              | Process Improvement     | Implement changes              | 2023-07-01 | 2023-08-31 | Alice Blue   | Process Flow Diagrams       |
| Termination             | Final Project Review | Summarize project outcomes   | Identify lessons learned       | Review                  | Conduct post-mortem analysis   | 2023-09-01 | 2023-09-30 | Tom White    | N/A                         |

|  |   |   |  |  |   |     |     |   |  |     |                                      |   |   |                              |                              |                       |                   |             |
|--|---|---|--|--|---|-----|-----|---|--|-----|--------------------------------------|---|---|------------------------------|------------------------------|-----------------------|-------------------|-------------|
| No clear monitoring of the procurement plan                              | To have fully capacitated the procurement plan by June 2027 | Approved procurement plan with no clear monitoring plan | Monitoring of adherence to the procurement plan by June 2023 | Monthly monitoring of the procurement plan | Report on adherence to the procurement plan | 4.2 | 0.5 | 12 monthly reports on the monitoring of the procurement plan by June 2023 | Signed report by the SCM Manager   | R   | N/A                                  | 0 signed SCM reports  | 3 signed SCM reports  | 6 signed SCM reports         | 9 signed SCM reports         | 12 signed SCM reports | Ad mind Office es | Manager SCM |
| The municipality needs to comply with all statutory training requirement | To have fully capacitated the procurement plan by June 2027 | Officials operating with outdated information           | Training of Supply Chain Management Personnel                | Training of SCM Officials                  | Training of SCM Officials                   | 4.3 | 0.5 | Capacity SCM personnel  | Email confirmation of Municipal Financial System release notes or attendance Software registers (where a training is attended) | n/a | Invitations and Attendance Registers | Distribution to all SCM officials of changes and updates between March 2021 to September 2021 | Distribution to all SCM officials of changes and updates between March 2021 to September 2021 | Ad mind Office es            | Manager Supply Chain Section |                       |                   |             |
| The municipality needs to comply with all statutory training requirement | To have fully capacitated the procurement plan by June 2027 | Officials operating with outdated information           | Training of Supply Chain Management Personnel                | Training of SCM Officials                  | Training of SCM Officials                   | 4.3 | 0.5 | Capacity SCM personnel  | Email confirmation of Municipal Financial System release notes or attendance Software registers (where a training is attended) | N/A | Invitations and Attendance Registers | Distribution to all SCM officials of changes and updates between March 2021 to September 2021 | Ad mind Office es   | Manager Supply Chain Section |                              |                       |                   |             |

|  |   |  |   |               |  |  |             |             |  |   |   |   |  |  |  |
|--|---|--|---|---------------|--|--|-------------|-------------|--|---|---|---|--|--|--|
|  |   |  |   |               |  |  |             |             |  |   |   |   |  |  |  |
| syste<br>m and<br>newly<br>intro<br>duced<br>modul<br>es<br>2022/<br>2023<br>by<br>June<br>2023  | Man<br>ager:<br>SCM   |  |   |               |  |  |             |             |  |   |   |   |  |  |  |
| Callin<br>g of<br>all sup<br>pliers to<br>update<br>their infor<br>matio<br>n by<br>June<br>2023 | Suppl<br>ier<br>data<br>base<br>with<br>bidder<br>s showi<br>ng infor<br>matio<br>n that<br>expired<br>in the<br>past<br>years  | Updat<br>ed<br>Suppl<br>ier<br>Data<br>base        | 4.<br>3.<br>4   | 0.5           | Suppl<br>ier<br>Datab<br>ase<br>with<br>most<br>bidder<br>s<br>infor<br>matio<br>n<br>updat<br>ed<br>during<br>the<br>year<br>by<br>June<br>2023 | Advertis<br>ement<br>and<br>Microsoft<br>audit<br>trail  | 5000.0<br>0 | 0           | Public<br>ation<br>of the<br>call to<br>suppli<br>ers to<br>updat<br>e their<br>infor<br>matio<br>n  | 180<br>Suppl<br>ier<br>inform<br>ation<br>update<br>d | 360<br>Suppl<br>ier<br>inform<br>ation<br>update<br>d | 720<br>Suppl<br>ier<br>inform<br>ation<br>update<br>d | Ad<br>mi<br>n<br>Of<br>fic<br>es   | Ad<br>mi<br>n<br>Of<br>fic<br>es   | Ad<br>mi<br>n<br>Of<br>fic<br>es   |
| Supplier<br>Data<br>base<br>not<br>updat<br>ed annu<br>ally                                      | To<br>have<br>a fair<br>com<br>petiti<br>ve biddi<br>ng pro<br>cesses<br>in all<br>muni<br>cipal<br>throu<br>gh Jun<br>e 2027   | Annual<br>update of<br>the<br>supplier<br>database |   |               |  |  |             |             |  |   |   |   |  |  |  |
| No<br>sche<br>dule of<br>bid<br>com<br>mitte<br>e<br>seati<br>ngs                                | Devel<br>oping<br>Mech<br>anism<br>s to<br>monit<br>or<br>seati<br>ngs<br>of the<br>bid<br>comm<br>ittees<br>by<br>June<br>2023 | Bid<br>comm<br>ittees<br>seatin<br>g rando<br>mly  | Sched<br>ule of<br>bid<br>comm<br>ittee<br>seatin<br>gs<br>with<br>confir<br>med<br>dates | 4.<br>3.<br>5 | 0.5  | Sched<br>ule of<br>seatin<br>g of<br>bid<br>comm<br>ittees<br>seatin<br>gs<br>with<br>confir<br>med<br>dates | 2023        | 0.00<br>N/A | Signed<br>schedule<br>of bid<br>comm<br>ittees<br>seatin<br>gs<br>of<br>bid<br>comm<br>ittees<br>ensuri<br>ng<br>each<br>bid is<br>concl<br>uded<br>within<br>60<br>days | 6<br>seated<br>bid<br>comm<br>ittees                  | 12<br>seated<br>bid<br>comm<br>ittees                 | 18<br>seate<br>d bid<br>comm<br>ittees                | Devel<br>opment<br>and<br>appro<br>val of<br>the<br>Bid<br>comm<br>ittee<br>sche<br>dule | Devel<br>opment<br>and<br>appro<br>val of<br>the<br>Bid<br>comm<br>ittee<br>sche<br>dule | Devel<br>opment<br>and<br>appro<br>val of<br>the<br>Bid<br>comm<br>ittee<br>sche<br>dule |



|  |   |   |   |  |  |  |      |     |  |      |     |                   |               |
|--|---|---|---|--|--|--|------|-----|--|------|-----|-------------------|---------------|
|  | Inadequate contract management processes                                      | To have valid and close ly monitored municipal contracts by June 2027 | Monthly review of all existing contracts by June 2023 | Contract register to be reviewed and signed monthly                  | Review wednesday   | Contract to be reviewed and signed   | 4.3. | 0.5 | 12 monthly contract registrars   | 0.00 | N/A | Ad mi n Of fic es | Manag er: SCM |
|  | The municipality needs to comply with all statutory requirements by June 2027 |   |   | Training of Supply Chain Management Personnel by June 2023           | Official operating with outdated information relevant to their sections  | Training of SCM Officials  | 4.3. | 0.5 | Training of management   | 0.00 | N/A | Ad mi n Of fic es | Manag er: SCM |
|  |   |   |   | Reviewing of existing contracts by June 2023                         | Sectional policies that are not reviewed annually  | Review of existing sectional policies and presentation to the relevant stakeholders  | 4.3. | 0.5 | Review and Supply Chain Management Policy, Contract Management Policy, Cost Containment Policy and Framework by 30 June 2023 | 0.00 | N/A | Ad mi n Of fic es | Manag er: SCM |
|  | Outed Policies  | Annually Review sectional Policies by June 2027                       | Reviewing of existing contracts by June 2023          | Review of existing sectional policies that are not reviewed annually | Review and Supply Chain Management Policy, Contract Management Policy, Cost Containment Policy and Framework by 30 June 2023 | Review and Supply Chain Management Policy, Contract Management Policy, Cost Containment Policy and Framework by 30 June 2023 | 4.10 | 4   | Review and Supply Chain Management Policy, Contract Management Policy, Cost Containment Policy and Framework by 30 June 2023 | 0.00 | N/A | Ad mi n Of fic es | Manag er: SCM |



| ST5  |   |   |   |   |     |      |      |  |   |
|--|---|---|---|---|-----|------|------|--|---|
| To have a valid contract for an Update and Compilation of CRA Innovable Asset Register that is signed by both the Municipality and the Service provider      |   |   |   |   |     |      |      |  |   |
| Advertising and / or appointment of a service provider to provide services to a service provider that is signed by the Municipality and the Service provider |   |   |   |   |     |      |      |  |   |
| Service Level Agreement as at 30 June 2021 for the Preparation of GRA P compliant FAR  | To have a valid contract for an Update and Compilation of CRA Innovable Asset Register that is signed by both the Municipality and the Service provider | Valid contract for an Update and Compilation of CRA Innovable Asset Register that is signed by both the Municipality and the Service provider | An SLA for Update and Compile Of A GRAP Complainant CRA Innovable Asset Register that is signed by both the Municipality and the Service provider | R 5,000.00  | N/A | Ye s | N/ A | Ad mi n Of fice s  | Asset Management Section  |
| All assets recorded in the FAR do exist and valued accurately by June 2023   | Approved Asset Verification Report as at 30 June 2021   | Quarterly performance of Assets verification process before the end of the month after the end of the quarter.                                | Number of Performance of 4 quarterly Asset Verification Reports before the end of the month after the end of the quarter.                         | Performance of 4 quarterly Assets Verification Reports, by June 2023, that are signed for Review and Approval | R - | N/ A | N/ A | Perfor m 1 Assets Verific ation and prepar e Report that is signed as signed as proof of Review and Approval | Perfor m 2 Assets Verific ation and prepar e Report that are signed as signed as proof of Review and Approval |
| Manager Asset Management Section   |   |   |   |   |     |      |      |  |   |





|  |   |   |   |   |  |   |  |  |                                  |
|--|---|---|---|---|--|---|--|--|----------------------------------|
|  |   |   |   |   |  |   |  |  |                                  |
| ty is not at risk.   |   |   |   |   |  |   |  |  |                                  |
| Municipality that municipality has operating stationery available enough when operational material needed by June 2027 | To ensure that municipality is operating smoothly with enough when operational material needed by June 2027 | Procurement of Provision for Stationery by June 2023                    | Procurement of Supply and Delivery of Stationery  | Number of active agreements for supply and delivery of stationary | 1 active agreement for supply and delivery of stationary | An SLA for supply and delivery of stationary that is signed by both the Municipality and the Service provider | Advertise and/or appointment of supplier and delivery of stationary by service provider. | Advertised and/or appointed supplier and delivery of stationary by service provider. | Manager Asset Management Section |
| Outdated Asset and Inventory Management Policies   | Reviewed and approved Asset and Inventory Management Policies for 2020/21 financial year.                   | Review and approval of existing Asset and Inventory Management Policies | Number of Asset and Inventory Management Policies | 2 Asset and Inventory Management Policies                         | 2 Asset and Inventory Management Policies                | Approved Assets and Inventor y Management Policies  | Review of old Assets and Inventory Management Policies                                   | Review of old Assets and Inventory Management Policies                               | Manager Asset Management Section |
|  |   |   |   |   |  |   |  |  |                                  |

|  |   |  |  |   |       |  |  |   |   |  |                               |                                      |
|--|---|--|--|---|-------|--|--|---|---|--|-------------------------------|--------------------------------------|
|  |   |  |  |   |       |  |  |   |   |  |                               |                                      |
| All coun cil asset s need to be well mana ged effect ively.              | Com plan ce with the requi reme nts   | Devel opme nt and review wal of an effect ve Asset Mana gement Plan by June 2023           | Develop ment and review wal of an Asset Mana gement Plan   | Numb er of devel oped and appro ved   | 1     | A signed and approved Assets Mana gement Plan as at 30 June 2023               | Devel opme nt of Asset Mana gement plan              | Devel opme nt of Asset Mana gement Plan | An approved Asset Mana gement Plan by June 2023 | Ad mi nistrative Of fice es            | Asset Mana gement Section     | Mana ger; A set Mana gement Sectio n |
| To compile Ann ual Finan cial State ment s with non-com pliace with laws | Devel op sound, strict and effect ve proce dures for the compli ance of AFS | Audit ed Ann ual Finan cial State ment s that com ply with all requi remen ts by June 2027 | Develop ment and approval of processes and procedure s for compilati on of Complain t annual financial statement s | Credi ble and fully comp liant Ann ual Finan cial State ment s for 2019/ 2020 compli ance findin gs | R 4.5 | Credi ble Ann ual Finan cial State ment s for 2019/ 2020 compli ance findin gs | AFS ; Proof of payment, Interim Financial statements | R 200,00 0.00                           | Ye s  | Prepa ration of Interim Financial File | Renewal of Case ware Licens e | Mana ger; Budg et and Repor ting     |
| Financial Reporting  |   |  |  |   |       |  | Mon itoring of AFS plan, Roll-forwa rd of AFS File   | 0 n/a                                   |   |  |                               |                                      |

| Audit Period  |   | Audit Findings   |        | Audit Actions Taken  |  | Audit Status  |        | Audit Report                          |   | Audit Follow-up             |                             |
|---|---|--|--------|--|--|---|--------|---------------------------------------|---|-----------------------------|-----------------------------|
| Audit Period  | Audit Findings  | Action Taken   | Status | Report   | Follow-up                                      | Action Taken  | Status | Report                                | Follow-up   | Action Taken                | Status                      |
| 1. Manage annual financial statements for 2019/20 with compliance findings. | Manage the external audit and ensure audit by the office of the Auditor General to ensure smooth running. | Manages the external audit and ensures audit readiness to achieve a clean audit opinion. | 0.5    | Submitted to AG's Annual Financial Statements to the AG.                     | 2021/22 Annual Financial Statements to the AG. | Responsible to AG's and provide CoAFA register, Audit Action Plan, updated Audit Action Plan. | n/a    | Admission Of Offences                 | Development of Audit Action Plan, Implementation and Monitoring of Audit Action Plan. | Manager Bugle and Reporting | Manager Bugle and Reporting |
| 2. Achieve a clean audit as at 30 June 2027                                 | Performance of monthly bank reconciliations by June 2023.   | Reconciliations not always completed within times.                                       | 0.5    | Number of Revived bank reconciliations by the 7th working day of each month. | 12 Revived bank reconciliations by June 2023.  | Signed Bank Reconciliation.   | N/A    | Preparation of 3 Bank Reconciliations | Preparation of 3 Bank Reconciliations.  | Manager Bugle and Reporting | Manager Bugle and Reporting |
| 3. Adhere to compliance with statutory requirements.                        | Non-compliance with statutory requirements.   | Submission of S71 Report not later than 10 working days of each month.                   | 0.5    | Number of signed S71 and S71 and FMG Report submitted.                       | Submission of 12 S71 and 12 month FMG Report.  | R -   | N/A    | Preparation of 3 S71 and FMG reports  | Preparation of 3 S71 and FMG reports  | Manager Bugle and Reporting | Manager Bugle and Reporting |



|  |   |   |   |                                      |                               |                               |   |
|--|---|---|---|--------------------------------------|-------------------------------|-------------------------------|---|
|  |   |   |   |                                      |                               |                               |   |
| requirements   | by June 2027  |   | competency requirements by June 2023            | competency requirements by June 2023 |                               |                               | Manager, Budget and Reporting                   |
| To timely produce budgets inline with the National Treasury Survey Guideline s and regulation s by June 2027 | Develop and monitor or processes to ensure timely preparation, adoption, and public creditible 2022; financial budget budge ts by June 2023 | Adjustments budget and approved by February 2022 and draft budget to be approved by council | Compile three budgets to be approved by council | Number of Approved budgets           | Approved budgets by June 2023 | Approved budgets by June 2023 | Adopted budget adjustment 2022/23;              |
|  |   |   |   | 3                                    | R                             | n/a                           | Approved 2023/24 Budget and Council resolutions |

Reporting against the above information will be done at the end of each quarter as a monitoring mechanism that is currently being used by the municipality even though responsible heads of sections make an effort to monitor these on a monthly basis.

## 8. In-year budget statement tables

### a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - M01 July

| Description  | 2021/22<br>R thousands | Budget Year 2022/23 |                    |                    |                   |                  |                  |                 |                   |                       |
|--|------------------------|---------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|-------------------|-----------------------|
|  |                        | Audited<br>Outcome  | Original<br>Budget | Adjusted<br>Budget | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD variance    | YTD variance<br>% | Full Year<br>Forecast |
| <b>Financial Performance</b>   |                        |                     |                    |                    |                   |                  |                  |                 |                   |                       |
| Property rates   | —                      | 21,468              | —                  | —                  | 14,672            | 14,672           | 1,789            | 12,883          | 720%              | 21,468                |
| Service charges  | —                      | 36,680              | —                  | —                  | 3,025             | 3,025            | 3,057            | (32)            | -1%               | 36,680                |
| Investment revenue   | —                      | 9,760               | —                  | —                  | 995               | 995              | 813              | 181             | 22%               | 9,760                 |
| Transfers and subsidies  | —                      | 338,352             | —                  | —                  | 124,886           | 124,886          | 28,196           | 96,690          | 343%              | 338,352               |
| Other own revenue  | —                      | 14,189              | —                  | —                  | 1,186             | 1,186            | 1,182            | 4               | 0%                | 14,189                |
| <b>Total Revenue (excluding capital transfers and contributions)</b>   | —                      | <b>420,449</b>      | —                  | —                  | <b>144,764</b>    | <b>144,764</b>   | <b>35,037</b>    | <b>109,727</b>  | <b>313%</b>       | <b>420,449</b>        |
| Employee costs   | —                      | 124,799             | —                  | —                  | 8,912             | 8,912            | 10,400           | (1,488)         | -14%              | 124,799               |
| Depreciation & asset impairment  | —                      | 49,735              | —                  | —                  | 3,514             | 3,514            | 4,145            | (631)           | -15%              | 49,735                |
| Finance charges  | —                      | 100                 | —                  | —                  | —                 | —                | 8                | (8)             | -100%             | 100                   |
| Inventory consumed and bulk purchases  | —                      | 47,632              | —                  | —                  | 1,284             | 1,284            | 3,969            | (2,685)         | -68%              | 47,632                |
| Transfers and subsidies  | —                      | 3,200               | —                  | —                  | —                 | —                | 267              | (267)           | -100%             | 3,200                 |
| Other expenditure  | —                      | 178,804             | —                  | —                  | 5,555             | 5,555            | 14,900           | (9,345)         | -63%              | 178,804               |
| <b>Total Expenditure</b>   | —                      | <b>431,318</b>      | —                  | —                  | <b>21,373</b>     | <b>21,373</b>    | <b>35,943</b>    | <b>(14,570)</b> | <b>-41%</b>       | <b>431,318</b>        |
| <b>Surplus/(Deficit)</b>   | —                      | <b>(10,870)</b>     | —                  | —                  | <b>123,391</b>    | <b>123,391</b>   | <b>(908)</b>     | <b>124,297</b>  | <b>-13722%</b>    | <b>(10,870)</b>       |
| Transfers and subsidies - capital (monetary allocations)<br>(National / Provincial and District)   | —                      | 82,288              | —                  | —                  | 495               | 495              | 6,857            | (6,363)         | -93%              | 82,288                |
| Transfers and subsidies - capital (monetary allocations)<br>(National / Provincial Departmental Agencies,<br>Households, Non-profit Institutions, Private Enterprises,<br>Public Corporations, Higher Educational Institutions) &<br>Transfers and subsidies - capital (in-kind - all) | —                      | —                   | —                  | —                  | —                 | —                | —                | —               | —                 | —                     |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>   | —                      | <b>71,418</b>       | —                  | —                  | <b>123,885</b>    | <b>123,885</b>   | <b>5,952</b>     | <b>117,934</b>  | <b>1982%</b>      | <b>71,418</b>         |
| Share of surplus/ (deficit) of associate   | —                      | —                   | —                  | —                  | —                 | —                | —                | —               | —                 | —                     |
| <b>Surplus/ (Deficit) for the year</b>   | —                      | <b>71,418</b>       | —                  | —                  | <b>123,885</b>    | <b>123,885</b>   | <b>5,952</b>     | <b>117,934</b>  | <b>1982%</b>      | <b>71,418</b>         |
| <b>Capital expenditure &amp; funds sources</b>   |                        |                     |                    |                    |                   |                  |                  |                 |                   |                       |
| <b>Capital expenditure</b>   | —                      | <b>108,048</b>      | —                  | —                  | 994               | 994              | 9,004            | (8,010)         | -89%              | <b>108,048</b>        |
| Capital transfers recognised   | —                      | 69,945              | —                  | —                  | 97                | 97               | 5,829            | (5,732)         | -98%              | 69,945                |
| Borrowing  | —                      | —                   | —                  | —                  | —                 | —                | —                | —               | —                 | —                     |
| Internally generated funds   | —                      | 38,103              | —                  | —                  | 897               | 897              | 3,175            | (2,279)         | -72%              | —                     |
| <b>Total sources of capital funds</b>  | —                      | <b>108,048</b>      | —                  | —                  | <b>994</b>        | <b>994</b>       | <b>9,004</b>     | <b>(8,010)</b>  | <b>-89%</b>       | <b>69,945</b>         |
| <b>Financial position</b>  |                        |                     |                    |                    |                   |                  |                  |                 |                   |                       |
| Total current assets   | —                      | 438,634             | —                  | —                  | —                 | 516,507          | —                | —               | —                 | 438,634               |
| Total non current assets   | —                      | 797,697             | —                  | —                  | —                 | 816,176          | —                | —               | —                 | 797,697               |
| Total current liabilities  | —                      | 64,901              | —                  | —                  | —                 | 86,643           | —                | —               | —                 | 64,901                |
| Total non current liabilities  | —                      | 5,246               | —                  | —                  | —                 | 5,246            | —                | —               | —                 | 5,246                 |
| Community wealth/Equity  | —                      | 1,166,184           | —                  | —                  | —                 | 1,240,794        | —                | —               | —                 | 1,166,184             |
| <b>Cash flows</b>  |                        |                     |                    |                    |                   |                  |                  |                 |                   |                       |
| Net cash from (used) operating   | —                      | 178,444             | —                  | —                  | 108,367           | 108,367          | 14,870           | (93,496)        | -629%             | 178,444               |
| Net cash from (used) investing   | —                      | (129,968)           | —                  | —                  | (3,132)           | (3,132)          | (10,831)         | (7,699)         | 71%               | (129,968)             |
| Net cash from (used) financing   | —                      | —                   | —                  | —                  | —                 | —                | —                | —               | —                 | —                     |
| <b>Cash/cash equivalents at the month/year end</b>   | —                      | <b>385,302</b>      | —                  | —                  | <b>382,342</b>    | <b>340,866</b>   | <b>(41,476)</b>  | <b>-12%</b>     | <b>385,302</b>    |                       |
| <b>Debtors &amp; creditors analysis</b>  | 0-30 Days              | 31-60 Days          | 61-90 Days         | 91-120 Days        | 121-150 Dys       | 151-180 Dys      | 181 Dys-1 Yr     | Over 1Yr        | Total             |                       |
| <b>Debtors Age Analysis</b>  |                        |                     |                    |                    |                   |                  |                  |                 |                   |                       |
| Total By Income Source   | 18,630                 | 2,537               | 2,642              | 2,564              | 2,507             | 69,211           | —                | —               | 98,093            |                       |
| <b>Creditors Age Analysis</b>  |                        |                     |                    |                    |                   |                  |                  |                 |                   |                       |
| Total Creditors  | 342                    | —                   | —                  | —                  | —                 | —                | —                | —               | 342               |                       |

The table above shows a summary of the municipality's financial performance for the period ended 31 July 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) - M01 July

| Description<br>R thousands                 | Ref<br>1 | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |                 |                      |                       |
|--|----------|--------------------|--------------------|---------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
|  |          | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD<br>variance | YTD<br>variance<br>% | Full Year<br>Forecast |
| <b>Revenue - Functional</b>                |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| <i>Governance and administration</i>       |          | —                  | 362,794            | —                   | 141,369           | 141,369          | 30,233           | 111,137         | 368%                 | 362,794               |
| Executive and council                      |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Finance and administration                 |          | —                  | 362,794            | —                   | 141,369           | 141,369          | 30,233           | 111,137         | 368%                 | 362,794               |
| Internal audit                             |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <i>Community and public safety</i>         |          | —                  | 4,966              | —                   | 366               | 366              | 414              | (48)            | -12%                 | 4,966                 |
| Community and social services              |          | —                  | 623                | —                   | 4                 | 4                | 52               | (48)            | -92%                 | 623                   |
| Sport and recreation                       |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Public safety                              |          | —                  | 4,344              | —                   | 361               | 361              | 362              | (1)             | 0%                   | 4,344                 |
| Housing                                    |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Health                                     |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <i>Economic and environmental services</i> |          | —                  | 18,100             | —                   | 495               | 495              | 6,508            | (5,013)         | -92%                 | 18,100                |
| Planning and development                   |          | —                  | 23,062             | —                   | 1                 | 1                | 1,922            | (1,921)         | -100%                | 23,062                |
| Road transport                             |          | —                  | 55,038             | —                   | 495               | 495              | 4,587            | (4,092)         | -89%                 | 55,038                |
| Environmental protection                   |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <i>Trading services</i>                    |          | —                  | 56,876             | —                   | 3,028             | 3,028            | 4,740            | (1,711)         | -36%                 | 56,876                |
| Energy sources                             |          | —                  | 47,325             | —                   | 2,652             | 2,652            | 3,944            | (1,292)         | -33%                 | 47,325                |
| Water management                           |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Waste water management                     |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Waste management                           |          | —                  | 9,550              | —                   | 376               | 376              | 796              | (419)           | -53%                 | 9,550                 |
| <i>Other</i>                               | 4        | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <b>Total Revenue - Functional</b>          | <b>2</b> | <b>—</b>           | <b>502,737</b>     | <b>—</b>            | <b>145,259</b>    | <b>145,259</b>   | <b>41,895</b>    | <b>103,364</b>  | <b>247%</b>          | <b>502,737</b>        |
| <b>Expenditure - Functional</b>            |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| <i>Governance and administration</i>       |          | —                  | 201,620            | —                   | 11,276            | 11,276           | 16,802           | (5,525)         | -33%                 | 201,620               |
| Executive and council                      |          | —                  | 64,094             | —                   | 3,652             | 3,652            | 5,341            | (1,690)         | -32%                 | 64,094                |
| Finance and administration                 |          | —                  | 132,844            | —                   | 7,324             | 7,324            | 11,070           | (3,747)         | -34%                 | 132,844               |
| Internal audit                             |          | —                  | 4,682              | —                   | 301               | 301              | 390              | (89)            | -23%                 | 4,682                 |
| <i>Community and public safety</i>         |          | —                  | 32,667             | —                   | 1,608             | 1,608            | 2,722            | (1,114)         | -41%                 | 32,667                |
| Community and social services              |          | —                  | 12,936             | —                   | 277               | 277              | 1,078            | (801)           | -74%                 | 12,936                |
| Sport and recreation                       |          | —                  | 2,729              | —                   | 52                | 52               | 227              | (176)           | -77%                 | 2,729                 |
| Public safety                              |          | —                  | 15,956             | —                   | 1,206             | 1,206            | 1,330            | (124)           | -9%                  | 15,956                |
| Housing                                    |          | —                  | 1,046              | —                   | 74                | 74               | 87               | (13)            | -15%                 | 1,046                 |
| Health                                     |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <i>Economic and environmental services</i> |          | —                  | 102,588            | —                   | 4,875             | 4,875            | 8,549            | (3,674)         | -43%                 | 102,588               |
| Planning and development                   |          | —                  | 37,697             | —                   | 1,378             | 1,378            | 3,141            | (1,764)         | -56%                 | 37,697                |
| Road transport                             |          | —                  | 62,240             | —                   | 3,365             | 3,365            | 5,187            | (1,822)         | -35%                 | 62,240                |
| Environmental protection                   |          | —                  | 2,651              | —                   | 132               | 132              | 221              | (89)            | -40%                 | 2,651                 |
| <i>Trading services</i>                    |          | —                  | 90,304             | —                   | 3,413             | 3,413            | 7,525            | (4,113)         | -55%                 | 90,304                |
| Energy sources                             |          | —                  | 63,408             | —                   | 1,883             | 1,883            | 5,284            | (3,401)         | -64%                 | 63,408                |
| Water management                           |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Waste water management                     |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Waste management                           |          | —                  | 26,896             | —                   | 1,529             | 1,529            | 2,241            | (712)           | -32%                 | 26,896                |
| <i>Other</i>                               |          | —                  | 4,139              | —                   | 201               | 201              | 345              | (144)           | -42%                 | 4,139                 |
| <b>Total Expenditure - Functional</b>      | <b>3</b> | <b>—</b>           | <b>431,318</b>     | <b>—</b>            | <b>21,373</b>     | <b>21,373</b>    | <b>35,943</b>    | <b>(14,570)</b> | <b>-41%</b>          | <b>431,318</b>        |
| <b>Surplus/ (Deficit) for the year</b>     |          | <b>—</b>           | <b>71,418</b>      | <b>—</b>            | <b>123,885</b>    | <b>123,885</b>   | <b>5,952</b>     | <b>117,934</b>  | <b>1982%</b>         | <b>71,418</b>         |

The table above shows the municipality's financial performance for the period ended 31 July 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) - M01 July

| Description<br>R thousands   | Ref | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |                |                   |                       |
|--|-----|--------------------|--------------------|---------------------|-------------------|------------------|------------------|----------------|-------------------|-----------------------|
|  |     | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD variance   | YTD variance<br>% | Full Year<br>Forecast |
| <b>Revenue By Source</b>   |     |                    |                    |                     |                   |                  |                  |                |                   |                       |
| Property rates   |     | -                  | 21,468             | -                   | 14,672            | 14,672           | 1,789            | 12,883         | 720%              | 21,468                |
| Service charges - electricity revenue                                |     | -                  | 30,845             | -                   | 2,648             | 2,648            | 2,570            | 78             | 3%                | 30,845                |
| Service charges - water revenue                                      |     | -                  | -                  | -                   | -                 | -                | -                | -              | -                 | -                     |
| Service charges - sanitation revenue                                 |     | -                  | -                  | -                   | -                 | -                | -                | -              | -                 | -                     |
| Service charges - refuse revenue                                     |     | -                  | 5,834              | -                   | 376               | 376              | 486              | (110)          | -23%              | 5,834                 |
| Rental of facilities and equipment                                   |     | -                  | 3,893              | -                   | 334               | 334              | 324              | 10             | 3%                | 3,893                 |
| Interest earned - external investments                               |     | -                  | 9,760              | -                   | 995               | 995              | 813              | 181            | 22%               | 9,760                 |
| Interest earned - outstanding debtors                                |     | -                  | 5,378              | -                   | 405               | 405              | 448              | (43)           | -10%              | 5,378                 |
| Fines, penalties and forfeits  |     | -                  | 593                | -                   | 7                 | 7                | 49               | (43)           | -86%              | 593                   |
| Licences and permits   |     | -                  | 2,404              | -                   | 211               | 211              | 200              | 10             | 5%                | 2,404                 |
| Agency services  |     | -                  | 1,401              | -                   | 144               | 144              | 117              | 27             | 23%               | 1,401                 |
| Transfers and subsidies  |     | -                  | 338,352            | -                   | 124,886           | 124,886          | 28,196           | 96,690         | 343%              | 338,352               |
| Other revenue  |     | -                  | 520                | -                   | 85                | 85               | 43               | 42             | 97%               | 520                   |
| Gains  |     | -                  | -                  | -                   | -                 | -                | -                | -              | -                 | -                     |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | -                  | <b>420,449</b>     | -                   | <b>144,764</b>    | <b>144,764</b>   | <b>35,037</b>    | <b>109,727</b> | <b>313%</b>       | <b>420,449</b>        |

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

- **PROPERTY RATES:** The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R14.7 million in the 1<sup>st</sup> month and a decrease is expected for the following months to the end 30 June 2023. The current revenue recognised on this stream may seem to be way above the monthly target but it is important to note that this is only due to properties levied only at the beginning of the financial 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

R2.6 million for the month and a year to date actual of the same amount since this is the first month. This is above the projection by about 3% (about R78 thousand) which may add up to R936 thousand by the end of the year if attempts to better the situation do not yield any results. As previously reported, the municipality has installed an automated meter reading system to assist in reducing losses and detect areas where there might be tampering with the municipal infrastructure. There are however challenges that the municipality has faced with the system:

- Modems damaged by water
- Modems being stolen or damaged

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

- **Solid Waste Removal:** Collection and disposal of solid waste is one of the services that the municipality provides to the town area and a few sites outside of town including the Wild Coast Sun Casino. The municipality has implemented a new billing approach which ensures that all customers who individually generate waste are billed individually. The exercise was conducted by the refuse section and the billing database has significantly increased and showed us that there are customers we have been providing the service to at no cost at all. This has resulted in the revenue billed for the month to be around R376 thousand which is less than the projection by 23%. An investigation has indicated that the decrease is as a result of the correction of categories from the verification conducted by the user department from the categories previously confirmed for billing purposes.
- **Interest on Investments:** The municipality invests surplus cash and unspent grants to generate interest that would be utilised to fund other municipal programmes, this interest includes interest on the municipality's positive balance in the municipality's main account. The table above shows that the municipality generated over R995 thousand worth of interest on investments with a year to date actual that is above the projection by 22% which hope will improve as the year progresses to supplement the municipality's funding capacity during the adjustment budget process.
- **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 R405 thousand for the period ended 31 July 2022 which is less than the amount projected for the period by 10%. This still requires intense debt collection initiatives. A higher interest generation means the municipality's debtors are more than what they were projected to be.

- **Fines:** The municipality has a traffic department which enforces traffic laws and the municipality's by-laws. Anyone found to have contravened these laws is charged a fine accordingly. These fines also include fines for electricity tempering. The municipality generated only R7 thousand worth of revenue on these fines during the month of July 2022. It is worth noting though that this does not represent cash collected and measures should be put in place to ensure people pay their fines. Experience has taught us that people generally do not settle traffic fines and, in most cases when they do they do so at lower values than the initial revenue recognised. This is one of the areas where we were forced to adjust down in the previous year to ensure that we end up with realistic revenues.
- **Rental of facilities:** The municipality has properties that it rents out to other businesses and individuals from which it generates revenue. These include properties like the Boxer complex, Spar, Browns, Bargain and others. The revenue generated here also includes rental for billboards and advertising around the town area. The municipality has generated about R334 thousand for the month which has pushed the actual performance to a level above the projection by 3% which is a result of other revised contracts that have been concluded.
- **Licenses and permits:** The municipality has a fully functional testing station which has been in operation for the past three years. This has been one of the municipality's promising revenue stream since the completion of the testing station. The municipality only generated R211 thousand worth of revenue for the period. The municipality has collected above the projected collection by 5% which is we hope will be maintained throughout the year.
- **Transfers and subsidies:** The municipality receives grants, both conditional and those without conditions. The report shows that an amount of over R124.9 million has been transferred to revenue for the period ended 31 July 2022 from the operating grants whose conditions have been met. This has recorded a year to date performance of the same amount as this is the first month of the financial year. This happens when the municipality has spent the grants according to the requirements of the funders or DORA. The biggest chunk of these transfers is equitable share that was received during the month.

d) **Debt Collection**

The table below shows a 36% overall collection rate for the month ended 31 July 2022. However, we note a 80% collection rate on leasehold fees, 144% on electricity and 83% on refuse removal for the period.

| <u>WINNIE MADIKIZELA MANDELA LM : MONTHLY BILLING &amp; RECEIPTS (including VAT)</u> |            |        |           |             |
|--|------------|--------|-----------|-------------|
| <u>YEAR ENDING: 30 June 2023</u>   |            |        |           |             |
| INCOME TYPE  | JULY       | AUGUST | SEPTEMBER | 1st QUARTER |
| <b>RATES</b>   |            |        |           |             |
| billed   | 14,903,796 |        |           | 14,903,796  |
| payment received   | 1,707,959  |        |           | 1,707,959   |
| % of billing received  | 11%        |        |           | 11%         |
| <b>ELECTRICITY</b>   |            |        |           |             |
| billed   | 2,524,531  |        |           | 2,524,531   |
| payment received   | 3,629,058  |        |           | 3,629,058   |
| % of billing received  | 144%       |        |           | 144%        |
| <b>LEASEHOLD FEES</b>  |            |        |           |             |
| billed   | 331,596    |        |           | 331,596     |
| payment received   | 264,563    |        |           | 264,563     |
| % of billing received  | 80%        |        |           | 80%         |
| <b>VAT</b>   |            |        |           |             |
| billed   | 484,888    |        |           | 484,888     |
| payment received   | 590,594    |        |           | 590,594     |
| % of billing received  | 122%       |        |           | 122%        |
| <b>INTEREST</b>  |            |        |           |             |
| billed   | 198,178    |        |           | 198,178     |
| payment received   | 364,758    |        |           | 364,758     |
| % of billing received  | 184%       |        |           | 184%        |
| <b>REFUSE REMOVAL</b>  |            |        |           |             |
| billed   | 376,459    |        |           | 376,459     |
| payment received   | 310,608    |        |           | 310,608     |
| % of billing received  | 83%        |        |           | 83%         |
| <b>TOTAL INCOME</b>  |            |        |           |             |
| billed   | 18,819,449 |        |           | 18,819,449  |
| payment received   | 6,867,539  |        |           | 6,867,539   |
| % of billing received  | 36%        |        |           | 36%         |

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

| Description<br>R thousands      | Ref | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |                 |                   |                       |
|---------------------------------|-----|--------------------|--------------------|---------------------|-------------------|------------------|------------------|-----------------|-------------------|-----------------------|
|                                 |     | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD variance    | YTD variance<br>% | Full Year<br>Forecast |
| <b>Expenditure By Type</b>      |     |                    |                    |                     |                   |                  |                  |                 |                   |                       |
| Employee related costs          |     | —                  | 124,799            | —                   | 8,912             | 8,912            | 10,400           | (1,488)         | -14%              | 124,799               |
| Remuneration of councillors     |     | —                  | 27,047             | —                   | 2,109             | 2,109            | 2,254            | (145)           | -6%               | 27,047                |
| Debt impairment                 |     | —                  | 9,600              | —                   | —                 | —                | 800              | (800)           | -100%             | 9,600                 |
| Depreciation & asset impairment |     | —                  | 49,735             | —                   | 3,514             | 3,514            | 4,145            | (631)           | -15%              | 49,735                |
| Finance charges                 |     | —                  | 100                | —                   | —                 | —                | 8                | (8)             | -100%             | 100                   |
| Bulk purchases - electricity    |     | —                  | 40,005             | —                   | 979               | 979              | 3,334            | (2,355)         | -71%              | 40,005                |
| Inventory consumed              |     | —                  | 7,627              | —                   | 305               | 305              | 636              | (330)           | -52%              | 7,627                 |
| Contracted services             |     | —                  | 86,644             | —                   | 2,234             | 2,234            | 7,220            | (4,987)         | -69%              | 86,644                |
| <b>Transfers and subsidies</b>  |     |                    |                    |                     |                   |                  |                  |                 |                   |                       |
| Other expenditure               |     | —                  | 82,560             | —                   | 3,321             | 3,321            | 6,880            | (3,559)         | -52%              | 82,560                |
| Losses                          |     | —                  | —                  | —                   | —                 | —                | —                | —               | —                 | —                     |
| <b>Total Expenditure</b>        |     | —                  | <b>431,318</b>     | —                   | <b>21,373</b>     | <b>21,373</b>    | <b>35,943</b>    | <b>(14,570)</b> | <b>-41%</b>       | <b>431,318</b>        |

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

- Employee costs and Remuneration of councillors:** The municipality has remunerated employees who are remunerated as per the prevailing Bargaining Council agreements. The expenditure for the period ended 31 July 2022 reflects an amount of R8.9 million for employee costs and R2.1 million for the remuneration of councillors. The remuneration of councillors shows a 6% underspending compared to what is expected at the same period. Employee costs have recorded a 14% saving that is always expected considering issues like, annual increment for senior managers, 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 R979 thousand on electricity purchases for the period ended 31 July 2022 and a year to date actual of the same which is below the projected expenditure by 71%. This amount only relates to 10 days of July as the billing by Eskom only takes place on the 10<sup>th</sup> of each month.
- Depreciation and asset impairment:** The depreciation run has been performed after the end of each quarter and recently monthly, resulting in the depreciation for July 2022 being R3.5 million as the asset register was still in the process of being reviewed to ensure that the assets are correctly accounted for in the annual financial statements. This has resulted in the depreciation recorded being below the projection for the month by about 15%.
- 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 R2.2 million worth of expenditure

during the month. This is as a result of slow activity during the first months of each financial year which is always experienced.

- **Other Expenditure:** This also shows a saving of about 52% which might be as a result of the slow spending during the first months of each financial year which is always experienced at this time of the year. 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) - M01 July

| Vote Description<br>R thousands     | Ref | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |                |                   |                       |
|-------------------------------------|-----|--------------------|--------------------|---------------------|-------------------|------------------|------------------|----------------|-------------------|-----------------------|
|                                     |     | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD variance   | YTD variance<br>% | Full Year<br>Forecast |
| <b>Revenue by Vote</b>              |     |                    |                    |                     |                   |                  |                  |                |                   |                       |
| Vote 1 - Executive and Council      | 1   | -                  | -                  | -                   | -                 | -                | -                | -              | -                 | -                     |
| Vote 2 - Corporate Services         |     | -                  | 137                | -                   | 71                | 71               | 11               | 60             | 524.9%            | 137                   |
| Vote 3 - Budget and Treasury Office |     | -                  | 341,189            | -                   | 126,626           | 126,626          | 28,432           | 98,194         | 345.4%            | 341,189               |
| Vote 4 - Community Services         |     | -                  | 14,517             | -                   | 742               | 742              | 1,210            | (468)          | -38.7%            | 14,517                |
| Vote 5 - Development Planning       |     | -                  | 44,531             | -                   | 14,673            | 14,673           | 3,711            | 10,962         | 295.4%            | 44,531                |
| Vote 6 - Engineering Services       |     | -                  | 102,363            | -                   | 3,146             | 3,146            | 8,530            | (5,384)        | -63.1%            | 102,363               |
| Vote 7 - [NAME OF VOTE 7]           |     | -                  | -                  | -                   | -                 | -                | -                | -              | -                 | -                     |
| <b>Total Revenue by Vote</b>        | 2   | -                  | <b>502,737</b>     | -                   | <b>145,259</b>    | <b>145,259</b>   | <b>41,895</b>    | <b>103,364</b> | <b>246.7%</b>     | <b>502,737</b>        |

The table above shows revenue generated per municipal vote as defined in s1 of the MFMA. The table shows that Engineering services has generated over R3.1 million for the month with Budget and Treasury showing generation of over R127 million which may be attributable to grants that have already been received or spent more than the projected amounts as well as Development Planning at over R14 million.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

| Vote Description<br>R thousands        | Ref | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |              |                   |                       |
|--|-----|--------------------|--------------------|---------------------|-------------------|------------------|------------------|--------------|-------------------|-----------------------|
|  |     | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD variance | YTD variance<br>% | Full Year<br>Forecast |
| <b>Expenditure by Vote</b>             | 1   |                    |                    |                     |                   |                  |                  |              |                   |                       |
| Vote 1 - Executive and Council         |     | -                  | 84,391             | -                   | 4,581             | 4,581            | 7,033            | (2,451)      | -34.9%            | 84,391                |
| Vote 2 - Corporate Services            |     | -                  | 59,772             | -                   | 4,014             | 4,014            | 4,981            | (967)        | -19.4%            | 59,772                |
| Vote 3 - Budget and Treasury Office    |     | -                  | 41,521             | -                   | 1,190             | 1,190            | 3,460            | (2,270)      | -65.6%            | 41,521                |
| Vote 4 - Community Services            |     | -                  | 79,012             | -                   | 4,791             | 4,791            | 6,584            | (1,794)      | -27.2%            | 79,012                |
| Vote 5 - Development Planning          |     | -                  | 36,131             | -                   | 1,140             | 1,140            | 3,011            | (1,871)      | -62.2%            | 36,131                |
| Vote 6 - Engineering Services          |     | -                  | 130,491            | -                   | 5,657             | 5,657            | 10,874           | (5,218)      | -48.0%            | 130,491               |
| Vote 7 - [NAME OF VOTE 7]              |     | -                  | -                  | -                   | -                 | -                | -                | -            | -                 | -                     |
| <b>Total Expenditure by Vote</b>       | 2   | -                  | 434,242            | -                   | 24,272            | 24,272           | 26,042           | 14,670       | 40.5%             | 434,242               |
| <b>Surplus/ (Deficit) for the year</b> | 2   | -                  | 71,418             | -                   | 123,885           | 123,885          | 5,952            | 117,934      | 1981.6%           | 71,418                |

The table above shows the expenditure by municipal vote. The total expenditure for the month of July 2022 amounted to above R21.3 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

| Description   | Ref | 2021/22         |                 | Budget Year 2022/23 |                |               |               |              |                |                    |
|---|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   |     | Audited Outcome | Original Budget | Adjusted Budget     | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Fulf Year Forecast |
| <b>R thousands</b>  |     |                 |                 |                     |                |               |               |              |                |                    |
| <b>Revenue By Source</b>  |     |                 |                 |                     |                |               |               |              |                |                    |
| Property rates  |     | —               | 21,468          | —                   | 14,672         | 14,672        | 1,789         | 12,883       | 720%           | 21,468             |
| Service charges - electricity revenue   |     | —               | 30,845          | —                   | 2,648          | 2,648         | 2,570         | 78           | 3%             | 30,845             |
| Service charges - water revenue   |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| Service charges - sanitation revenue  |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| Service charges - refuse revenue  |     | —               | 5,834           | —                   | 376            | 376           | 486           | (110)        | -23%           | 5,834              |
| Rental of facilities and equipment  |     | —               | 3,893           | —                   | 334            | 334           | 324           | 10           | 3%             | 3,893              |
| Interest earned - external investments  |     | —               | 9,760           | —                   | 995            | 995           | 813           | 181          | 22%            | 9,760              |
| Interest earned - outstanding debtors   |     | —               | 5,378           | —                   | 405            | 405           | 448           | (43)         | -10%           | 5,378              |
| Dividends received  |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| Fines, penalties and forfeits   |     | —               | 593             | —                   | 7              | 7             | 49            | (43)         | -86%           | 593                |
| ... . . . .   |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| Agency services   |     | —               | 1,401           | —                   | 144            | 144           | 117           | 27           | 23%            | 1,401              |
| Transfers and subsidies   |     | —               | 338,352         | —                   | 124,886        | 124,886       | 28,196        | 96,690       | 343%           | 338,352            |
| Other revenue   |     | —               | 520             | —                   | 85             | 85            | 43            | 42           | 97%            | 520                |
| Gains   |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b>  |     | —               | 420,449         | —                   | 144,764        | 144,764       | 35,037        | 109,727      | 313%           | 420,449            |
| <b>Expenditure By Type</b>  |     |                 |                 |                     |                |               |               |              |                |                    |
| Employee related costs  |     | —               | 124,799         | —                   | 8,912          | 8,912         | 10,400        | (1,488)      | -14%           | 124,799            |
| Remuneration of councillors   |     | —               | 27,047          | —                   | 2,109          | 2,109         | 2,254         | (145)        | -6%            | 27,047             |
| Debt impairment   |     | —               | 9,600           | —                   | —              | —             | 800           | (800)        | -100%          | 9,600              |
| Depreciation & asset impairment   |     | —               | 49,735          | —                   | 3,514          | 3,514         | 4,145         | (631)        | -15%           | 49,735             |
| Finance charges   |     | —               | 100             | —                   | —              | —             | 8             | (8)          | -100%          | 100                |
| Bulk purchases - electricity  |     | —               | 40,005          | —                   | 979            | 979           | 3,334         | (2,355)      | -71%           | 40,005             |
| Inventory consumed  |     | —               | 7,627           | —                   | 305            | 305           | 636           | (330)        | -52%           | 7,627              |
| Contracted services   |     | —               | 86,644          | —                   | 2,234          | 2,234         | 7,220         | (4,987)      | -69%           | 86,644             |
| Transfers and subsidies   |     | —               | 3,200           | —                   | —              | —             | 267           | (267)        | -100%          | 3,200              |
| Other expenditure   |     | —               | 82,560          | —                   | 3,321          | 3,321         | 6,880         | (3,559)      | -52%           | 82,560             |
| Losses  |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| <b>Total Expenditure</b>  |     | —               | 431,318         | —                   | 21,373         | 21,373        | 35,943        | (14,570)     | -41%           | 431,318            |
| <b>Surplus/(Deficit)</b>  |     |                 |                 |                     |                |               |               |              |                |                    |
| Transfers and subsidies - capital (monetary allocations)<br>(National / Provincial and District)  |     | —               | (10,870)        | —                   | 123,391        | 123,391       | (906)         | 124,297      | (0)            | (10,870)           |
| Transfers and subsidies - capital (monetary allocations)<br>(National / Provincial Departmental Agencies,<br>Households, Non-profit Institutions, Private Enterprises,<br>Public Corporations, Higher Educational Institutions) |     | —               | 82,288          | —                   | 495            | 495           | 6,857         | (6,363)      | (0)            | 82,288             |
| Transfers and subsidies - capital (in-kind - all)   |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| Transfers and subsidies - capital (in-kind - all)   |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>  |     | —               | 71,418          | —                   | 123,885        | 123,885       | 5,952         | —            | —              | 71,418             |
| Taxation  |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| <b>Surplus/(Deficit) after taxation</b>   |     | —               | 71,418          | —                   | 123,885        | 123,885       | 5,952         | —            | —              | 71,418             |
| Attributable to minorities  |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| <b>Surplus/(Deficit) attributable to municipality</b>   |     | —               | 71,418          | —                   | 123,885        | 123,885       | 5,952         | —            | —              | 71,418             |
| Share of surplus/ (deficit) of associate  |     | —               | —               | —                   | —              | —             | —             | —            | —              | —                  |
| <b>Surplus/ (Deficit) for the year</b>  |     | —               | 71,418          | —                   | 123,885        | 123,885       | 5,952         | —            | —              | 71,418             |

The municipality has so far recorded a surplus of over R123 million for the period ended 31 July 2022.

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 - M01 July

| Description   | Ref | 2021/22         | Budget Year 2022/23 |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   |     | 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>   |     | —               | 61,890              | —               | 97             | 97            | 5,158         | 5,061        | 98.1%          | 61,890             |
| Roads Infrastructure  |     | —               | 38,090              | —               | 97             | 97            | 3,174         | 3,077        | 96.9%          | 38,090             |
| Electrical Infrastructure   |     | —               | 15,725              | —               | —              | —             | 1,310         | 1,310        | 100.0%         | 15,725             |
| MV Networks   |     | —               | 13,940              | —               | —              | —             | 1,162         | 1,162        | 100.0%         | 13,940             |
| LV Networks   |     | —               | 1,785               | —               | —              | —             | 149           | 149          | 100.0%         | 1,785              |
| Solid Waste Infrastructure  |     | —               | 8,075               | —               | —              | —             | 673           | 673          | 100.0%         | 8,075              |
| Landfill Sites  |     | —               | 8,075               | —               | —              | —             | 673           | 673          | 100.0%         | 8,075              |
| Community Assets  |     | —               | 5,950               | —               | —              | —             | 496           | 496          | 100.0%         | 5,950              |
| Community Facilities  |     | —               | 5,355               | —               | —              | —             | 446           | 446          | 100.0%         | 5,355              |
| Halls   |     | —               | 1,020               | —               | —              | —             | 85            | 85           | 100.0%         | 1,020              |
| Crèches   |     | —               | 2,975               | —               | —              | —             | 248           | 248          | 100.0%         | 2,975              |
| Markets   |     | —               | 1,360               | —               | —              | —             | 113           | 113          | 100.0%         | 1,360              |
| Sport and Recreation Facilities                                   |     | —               | 595                 | —               | —              | —             | 50            | 50           | 100.0%         | 595                |
| Outdoor Facilities  |     | —               | 595                 | —               | —              | —             | 50            | 50           | 100.0%         | 595                |
| Other assets  |     | —               | 11,562              | —               | —              | —             | 963           | 963          | 100.0%         | 11,562             |
| Operational Buildings   |     | —               | 11,562              | —               | —              | —             | 963           | 963          | 100.0%         | 11,562             |
| Manufacturing Plant   |     | —               | 11,562              | —               | —              | —             | 963           | 963          | 100.0%         | 11,562             |
| Computer Equipment  |     | —               | 2,125               | —               | —              | —             | 177           | 177          | 100.0%         | 2,125              |
| Computer Equipment  |     | —               | 2,125               | —               | —              | —             | 177           | 177          | 100.0%         | 2,125              |
| Furniture and Office Equipment                                    |     | —               | 7,140               | —               | —              | —             | 595           | 595          | 100.0%         | 7,140              |
| Furniture and Office Equipment                                    |     | —               | 7,140               | —               | —              | —             | 595           | 595          | 100.0%         | 7,140              |
| Machinery and Equipment   |     | —               | 128                 | —               | —              | —             | 11            | 11           | 100.0%         | 128                |
| Machinery and Equipment   |     | —               | 128                 | —               | —              | —             | 11            | 11           | 100.0%         | 128                |
| Transport Assets  |     | —               | 6,500               | —               | —              | —             | 542           | 542          | 100.0%         | 6,500              |
| Transport Assets  |     | —               | 6,500               | —               | —              | —             | 542           | 542          | 100.0%         | 6,500              |
| Total Capital Expenditure on new assets                           | 1   | —               | 95,294              | —               | 97             | 97            | 7,941         | 7,844        | 98.8%          | 95,294             |

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M01 July

| Description   | Ref | 2021/22         | Budget Year 2022/23 |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   |     | 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>   |     | —               | 3,426               | —               | 897            | 897           | 285           | (611)        | -214.1%        | 3,426              |
| Roads Infrastructure  |     | —               | 3,426               | —               | 897            | 897           | 285           | (611)        | -214.1%        | 3,426              |
| Roads   |     | —               | 3,426               | —               | 897            | 897           | 285           | (611)        | -214.1%        | 3,426              |
| Community Assets  |     | —               | 1,360               | —               | —              | —             | 113           | 113          | 100.0%         | 1,360              |
| Community Facilities  |     | —               | 1,360               | —               | —              | —             | 113           | 113          | 100.0%         | 1,360              |
| Taxi Ranks/Bus Terminals  |     | —               | 1,360               | —               | —              | —             | 113           | 113          | 100.0%         | 1,360              |
| Other assets  |     | —               | 340                 | —               | —              | —             | 28            | 28           | 100.0%         | 340                |
| Operational Buildings   |     | —               | 340                 | —               | —              | —             | 28            | 28           | 100.0%         | 340                |
| Municipal Offices   |     | —               | 340                 | —               | —              | —             | 28            | 28           | 100.0%         | 340                |
| Total Capital Expenditure on renewal of existing assets                           | 1   | —               | 5,126               | —               | 897            | 897           | 427           | (469)        | -109.9%        | 5,126              |

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M01 July

| Description<br>R thousands  | Ref<br>1 | 2021/22<br>Audited<br>Outcome | Budget Year 2022/23 |                    |                   |                  |                  |              |                   |                       |
|---|----------|-------------------------------|---------------------|--------------------|-------------------|------------------|------------------|--------------|-------------------|-----------------------|
|   |          |                               | Original<br>Budget  | Adjusted<br>Budget | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD variance | YTD variance<br>% | Full Year<br>Forecast |
| <b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b> |          |                               |                     |                    |                   |                  |                  |              |                   |                       |
| Community Assets  |          | -                             | 7,628               | -                  | -                 | -                | 636              | 636          | 100.0%            | 7,628                 |
| Community Facilities  |          | -                             | 7,628               | -                  | -                 | -                | 636              | 636          | 100.0%            | 7,628                 |
| Halls   |          | -                             | 7,628               | -                  | -                 | -                | 636              | 636          | 100.0%            | 7,628                 |
| Total Capital Expenditure on upgrading of existing assets                           | 1        | -                             | 7,628               | -                  | -                 | -                | 636              | 636          | 100.0%            | 7,628                 |

The above tables indicate that the municipality spent R994 thousand for the month from its capital budget for the period ended 31 July 2022. This is performance that cannot be encouraged, especially considering that the municipality has three major capital programmes being implemented by the municipality that are behind schedule with two having been scheduled for completion by 30 June 2022.

b) Capital Expenditure by municipal vote

EC443 Winnie Madikizela Mandela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

| Vote Description<br>R thousands                              | Ref<br>1 | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |              |              |                       |
|--|----------|--------------------|--------------------|---------------------|-------------------|------------------|------------------|--------------|--------------|-----------------------|
|  |          | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD variance | YTD variance | Full Year<br>Forecast |
| <b>Multi-Year expenditure appropriation</b>                  | 2        | —                  | 8,988              | —                   | —                 | —                | 749              | (749)        | -100%        | 8,988                 |
| Vote 6 - Engineering Services                                |          | —                  | 8,988              | —                   | —                 | —                | 749              | (749)        | -100%        | 8,988                 |
| <b>Total Capital Multi-year expenditure</b>                  | 4,7      | —                  | 8,988              | —                   | —                 | —                | 749              | (749)        | -100%        | 8,988                 |
| <b>Single Year expenditure appropriation</b>                 | 2        | —                  | 12,900             | —                   | —                 | —                | 1,075            | (1,075)      | -100%        | 12,900                |
| Vote 2 - Corporate Services                                  |          | —                  | 12,900             | —                   | —                 | —                | 1,075            | (1,075)      | -100%        | 12,900                |
| Vote 4 - Community Services                                  |          | —                  | 11,388             | —                   | —                 | —                | 949              | (949)        | -100%        | 11,388                |
| Vote 5 - Development Planning                                |          | —                  | 13,517             | —                   | —                 | —                | 1,126            | (1,126)      | -100%        | 13,517                |
| Vote 6 - Engineering Services                                |          | —                  | 61,256             | —                   | 994               | 994              | 5,105            | (4,111)      | -81%         | 61,256                |
| <b>Total Capital single-year expenditure</b>                 | 4        | —                  | 99,060             | —                   | 994               | 994              | 8,255            | (7,261)      | -88%         | 99,060                |
|  |          |                    | 100,048            |                     | 994               | 994              | 9,004            | (8,010)      | -89%         | 100,048               |
| <b>Capital Expenditure - Functional Classification</b>       |          |                    |                    |                     |                   |                  |                  |              |              |                       |
| <i>Governance and administration</i>                         |          | —                  | 13,240             | —                   | —                 | —                | 1,103            | (1,103)      | -100%        | 13,240                |
| Finance and administration                                   |          | —                  | 13,240             | —                   | —                 | —                | 1,103            | (1,103)      | -100%        | 13,240                |
| <i>Community and public safety</i>                           |          | —                  | 1,848              | —                   | —                 | —                | 154              | (154)        | -100%        | 1,848                 |
| Community and social services                                |          | —                  | 1,720              | —                   | —                 | —                | 143              | (143)        | -100%        | 1,720                 |
| Sport and recreation   |          | —                  | 128                | —                   | —                 | —                | 11               | (11)         | -100%        | 128                   |
| <i>Economic and environmental services</i>                   |          | —                  | 67,336             | —                   | 994               | 994              | 5,611            | (4,618)      | -82%         | 67,336                |
| Planning and development                                     |          | —                  | 25,820             | —                   | —                 | —                | 2,152            | (2,152)      | -100%        | 25,820                |
| Road transport   |          | —                  | 41,516             | —                   | 994               | 994              | 3,460            | (2,466)      | -71%         | 41,516                |
| <i>Trading services</i>                                      |          | —                  | 25,625             | —                   | —                 | —                | 2,135            | (2,135)      | -100%        | 16,425                |
| Energy sources   |          | —                  | 16,425             | —                   | —                 | —                | 1,369            | (1,369)      | -100%        | 16,425                |
| Waste management   |          | —                  | 9,200              | —                   | —                 | —                | 767              | (767)        | -100%        |                       |
| <b>Total Capital Expenditure - Functional Classification</b> | 3        | —                  | 108,048            | —                   | 994               | 994              | 9,004            | (8,010)      | -89%         | 98,848                |
| Funded by:   |          |                    |                    |                     |                   |                  |                  |              |              |                       |
| National Government  |          | —                  | 69,945             | —                   | 97                | 97               | 5,829            | (5,732)      | -98%         | 69,945                |
| Transfers recognised - capital                               |          | —                  | 69,945             | —                   | 97                | 97               | 5,829            | (5,732)      | -98%         | 69,945                |
| Internally generated funds                                   |          | —                  | 38,103             | —                   | 897               | 897              | 3,175            | (2,279)      | -72%         |                       |
| <b>Total Capital Funding</b>                                 |          | —                  | 108,048            | —                   | 994               | 994              | 9,004            | (8,010)      | -89%         | 69,945                |

The above table indicate that the municipality spent R994 thousand from its capital budget for the period ended 31 July 2022 which is very discouraging considering that we have three major projects that have been allocated the bigger slice of the municipality's available resources that have not performed desirably during the past years.

## **10. 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 and Post COVID-19**

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

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

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

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

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

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

**c. Procurement requests below R2000.00**

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

| Creditor Name                  | Function Name                             | Segment                                | Order Date | Value    | Specifications  |
|--------------------------------|---|--|------------|----------|---|
| Zuba Transport Services & Cons | Core Administrative And Corpora           | Function: Finished Goods: Acquisitions | 2022/08/04 | 1,075.00 | Request for Five Powdered Soap  |
| KwikFit Bizana                 | Core Function: Solid Waste Removal        | Refuse- Vehicle Maintenance            | 2022/08/04 | 1,999.98 | Request For Replacement Of Battery Of 1.3 Ton Truck ( Jfg 442 Ec) And For Skip Loader Truck (Jfg 283 Ec). |
| Group Two Media Company        | Core Function: Corporate Wide Strategic P | Advertising fees IDP 515260540         | 2022/08/04 | 2,000.00 | Request Re-Award For The Socio-Economic And Infrastructure Study  |
| Group Two Media Company        | Core Function: Solid Waste Removal        | Advertising 5020                       | 2022/08/04 | 2,000.00 | Request For Supply And Delivery Of Customised Change Room Container                                       |
| Group Two Media Company        | Core Function: Finance                    | Advertising fees SCM 1005260540        | 2022/08/02 | 2,000.00 | Request For Advertising Of Travel Agency Services   |

**9,074.98**

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

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

| Creditor Name                          | Function Name                      | Segment                           | Order Date | Value     | Specifications   |
|--|------------------------------------|-----------------------------------|------------|-----------|--|
| The Institute Of Directors In          | Core Function: Human Resources     | Membership internal fees audit    | 2022/07/28 | 3,289.88  | Payment for Mr. M laka, Snap Shot Training   |
| Amangute Trading & Projects            | Core Function: Mayor And Council   | HIV/Aids support group Catering   | 2022/08/04 | 6,000.00  | Request Lunch with Drs for Local Aids Council to Be Held On 05/2022 At 10h00.  |
| Unisa                                  | Core Function: Human Resources     | Study assistance HR               | 2022/07/19 | 7,155.00  | Request for Study Assistant for Ludwe Mgqoli   |
| Gijima Holdings (Pty) Ltd              | Core Function: Human Resources     | Personnel Recruitment cost 1010   | 2022/08/02 | 7,200.00  | Request for Competitive Assessment for Min Candidate   |
| Fakade Construction (Pty) Ltd          | Core Function: Mayor And Council   | Catering Councillors meetings     | 2022/07/28 | 8,300.00  | Lunch Packs for Special Council Meeting on The 20/07/22  |
| South African Cemeteries Assoc         | Core Function: Human Resources     | Tuition fees                      | 2022/08/01 | 9,000.00  | Payment for Trainin For Nohaba And Fada  |
| The Institute Of Internal Construction | Core Function: Governance Function | Membership internal fees audit    | 2022/07/12 | 10,847.38 | Membership Fees For July-May 2023  |
| Xolani Sizwe Construction              | Core Function: Mayor And Council   | Whippery support transport hire   | 2022/07/08 | 13,000.00 | Request(2 X Thirtee Seater Yaxis For Women Caucus Induction That On The 05 July 2022 At Alfred Nzo District Municipality At 10h00. |
| Nandi-Lee Inv                          | Core Function: Mayor And Council   | Catering Councillors meetings     | 2022/07/08 | 16,000.00 | Request For Still Water 500ml  |
| Arena Holdings                         | Core Function: Human Resources     | Advertising Human resources       | 2022/07/08 | 16,215.00 | Request To Advet : Tow Post On Provincial Newspaer Sm- Community Services Cfo  |
| Meyife Construction And Project        | Core Function: Mayor And Council   | Catering programms special gender | 2022/07/28 | 18,000.00 | Request Lunch Pack To Be Held On The 8 July 2022 At Cangci Sss At H11:00.  |
| Tarantai Transport Pvt                 | Core Function: Mayor And Council   | CDW transportation support        | 2022/07/18 | 22,000.00 | Transportation Of Iws To East London On The 18th Of July And Return Taxis Returning 20 July 2022                                   |

| Creditor Name                      | Function Name                                  | Segment                                  | Order Date | Value     | Specifications  |
|------------------------------------|--|--|------------|-----------|---|
| Scaras Construction And Legist Ltd | Core Function: Mayor And Council               | Community Education catering 505260695   | 2022/07/28 | 22,700.00 | Catering, Lunch Pa... For Community Education In Ward 4   |
| Leadership Academy Pty Ltd         | Core Function:Governance Function              | Tuition fees                             | 2022/08/03 | 23,692.30 | Payment To Lead... ship Acadency For Training Of Two Internal Auditor Officials   |
| Driving License Card Account       | Non-Core Function: Road And Traffic Regulation | Stationery vehicle testing and licencing | 2022/07/28 | 24,569.00 | Payment To Drivin... gence Card Account For July 2022   |
| Kwik-Fit Bizana                    | Core Function:Police Forces Traffic And        | Police-Maintenance Vehicle               | 2022/07/29 | 25,401.20 | Request Tyre (Spa... Wheel) For Toyota Corolla Including A Rim Hln 084e Tyre Size 195/65R15 Lv Bc100, Rim Size 195/65R15              |
| Mabozela Trading And Enterprises   | Core Function:Solid Waste Removal              | Transport Hire                           | 2022/07/29 | 26,399.99 | Request For Hiring FTlb For 3 Days For Waste Management Services  |
| Ta -Mora's Trading & Projects      | Core Function:Roads                            | MAAA0324009                              | 2022/07/18 | 26,500.00 | Request For Servic... Blockages Of Major Delicatey Of Block... s And Non Usage Of Municipal Toilets                                   |
| Ehala Kadududu Trading             | Core Function:Mayor And Council                | Community Education catering 505260695   | 2022/07/28 | 26,600.00 | Lunch Paxcks For C... mmunity Education At Ward 1   |
| Lajamka (Pty)ltd                   | Core Function:Community Parks (Including       | Finished Goods;Acquisitions              | 2022/07/28 | 26,824.00 | inner-Red Line For Petrol 3.5(Nylon Cord)   |
| Base Line Enterprise               | Core Function:Mayor And Council                | Community Education catering 505260695   | 2022/08/04 | 26,950.00 | Request For 200 Pe... le In Ward 20 For Community Education   |
| Philakona                          | Core Function:Mayor And Council                | Promotional items and Tokens Legacy      | 2022/07/18 | 27,500.00 | Request For Lunch   |
| Savage Dynasty                     | Core Function:Mayor And Council                | Whippery support costs                   | 2022/07/08 | 27,625.00 | Request Lunch Pac... Board To Be Held On The 08 July 2022 In Various Ward At 10h00 For Redetermination Of Boundaries By Municipal Dem |
| Deposier                           | Core Function:Finance                          | Finished Goods;Acquisitions              | 2022/07/12 | 29,610.75 | White Printing Pap...   |
| <b>451,379.50</b>                  |  |  |            |           |   |

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

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

| Creditor Name                  | Function Name                            | Order Date  | Value      | Specifications  |
|--------------------------------|--|-------------|------------|---|
| Cape To Cairo Invest (Pty) Ltd | Core Function:Solid Waste Removal        | 2022/07 /14 | 71,307.93  | Paid Request Of Cape To Cairo For Supply And Delivery Of Refuse Bag Month Of July |
| Firststrand                    | Core Function:Finance                    | 2022/08 /02 | 73,012.13  | Paid Rent Of 60 Litres Of Fuel For Grass Cutting                                  |
| Arena Holdings                 | Core Function:Human Resources            | 2022/07 /08 | 83,476.20  | Request To Advertised Two Post On National Newspaper Community Services Cfo Co    |
| Black Capital Solutions        | Core Function:Police Forces Traffic And  | 2022/07 /28 | 89,530.00  | Paid Rent For Renewal Of Central Line Road Marking                                |
| Wits School Of Governance      | Core Function:Finance                    | 2022/07 /28 | 116,000.00 | Paid Rent For 2 Officials For Cpmnd   |
| Shile Pot Trading              | Core Function:Marketing Customer Relati  | 2022/07 /29 | 119,700.00 | Paid Rent For Customer Care Satisfaction Survey                                   |
| Dosvents Td Pty Ltd            | Core Function:Administrative And Corpora | 2022/07 /13 | 124,450.00 | Paid Rent For 100 Bales Of 48s Toilet Paper                                       |
| Dosvents Td Pty Ltd            | Core Function:Administrative And Corpora | 2022/07 /12 | 124,450.00 | Paid Rent For Supply And Delivery Of Cleaning Material                            |
| Nini Durban South Motors Pty   | Core Function:Solid Waste Removal        | 2022/08 /02 | 157,029.49 | Request For Repairs Of Refuse Truck Dh 289 Ec                                     |
| Ludwala Investment Services    | Core Function:Licensing And Control Of A | 2022/07 /28 | 168,490.00 | Request For Payment Of Ludwala Investment For Supply Of Payment Of Feed Pr        |
| Masinyane And Son (Pty) Ltd    | Core Function:Economic Development/Plann | 2022/07 /28 | 184,600.00 | Letter C-Dune M   |
|                                |  |             |            | <u>1,312,065.75</u>   |

## 11. 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 MEMA.

### a) Mini Tender progress for July 2022

| NO           | SUCCESSFUL TENDERER        | AMOUNT              | PAYMENTS            | BALANCE             | TENDER NO                   | DESCRIPTION  | DATE TON | DATE AWARDED |
|--------------|----------------------------|---------------------|---------------------|---------------------|-----------------------------|--|----------|--------------|
| 1            | LUDWALA INVESTMENT SERVICE | R 168,490.00        | R 168,490.00        | R -                 | WMM LM 03/06/22 S&D AF FT&T | SUPPLY & D DELIVERY OF ANIMAL FEED   |          |              |
| 2            | SWORD GROUP                | R 135,000.00        | R -                 | R 135,000.00        | WMM LM 06/06/22 S&D FUEL TA | SUPPLY & D DELIVERY OF MOBILE FUEL TA                                      |          |              |
| 3            | MASINYANE & SON            | R 184,600.00        | R 184,600.00        | R -                 | WMM LM 10/06/22 S&D SMME E  | SUPPLY AND DELIVERY OF SMME,TC LS AND PROTECTIVE CLOTHING MATERIAL PROMOTI |          |              |
| 4            | DREAM BOLD BUSINESS CONSU  | R 192,500.00        | R -                 | R 192,500.00        | WMM LM 10/06/22 CBRG (B)    | CAPACIT BUILDING FOR RECYCLI INCUBAT I                                     |          |              |
| 5            | BLACK CAPITAL SOLUTIONS    | R 89,550.00         | R 89,550.00         | R -                 | WMM LM 03/06/22 CLRM(CBD    | GROUPS(BUSINESS  |          |              |
| <b>Total</b> |                            | <b>R 770,140.00</b> | <b>R 442,640.00</b> | <b>R 327,500.00</b> |                             |  |          |              |

**b) Tenders awarded during the month of July 2022**

**Competitive Bidding**

No awards were made during the month of July 2022.

**c) Status of current tenders**

| Name of the Project                             | Bid Number              | Chairperson       | Closing Date            | Appointment Date           | Validity | Validity Period           | Status              |
|---|-------------------------|-------------------|-------------------------|----------------------------|----------|---------------------------|---------------------|
| Social Relief Material                          | WMM1 LM 0064 SRM        | Ms. N. Mhlemban a | Wednesday, 06 July 2022 | Thursday, 17 July 2022     | 90       | Tuesday, 04 October 2022  | to be adjudicate d  |
| Panel for Land Survey Services                  | MBIZLM00069PLS          | Mr. V. Nontanda   | Monday, 17 January 2022 | Friday, 28 January 2022    | 91       | Monday, 18 April 2022     | to be adjudicate d  |
| Socio-Economic Infrastructure Assessment Study  | WMM1 LM 004/ SEIAS      | Ms. N. Jokweni    | Monday, 18 July 2022    | Wednesday, 19 January 2022 | 91       | Monday, 17 October 2022   | to be re-advertised |
| Supply and Delivery of Stationery for 12 Months | WMM1 LM 09/09/1/01 PST  | Ms. N. Jokweni    | Monday, 04 July 2022    | Not Appre ciated           | 91       | Monday, 03 October 2022   | to be adjudicate d  |
| Provision of Insurance for 3 Years              | WMM1 27/10/21/01 PIS    | Mr. S. Mbisi      | Friday, 15 July 2022    | Tuesday, 13 December 2022  | 90       | Thursday, 13 October 2022 | to be adjudicate d  |
| Fumigation/ Disinfection Services for 3 years   | WMM1 LM 27/10/21/01 PIS | Ms. Ngejane       | Monday, 04 July 2022    | Tuesday, 06 July 2022      | 91       | Monday, 03 October 2022   | to be re-advertised |
| Electrification of Lowe Ethridge Village        | WMM1 LM 00057 MV        | Mr. S. Mbisi      | Tuesday, 19 July 2022   | Thursday, 27 January 2022  | 90       | Monday, 17 October 2022   | to be adjudicate d  |
| Electrification of Msarhweni Village            | WMM1 LM 00060 MV        | Ms. N. Mshweshwe  | Tuesday, 19 July 2022   | Thursday, 27 January 2022  | 90       | Monday, 17 October 2022   | to be adjudicate d  |
| Electrification of Ziziyanehi Village           | WMM1 LM 00058 MV        | Mr. S. Mbisi      | Tuesday, 19 July 2022   | Thursday, 27 January 2022  | 90       | Monday, 17 October 2022   | to be adjudicate d  |

| Name of the Project  | Bid Number              | Chairperson       | Closing Date            | Appointment Date          | Validity | Validity Period | Status  |
|--|-------------------------|-------------------|-------------------------|---------------------------|----------|-----------------|---|
| Electrification of Nonlaci Village                                 | WMM LM 00059 MV         | Ms. N. Mashwestwe | Tuesday, 19 July 2022   | Thursday, 21 January 2022 | 27       | 90              | Monday, 17 October 2022 to be adjudicated     |
| Construction of Tshongweni Access Road                             | WMM 31/05/22/03 TAR     | LM Mr. S. Mbusi   | Friday, 17 June 2022    | Wednesday, 22 June 2022   | 22       | 90              | Thursday, 15 September 2022 to be adjudicated |
| Construction of Early Childhood Development Centre in Ward 13      | WMM 31/05/22/05 ECD MDP | LM Mr. S. Mbusi   | Friday, 17 June 2022    | Wednesday, 22 June 2022   | 22       | 90              | Thursday, 15 September 2022 to be adjudicated |
| Multi Discipline Panel of Consultants                              | WMM LM 3/05/22/06       | Mr. V. Nontanda   | Friday, 17 June 2022    | Wednesday, 22 June 2022   | 22       | 90              | Thursday, 15 September 2022 to be adjudicated |
| Travel Agency Services   | WMM 30/05/22/01 TRA     | LM Mr. S. Mbusi   | Friday, 17 June 2022    | Tuesday, 02 August 2022   | 02       | 90              | Thursday, 15 September 2022 to be adjudicated |
| Grab Complaint Immovable Asset register                            | WMM 14/06/22 FAR        | Mr. S. Mbusi      | Tuesday, 02 August 2022 | Wednesday, 03 August 2022 | 03       | 90              | Monday, 31 October 2022 to be adjudicated     |
| Supply and Delivery of Protective Clothing for Protection Services | WMM 09/06/22 PCPS MTL   | Ms. N. Jokweni    | Friday, 01 July 2022    | Saturday, 02 July 2022    | 02       | 90              | Thursday, 29 September 2022 to be adjudicated |
| Maintenance of Traffic Lights for 3 Years                          | WMM LM 09/06/22         | Ms. N. Ngelane    | Monday, 18 July 2022    | Tuesday, 19 July 2022     | 09       | 91              | Monday, 17 October 2022 to be evaluated       |
| Supply and Delivery of Arts & Craft Material and Equipment         | WMM LM 09/06/22 ACME    | Ms. N. Ngejane    | Wednesday, 06 July 2022 | Thursday, 17 July 2022    | 17       | 90              | Tuesday, 04 October 2022 to be adjudicated    |

**d) Deviations**

No deviations were approved during the month.

## 12. Database utilisation

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

| Creditor Name                  | Creditor Address                         | Function Name                | Specifications  | Value             | Status    | Ward No. |
|--------------------------------|--|------------------------------|---|-------------------|-----------|----------|
| ZUBA TRANSPORT SERVICES & CONS | P.O. BOX 210402 BIZANA EASTERN CAPE 4800 | Administrative and Corporate | REQUEST FOR FIVE POWDERED SOAP  | 1,075.00          | OPEN      | Ward 17  |
| KWIK-FIT BIZANA                | SHOP 221 45 MAIN STREET 4800             | Solid Waste Removal          | REQUEST FOR REPLACEMENT OF BATTERY ON TRUCK ( JFG 442 EC) AND FOR SKIP LOAD TRUCK (JTG 283 EC). | 1,999.98          | OPEN      | Ward 01  |
| GROUP TWO MEDIA COMPANY        | SHOP NO 16 TIAGOS KOKSTAD 4700           | Corporate Strategic P        | REQUEST RE-ADVERT FOR THE SOCIO-ECON AND INFRASTRUCTURE STUDY                                   | MIC 2,000.00      | OPEN      | Kokstad  |
| GROUP TWO MEDIA COMPANY        | SHOP NO 16 TIAGOS KOKSTAD 4700           | Solid Waste Removal          | REQUEST FOR SUPPLY AND DELIVERY OF CUSTOMISED CHANGE ROOM CONTAINER                             | 2,000.00          | OPEN      | Kokstad  |
| GROUP TWO MEDIA COMPANY        | SHOP NO 16 TIAGOS KOKSTAD 4700           | Finance                      | Request for advertising of Travel Agency Services   | 2,000.00          | OPEN      | Kokstad  |
| AMANGUTE TRADING & PROJECTS    | P.O BOX 10 WARD 1 BIZANA 4800            | Mayor and Council            | PAYMENT FOR MR. MAHLAKA. SNAP TRAINING  | HOT 6,000.00      | OPEN      | Ward 01  |
| UNISA                          | P O BOX 488                              | Human Resources              | REQUEST LUNCH WITH SOFT DRINKS FOR AIDS COUNCIL TO BE HELD ON 05/2022 AT CO CHAMBER AT 10H00.   | CAL (CL) 7,155.00 | RECEIVE D | Durban   |
| GIJMA HOLDINGS (PTY) LTD       | P.O.BOX 10629 CENTURION 0046             | Human Resources              | REQUEST FOR STUDY ASSISTANT FOR L MGOQI   | JOWE 7,200.00     | OPEN      | Pretoria |
| FAKADE                         | P.O.BOX 307 BIZANA                       | Core Function: Mayor         | REQUEST FOR COMPETENCY ASSESSMENT FO MM   | RECEIVE           | Ward 1    |          |

| Creditor Name                          | Creditor Address                                     | Function Name                   | Specifications   | Value     | Status    | Ward No.     |
|--|--|---------------------------------|--|-----------|-----------|--------------|
| CONSTRUCTION (PTY) LTD                 | WARD 1 4800 and Council                              | CANDIDATE                       |  | 8,300.00  | D         |              |
| SOUTH AFRICAN CEMETERIES ASSOC         | 34 PHILLIPS ROAD MALVERN; QUEENSBURGH ETHEKWINI 4001 | Core Function:Human Resources   | LUNCH PACKS FOR SPECIAL COUNCIL MEETING ON THE 20.07.22  | 9,000.00  | OPEN      | Durban       |
| THE INSTITUTE OF INTERNAL CONSTRUCTION | P.O BOX 2290 BEDFORDVIEW 2008                        | Core Function:Governance        | PAYMENT FOR TRAINING FOR NOHABA AND FAIA   | 10,847.38 | RECEIVE D | Pretoria     |
| XOLANI SIZWE CONSTRUCTION              | P O BOX 696 WARD 23 PORT EDWARD 4295                 | Core Function:Mayor and Council | MEMBERSHIP FEES FOR JULY-MAY 2023  | 13,000.00 | RECEIVE D | Ward 23      |
| NANDI-LEE JNR                          | P.O.BOX 210428 BIZANA WARD 17 4800                   | Core Function:Mayor and Council | REQUEST 2 X THIRTEEN SEATER TAXIS FOR WOMEN CAUCUS INDUCTION THAT ON TUESDAY 2022 AT ALFRED NZO MUNICIPALITY AT 10h00. | 16,000.00 | RECEIVE D | Ward 17      |
| ARENA HOLDINGS                         | P.O BOX 2447 CAPE TOWN 8000 3000                     | Core Function:Human Resources   | REQUEST FOR STILL WATER 500ML  | 16,215.00 | RECEIVE D | East London  |
| MEYIFFE CONSTRUCTION AND PROJECT       | P O BOX 210168 WARD 9 BIZANA 4800                    | Core Function:Mayor and Council | REQUEST TO ADVERTISE TOW POST ON PROVINCIAL NEWSPAPER SM- COMMUNITY SERVICES CFO                                       | 18,000.00 | RECEIVE D | Ward 09      |
| TAMATI TRANSPORT PTY LTD               | P.O BOX 77 BIZANA WARD 17 4800                       | Core Function:Mayor and Council | REQUEST LUNCH PACKS FOR GBV ; TEEN PREGNANCY AND HIV & AIDS AWARENESS ON THE 28 JULY 2022 AT CANGCI SSS AT h11:00.     | 22,000.00 | RECEIVE D | Ward 17      |
| SCARAS CONSTRUCTION AND LOGIST         | P.O.BOX 210668 WARD 4 BIZANA 4800                    | Core Function:Mayor and Council | TRANSPORTATION OF CDWS TO EAST LONDEONING THE 18TH OF JULY AND RETURN TAXIS RETURN 20TH JULY 2022                      | 22,700.00 | OPEN      | Ward 04      |
| LEADERSHIP ACADEMY PTY LTD             | P.O BOX 2290 JOHANNESBURG 2008                       | Core Function:Governance        | CATERING. LUNCH PACKS FOR COMMUNITY EDUCATION IN WARD 4  | 23,692.30 | OPEN      | Johannesburg |

| Creditor Name                  | Creditor Address                     | Function Name                            | Specifications  | Value                 | Status    | Ward No. |
|--------------------------------|--------------------------------------|--|---|-----------------------|-----------|----------|
|                                |                                      |  |   |                       |           |          |
| DRIVING LICENSE CARD ACCOUNT   | P.O. BOX MONUMENT PARK PRETORIA 0105 | Non-core Function:Road Traffic Regul     | PAYMENT TO LEADERSHIP ACADEMY TRAINING OF TWO INTERNAL AUDITOR OFFIC  | FOR LS 24,569.00      | RECEIVE D | Pretoria |
| KWIK-FIT BIZANA                | SHOP 221 45 MAIN STREET BIZANA 4800  | Core Function:Police Forces Traffic and  | PAYMENT TO DRIVING LICENCE CARD ACC FOR JULY 2022   | JNT 25,401.20         | RECEIVE D | Ward 01  |
| MABOZELA TRADING AND ENTERPRIS | P.O. BOX BIZANA 4800                 | Core Function:Solid Waste Removal        | REQUEST TYRE (SPARE WHEEL) FOR TO COROLLA INCLUDING A RIM HLN 084E TYRE 195/65R15 9IV BC100; RIM SIZE 195/65R15   | DTA SIZE 26,390.99    | OPEN      | Ward 17  |
| TA -MORA'S TRADING & PROJECTS  | P.O.BOX 536 WARD 13 REDDOUBT 4800    | Core Function:Roads                      | REQUEST FOR HIRING OF TLB FOR 3 DAYS FOR WASTE MANAGEMENT SERVICES  | FOR 26,500.00         | RECEIVE D | Ward 13  |
| BHALA KADUDUD U TRADING        | P.O. BOX BIZANA 4800                 | Core Function:Mayor and Council          | REQUEST FOR SERVICING OF TOILETS ;FIX THE TOILET IN THE GUARD HOUSE MA BLOCKAGES OF MANHOLES IN FRONT ; IT URGENTLY NEEDED BECAUSE O DELICAC BLOCKAGES AND NON USAGE OF MUNICIPAL TOILETS | AT 26,600.00          | OPEN      | Ward 01  |
| LAJAMKA (PTY)LTD               | NYAKA A/A WARD 18 BIZANA 4800        | Core Function:Community Parks (including | LUNCH PAXCKS FOR COMMUNITY EDUCATIC AT WARD 1   | 26,824.00             | RECEIVE D | Ward 18  |
| BASE LINE ENTERPRIS E          | IMIZIZI LOCATION BIZANA WARD 20 4800 | Core Function:Mayor and Council          | REQUEST FOR 30 X Trimmer-ed Line for petrol 3.5. ylon Cord)   | yon 26,950.00         | OPEN      | Ward 20  |
| PHILAKON A                     | P.O BOX 220 BIZANA WARD 01 4800      | Core Function:Mayor and Council          | CATERING FOR 200 PEOPLE IN WARD 20 COMMUNITY EDUCATION  | FOR 27,500.00         | RECEIVE D | Ward 01  |
| SAVAGE DYNASTY                 | P O Box 996 Bizana WARD 25 4800      | Core Function:Mayor and Council          | REQUEST LUNCH PACKS FOR REDETERMIN/ OF BOUNDARIES BY MUNICIPAL DEM BOARD' HELD ON THE 08 JULY 2022 IN VARIOUS WAF , AT 10H00  | ION ) BE AT 27,625.00 | RECEIVE D | Ward 25  |
| DEPOSER                        | PO BOX 07 BIZANA EASTERN CAPE 4800   | Core Function:Finance                    | WHITE PRINTING PAPERS   | 29,610.75             | PARTLY    | Ward 7   |

| Creditor Name | Creditor Address | Function Name | Specifications | Value             | Status | Ward No. |
|---------------|------------------|---------------|----------------|-------------------|--------|----------|
| Total         |                  |               |                | <u>457,164.60</u> |        |          |

### 13. Contract Management

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

- a) Take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality of the municipality is properly enforced;
- b) Monitor on a monthly basis the performance of the contractor under the contract or agreement;
- c) Establish capacity in the administration of the municipality –
  - i. To assist the accounting officer in carrying out the duties set out in the paragraphs above; and
  - ii. To oversee the day-to-day management of the contract or agreement; and
- d) Regularly report to the municipal council on the management of the contract or agreement and the performance of the contractor.

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

| SUCCESSFUL TENDERER              | NAME OF THE PROJECT                  | TENDER NO.               | Contract Amount |
|----------------------------------|--------------------------------------|--------------------------|-----------------|
| Zama Dunga Businesses Enterprise | Construction of Mbizana Civic Centre | IBIZLM27/02/18/02ENG     | R 74 861 072,75 |
| Tunimart(PTY)LTD                 | Provision of Travel Agency           | IBIZ 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                       | Ione Provided            | R -             |
| NZ Mishabe Incorporated          | Legal Services                       | IBIZ LM00091EG           | R -             |
| MUNSOFT PTY (LTD)                | Financial and Billing System         | Ione Provided            | R -             |
| Mozi Auctioneers                 | Fixed asset auctioning               | IBIZ LM 0049 AUC         | R 0,06          |
| Lilitha Projects Managers        | GRAP Compliant Fixed Asset Register  | IBIZ 0041FAR             | R 25 616,10     |

| SUCCESSFUL TENDERER                    | NAME OF THE PROJECT  | TENDER NO                | Contract Amount |
|--|--|--------------------------|-----------------|
| Konyana Attorneys                      | Legal Services   | 1BIZ LM009LEG            | R -             |
| Eskom Holdings Soc Ltd                 | Provision of basic services ( energy provision)                                      | ES                       | R -             |
| Jolwana Mgidi ana Incorporated         | Legal Services   | 1BIZ LM009LEG            | R -             |
| Ighayiya Design Workshop Architects    | Professional Fees for Mbizana Civic Center   | 1BIZ LM /12/1/2017/ENG   | R 11 231 788,41 |
| IPM Plant Hire Jy Mozmas's Trading     | Construction of Mphuthumini Mafumbatha Stadium                                       | 1BIZ LM 18/1/18/ENG      | R 53 768 483,44 |
| Indwe Risk Services                    | Provision of Insurance Services  | 1BIZ LM/02/05/18/INS/ETO | R 1 059 844,97  |
| Iheans Travelling Agency               | Provision of Travel Agency   | 1BIZ LM/11/05/08/01/TRA  | R -             |
| First Rand Limited                     | Provision of Banking Services  | 1BIZ LM/06/03/18/LT/BTO  | R -             |
| Dumack and Bright idea                 | Construction of Mphuthumini Mafumbatha Stadium                                       | 1BIZ LM/29/11/03         | R 8 094 071,25  |
| Dr Sugidhav-Sewpersadhs Attorneys      | Legal Services   | 1BIZ LM009LEG            | R -             |
| CONLOG                                 | Prepaid electricity agent  | ef.6/1/15                | R -             |
| Boara Construction & Projects          | Review of Indigent Register 2018/9-2021/22   | 1BIZ LM 0042 RIR         | R 1 993 600,00  |
| West Bank Limited                      | Fuel   | 1BIZ LM/06/03/18/LT/BTO  | R -             |
| Abangula ICT                           | Supply & Delivery of Microsoft Licenses and Management Tool                          | 1BIZ LM 0053 MIC         | R 2 051 919,59  |
| Fleet Horizon Solutions                | Municipal Fleet Management System  | 1BIZ LM 0000047 FMS      | R 444 370,41    |
| Therijive Business Solutions ta Umsusa | Medical Check-ups  | 1BIZ LM 0000085          | R -             |
| Abangula Trading Enterprise            | Maintenance of CCTV Cameras  | 1BIZ LM/0029/MMCCTV      | R 307 395,00    |
| Mbizana Roadworthy                     | Leasing of Land For Vehicle Testing Centre   | 1BIZ LM/0000078          | R 2 100 000,00  |
| Njilo Technology Systems               | Automated Electronic Performance Management Systems                                  | 1BIZ LM 0000079          | R 1 900 000,00  |
| Thake Electrical cc                    | 8MVA Back-Bone line Upgrade  | 1BIZLM00026BBL           | R 7 299 823,31  |
| Inggayi Design Economic Partnership    | MLDP Implementation Project  | 1BIZLM0016DPI            | R 598 000,00    |
| Kumyolz Investments                    | Debt collection services for 3 years   | 1BIZ LM 00022 DCS        | R 0,13          |
| Genbiz Trading 1001 PTY LTD            | Procurement of printers/copiers for 3 years  | 1BIZ LM 00380 PPIC       | R 782 112,24    |
| Khanya Africa Networks                 | Integrated Financial Records and Archiving Solutions (IFRA) for 3 years              | 1BIZ LM 0035 IFRA        | R 5 300 000,00  |
| Zinzame Consulting Engineers           | Multi Discipline Panel of Consultants- Civil Engineering                             | 1BIZ LM 0055 CON         | R -             |
| VHB Associates                         | Multi Discipline Panel of Consultants- Architectural                                 | 1BIZ LM 0056 CON         | R -             |
| BMK Consulting Engineering             | Multi Discipline Panel of Consultants- Civil Engineering                             | 1BIZ LM 0055 CON         | R -             |
| TPA JV Lisa Solutions                  | Multi Discipline Panel of Consultants- Civil Engineering                             | 1BIZ LM 0055 CON         | R -             |
| S. Zoko Consulting                     | Multi Discipline Panel of Consultants- Civil Engineering                             | 1BIZ LM 0055 CON         | R -             |
| Mlala Emazweni Trading & projects      | Multi Discipline Panel of Consultants- Civil Engineering                             | 1BIZ LM 0055 CON         | R -             |
| Ighayiya Design Workshop Architects    | Multi Discipline Panel of Consultants- Civil Engineering                             | 1BIZ LM 0055 CON         | R -             |
| Techseeds Pty Ltd                      | Multi Discipline Panel of Consultants- Architectural                                 | 1BIZ LM 0055 CON         | R -             |
| Cycle Civils and Projects              | Procurement of IP-PBX  | 1BIZ LM 0041 IP-PBX      | R 3 292 404,50  |
| Vodacom Pty Ltd                        | Rehabilitation of Dumping Site for 24 Months   | 1BIZ LM 0008 RDS         | R 2 553 896,45  |
| Dibellile Contraction and Projects JV  | Procurement of Mobile Contract   | 1BIZ LM 0040 PMC         | R -             |
| Inventiveness                          | Supply & Delivery of Refuse Removal Protective Clothing for 36 Months                | 1BIZ LM 0005 RRPC        | R 2 585 777,16  |
| Clear Result 77 (PTY)LTD               | Revenue Management and Enhancement Strategy  | 1BIZ LM 0024 RES         | R 600 000,00    |
| Asenati Construction Pty Ltd           | Environmental Threatening Obstacle in MLM for 36 Months                              | 1BIZ LM 0007 ETO         | R 950 000,00    |
| Eskom Holdings Soc Ltd                 | Free Basic Electricity   | /A                       | R -             |
| Blue Cycle Services Pty Ltd            | Review of Municipal Corporate Governance for ICT Charter and Framework for Two Years | 1BIZ LM 0022 ICTC&FM     | R 1 180 000,00  |

| SUCCESSFUL TENDERER  | NAME OF THE PROJECT   | TENDER NO                     | Contract Amount |
|--|---|-------------------------------|-----------------|
| SNR Electrical cc  | Electrification of 235 Extra Connection in Sigodweni, Mandlobe, Mzadada and Diphini | 1BIZ LM 0025 SIG              | R 4 856 335,37  |
| Mlala Emazweni Trading & projects                          | Professional Fees Mgonywana to Greenville A/R                                       | 1BIZ LM 0055CON               | R 712 748,47    |
| S. Zoko Consulting   | Professional Fees Extention 4 Bridge  | 1BIZ LM 0055CON               | R 775 531,76    |
| Cape I/o Cairo to Investments Pty Ltd                      | Supply & Delivery of Refuse Plastic Bags for 36 Months                              | 1BIZ LM 0006RPB               | R 2 800 000,00  |
| Mabozela Trading and Enterprise Jv Boboshe                 | Electrification of Mabhengueni Village (Ward 15) 414 Households                     | 1BIZ LM 00057 EMV             | R 19 575 046,47 |
| Ndlela Mhlophe Trading                                     | Website Revamp  | 1BIZ LM 0058 WEB              | R 805 000,00    |
| ODG Technologies PTY Ltd                                   | Panel of Electrical Engineering Consultants   | 1BIZ LM 0055 CON              | R -             |
| Restman Engineering PTY Ltd                                | Panel of Electrical Engineering Consultants   | 1BIZ LM 0055 CON              | R -             |
| Ambrose Civils   | Extension 4 Bridge Ward 01  | 1BIZ LM 0006 EWB              | R 3 296 658,31  |
| MAT Trading Enterprise                                     | Deliver and servicing of skip bins  | 1BIZ LM 0062 SSB              | R 990 000,00    |
| Thake Electrical cc  | Electrification of Sigidi Village/Mdatya Bekele                                     | 1BIZ LM 00057 EMV             | R 18 944 944,21 |
| YG Solutions (Pty) Ltd                                     | Electrification of Sidanga Village  | 1BIZ LM 00066 E SV            | R 2 453 216,26  |
| Denasa Civils and Construction                             | Construction of Mgonywana Access Road   | 1BIZ LM 001MGA                | R 8 478 910,00  |
| Isiqidini Solutions  | Co-Sourcing arrangements for internal auditing                                      | 1BIZ LM 00050 IAU             | R 2 100 000,00  |
| Siti Cargo   | Maintenance of Tshayengca Road  | 1BIZ LM 0048 RTAR             | R 4 334 471,20  |
| Mayenzive Holdings Pty Ltd                                 | Maintenance of 2 Nurseries for a Period of 12 Months                                | 1BIZ LM 00072 MN12M           | R 620 000,00    |
| Restsem  | Panel of Consultants: Mdatya and Bekele (Sigidi Village)                            | 1BIZ LM 0055 CON              | R 1 228 319,50  |
| YG Solutions Pty Ltd                                       | Electrification of Sidanga Village (Ward 28) Link line                              | 1BIZ LM 04/02/21/02 SVL       | R 1 997 310,57  |
| ODG Technologies   | Panel of Consultants: Sidangga Electrification                                      | 1BIZ LM 0055 CON              | R 249 663,82    |
| ODG Technologies PTY Ltd                                   | Panel of Consultants: Mahlengueni Electrification                                   | 1BIZ LM 0055 CON              | R 1 958 862,20  |
| Emerald Metering and Utility Management Pty Ltd            | Supply & Maintenance of Automated Meter Reading System for 3 years                  | 1BIZ LM 0085 AMRS             | R 2 129 902,23  |
| Ighaviya Design Workshop                                   | Panel of Consultants- Architectural: Temporary Traders Stalls and Civil Works       | 1BIZ LM 0055.CON              | R 956 705,82    |
| Mabozela Trading JV Boboshe Trading enterprise             | Replacement of LV & MV LINES  | VMM LM 00059 LY&MVL           | R 2 603 711,60  |
| YG Solutions   | Maintenance of Bulk Metering and Cables   | VMM LM 0091 MBM&C             | R 641 603,26    |
| IPM Plant Hire Pty Ltd                                     | Disposal of Municipal Sites for Business and Government Use                         | 1BIZ 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                         | 1BIZ LM 00060 DMP             | R 1 152 032,62  |
| Ighaviya Design and Workshop                               | Manufacturing Hubs  | VMM-LM (Panel of Consultants) | R 3 850 372,50  |
| Thake Electrical   | Electrification of Xholobeni Village in Ward 25                                     | VMM LM 00057E MV              | R 23 624 770,08 |
| ODG Technologies   | Electrification of Xholobeni Village in Ward 25                                     | VMM LM 00057E MV              | R 2 362 477,01  |
| Ngoma JV Dimbane Zikhazi Trading                           | Ward 20   | VMM LM 00061 W20CH            | R 3 600 000,00  |
| Ngoma JV Dimbane Zikhazi Trading                           | Ward 04   | VMM LM 00060 W04CH            | R 3 500 000,00  |
| Thahie Projects Jv Magnacorp 522                           | Construction of ward 01 ECDC  | VMM LM 00062 W01 ECDC         | R 3 191 415,70  |
| Manyobo Group  | Hiring Of Construction Plant and Trucks   | VMM LM 21/07/21/02HPT         | R 9 001 800,00  |
| Stira Construction and Projects (Pty) Ltd                  | Hiring Of Construction Plant and Trucks   | VMM LM 21/07/21/02HPT         | R 1 600 000,00  |
| Mabozela Trading   | Hiring Of Construction Plant and Trucks   | VMM LM 21/07/21/02HPT         | R 4 072 500,00  |
| Siti Cargo   | Hiring Of Construction Plant and Trucks   | VMM LM 21/07/21/02HPT         | R 2 997 000,00  |
| S. Zoko Consulting   | Construction of Siginqini to Marina Access Road                                     | 1BIZ LM 0055 CON              | R 838 341,08    |
| Ziinzame Consulting Engineers                              | Maphaleni Via Mbubazi   | 1BIZ LM 0055 CON              | R 1 777 614,33  |

| SUCCESSFUL TENDERER               | NAME OF THE PROJECT                                | TENDER NO               | Contract Amount  |
|-----------------------------------|--|-------------------------|------------------|
| TPA JV Lisa Solutions             | Sixhauxeni Access Road                             | IBIZ LM 0055 CON        | R 400 000,00     |
| Vitsha Trading                    | Refurbishment of Mbizana Taxi rank phase 2         | VMM LM 01/09/21/02 RTR  | R 23 545 916,50  |
| Bukhobethu Security Services      | Provision of Private Security Services             | VMM LM 08/12/20/03 PSC  | R 27 820 800,00  |
| Mlala Emazweni Trading & projects | Construction for VAV Access Road Professional Fees | VMM LM 08/10/21/03 VMA  | R 253 513,69     |
| Mlala Emazweni Trading & projects | Mithongweni Access Road                            | IBIZ LM 0055 CON        | R 271 621,81     |
| VHB Associates                    | Professional Fees Upgrade of Taxi Rank(Phase 2)    | IBIZLM005CON            | R 3 649 617,06   |
| Environmental Vanguard(Pty) Ltd   | Reviewal of climate change strategy                | VMM LM 11/02/21/01 CCS  | R 350 000,00     |
| Ncalana Trading and Projects      | LED Streetlight fitting, cables and poles          | IBIZ LM 21/07/21/02 PSL | R 540 400,00     |
| Thakte Electrical cc              | Replacement of ring main unit                      | VMM LM 10/08/21/02 RRMU | R 790 493,13     |
| Sword Group                       | material and equipment                             | VMM LM 06/10/21/01 PME  | R 477 000,00     |
| XS Dollarz                        | Repairs and Maintenance of Municipal Building      | VMM LM 17/09/21/01 RMW  | R 1 339 125,95   |
| MVI Construction and Maintenance  | Construction of Mapheleli Via Mbubazi to Dutyini   | VMM LM 08/10/21/02 MDA  | R 8 032 179,54   |
| The Mane's                        | Supply and delivery of Laptops and Desktops        | VMM LM 0007/0 S&D L&D   | R 1 771 000,00   |
| Thahle Projects Jv Magnacorp 522  | Construction of VAV Memorial College Access Road   | VMM LM 08/10/21/03 VMA  | R 1 820 533,00   |
| Mabozela Trading and Enterprise   | Construction of Leonard to Smakadeni Access Road   | VMM LM 08/10/21/01 LSA  | R 3 560 171,73   |
| Phahle Construction               | Repairs and Maintenance of DLTC                    | VMM LM 17/09/21/02 RDL  | R 730 737,50     |
| S. Zoko Consulting                | Leonard to Smakadeni Access Road                   | IBIZ LM 0055 CON        | R 1 261 214,89   |
| XS Dollarz                        | Maintanance of Cultural Village                    | VMM LM17/09/21/03 RCV   | R 1 124 887,68   |
|                                   |  |                         | R 411 026 370,24 |

#### 14. Regulation 17(1) c Procurement

Regulation 17 of the Municipal Supply Chain Management Regulations dealing with Formal write 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

| Payment Date | Payment Number | Supplier Name                        | Amount                  | Description of Incident   | Approved by             | Date Approved           |
|--------------|----------------|--------------------------------------|-------------------------|---|-------------------------|-------------------------|
| N/A          | N/A            | South African Cemeteries Association | R 9,000.00              | Co-ordination of development cemeteries and crematoria services | Chief Financial Officer | Friday, 29 July 2022    |
| N/A          | N/A            | Leadership Academy                   | R 23,692.00             | Training for Auditors   | Chief Financial Officer | Tuesday, 02 August 2022 |
|              |                |                                      | <b><u>32,692.00</u></b> |   |                         |                         |

## **PART 2 – SUPPORTING DOCUMENTATION**

### **1. Preparation of the Annual Financial Statements**

The MFMA requires that the accounting officer of a municipality must prepare the annual financial statements of the municipality or municipal entity and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. Similarly, the accounting officer of a municipal entity must prepare the annual financial statements of the entity and within two months after the end of the financial year to which those statements relate, submit the statements to the parent municipality and the Auditor-General. This means that the 2021/22 annual financial statements must be submitted by 31 August 2022 to the Auditor-General for auditing.

### **2. Preparation Process**

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

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

### a. Stock Count

The municipality runs a storeroom managed with the Supply Chain Management Unit that oversees proper ordering and accounting for stock movements. The inventory count is performed to ensure that all stock movements were recorded and to test effectiveness of stock control measures. This is a process that is done in the presence of the Auditor-General or delegate, in this case delegated to our Internal Audit Unit. The stock count was performed on Thursday the 30<sup>th</sup> of June 2022 in the following storerooms:

- Finance
- Refuse removal
- Cultural Village
- Electricity

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

- Electricity material
- Stationary
- Cleaning equipment and material

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

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

During this process there were also items that are considered unusable by the user departments which are proposed for a possible disposal.

The table below shows a summary if the items including their location within the municipality's store rooms:

| Part Number | Part Description  | Quantity | Storeroom          | Total Value | User | Reason                             |
|-------------|-------------------|----------|--------------------|-------------|------|------------------------------------|
| U08-RMA006  | Helmet            | 22.00    | Refuse solid-waste | 594.00      |      | User department has no use for it. |
| RMA012      | Peaks             | 2.00     | Refuse solid-waste | 527.68      |      |                                    |
| RMA06       | spade             | 3.00     | Refuse solid-waste | 682.52      |      | Broken                             |
| U08-RMA001  | Slasher           | 32.00    | Refuse solid-waste | 095.36      |      | Broken                             |
| U08-RMA022  | Hard Brooms       | 3.00     | Refuse Solid-Waste | 360.00      |      | Broken                             |
| E144        | Airdac Suspension | 100.00   | Electricity        |             |      | User department has no use for     |

| Part Number       | Part Description | Quantity      | Storeroom          | TOTAL VA  | UE           | REASON                             |
|-------------------|------------------|---------------|--------------------|-----------|--------------|------------------------------------|
|                   | clamps           |               |                    | 825.00    |              |                                    |
| RMA01             | Secrets          | 24.00         | Refuse Solid-Waste | 800.00    |              | Broken                             |
| U08-RMA020        | Bush Knifes      | 32.00         | Refuse Solid-Waste | 372.16    |              | Broken                             |
| E01-EMA031        | Globes 40KW      | 31.00         | Electricity        | 387.50    |              | User department has no use for it. |
| <b>TOTAL COST</b> |                  | <b>249.00</b> |                    | <b>26</b> | <b>14.22</b> |                                    |

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

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

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

- Damaged computer equipment to the value of – R8 392
- Damaged and old furniture to the value of – R2 448

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

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

The municipality had a service provider that was contracted for the review of the infrastructure register for a period of three years, with May 2022 being the last month of the service provider's contract. Due to the National Government's halting of procurement processes the municipality could not proceed with the procurement processes for a new contract and the Accounting Officer approved an extension for the existing service provider to also assist with the review of the 2021/22 register. Before the municipality the year ended, procurement processes commenced for a new service provider with the hope to cancel the extension as soon as the processes are finalised but no suitable service provider found. The recommended service provider was found to have submitted fraudulent appointment letters at another municipality in the province and therefore the municipality went ahead with the extension.

The process of the review of the infrastructure register includes, but not limited to:

- Unbundling of completed assets
- Valuation of investment properties and buildings
- Assessment of useful lives and residual values where applicable
- Impairment assessment
- Review of engineering and accounting standards used

Due to the recent floods that affected the municipality, the assessment of these assets for impairment and revision of useful lives was completed on 17 August 2022. This was done in comparison with the report that was submitted to the municipality by engineering professionals during the disaster impact assessment with the following findings:

- The initial assessments included portions that were not constructed by the municipality but rather foot paths
- The initial assessments had incorrect number of kilometres that did not reconcile with the length of the roads constructed by the municipality

Challenges faced during the unbundling process:

- Final BOQs not detailing the components of each asset completed
- In some internal project's contingencies were utilised by did not specify what items they were used for and therefore making it impossible to allocate those costs to the components of each asset.

The municipality's infrastructure register is current being reviewed and expected to be completed by Wednesday 24 August 2022 which will still be in time for the finalisation of the annual financial statements.

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

During the audit there are items and areas flagged by the auditors that require that the municipality addresses and avoids occurrence of such issues for the future. Some of these issues are identified by management when analysing the events that took place during the year and the year before that. Management has identified areas that necessitated that prior year figures be revised and below is a summary of these items:

- Overpayment of Zamadunga Business Enterprise for the construction of the civic center where a payment that was supposed to be split and a portion of it paid to a cessionary was also claimed by Zamadunga Business Enterprise as well, this has since been communicated to the service provider and a repayment agreement entered into.
- Creditors raised for Mayoral Imbizo catering where it was later discovered the service providers did not provide the catering required
- Reversal of a creditor that was also included in the accruals and creditors
- Leave provision for senior managers where 24 days at the end of the financial year were used instead of the 48 days that applies to other categories as well.

- VAT receivable affected by the transactions indicated above

### **3. Summary of the current year outcomes**

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

#### a) Financial Position

The municipality's total assets have increased from R1.1 billion to R1.19 billion with the following main areas of improvement:

- Property, Plant and Equipment
- *Cash and Cash Equivalents*
- Operating lease asset
- Receivables from exchange Transactions

The municipality's total liabilities have also increased from R75.8 million to R80.6 million with the following main contributors:

- Payables from exchange transactions
- Unspent conditional grants (GBS Grant)

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

These results are still pending finalisation of the areas:

- Landfill site rehabilitation provision which the municipality struggled to secure a suitably qualified service provider, even in the past two years the municipality has had to deviate to source the services
  - Valuation of investment properties
  - Review of the infrastructure assets register
- b) Financial performance

The municipality's financial performance indicates how revenue and expenditures were managed during the year. The municipality has recorded an operation surplus of over R89.8 million for the year which is also in line with the increase on the municipality's net worth.

The municipality's total revenue has decreased from R498 million to R466 million with the following areas to be noted:

- Government grants and subsidies

- Licences and permits
- Fines, Penalties and Forfeits

The municipality's total expenditure has increased from R342 million to R376 million with the following areas contributing to the decrease:

- Contracted services
  - Bulk purchases
  - General Expenses
  - Employee Related costs
- c) Cash flow

The municipality has recorded an increase of over R18 million on its cash and cash equivalents from R258 million to R277 million. This is very important in ensuring the municipality continues operating even under difficult economic conditions. This allows the municipality to be able to contribute its own funds in the development of infrastructure.

The municipality has seen a decrease in net cash flows from operating activities of R38.9 million from R207 million to R168 million with the following areas contributing:

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

An increase on investing activities has also been recorded from R123 million to R149 million, this relates to creation of assets in the form of infrastructure investment

#### **4. 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 noted with concern that the municipality has not been following the guidelines in full when these are being recruited which may result 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.

## **5. Special adjustment budget**

### **a. BACKGROUND**

Section 28 of the Municipal Finance Management Act, 2003 (MFMA) allows a municipality to revise its approved annual budget through an adjustments budget.

An adjustments budget –

- a) Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the current year;
- b) *May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*
- c) May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- d) May authorise the utilisation of projected savings in one vote towards spending under another vote;
- e) *May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs where the annual*

*budget for the current year was approved by the council;*

- f) May correct any errors in the annual budget, and
- g) May provide for any other expenditure within a prescribed framework.

Following the severe weather events and the consequent damage caused in various provinces, a national disaster was declared in terms section 27(1) of the Disaster Management Act, 2002. The response, as announced by the President in his address to the nation on 18 April 2022, will be undertaken in a phased approach; the first being immediate humanitarian relief, second phase relates to stabilisation and recovery which includes rehousing people who have lost homes and restoring provision of services; and the third phase will focus on reconstruction and rehabilitation.

As part of the response, municipality were advised to reprioritise their existing budgets which the municipality did through an adjustment budget in June 2022. During the process of reprioritisation the municipality like other municipalities applied to CoGTA for reprioritisation on the Municipal Infrastructure Grant funding from the existing projects to respond to the immediate need as necessitated by the disaster. The approval process could not be concluded before 30 June 2022.

On 31 July 2022, the municipal manager received communication from National Treasury informing the municipality of the allocation of R12.8 million from the Disaster response grant. Regulation 23(3) requires that, if a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in s28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

On Friday, the 19<sup>th</sup> August 2022 the municipality received communication providing details of the projects that are allocated the funding and for which the funds must be spent on. The following are some of the requirements of the allocation:

- The approved funds should be spent within six (6) months (August 2022 to January 2023) in line with the disaster grant framework
- The funds must solely be utilised for the approved purposes as outlined
- In cases of funding shortfalls, the grant recipients should decide from own resources to ensure completion of projects as there are no arrangements to cater for such within the Disaster Response Grants

The National Treasury advised that funding to respond to this disaster will be subject to the procurement processes and reporting conditions. Municipalities receiving this approval are therefore urged to spend funds in line with the applicable conditions in the grant framework and adhere to the relevant reporting requirements in DoRA.

### b. REVISED GRANTS ALLOCATIONS

| Reconciliation of Winnie Madikizela-Mandela Local Municipality allocations for 22/23 MTREF |                    |                   |                    |                          |                    |                    |                    |
|--|--------------------|-------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| National Allocations   | Revised<br>2021/22 | Change            | 2022/23            | Additional<br>Allocation | Revised<br>2022/23 | 2023/24            | 2024/25            |
| <i>Operational</i>   | <b>317,560,650</b> | <b>33,892,750</b> | <b>351,453,400</b> | <b>12,790,000</b>        | <b>364,243,400</b> | <b>344,768,650</b> | <b>366,424,200</b> |
| Equitable Share  | 380,620,000        | 30,475,000        | 320,005,000        | 320,005,000              | 320,005,000        | 320,707,000        | 361,325,000        |
| Financial Management Grant   | 2,000,000          | 100,000           | 2,100,000          | -                        | 2,100,000          | 2,100,000          | 2,100,000          |
| Expanded Public Works Programme  | 3,570,000          | 117,000           | 3,687,000          | -                        | 3,687,000          | -                  | -                  |
| Municipal Infrastructure Grant 5%  | 2,551,150          | 200,750           | 2,751,900          | -                        | 2,751,900          | 2,871,650          | 2,999,200          |
| Disaster Management Grant  | -                  | -                 | -                  | 12,790,000               | 12,790,000         | -                  | -                  |
| Government Support Grant   | 19,819,500         | 3,000,000         | 22,819,500         | -                        | 22,819,500         | -                  | -                  |
| <i>Capital</i>   | <b>76,924,850</b>  | <b>-8,238,750</b> | <b>68,686,100</b>  | <b>-</b>                 | <b>68,686,100</b>  | <b>82,561,350</b>  | <b>86,241,800</b>  |
| Municipal Infrastructure Grant   | 48,471,850         | 3,814,250         | 52,286,100         | -                        | 52,286,100         | 54,561,350         | 56,984,800         |
| Integrated National Electrification  | 28,453,000         | -12,053,000       | 16,400,000         | -                        | 16,400,000         | 28,000,000         | 29,257,000         |
| <b>Provincial Allocations</b>  |                    |                   |                    |                          |                    |                    |                    |
| <i>Operational</i>   | <b>500,000</b>     | <b>-</b>          | <b>500,000</b>     | <b>-</b>                 | <b>500,000</b>     | <b>500,000</b>     | <b>522,000</b>     |
| Library Grant  | 500,000            | -                 | 500,000            | -                        | 500,000            | 500,000            | 522,000            |
| <b>TOTAL ALLOCATIONS</b>   | <b>394,985,500</b> | <b>25,654,000</b> | <b>420,639,500</b> | <b>12,790,000</b>        | <b>433,429,500</b> | <b>427,830,000</b> | <b>453,188,000</b> |

The table above shows an increase of R12.8 million which is as a result of a R12.8 million allocation from the Disaster Management Grant.

### c. ALLOCATION OF THE ADDITIONAL FUNDS

| No. | Road Name         | Ward Number | Budget                |
|-----|-------------------|-------------|-----------------------|
| 1   | Qobo, Sizindeni   | 27          | R1,343,430.00         |
| 2   | Matshezini        | 25          | R1,365,481.20         |
| 3   | Mnyameni          | 25          | R947,622.07           |
| 4   | Bazana            | 25          | R3,245,962.40         |
| 5   | Sikhombe          | 25          | R3,378,493.74         |
| 6   | Kwabulala, Mdatya | 28          | R2,509,143.01         |
|     |                   |             | <b>R12,790,132.42</b> |

These projects were included in the MIG allocation for the year but this allocation therefore means that these must therefore be removed from the MIG allocation and allocated as per the approval indicated above. Below is therefore a correction of the MIG allocation as required to the MIG registered projects.

| PROJECT NAME  | 2023                 | ADJUSTMENT     | REVISED BUDGET       |
|---|----------------------|----------------|----------------------|
| Rehabilitation of Mbongwana to Dotye to Greenvile Hosp AR | 1,712,994.00         |                | 1,712,994.00         |
| Rehabilitation of Scambeni to Thembalesizwe CompTech SSS  | 1,712,994.00         |                | 1,712,994.00         |
| Construction of Mqonjwana to Greenvile AR                 | 1,275,000.00         |                | 1,275,000.00         |
| Construction of Sixhaseni AR                              | 5,270,000.00         | 3,928,564.00   | 9,198,564.00         |
| Construction of Sikingqi to Marina AR with Bridge         | 3,527,500.00         | 3,300,022.00   | 6,827,522.00         |
| Construction of Tshuze to Philisweni AR                   | 9,401,788.00         | 514,676.00     | 9,916,464.00         |
| Construction of Sidanga Bridge                            | 8,674,255.00         |                | 8,674,255.00         |
| Construction of Qobo to Sizindeni Access Road             | 843,128.00           | - 843,128.00   | -                    |
| Construction of Matshezini Access Road                    | 859,060.00           | - 859,060.00   | -                    |
| Construction of Mnyameni Bridge                           | 514,676.00           | - 514,676.00   | -                    |
| Construction of Bazana Access Road and Bridge             | 2,217,708.00         | - 2,217,708.00 | -                    |
| Construction of Sikhombe Access Road                      | 2,440,962.00         | - 2,440,962.00 | -                    |
| Construction of Kwabulala to Mdatya Access Road           | 1,710,856.00         | - 1,710,856.00 | -                    |
| Construction of Tshongweni AR                             | 1,355,177.00         | 843,128.00     | 2,198,305.00         |
|   | <b>41,516,098.00</b> |                | <b>41,516,098.00</b> |

**d. SUMMARY OF THE BUDGET BY REVENUE SOURCE AND EXPENDITURE TYPE**

| WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY           |                          |                         |                      |                       |  |
|--|--------------------------|-------------------------|----------------------|-----------------------|--|
| ADJUSTED BUDGET BY REVENUE SOURCE AND EXPENDITURE ITEM |                          |                         |                      |                       |  |
|  | CURRENT YEAR             |                         |                      |                       |  |
|  | Annual budget 2023       | Adjustment              | Adjusted Budget 2023 |                       |  |
| Revenue  |                          |                         |                      |                       |  |
| Property Rates   | -R 21,468,488.71         | R -                     | -R                   | 21,468,488.71         |  |
| Service Charges-Electricity                            | -R 30,845,307.81         | R -                     | -R                   | 30,845,307.81         |  |
| Service Charges- Waste                                 | -R 5,834,277.59          | R -                     | -R                   | 5,834,277.59          |  |
| Rental from Fixed Assets                               | -R 3,893,451.67          | R -                     | -R                   | 3,893,451.67          |  |
| Interest-external investments                          | -R 9,760,440.37          | R -                     | -R                   | 9,760,440.37          |  |
| Interest outstanding debtors                           | -R 5,277,721.00          | R -                     | -R                   | 5,277,721.00          |  |
| Fines Penalties and Forfeits                           | -R 592,627.36            | R -                     | -R                   | 592,627.36            |  |
| Licences or Permits                                    | -R 2,403,885.98          | R -                     | -R                   | 2,403,885.98          |  |
| Agency Services  | -R 1,400,874.27          | R -                     | -R                   | 1,400,874.27          |  |
| Transfers and Subsidies                                | -R 420,639,458.00        | -R 12,790,000.00        | -R                   | 433,429,458.00        |  |
| Other Revenue  | -R 519,994.27            | R -                     | -R                   | 519,994.27            |  |
| <b>Revenue Total</b>                                   | <b>-R 502,736,537.03</b> | <b>-R 12,790,000.00</b> | <b>-R</b>            | <b>515,526,537.03</b> |  |
| Expenditure  |                          |                         |                      |                       |  |
| Employee Related Cost                                  | R 125,780,718.05         | R -                     | R                    | 125,780,718.05        |  |
| Remuneration of Councillors                            | R 27,047,159.36          | R -                     | R                    | 27,047,159.36         |  |
| Depreciation and Amortisation                          | R 49,735,161.84          | R -                     | R                    | 49,735,161.84         |  |
| Bad Debt Impairment                                    | R 9,600,000.00           | R -                     | R                    | 9,600,000.00          |  |
| Interest Dividends and Rent on Land                    | R 100,000.00             | R -                     | R                    | 100,000.00            |  |
| Bulk Purchases   | R 40,005,405.64          | R -                     | R                    | 40,005,405.64         |  |
| Contracted Services                                    | R 86,644,040.12          | R 10,302,308.48         | R                    | 91,958,431.46         |  |
| Inventory Consumed                                     | R 7,626,642.40           | R -                     | R                    | 7,626,642.40          |  |
| Transfers and Subsidies                                | R 3,200,000.00           | R -                     | R                    | 3,200,000.00          |  |
| Other expenditure                                      | R 81,579,111.76          | R -                     | R                    | 81,579,111.76         |  |
| Disposal of Fixed and Intangible Assets                | R -                      | R -                     | R                    | -                     |  |
| <b>Expenditure Total</b>                               | <b>R 431,318,239.17</b>  | <b>R 10,302,308.48</b>  | <b>R</b>             | <b>436,632,630.51</b> |  |

**a. Revenue adjustments**

**i. Transfers and Subsidies**

The R12.8 million adjustment relates to the additional allocation of the Disaster Response Management Grant as indicated in the paragraphs earlier.

**b. Expenditure adjustments**

**i. Contracted Services**

Roads sees an adjustment of R12.8 million on the maintenance of roads from the disaster grant while an amount of R2.4 million has been moved from the operating budget of electricity relating to Xholobeni electrification to assist with the completion of the Taxi rank and construction of Ward 13 ECDC.

#### e. SUMMARY OF OPERATIONAL EXPENDITURE BY VOTE

| WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY<br>OPERATING BUDGET BY MUNICIPAL VOTE |                    |               |                      |
|--|--------------------|---------------|----------------------|
|  | CURRENT YEAR       |               |                      |
|  | Annual budget 2023 | Adjustment    | Adjusted Budget 2023 |
| <b>Revenue</b>   |                    |               |                      |
| 1.1 - Council General Expenses   | -                  | -             | -                    |
| 1.3 - Municipal Manager  | -                  | -             | -                    |
| 2.1 - Budget & Treasury  | 341 188 871.04     | -             | 341 188 871.04       |
| 3.1 - Corporate Service  | 136,726.27         | -             | 136,726.27           |
| 4.1 - Development Planning   | 44,530,948.70      | -             | 44,530,948.70        |
| 5.1 - Community & Social Services  | 4,966,389.63       | -             | 4,966,389.63         |
| 5.2 - Refuse Removal   | 9,550,293.59       | -             | 9,550,293.59         |
| 6.1 - Roads & Engineering  | 55,038,000.00      | 12,790,000.00 | 67,828,000.00        |
| 6.2 - Electricity  | 47,325,307.81      | -             | 47,325,307.81        |
|  | 502,736,537.03     | 12,790,000.00 | 515,526,537.03       |
| <b>Expenditure</b>   |                    |               |                      |
| 1.1 - Council General Expenses   | 45,758,408.98      | -             | 45,758,408.98        |
| 1.3 - Municipal Manager  | 38,632,657.97      | -             | 38,632,657.97        |
| 2.1 - Budget & Treasury  | 41,521,122.22      | -             | 41,521,122.22        |
| 3.1 - Corporate Service  | 55,909,696.83      | -             | 55,909,696.83        |
| 4.1 - Development Planning   | 36,131,248.34      | -             | 36,131,248.34        |
| 5.1 - Community & Social Services  | 55,978,065.21      | -             | 55,978,065.21        |
| 5.2 - Refuse Removal   | 26,896,145.63      | -             | 26,896,145.63        |
| 6.1 - Roads & Engineering  | 67,082,538.81      | 12,790,000.00 | 79,872,538.81        |
| 6.2 - Electricity  | 63,408,355.19      | 2,487,691.52  | 60,920,663.67        |
|  | 431,318,239.17     | 10,302,308.48 | 441,620,547.65       |

#### a. REVENUE

The table above shows a summary of the adjustments on revenue per department which still relate to the adjustments already dealt with in the report. The table shows an upward adjustment of R12.8 million on total revenue for the financial year.

#### b. EXPENDITURE

Roads sees an adjustment of R12.8 million on the maintenance of roads from the disaster grant while an amount of R2.4 million has been moved from the operating budget of electricity relating to Xholobeni electrification to assist with the completion of the Taxi rank and construction of Ward 13 ECDC.

## f. CAPITAL BUDGET BY VOTE

| WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY<br>CAPITAL BUDGET BY MUNICIPAL VOTE |                       |                     |                       |
|--|-----------------------|---------------------|-----------------------|
|  | CURRENT YEAR          |                     |                       |
|  | Annual Budget 2023    | Adjustment          | Adjusted Budget 2023  |
| <b>By Vote</b>   |                       |                     |                       |
| 1.1 - Council General Expenses   | -                     | -                   | -                     |
| 1.3 - Municipal Manager  | -                     | -                   | -                     |
| 2.1 - Budget & Treasury  | -                     | -                   | -                     |
| 3.1 - Corporate Service  | 14,400,000.00         | -                   | 14,400,000.00         |
| 4.1 - Development Planning   | 15,901,858.00         | -                   | 15,901,858.00         |
| 5.1 - Community & Social Services  | 2,450,000.00          | -                   | 2,450,000.00          |
| 5.2 - Refuse Removal   | 10,700,000.00         | -                   | 10,700,000.00         |
| 6.1 - Roads & Engineering  | 33,313,375.00         | 3,313,345.25        | 37,327,320.25         |
| 6.2 - Electricity  | 19,200,000.00         | -                   | 19,200,000.00         |
|  | <b>125,968,533.00</b> | <b>8,610,845.25</b> | <b>134,579,378.25</b> |
| <b>Funded by:</b>  |                       |                     |                       |
| National Government  | 82,287,958.00         | -                   | 82,287,958.00         |
| Provincial Government  |                       |                     |                       |
| District Municipality  |                       |                     |                       |
| Other transfers and grants   |                       |                     |                       |
| Transfers recognised - capital   |                       |                     |                       |
| Public contributions & donations   |                       |                     |                       |
| Borrowing  |                       |                     |                       |
| Internally generated funds   | 43,680,575.00         | 8,610,845.25        | 52,291,420.25         |
|  | <b>125,968,533.00</b> | <b>8,610,845.25</b> | <b>134,579,378.25</b> |

### Roads & Engineering

The adjustment relates to completion of the following projects:

- Refurbishment of Mbongwana to Dotye Access road
- Refurbishment of Sicambeni to Thembalesizwe Access Road
- Upgrade of the taxi rank
- Winnie Madikizela-Mandela Statue (still to be moved to the Office of the municipal Manager)

## 6. Debtors' analysis

### Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

| R thousands   | Description | Budget Year 2022/23 |              |              |              |              |               | Budget Year 2022/23 |               |               |               |                    |  |
|---|-------------|---------------------|--------------|--------------|--------------|--------------|---------------|---------------------|---------------|---------------|---------------|--------------------|--|
|   |             | NT<br>Code          | 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         | Total over 90 days | Actual Bad Debts Written Off against Debtors |
| <b>Debtors Age Analysis By Income Source</b>                            |             |                     |              |              |              |              |               |                     |               |               |               |                    |  |
| Trade and Other Receivables from Exchange Transactions - Water          | 1200        | —                   | —            | —            | —            | —            | —             | —                   | —             | —             | —             | —                  | —  |
| Trade and Other Receivables from Exchange Transactions - Electricity    | 1300        | 2,525               | 1,474        | 1,410        | 1,410        | 1,410        | 1,357         | 12,188              | —             | 20,363        | 14,954        | —                  | —  |
| Receivables from Non-exchange Transactions - Property Rates             | 1400        | 14,904              | 537          | 529          | 528          | 523          | 32,764        | —                   | —             | 49,783        | 33,813        | —                  | —  |
| Receivables from Exchange Transactions - Waste Water Management         | 1500        | —                   | —            | —            | —            | —            | —             | —                   | —             | —             | —             | —                  | —  |
| Receivables from Exchange Transactions - Waste Management               | 1600        | 376                 | 265          | 281          | 244          | 236          | 8,197         | —                   | —             | 9,600         | 8,677         | —                  | —  |
| Receivables from Exchange Transactions - Property Rental Debtors        | 1700        | 332                 | 20           | 16           | 48           | 20           | 546           | —                   | —             | 983           | 614           | —                  | —  |
| Interest on Arrear Debtor Accounts                                      | 1810        | 198                 | 205          | 204          | 220          | 199          | 12,121        | —                   | —             | 13,146        | 12,540        | —                  | —  |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820        | —                   | —            | —            | —            | —            | —             | —                   | —             | —             | —             | —                  | —  |
| Other   | 1900        | 296                 | 36           | 202          | 116          | 172          | 3,396         | —                   | —             | 4,219         | 3,685         | —                  | —  |
| <b>Total By Income Source</b>   | <b>2000</b> | <b>18,630</b>       | <b>2,537</b> | <b>2,842</b> | <b>2,564</b> | <b>2,507</b> | <b>63,211</b> | <b>—</b>            | <b>—</b>      | <b>98,093</b> | <b>74,283</b> | <b>—</b>           | <b>—</b>                                     |
| <b>2021/22 - totals only</b>  |             |                     |              |              |              |              |               |                     |               |               |               |                    |  |
| <b>Debtors Age Analysis By Customer Group</b>                           |             |                     |              |              |              |              |               |                     |               |               |               |                    |  |
| Organs of State   | 2200        | 15,016              | 831          | 853          | 827          | 785          | 35,795        | —                   | —             | 54,106        | 37,407        | —                  | —  |
| Commercial  | 2300        | 3,316               | 1,442        | 1,532        | 1,468        | 1,472        | 19,958        | —                   | —             | 29,186        | 22,899        | —                  | —  |
| Households  | 2400        | 299                 | 284          | 258          | 269          | 250          | 13,458        | —                   | —             | 14,798        | 13,977        | —                  | —  |
| Other   | 2500        | —                   | (0)          | (0)          | —            | 0            | 0             | —                   | —             | (0)           | 0             | —                  | —  |
| <b>Total By Customer Group</b>  | <b>2600</b> | <b>18,630</b>       | <b>2,537</b> | <b>2,642</b> | <b>2,564</b> | <b>2,507</b> | <b>63,211</b> | <b>—</b>            | <b>—</b>      | <b>98,093</b> | <b>74,283</b> | <b>—</b>           | <b>—</b>                                     |

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

## 7. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

| Description<br>R thousands                     | NT<br>Code  | Budget Year 2022/23 |                 |                 |                  |                   |                   |                      |                |            | Prior year<br>totals for chart<br>(same period) |
|--|-------------|---------------------|-----------------|-----------------|------------------|-------------------|-------------------|----------------------|----------------|------------|---|
|  |             | 0 -<br>30 Days      | 31 -<br>60 Days | 61 -<br>90 Days | 91 -<br>120 Days | 121 -<br>150 Days | 151 -<br>180 Days | 181 Days -<br>1 Year | Over 1<br>Year | Total      |   |
| <b>Creditors Age Analysis By Customer Type</b> |             |                     |                 |                 |                  |                   |                   |                      |                |            |   |
| Bulk Electricity                               | 0100        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| Bulk Water                                     | 0200        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| PAYE deductions                                | 0300        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| VAT (output less input)                        | 0400        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| Pensions / Retirement deductions               | 0500        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| Loan repayments                                | 0600        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| Trade Creditors                                | 0700        | 342                 |                 |                 |                  |                   |                   |                      |                |            | 342   |
| Auditor General                                | 0800        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| Other  | 0900        |                     |                 |                 |                  |                   |                   |                      |                |            | -   |
| <b>Total By Customer Type</b>                  | <b>1000</b> | <b>342</b>          | <b>-</b>        | <b>-</b>        | <b>-</b>         | <b>-</b>          | <b>-</b>          | <b>-</b>             | <b>-</b>       | <b>342</b> | <b>-</b>  |

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

## 8. Investment portfolio analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

| Investments by maturity<br>Name of institution & investment ID<br>R thousands | Ref      | Period of<br>Investment<br>Yrs/Months | Type of<br>investment | Capital<br>Guarantee<br>(Yes/ No) | Variable or<br>Fixed<br>interest rate | Interest<br>Rate * | Commission<br>Paid<br>(Rands) | Commissio<br>n Recipient | Expiry date<br>of<br>investment | Opening<br>balance | Interest to be<br>realised | Partial /<br>Premature<br>Withdrawal<br>(#) | Investment<br>Top Up | Closing<br>Balance |
|---|----------|---------------------------------------|-----------------------|-----------------------------------|---------------------------------------|--------------------|-------------------------------|--------------------------|---------------------------------|--------------------|----------------------------|---|----------------------|--------------------|
|   |          |                                       |                       |                                   |                                       |                    |                               |                          |                                 |                    |                            |   |                      |                    |
| <b>Municipality</b>   |          |                                       |                       |                                   |                                       |                    |                               |                          |                                 |                    |                            |   |                      |                    |
| FNB CALL DEPOSIT ACCOUNT(62550717767)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | -5.1055E+12        | 0                             | n/a                      | not fixed                       | (0)                | 14                         | (14)  | 7,307                | 7,307              |
| FNB CALL DEPOSIT ACCOUNT(62459758078)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | -3.6962E+10        | 0                             | n/a                      | not fixed                       | (0)                | 0                          | 3,281                                       | -                    | 3,281              |
| FNB CALL DEPOSIT ACCOUNT(62028477992)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | 0.003485832        | 0                             | n/a                      | not fixed                       | 287,492            | 932                        | (32,361)                                    | 124,837              | 360,900            |
| FNB CALL DEPOSIT ACCOUNT(62816769220)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | 0.003390397        | 0                             | n/a                      | not fixed                       | 357                | 1                          | -   | -                    | 359                |
| FNB CALL DEPOSIT ACCOUNT(62816773073)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | 0.147012987        | 0                             | n/a                      | not fixed                       | 0                  | 0                          | -   | 1                    | 1                  |
| FNB CALL DEPOSIT ACCOUNT(62896110170)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | 0.00339041         | 0                             | n/a                      | not fixed                       | 6,305              | 21                         | -   | -                    | 6,326              |
| FNB CALL DEPOSIT ACCOUNT(62852108531)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | 0                  | 0                             | n/a                      | not fixed                       | 0                  | -                          | (0)   | -                    | (0)                |
| FNB CALL DEPOSIT ACCOUNT(62550715828)   |          | Not fixed                             | Call Deposit          | No                                | Variable                              | -2.388E+10         | 0                             | n/a                      | not fixed                       | (0)                | 0                          | (0)   | 1                    | 1                  |
| <b>Municipality sub-total</b>   |          |                                       |                       |                                   |                                       |                    |                               |                          |                                 | 274,154            |                            | (29,095)                                    | 132,146              | 378,175            |
| <b>Entities</b>   |          |                                       |                       |                                   |                                       |                    |                               |                          |                                 |                    |                            |   |                      |                    |
| <b>Entities sub-total</b>   |          |                                       |                       |                                   |                                       |                    |                               |                          |                                 |                    |                            |   |                      |                    |
| <b>TOTAL INVESTMENTS AND INTEREST</b>   | <b>2</b> |                                       |                       |                                   |                                       |                    |                               |                          |                                 | <b>274,154</b>     |                            | <b>(29,095)</b>                             | <b>132,146</b>       | <b>378,175</b>     |

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents increased during the month by over R103 million which lead to an increase in its investments for the month of July 2022. It should however be noted that this only reflects the difference between what was received and what was spent.

## 9. Allocation and grant receipts and expenditure

### a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

| Description<br>R thousands                          | Ref | 2021/22         |                 | Budget Year 2022/23 |                |               |               |              |                |                    |
|---|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   |     | Audited Outcome | Original Budget | Adjusted Budget     | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| <b>RECEIPTS:</b>                                    |     |                 |                 |                     |                |               |               |              |                |                    |
| <b>Operating Transfers and Grants</b>               |     |                 |                 |                     |                |               |               |              |                |                    |
| National Government:                                |     |                 |                 |                     |                |               |               |              |                |                    |
| Local Government Equitable Share                    | 1,2 | --              | 337,852         | -                   | 124,837        | 124,837       | 28,154        | 98,162       | 348.7%         | 337,852            |
| Expanded Public Works Programme Integrated Grant    |     | -               | 320,095         | -                   | 124,837        | 124,837       | 26,675        | 98,162       | 368.0%         | 320,095            |
| Local Government Financial Management Grant         |     | -               | 3,687           | -                   | -              | -             | 307           |              |                | 3,687              |
| Municipal Infrastructure Grant                      |     | -               | 2,100           | -                   | -              | -             | 175           |              |                | 2,100              |
|   |     | -               | 2,752           | -                   | -              | -             | 229           |              |                | 2,752              |
| Provincial Government:                              | 3   | -               | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Capacity Building and Other                         |     | -               | 500             | -                   | -              | -             | 42            | (42)         | -100.0%        | 500                |
| District Municipality:                              |     | -               | 500             | -                   | -              | -             | 42            | (42)         | -100.0%        | 500                |
| Other grant providers:                              |     | -               | -               | --                  | -              | -             | -             | -            |                | -                  |
| Total Operating Transfers and Grants                | 5   | -               | 338,352         | -                   | 124,837        | 124,837       | 28,195        | 98,121       | 348.0%         | 338,352            |
| <b>Capital Transfers and Grants</b>                 |     |                 |                 |                     |                |               |               |              |                |                    |
| National Government:                                |     |                 |                 |                     |                |               |               |              |                |                    |
| Municipal Infrastructure Grant (MIG)                |     | -               | 82,288          | -                   | 10,586         | 16,871        | 6,857         | 2,949        | 43.0%          | 82,288             |
| Neighbourhood Development Partnership Grant         |     | -               | 52,286          | -                   | 7,306          | 7,306         | 4,357         | 2,949        | 67.7%          | 52,286             |
| Integrated National Electrification Programme Grant |     | -               | 13,602          | -                   | -              | 6,285         | 1,133         |              |                | 13,602             |
|   |     | -               | 16,400          | -                   | 3,280          | 3,280         | 1,367         |              |                | 16,400             |
| Provincial Government:                              |     | -               | -               | --                  | -              | -             | -             | -            |                | -                  |
| District Municipality:                              |     | -               | -               | -                   | -              | -             | -             | -            |                | -                  |
| Other grant providers:                              |     | -               | -               | -                   | -              | -             | -             | -            |                | -                  |
| Total Capital Transfers and Grants                  | 5   | -               | 82,288          | -                   | 10,586         | 16,871        | 6,857         | 2,949        | 43.0%          | 82,288             |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>     | 5   | -               | 420,639         | -                   | 135,423        | 141,708       | 35,053        | 101,070      | 288.3%         | 420,639            |

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

| Description<br>R thousands                           | Ref | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |                 |                      |                       |  |
|--|-----|--------------------|--------------------|---------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|--|
|  |     | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD<br>variance | YTD<br>variance<br>% | Full Year<br>Forecast |  |
| <b>EXPENDITURE</b>                                   |     |                    |                    |                     |                   |                  |                  |                 |                      |                       |  |
| <b>Operating expenditure of Transfers and Grants</b> |     |                    |                    |                     |                   |                  |                  |                 |                      |                       |  |
| National Government:                                 |     | -                  | 337,852            | -                   | 14,415            | 14,415           | 28,154           | (13,739)        | -48.8%               | 334,165               |  |
| Local Government Equitable Share                     |     | -                  | 320,095            | -                   | 13,944            | 13,944           | 26,675           | (12,730)        | -47.7%               | 320,095               |  |
| Expanded Public Works Programme Integrated Grant     |     | -                  | -                  | -                   | -                 | -                | -                | -               | -                    | -                     |  |
| Local Government Financial Management Grant          |     | -                  | 2,100              | -                   | 49                | 49               | 175              | (126)           | -71.8%               | 2,100                 |  |
| Municipal Infrastructure Grant                       |     | -                  | 2,752              | -                   | 422               | 422              | 229              | 192             | 83.8%                | 2,752                 |  |
| Neighbourhood Development Partnership Grant          |     | -                  | 9,218              | -                   | -                 | -                | 768              | (768)           | -100.0%              | 9,218                 |  |
| Other transfers and grants [financ. description]     |     | -                  | 3,687              | -                   | -                 | -                | 307              | (307)           | -100.0%              | -                     |  |
| Provincial Government:                               |     | -                  | 500                | -                   | -                 | -                | 42               | (42)            | -100.0%              | 500                   |  |
| Capacity Building and Other                          |     | -                  | 500                | -                   | -                 | -                | 42               | (42)            | -100.0%              | 500                   |  |
| District Municipality:                               |     | -                  | -                  | -                   | -                 | -                | -                | -               | -                    | -                     |  |
| Other grant providers:                               |     | -                  | -                  | -                   | -                 | -                | -                | -               | -                    | -                     |  |
| Total operating expenditure of Transfers and Grants: |     | -                  | 338,352            | -                   | 14,415            | 14,415           | 28,196           | (13,781)        | -48.9%               | 334,665               |  |
| <b>Capital expenditure of Transfers and Grants</b>   |     |                    |                    |                     |                   |                  |                  |                 |                      |                       |  |
| National Government:                                 |     | -                  | 82,288             | -                   | 112               | 112              | 6,857            | (6,746)         | -98.4%               | 82,288                |  |
| Municipal Infrastructure Grant (MIG)                 |     | -                  | 52,286             | -                   | 112               | 112              | 4,357            | (4,246)         | -97.4%               | 52,286                |  |
| Neighbourhood Development Partnership Grant          |     | -                  | 13,602             | -                   | -                 | -                | 1,133            | (1,133)         | -100.0%              | 13,602                |  |
| Integrated National Electrification Programme Grant  |     | -                  | 16,400             | -                   | -                 | -                | 1,367            | (1,367)         | -100.0%              | 16,400                |  |
| Provincial Government:                               |     | -                  | -                  | -                   | -                 | -                | -                | -               | -                    | -                     |  |
| District Municipality:                               |     | -                  | -                  | -                   | -                 | -                | -                | -               | -                    | -                     |  |
| Other grant providers:                               |     | -                  | -                  | -                   | -                 | -                | -                | -               | -                    | -                     |  |
| Total capital expenditure of Transfers and Grants    |     | -                  | 82,288             | -                   | 112               | 112              | 6,857            | (6,746)         | -98.4%               | 82,288                |  |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>     |     | -                  | 420,639            | -                   | 14,527            | 14,527           | 35,053           | (20,527)        | -58.6%               | 416,952               |  |

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 - M01

| Description   | Ref | Budget Year 2022/23       |                |               |              |                |
|---|-----|---------------------------|----------------|---------------|--------------|----------------|
|   |     | Approved Rollover 2021/22 | Monthly actual | YearTD actual | YTD variance | YTD variance % |
| R thousands   |     |                           |                |               |              | %              |
| <b>EXPENDITURE</b>  |     |                           |                |               |              |                |
| <b>Operating expenditure of Approved Roll-overs</b>       |     |                           |                |               |              |                |
| National Government:                                      |     | -                         | -              | -             | -            | -              |
| Local Government Equitable Share                          |     |                           |                |               |              |                |
| Expanded Public Works Programme Integrated Grant          |     |                           |                |               |              |                |
| Local Government Financial Management Grant               |     |                           |                |               |              | -              |
| Municipal Infrastructure Grant                            |     |                           |                |               |              | -              |
| Neighbourhood Development Partnership Grant               |     |                           |                |               |              | -              |
| Other transfers and grants [insert description]           |     |                           |                |               |              | -              |
| Provincial Government:                                    |     | -                         | -              | -             | -            | -              |
| Capacity Building and Other                               |     |                           |                |               |              | -              |
| Other transfers and grants [insert description]           |     |                           |                |               |              | -              |
| District Municipality:                                    |     | -                         | -              | -             | -            | -              |
| [insert description]                                      |     |                           |                |               |              | -              |
| Other grant providers:                                    |     | -                         | -              | -             | -            | -              |
| [insert description]                                      |     |                           |                |               |              | -              |
| <b>Total operating expenditure of Approved Roll-overs</b> |     | -                         | -              | -             | -            | -              |
| <b>Capital expenditure of Approved Roll-overs</b>         |     |                           |                |               |              |                |
| National Government:                                      |     | -                         | -              | -             | -            | -              |
| Municipal Infrastructure Grant (MIG)                      |     |                           |                |               |              | -              |
| Other capital transfers [insert description]              |     |                           |                |               |              | -              |
| Provincial Government:                                    |     | -                         | -              | -             | -            | -              |
| [insert description]                                      |     |                           |                |               |              | -              |
| District Municipality:                                    |     | -                         | -              | -             | -            | -              |
| [insert description]                                      |     |                           |                |               |              | -              |
| Other grant providers:                                    |     | -                         | -              | -             | -            | -              |
| [insert description]                                      |     |                           |                |               |              | -              |
| <b>Total capital expenditure of Approved Roll-overs</b>   |     | -                         | -              | -             | -            | -              |
| <b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>           |     | -                         | -              | -             | -            | -              |

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

## 10. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M01 July

| Description<br>R thousands                       | Ref<br>1 | 2021/22            |                    | Budget Year 2022/23 |                   |                  |                  |                 |                      |                       |
|--|----------|--------------------|--------------------|---------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
|  |          | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget  | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD<br>variance | YTD<br>variance<br>% | Full Year<br>Forecast |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Receipts   |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Property rates                                   |          | —                  | 34,817             | —                   | 1,715             | 1,715            | 2,901            | (1,187)         | -41%                 | 34,817                |
| Service charges                                  |          | —                  | 54,588             | —                   | 4,869             | 4,869            | 4,549            | 320             | 7%                   | 54,588                |
| Other revenue                                    |          | —                  | 26,570             | —                   | 858               | 858              | 2,214            | (1,357)         | -61%                 | 26,570                |
| Transfers and Subsidies - Operational            |          | —                  | 338,352            | —                   | 124,837           | 124,837          | 28,196           | 96,641          | 343%                 | 338,352               |
| Transfers and Subsidies - Capital                |          | —                  | 82,288             | —                   | 10,586            | 10,586           | 6,857            | 3,729           | 54%                  | 82,288                |
| Interest   |          | —                  | 9,760              | —                   | 995               | 995              | 813              | 181             | 22%                  | 9,760                 |
| Dividends  |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Payments   |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Suppliers and employees                          |          | —                  | (367,832)          | —                   | (35,492)          | (35,492)         | (30,653)         | 4,840           | -16%                 | (367,832)             |
| Finance charges                                  |          | —                  | (100)              | —                   | —                 | —                | (8)              | (8)             | 100%                 | (100)                 |
| Transfers and Grants                             |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> |          | —                  | 178,444            | —                   | 108,367           | 108,367          | 14,870           | (93,496)        | -629%                | 178,444               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Receipts   |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Proceeds on disposal of PPE                      |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Decrease (Increase) in non-current receivables   |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Decrease (Increase) in non-current investments   |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Payments   |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Capital assets                                   |          | —                  | (129,968)          | —                   | (3,132)           | (3,132)          | (10,831)         | (7,699)         | 71%                  | (129,968)             |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> |          | —                  | (129,968)          | —                   | (3,132)           | (3,132)          | (10,831)         | (7,699)         | 71%                  | (129,968)             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Receipts   |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Short term loans                                 |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Borrowing long term/refinancing                  |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Increase (decrease) in consumer deposits         |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| Payments   |          |                    |                    |                     |                   |                  |                  |                 |                      |                       |
| Repayment of borrowing                           |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> |          | —                  | —                  | —                   | —                 | —                | —                | —               | —                    | —                     |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     |          | —                  | 48,476             | —                   | 105,235           | 105,235          | 4,040            | —               | —                    | 48,476                |
| Cash/cash equivalents at beginning:              |          | —                  | 336,827            | —                   | —                 | 277,107          | 336,827          | —               | —                    | 336,827               |
| Cash/cash equivalents at month/year end:         |          | —                  | 385,302            | —                   | 382,342           | 340,866          | —                | —               | —                    | 385,302               |

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.

## 12. Municipal Manager's quality certification

### Quality Certificate

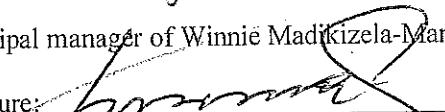
I, Luvuyo Mahlaka, the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

- The monthly budget statement

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

Print name: Luvuyo Mahlaka

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

Signature: 

Date: 10/08/2022

## 11. Statement of Financial Position

EC443 Winnie Madikizela Mandela - Table C6 Monthly Budget Statement - Financial Position - M01 July

| Description                              | Ref | 2021/22         | Budget Year 2022/23 |                 |               |                    |
|--|-----|-----------------|---------------------|-----------------|---------------|--------------------|
|  |     | Audited Outcome | Original Budget     | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands                              | 1   |                 |                     |                 |               |                    |
| <b>ASSETS</b>                            |     |                 |                     |                 |               |                    |
| <b>Current assets</b>                    |     |                 |                     |                 |               |                    |
| Cash                                     |     | —               | 19,720              | —               | 4,167         | 19,720             |
| Call investment deposits                 |     | —               | 365,583             | —               | 378,175       | 365,583            |
| Consumer debtors                         |     | —               | 19,654              | —               | 72,625        | 19,654             |
| Other debtors                            |     | —               | 31,799              | —               | 60,895        | 31,799             |
| Current portion of long-term receivables |     | —               | —                   | —               | —             | —                  |
| Inventory                                |     | —               | 1,878               | —               | 644           | 1,878              |
| <b>Total current assets</b>              |     | —               | 438,634             | —               | 516,507       | 438,634            |
| <b>Non current assets</b>                |     |                 |                     |                 |               |                    |
| Long-term receivables                    |     | —               | —                   | —               | —             | —                  |
| Investments                              |     | —               | —                   | —               | —             | —                  |
| Investment property                      |     | —               | 36,655              | —               | 36,655        | 36,655             |
| Investments in Associate                 |     | —               | —                   | —               | —             | —                  |
| Property, plant and equipment            |     | —               | 759,811             | —               | 778,261       | 759,811            |
| Biological                               |     | —               | —                   | —               | —             | —                  |
| Intangible                               |     | —               | —                   | —               | (1)           | —                  |
| Other non-current assets                 |     | —               | 1,231               | —               | 1,261         | 1,231              |
| <b>Total non current assets</b>          |     | —               | 797,697             | —               | 816,176       | 797,697            |
| <b>TOTAL ASSETS</b>                      |     | —               | 1,236,331           | —               | 1,332,683     | 1,236,331          |
| <b>LIABILITIES</b>                       |     |                 |                     |                 |               |                    |
| <b>Current liabilities</b>               |     |                 |                     |                 |               |                    |
| Bank overdraft                           |     | —               | —                   | —               | —             | —                  |
| Borrowing                                |     | —               | —                   | —               | —             | —                  |
| Consumer deposits                        |     | —               | 505                 | —               | 459           | 505                |
| Trade and other payables                 |     | —               | 44,406              | —               | 66,239        | 44,406             |
| Provisions                               |     | —               | 19,990              | —               | 19,946        | 19,990             |
| <b>Total current liabilities</b>         |     | —               | 64,901              | —               | 80,624        | 64,901             |
| <b>Non current liabilities</b>           |     |                 |                     |                 |               |                    |
| Borrowing                                |     | —               | —                   | —               | —             | —                  |
| Provisions                               |     | —               | 5,246               | —               | 5,246         | 5,246              |
| <b>Total non current liabilities</b>     |     | —               | 5,246               | —               | 5,246         | 5,246              |
| <b>TOTAL LIABILITIES</b>                 |     | —               | 70,147              | —               | 91,889        | 70,147             |
| <b>NET ASSETS</b>                        | 2   | —               | 1,166,184           | —               | 1,240,794     | 1,166,184          |
| <b>COMMUNITY WEALTH/EQUITY</b>           |     |                 |                     |                 |               |                    |
| Accumulated Surplus/(Deficit)            |     | —               | 1,166,184           | —               | 1,240,794     | 1,166,184          |
| Reserves                                 |     | —               | —                   | —               | —             | —                  |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | 2   | —               | 1,166,184           | —               | 1,240,794     | 1,166,184          |

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