



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

**REPORT IN TERMS OF s71 OF THE MFMA FOR THE
MONTH OF JULY 2023**

Table of Contents

Part 1 – in-year report	1
1. Executive Summary	1
1.1 The Political Oversight.....	1
2. Administration.....	1
3. Staff turnover.....	2
4. Implementation of mSCOA	2
5. Implementation of the Municipal Cost containment regulations	3
a. Supply and Delivery of Municipal Vehicles	4
b. Provision of vehicle fleet management services for the period 1 April 2021 to 31 March 2026.....	5
6. Strategic Objectives	7
7. In-year budget statement tables	28
8. Capital programme performance	41
9. Supply chain management.....	45
a. Acquisition management.....	45
b. Handling of tenders.....	45
c. Procurement requests below R2000.00	47
d. Procurement requests above R2, 000.00 but below R30, 000.00	48
e. Procurement above R30 000 but below R200 000.....	50
10. Status of Tenders	51
11. Database utilisation.....	55
12. Regulation 17(1) c Procurement	57
13. Contract Management	58
Part 2 – supporting documentation	66
1. Preparation of the Annual Financial Statements.....	66
2. Preparation Process	66
a. Stock Count	67
b. Compilation of the movables assets register.....	69
c. Review of Infrastructure register	69
d. Correction of prior year errors	78
3. Summary of the current year outcomes	78
4. Implementation of the Finance Management Internship Programme	80
5. Debtors' analysis	82
6. Creditors' analysis	83
7. Investment portfolio analysis.....	83
8. Allocation and grant receipts and expenditure.....	84
9. Cash flow Statement	87
10. Statement of Financial Position	88
11. Municipal Manager's quality certification	89

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 2023/24 financial year which should give an indication of how the municipality has performed on its first month of operation in the indicated year. There is generally nothing much to report during this month as processes to close the previous year normally take part of it. 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 – Asset Management |
| • Cllr. X. Bhabhazela | Committee Member – Supply Chain Management |
| • Cllr S. Nomvalo | Committee Member - Reporting |
| • Cllr S. Jayiya | Committee Member - Budgeting |
| • Cllr L. Silangwe | Committee Member - Expenditure Management |
| • Cllr. P. Siramza | Committee Member - Revenue Management |

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

There are currently no vacant positions within the Budget and Treasury Office to report on, which we hope will make things slightly better this year during the financial year-end processes as well as the preparation and finalisation of the Annual Financial Statements for submission at the end of August 2023.

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 6.7 is released with MFMA circular 122.

Version 6.7 of the chart will be effective from 2023/24 and must be used to compile the 2023/24 MTREF and will be available from 20 December.

Since the introduction of mSCOA, National Treasury has introduced a number of chart versions with the latest version referred to above has been used for the draft and final budgets for 2024.

The version introduces 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 may not fully align with GRAP. This challenge seems however, to have been addressed and we continue to analyse the reasonability of the principles these modules are using to check consistency with the financial management and reporting 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 budgets and all other subsequent reporting requirements.

5. 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 also completed a process of procuring vehicles for Political Office Bearers which were confirmed to have been delivered to a Toyota dealership in Kokstad on the 18th of November as promised and were registered in the name of the municipality on the 30th of November 2022 with full delivery being on the 3rd of December 2022. The municipality is currently in the process of securing further vehicles as follows:

- Refuse removal bakkie
- Disaster Management bakkie
- Pool bakkie

These were expected to be delivered between April and May 2023 from the date the orders were issued, however engagements with Totoya South Africa and confirmed backlogs in the manufacturing processes it has since been confirmed that all three vehicles will be delivered by 30 June 2023 and these were actually delivered on the 27th of June 2023.

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.

6. 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:

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING											
Su- b- Re- sult Ar- ea	Issue	Strategic Objective	Objec- tive No.	Strate- gies	Baseii ne Inform ation	Project to be Implemented	Output - KPI	KPI No.	KPI Weigh t	Annual Target	Means of Verificati on
								Measurable Performance			
Revenue Management	Revenue collection trends are decreasing posing a threat to the municipality's going concern	To achieve 100% billing of all active accounts for all services that are connected to each account to be billed by June 2024	4.1	Metering of all electricity consumption by June 2024 manually	Electricity meters are read, recorded, and captured manually	Reading of electricity meters	Accurate billing of electricity consumption	4.1. 1	0.5	Readin g 100% of active electricity meters utilizing the Automated system by June 2024	12 Months Meter reading Report from the AMR System, invoice and GRV
								Budget Source			
Revenue Management	Monthly Billing of all consumers for all services by June 2024 on refuse	90% billing on property rates, 80% on electricity and 90% on refuse	4.1. 2	0.2 5	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	Percentage of billing of active customer accounts	12 monthly Billing Report	R	Yes	N/A	3 Monthly Billing of 100% active consumer accounts for Property rates, refuse
								Measurable Performance			
Revenue Management	Billing of active consumer accounts for Property rates, refuse	3 Monthly Billing of 100% active consumer accounts for Property rates, refuse	0.3	0.3 Monthly Billing of 100% active consumer accounts for Property rates, refuse	3 Monthly Billing of 100% active consumer accounts for Property rates, refuse	3 Monthly Billing of 100% active consumer accounts for Property rates, refuse	3 Monthly Billing of 100% active consumer accounts for Property rates, refuse	R	Yes	N/A	3 Monthly Billing of 100% active consumer accounts for Property rates, refuse

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective										Measurable Performance						War d	Responsible e.	Responsible e.				
Su b-Re	Issue	Strategic Objec tive	Objec tive	Strate gies	Baseli ne Inform	Project to be Implemented	Output t- KPI	KPI No.	KPI 1	Annua l Target	Means of Verificat	Budget	Budget Source	Review ed	1	1	1	1	War d 01	Reven ue Mana gement	Mana ger. Reven ue and Expen diture	
						Review ed Revenue Enhancement Strategy Action Plan by June 2024	Improved revenue collection and generation	4.1.5	0.25	Review ed Revenue enhancement Strategy Action Plan by June 2024	Quarterly Revenue enhancement meeting reports, reviewed revenue enhancement strategy plan and attendance register	R	N/A	Review ed Revenue enhancement strategy action plan	1	1	1	1	War d 01	Reven ue Mana gement	Mana ger. Reven ue and Expen diture	
						To achieve at least 95% collection of all debt by June 2024	Long outstanding debtors, which are more than 365 days	Outsourcing of collection services	4.1.6	0.25	Number of handled accounts to debt collectors that are beyond 90 days	04 Data analysis, data cleansing and handling of all accounts handled over for debt collection	R1,368,900.00	Yes	N/A	1	1	1	1	War d 01	Reven ue Mana gement	Mana ger. Reven ue and Expen diture

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective									
Sub-Objective	Issue	Strategic Objectives	Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI	KPI No.	Budget Source
Accou nts with errors taking longer to identify and resolve	To achieve a clean audit by June 2024	Establishing of a credit control and debt collection services function within the revenue structure	Project to be implemented	Established function within revenue section for credit control implementation by June 2024.	Annual Target	4.1.7	0.25	R	Request for establishment of Revenue section for credit control unit.
Outdat ed Policies	Annual Review of sectional Policies by June 2024.	Reviewing sectional policies that are not reviewed annually	Sectional policies that are not reviewed annually	Review of existing sectional policies and presentation to the relevant stakeholders	Means of Verification	N/A	N/A	N/A	Requesting establishment of Revenue section for credit control unit.
									Measurable Performance
									War d
									Responsible e.
									Manager: Revenue and Expenditure

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective										
Su- b- Re	Issue	Strategic Objec- tive	Strate- gies	Base li- ne Infor- mation	Project to be implemented	Output - KPI	KPI No.	KPI - We	Annual Target	Means of Verifica- tion

Measurable Performance										
War- d	Responsible e									

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective										
Sub-Objective	Issue	Strategic Objectives	Objectives	Strategies	Baseline Inform	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Budget Source
Municipalities must comply with Section 18 of the MFMA and ensure that they fund their MTRE budget from realistic anticipated revenues to be collected.		Promulgation of the approved tariffs (gazetting) by June 2024	Gazetting of approved municipal tariffs not performed timely	Promulgation of the approved tariffs (gazetting)	No. of gazetted approved property rates tariffs (gazetting)	1 Promulgated of the approved tariffs (gazetting) by 30 June 2024	R -	N/A	N/A	1 Promulgated of the approved tariffs (gazetting)
		Maximizing the revenue generation of the municipal revenue base	Non-compliance with Municipal Property Rates Act (MPRA) as amended in 2014	To compare property rates categories on the Valuation roll to those of the MPRA and ensure that the municipal tariffs are aligned with the categories prepared	Number of reconciliation reports for property categories prepared	4 Reconciliation report for property categories between the MPRA, valuation roll and Municipal Tariffs, and proof of submission on 10 days after the end of each quarter	R -	Yes	N/A	1 Reconciliation report for property categories between the MPRA, valuation roll and Municipal Tariffs and proof submission on 10 days after the end of each quarter
						4 Reconciliation report for property categories between the MPRA, valuation roll and Municipal Tariffs and proof submission on 10 days after the end of the quarter				1 Reconciliation report for property categories between the MPRA, valuation roll and Municipal Tariffs and proof submission on 10 days after the end of the quarter
										1 Reconciliation report for property categories between the MPRA, valuation roll and Municipal Tariffs and proof submission on 10 days after the end of the quarter

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING											
Outcome 9 Objective											
Sub-Objective	Issue	Strategic Objectives	Strategic Objectives	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Measurable Performance
Reconcilement of General Valuation roll with the deeds office registry and the municipal billing system	Number of reconciliation reports of general valuation on roll prepared	4.1.13	0.5	4 quarterly reconciliation reports of property rates billing and General valuation roll	R	N/A	Prepared 1 quarterly reconciliation report of property rates billing and General valuation on roll	Prepared 1 quarterly reconciliation report of property rates billing and General valuation on roll	WMLM	Revenue and Expenditure	Managerial Revenue and Expenditure

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective

Su- b- Re-	Issue	Strate- gic Objec- tive	Objec- tive	Strate- gies	Base li- ne Infor- mation	Project to be Implemented	Output - KPI	KPI No.	KPI I- We	Annual - Target	Means of Verificati- on	Measurable Performance			War- d	Res- ponsibi- lity	
												Budget Source	Budge- t	Res- ponsibi- lity			
	To pay creditors within 30 days in compliance with the MFM A by June 2024	Invoices not submitted within 30 days of receipt for payment	Enforcement of system descriptions and processes as per the Account payable policy	Invoice system still taking longer to reach BTO for payment	Centralisation of submission of invoices per department	Percentage of Creditors paid within 30 days of receipt of a valid invoice	4.2.1	0.5	4.2	1	N/A	100% Creditors paid within 30 days of receipt of a valid invoice by June 2024	R -	100% Creditors paid within 30 days of receipt of a valid invoice by June 2024	WM	Expenditure	Manager: Revenue and Expenditure
	Datast- rings that are submit- ted with incom- plete inform- ation and month- end proce- dures that are not perfo- med on time	To achieve clean audit by June 2024	Develop sound, strict and effectiv e procedures for reporting	Non implementa- tion of all monthly procedures	Implementing of month end procedures for 8 modules(cashiers,stores,creditors,cashbook,sundries consumer debtors,GL and Asset)	No later than 10 working days after month end of each month	4.2.2	0.5	4.2	2	N/A	12 confirmations of submissions from LG Portal not later than 10 working days after month end of each month by June 2024	R -	3 monthly datastr- ings submitted to LG Portal	WM	Expenditure	Manager: Revenue and Expenditure

Expenditure Management

KPA N° 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective										Measurable Performance				War d	Responsible e	Responsible e
Su- b- Re	Issue	Strate gic Objec tive	Objec tive	Strate gies	Baseeli ne Inform	Project to be Implemented	Output t. KPI	KPI No.	KP I We	Annual l Target	Means of Verificat	Budget t	Budget Source			
Inaccu rate and incom plete commi tment registre r		Commit ment register with materia l misstat ements	Monthly review of commitment register by the 7th working day of each month	Number of monthly review ed commitment register	12 monthl y review ed commit ment register by June 2024	12 monthl y review ed commit ment register	R	N/A		3 monthly review ed Commitment register	3 monthly review ed Commitment register	3 monthly review ed Commitment register	WM M	Expen diture Mana gement	Mana ger: Reven ue and Expen diture	
Credit ors and grants with errors taking longer to identify and resolv e		Perfor mance of monthly conditi onal grants, creditor s.	Monthly reconciliation of conditional grants, creditors , retention and vat reconciliation by the 7th working day of each month	Number of monthly review ed conditional grants, credito rs.	12 monthl y review ed conditional grants, credito rs.	12 monthl y review ed conditional grants, credito rs.	R	N/A	Yes	3 monthly review ed creditor s.	3 monthly review ed creditor s.	3 monthly review ed creditor s.	WM M	Expen diture Mana gement	Mana ger: Reven ue and Expen diture	

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING															
Outcome 9 Objective															
Sub-Objective	Issue	Strategic Objectives	Objectives	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget Source	Measurable Performance	War	Responsibility
Payroll accounts with errors taking longer to identify and resolve	Payroll accounts with errors taking longer to identify and resolve	Performance of monthly payroll reconciliation by the 7th working day of each month	Monthly reconciliations not performed by the 7th day of each month	Monthly review of payroll reconciliation by the 7th working day of each month	Number of monthly payroll reconciliations	12 monthly review ed payroll reconciliations by June 2024	N/A	R	-	Signed monthly payroll reconciliation	Expenditure	Manager: Revenue and Expenditure	3 monthly review ed payroll reconciliations	3 monthly review ed payroll reconciliations	Manager: Revenue and Expenditure
Annual Review of section policies by June 2024	Reviewing sectional policies by June 2024	Sectional policies that are not reviewed annually	Review and adopt accounts payable policy.	Review and adopt accounts payable policy.	Number of reviewed policies	1 Review ed policies	1 Review ed and signed Account Payables policy resolution extract	R	-	Review ed and signed Account Payables policy resolution extract	Expenditure	Manager: Revenue and Expenditure	Review ed Accounts Payables policy by June 2024	Review ed Accounts Payables policy by June 2024	Manager: Revenue and Expenditure
Outdated Policies	Outdated Policies	To have fully capacitated Supply Chain Management	Approved procurement plan with no clear monitoring plan	Monitoring and adherence to procurement plan by June 2024	Number of monthly reports on the monitoring of the procurement plan	12 monthly reports on the monitoring of the procurement plan	N/A	R	-	Signed report by the SCM Manager and CFO	Expenditure	Manager: Supply Chain Management	3 signed SCM reports	3 signed SCM reports	Manager: Supply Chain Management
No clear monitoring of the procurement plan	No clear monitoring of the procurement plan	Procurement and effective procurement system by June 2024	Monthly monitoring of the procurement plan	Monthly monitoring of the procurement plan	4.3.1	0.25	N/A	Yes	N/A	3 signed SCM reports	Expenditure	Manager: Procurement	3 signed SCM reports	3 signed SCM reports	Manager: Procurement
Supply Chain Management															

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective									
Sub-Objective	Issue	Strategic Objectives	Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI - KPI	KPI No.	KPI Weight
To have fully capacitated Supply Chain Management personnel by June 2024	The municipality needs to comply with all statutory training requirements by June 2024	Training of Supply Chain Management Personnel and communication of all updates on SCM matters by June 2024	Official SCM operations outdated information relevant to their sections	Training of SCM Officials	Number of trained SCM personnel	2 SCM officials trained on Munsoft system and SCM Regulations.	Attendance registers concept document signed by MM.	R 100.00	Yes
To have an effective contract management system by June 2024	Inadequate contract management processes	Training of Supply Chain Management Personnel on newly promulgated PPPFA Regulations	Training attended by the SCM officers targeted	Trainings attended by the SCM officers on newly promulgated PPPFA Regulations	02 SCM Officers trained to PPPFA regulations by June 2024.	Attendance registers concept document signed by MM.	R 50.000	Yes	N/A
To have an effective contract management system by June 2024	Inadequate contract management processes	To develop Non-compliance management mechanisms for all BTO contracts	Non-compliance management mechanisms for all BTO contracts	Number of monitoring reports for all extended contracts	12 monthly monitoring reports	Monthly monitoring reports for all extended contracts.	R -	Yes	N/A

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective									
Su- b- Re	Issue	Strategic Objec- tive	Strate- gies	Baseil ne Infor- mation	Project to be Implemented	Output KPI No.	KPI We- Target	Budget Source	Measurable Performance
Outdat- ed and expired supplier information	To have a fair competitive bidding processes in all municipal bids by June 2024	Updat- ed supple- rs informa- tion by June 2024	Update d supple- rs informa- tion that has not been update- d for a num- ber of years	data- base with bidders showin- g informa- tion that has not been update- d for a num- ber of years	Annual update of the supplier database	Num- ber of supple- rs update- d informa- tion	300 Supplie rs	Means of Verifi- cation and Adven- tisan	Publica- tion of the call to supplie- rs to update their informa- tion
No effecti- ve sched- ule of bid commi- tee sitting s	Develop- ing mecha- nisms to monitor sitting of bid commit- tees by June 2024	Bid commit- tee sitting randomly	Sched- ule of bid commit- tee sittings with confir- med dates	Sched- ule of bid commit- tee sittings ensurin- g each bid is conclu- ded within 60 days of the tender closing by June 2024	12 Signed schedule of bid commit- tee sittings attenda- nce register for Bid Adjudica- tion Comm	R -	100 supplie rs	100 supplie rs	100 supplie rs
Inade- quate contra- cts mana- ge- ment proces- ses	To have valid and close- ly monit- ored munic- ipal contra- cts by June 2024	Review of all existing contra- cts by June 2024	Contra- cts only approv- ed at year end	Contract register reviewed monthly	Num- ber of contra- cts review- ed monthly	4.3 7	100 supplie rs	100 supplie rs	100 supplie rs

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective									
Sub-Objective	Issue	Strategic Objective	Objectives	Strategic Initiatives	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Budget Target
Annual Review of sectional Policies by June 2024	Outdated Policies	Reviewing sectional policies by June 2024	Sectional policies that are not reviewed annually	Review and adoption of existing sectional policies.	Number of reviewed policies	3 reviewed SCM policies by June 2024	4.3	0.2	R -
Financial statements with non-compliance laws	To achieve a clean audit by June 2024	To have a complete GRIA P compliancy fixed Asset Register by June 2024	To accurate and complete Fixed Assets Register as at 30 June 2022 with no Audit Finding	Performance of monthly reconciliations between FAR and GL within 5 working days after month closure.	number of reconciliations approved and reviewed	4.4.1	0.2	N/A	R -
Asset Management									
						12 monthly Fixed Assets reconciliation signed, reviewed and approved.	Review and approved Assets reconciliations by June 2024	N/A	12 monthly Fixed Assets reconciliation signed, reviewed and approved.
									3 reviewed and approved asset reconciliations.
									3 review and approved asset reconciliations.
									3 reviewed and approved asset reconciliations.
									3 reviewed and approved asset reconciliations.
									3 reviewed and approved asset reconciliations.

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING													
Outcome 9 Objective													
Sub-Objective	Issue	Strategic Objectives	Objectives	Strategic Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Annual Target	Means of Verification	Budget	Source	
					GRAP Compliant asset register as at 30 June 2024	GRAP compliant fixed asset register	4.4.2	0.5		Signed GRAP compliant fixed asset register, Proof of submission to AG, RFI and AG, Coaf Register	R1,684,800.00	Yes	N/A
All assets recorded in the FAR do exist and evaluate accurately by June 2024		Approved Assets Verification Report as at 30 June 2022	Quarterly Assets verification process before the end of the month after the end of the quarter.	Number of signed and approved quarterly Assets Verification Report S	Review and approval ed Assets Verification Report S	4.4.3	0.25		Reviewed and signed Assets Verification Reports by June 2024	R -	N/A	N/A	
Council approved assets write off report as at 30 June 2022		Removing of previously disposed assets from municipal operational facilities	Fixed Asset Register that is complete.	100% removal of previous assets disposed with a list of all assets removed from municipal premises and thrown away.	A signed report with a list of all assets removed from municipal premises and thrown away.	4.4.4	0.25			R -	Yes	N/A	

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective									
Sub-Ref	Issue	Strategic Objective	Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight
					Audited PPE methodology as at 30 June 2022 with no audit findings.	Preparation and approval of a PPE (movable assets) Methodology	Approved PPE (movable assets) Methodology	01 Review ed and approved PPE Methodology	0.2 5
					Monthly inventory update on inventory movements as at 30 June 2024	Performance of monthly inventory reconciliations within 5 working days after month closure.	Number of reviewed and approved performance of inventory reconciliations	12 Review ed and approved Inventor y reconciliations by June 2024	R -

Measurable Performance									
War d	Responsible e								
W M	WM								
Approve d PPE(movable assets) Methodology	N/A								

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective														
Sub-Objective	Issue	Strategic Objectives	Objectives	Baseline Information	Project to be Implemented	Output KPI - KPI No.	KPI Weight	Annual Target	Means of Verification	Budget Source	Measurable Performance	Ward	Responsible Person	
All council assets need to be fully insured to ensure going concern assumption of the municipality is not at risk.	To ensure that the municipality has an active insurance policy by June 2024.	Inventory update since every quarter by June 2024	Approved Inventory Count report as at 30 June 2022	Quarterly performance of inventory count process before the end of the following month after the end of the quarter.	Number of performed, reviewed and approved inventory Count with Report \$	4. Review and approved Inventory Count Reports by June 2024	0.2	5	Reviewed and signed Inventory Count Reports by June 2024	R	N/A	1. Perform and review ed Inventory Count	1. Perform and review ed Inventory Count	Manager: Asset Stores Management
						Insurance service contract for municipal assets	0.5	8	Insurance of municipal assets	Annual Insurance schedule provided for municipal assets by June 2024.	R3,776,052.00	Yes	N/A	WM M

KPA N0 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective													
Sub-Objectives	Issue To	Strategic Objectives	Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI	KPI No.	Budget Source	Measurable Performance	War d	Responsible e.	Responsibility
Municipality that is operating smoothly with enough operational material by June 2024.	Valid contractor for provision of municipal stationery	Municipality has an existing contractor for 12 months	To supply stationery	Provision of stationery for municipal operations	4.4.9	0.2 5	Autos Stock issue form	R1,816 ,212.00	Yes	Issuing of all available stationery requested	WM M	Asset Management	Manager: Assets and Stores Manager
Outdated Asset and Inventory Management Policies by June 2024.	Review of Asset and Inventory Management Policies by June 2024.	Annual review Asset and Inventory Management Policies by June 2024	Review of existing Asset and Inventory Management Policies for 2020/21 financial year.	Number of Asset and Inventory Management Policies reviewed, approved and signed	4.4.10	0.2 5	2 policies reviewed and approved by council	-	N/A	Review ed of Asset and Invento ry Management Policies	WM M	Asset Management	Manager: Assets and Stores Manager
All council assets need to be well managed effectively.	Review of an effective Asset Management Plan by June 2024.	Review of Asset Management Plan	Number of Reviewed Asset Management Plan	1	4.4.11	0.2 5	Reviewed and signed Asset Management Plan by 30 June 2024	N/A	N/A	Review ed asset management plan.	WM M	Asset Management	Manager: Assets and Stores Manager

KPA N0 4: FINANCIAL PLANNING AND BUDGETTING

Outcomes 9 Objective									
Sub-Obj.	Issue	Strategic Objectives	Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight
To compile Annual Financial Statements that comply with all requirements by June 2024		Develop sound, strict and effective procedures for the compilation of AFS by June 2024	Audited Annual Financial Statements for 2021/22 with compliance findings	Credible Annual Financial Statements submitted	Development and approval of processes and approvals for compilation of Compliant annual financial statements.	R 200,00 0.00	Yes	N/A	0.5
Financial statements with non-compliance with laws	To achieve a clean audit by June 2024	Manage audit and ensure audit readiness by June 2024	Audited Annual Financial Statements for 2021/22 with compliance findings	Managed external audit and ensure audit readiness to achieve clean audit opinion	Manage the external audit by the office of the Auditor General to ensure smooth running	R5,475,600.00 0.2 5	Yes	N/A	0.2
Financial Reporting									
						Number of Reviewed bank reconciliations	12	Signed monthly Bank Reconciliation	-
					Performance of Monthly bank reconciliations by June 2024	4.5. 3	0.2 5	R	N/A
					Performance of monthly reconciliations by the 7th working day of each month	3	Review ed monthly Bank Reconciliation	3	Review ed monthly Bank Reconciliation
								WM M	WM M
								Manager Budgeting and Reporting	Manager Budgeting and Reporting

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING																			
Outcome 9 Objective																			
Sub-Objective	Issue	Strategic Objectives	Strategic Objectives	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Annual Target	Means of Verification									
					Submission of s71 Report not later than 10 working day of each month	Number of signed s71 Reports and monthly FMG report submitted	4.5.4	0.25	Proof of submission of 12 signed s71 Reports and 12 signed FMG report by June 2024	Submission of 12 signed s71 Reports and 12 signed FMG report by June 2024	R -	N/A	N/A	Submitted 3 s71 and 3 monthly FMG reports	Submitted 3 s71 and 3 monthly FMG reports	Submitted 3 s71 and 3 monthly FMG reports	Submitted 3 s71 and 3 monthly FMG reports	Submitted 3 s71 and 3 monthly FMG reports	Manager: Budgeting and Reporting
					Preparation and submission of all in-year statutory reports which is section 71,52d and 72 of the MFMA and FMG monthly and quarterly Reports by June 2024	Number of signed s52d and quarterly FMG Report S submitted	4.5.5	0.25	Proof of submission of 4 signed s52d Reports and 4 FMG Quarterly Reports by 30 June 2024	Submission of 4 signed s52d Reports and 4 FMG Quarterly Reports by 30 June 2024	R -	N/A	N/A	Submitted 1 Quarterly and 1 FMG Report S	Submitted 1 Quarterly and 1 FMG Report S	Submitted 1 Quarterly and 1 FMG Report S	Submitted 1 Quarterly and 1 FMG Report S	Submitted 1 Quarterly and 1 FMG Report S	Manager: Budgeting and Reporting
					Non-compliance in terms of mandatory reporting requirement by June 2024	Report S not submitted on time	Signed mid-year assessment report	4.5.6	0.25	Submission of the s72 report by the 25th of January 2024	Submission of 1 signed s72 Report S (Mid Year assessment Report) by 25 January 2024	R -	N/A	N/A	N/A	N/A	N/A	Prepared and signed off s72 Report	Manager: Budgeting and Reporting

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective										
Su- b- Re-	Issue	Strate- gic Objec- tive	Obje- ctiv e	Strate- gies	Baseli- ne	Project to be Implemented	Output KPI No.	KPI We- Target	Budget Source	Measurable Performance
		Adher e to compli ance with Munici pal Regul ations on Minim um Comp etenc y levels	Trainin g of new finance official on Minimu m Competency levels	Appoin ted interns and new accountants	Training of newly appointed FMG Interns and finance officials to meet minimum competency requirements	Number of trained financial management items and finance staff to meet minimum competency requirements	Enrollin g 3 financial management items to meet minimum competency requirements and training provided by June 2024	R 174.00 0.00	N/A	Attendance of the training
		The munici pality needs to compl iey with all statuto ry budget ing and reporti ng require ment s	To timely produ ce budgets in line with the Nation al Treas ury guidei nes and regula tions by June 2024	4.6	Develo pments budget monitor processes to ensure timely preparation, adoption, publication of creditibi le municip al budgets by June 2024	Number of Approved budgets	Adopted budget; adjustment 2023/24; Draft budget 24/25; Approved 24/25 Final Budget and Council resolutions	R -	N/A N/A N/A	Attendance of the training

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING										
Outcome 9 Objective										
Sub-Objective	Issue	Strategic Objectives	Objectives	Strategic Objectives	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Means of Verification
					non publication of budget approved by council	Publication of approved budgets	Number of publicized approved budgets	4.6.3	0.5	Publication of Adjustment, Draft and Final Budget by June 2024
							R 65,928.00	Yes	N/A	Advertising of Draft budget, Advertising of Adopted final budget
							N/A	N/A	N/A	Advertising of Adjustment budget
										Manager: Budgeting and Reporting
										Budgeting
										War d 1
										Responsibility

Annual Review of outstanding sectional Policies by June 2024	Reviewing sectional policies that are not reviewed annually	Review of existing sectional policies and presentation to the relevant stakeholders	Number of reviewed policies	4.6.4	0.5	1 IDP and Budget policy review and adopted by 30 June 2024	01 Reviewed and signed IDP/Budget policy/re solution extract	R -	N/A	N/A	Reviewed and adopted IDP/Budget Policy.	Manager: Budgeting and Reporting
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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.

7. In-year budget statement tables

a) Budget Statement Summary

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	21,250	–	15,240	15,240	1,771	13,469	761%	21,250
Service charges	–	37,904	–	3,585	3,585	3,159	426	13%	37,904
Investment revenue	–	15,890	–	2,274	2,274	1,324	950	72%	–
Transfers and subsidies - Operational	–	349,897	–	142,596	142,596	29,158	113,438	389%	15,890
Other own revenue	–	15,153	–	1,373	1,373	1,263	110	9%	–
Total Revenue (excluding capital transfers and contributions)	–	440,094	–	165,067	165,067	36,675	128,392	350%	440,094
Employee costs	–	130,212	–	8,967	8,967	10,851	(1,884)	–	130,212
Remuneration of Councillors	–	28,480	–	962	962	2,373	(1,411)	–	28,480
Depreciation and amortisation	–	54,371	–	3,089	3,089	4,531	(1,442)	–	54,371
Interest	–	100	–	–	–	8	(8)	–	100
Inventory consumed and bulk purchases	–	55,216	–	1,084	1,084	4,601	(3,517)	–	55,216
Transfers and subsidies	–	3,431	–	–	–	286	(286)	-100%	3,431
Other expenditure	–	175,887	–	4,739	4,739	14,657	(9,918)	-68%	175,887
Total Expenditure	–	447,697	–	18,842	18,842	37,308	(18,467)	-49%	447,697
Surplus/(Deficit)	–	(7,603)	–	146,225	146,225	(634)	146,859	-23179%	(7,603)
Transfers and subsidies - capital (monetary)	–	76,295	–	3,229	3,229	6,358	###	-49%	76,295
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	68,692	–	149,454	149,454	5,724	143,730	2511%	68,692
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	68,692	–	149,454	149,454	5,724	143,730	2511%	68,692
Capital expenditure & funds sources									
Capital expenditure	–	123,282	–	3,569	3,569	10,274	(6,704)	-65%	123,282
Capital transfers recognised	–	66,343	–	3,239	3,239	5,529	(2,289)	-41%	66,343
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	56,939	–	330	330	4,745	(4,415)	-93%	56,939
Total sources of capital funds	–	123,282	–	3,569	3,569	10,274	(6,704)	-65%	123,282
Financial position									
Total current assets	–	413,370	–	–	639,480				413,370
Total non current assets	–	875,374	–	–	859,560				875,374
Total current liabilities	–	99,779	–	–	92,413				99,779
Total non current liabilities	–	22,484	–	–	22,484				22,484
Community wealth/Equity	–	1,166,481	–	–	1,384,143				1,166,481
Cash flows									
Net cash from (used) operating	0	178,444	–	130,809	130,809	14,870	(115,939)	-780%	178,444
Net cash from (used) investing	–	(129,968)	–	(5,906)	(5,906)	(10,831)	(4,924)	45%	(129,968)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	0	408,540	–	–	484,968	364,104	(120,864)	-33%	408,540
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	23,236	2,610	2,983	2,487	2,490	2,416	2,458	67,364	106,043
Creditors Age Analysis									
Total Creditors	412	–	–	–	–	–	–	–	412

The table above shows a summary of the municipality's financial performance for the period ended 31 July 2023. 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 R thousands	Ref 1	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
<i>Governance and administration</i>		—	391,308	—	160,764	160,764	32,609	128,155	393%	391,308
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		—	391,308	—	160,764	160,764	32,609	128,155	393%	391,308
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		—	4,599	—	272	272	383	(111)	-29%	4,599
Community and social services		—	605	—	3	3	50	(48)	-95%	605
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	3,993	—	269	269	333	(64)	-19%	3,993
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		—	62,281	—	864	864	5,190	(4,326)	-83%	62,281
Planning and development		—	2,986	—	435	435	249	186	75%	2,986
Road transport		—	59,295	—	429	429	4,941	(4,512)	-91%	59,295
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		—	58,201	—	6,396	6,396	4,850	1,545	32%	49,298
Energy sources		—	49,298	—	6,042	6,042	4,108	1,934	47%	49,298
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	8,903	—	353	353	742	(389)	-52%	—
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	—	516,389	—	168,296	168,296	43,032	125,264	291%	507,486
Expenditure - Functional										
<i>Governance and administration</i>		—	217,120	—	9,970	9,970	18,093	(8,124)	-45%	217,120
Executive and council		—	68,123	—	2,101	2,101	5,677	(3,576)	-63%	68,123
Finance and administration		—	144,047	—	7,665	7,665	12,004	(4,339)	-36%	144,047
Internal audit		—	4,950	—	203	203	412	(209)	-51%	4,950
<i>Community and public safety</i>		—	34,348	—	1,670	1,670	2,862	(1,192)	-42%	31,482
Community and social services		—	13,748	—	434	434	1,146	(712)	-62%	13,748
Sport and recreation		—	2,866	—	136	136	239	(103)	-43%	—
Public safety		—	16,544	—	1,029	1,029	1,379	(349)	-25%	16,544
Housing		—	1,190	—	71	71	99	(28)	-28%	1,190
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		—	95,895	—	4,480	4,480	7,991	(3,511)	-44%	95,895
Planning and development		—	27,599	—	1,381	1,381	2,300	(919)	-40%	27,599
Road transport		—	65,786	—	2,958	2,958	5,482	(2,525)	-46%	65,786
Environmental protection		—	2,510	—	142	142	209	(67)	-32%	2,510
<i>Trading services</i>		—	96,035	—	2,541	2,541	8,003	(5,462)	-68%	96,035
Energy sources		—	67,303	—	1,749	1,749	5,609	(3,860)	-69%	67,303
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	28,732	—	792	792	2,394	(1,602)	-67%	28,732
<i>Other</i>		—	4,299	—	181	181	358	(177)	-50%	4,299
Total Expenditure - Functional	3	—	447,697	—	18,842	18,842	37,308	(18,467)	-49%	444,831
Surplus/ (Deficit) for the year		—	68,692	—	149,454	149,454	5,724	143,730	2511%	62,655

The table above shows the municipality's financial performance for the period ended 31 July 2023 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	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>Revenue</u>										
Exchange Revenue										
Service charges - Electricity		—	32,243	—	3,232	3,232	2,687	545	20%	32,243
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		—	5,661	—	353	353	472	(119)	-25%	5,661
Sale of Goods and Rendering of Services		—	201	—	48	48	17	31	187%	201
Agency services		—	1,266	—	79	79	106	(26)	-25%	1,266
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		—	3,390	—	264	264	282	(18)	-6%	3,390
Interest from Current and Non Current Assets		—	15,890	—	2,274	2,274	1,324	—	—	15,890
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		—	5,282	—	378	378	440	(62)	-14%	5,282
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		—	471	—	38	38	39	(2)	-4%	471
Non-Exchange Revenue		—	—	—	—	—	—	—	—	—
Property rates		—	21,250	—	15,240	15,240	1,771	13,469	761%	21,250
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	225	—	13	13	19	(6)	—	225
Licence and permits		—	2,537	—	187	187	211	(25)	—	2,537
Transfers and subsidies - Operational		—	349,897	—	142,596	142,596	29,158	113,438	—	349,897
Interest		—	1,780	—	365	365	148	217	—	1,780
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		—	440,094	—	165,067	165,067	36,675	128,392	350%	440,094

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 R15.2 million in the 1st month and a decrease is expected for the following months to the end 30 June 2024. 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 R3.2 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 20% (about R545 thousand) which may add up to R6.4 million 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 since installation:

- Modems damaged by water
- Modems being stolen or damaged

The municipality's electricity section continues to work 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 R353 thousand which is less than the projection by 25%. 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 R2.2 million worth of interest on investments with a year to date

actual that is above the projection by 72% 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 R630 thousand for the period ended 31 July 2023 which is above the amount projected for the period by 140%. This requires intense debt collection initiatives. A higher interest generation means the municipality's debtors are more than what they were projected to be.
- **Fines:** The municipality has a traffic department which enforces traffic laws and the municipality's by-laws. Anyone found to have contravened these laws is charged a fine accordingly. These fines also include fines for electricity tampering. The municipality generated only R13 thousand worth of revenue on these fines during the month of July 2023. 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 R378 thousand for the month which has lead to the actual performance below the projection by 14% 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 R187 thousand worth of revenue for the period. The municipality has collected below the projected collection by 12% which we hope will be improved as the year progresses.
- **Transfers and subsidies:** The municipality receives grants, both conditional and those without conditions. The report shows that an amount of over R142.5 million has been transferred to revenue for the period ended 31 July 2023 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 20% overall collection rate for the month ended 31 July 2023. However, we note a 84% collection rate on leasehold fees, 72% on electricity and 84% on refuse removal for the period.

WINNIE MADIKIZELA MANDELA LM : MONTHLY BILLING & RECEIPTS (including VAT)
YEAR ENDING: 30 June 2024

INCOME TYPE	JULY	1st QUARTER	TOTAL
RATES			
billed	15,604,955	15,604,955	15,604,955
payment received	627,627	627,627	627,627
% of billing received	4%	4%	4%
ELECTRICITY			
billed	3,155,904	3,155,904	3,155,904
payment received	2,272,302	2,272,302	2,272,302
% of billing received	72%	72%	72%
LEASEHOLD FEES			
billed	376,354	376,354	376,354
payment received	317,570	317,570	317,570
% of billing received	84%	84%	84%
VAT			
billed	582,493	582,493	582,493
payment received	434,172	434,172	434,172
% of billing received	134%	134%	134%
INTEREST			
billed	284,802	284,802	284,802
payment received	127,852	127,852	127,852
% of billing received	45%	45%	45%
REFUSE REMOVAL			
billed	351,026	351,026	351,026
payment received	295,868	295,868	295,868
% of billing received	84%	84%	84%
TOTAL INCOME			
billed	20,355,535	20,355,535	20,355,535
payment received	4,075,390	4,075,390	4,075,390
% of billing received	20%	20%	20%

e) Expenditure by Type

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

Description R thousands	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		—	130,212	—	8,967	8,967	10,851	(1,884)	-17%	130,212
Remuneration of councillors		—	28,480	—	962	962	2,373	(1,411)	-59%	28,480
Bulk purchases - electricity		—	47,731	—	1,084	1,084	3,978	(2,893)	-73%	47,731
Inventory consumed		—	7,485	—	—	—	624	(624)	-100%	7,485
Debt impairment		—	10,109	—	—	—	842	(842)	-100%	10,109
Depreciation and amortisation		—	54,371	—	3,089	3,089	4,531	(1,442)	-32%	54,371
Interest		—	100	—	—	—	8	(8)	-100%	100
Contracted services		—	85,745	—	1,826	1,826	7,145	(5,319)	-74%	85,745
Transfers and subsidies		—	3,431	—	—	—	286	(286)	-100%	3,431
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—
Operational costs		—	80,034	—	2,913	2,913	6,669	(3,757)	-56%	80,034
Losses on Disposal of Assets		—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—
Total Expenditure		—	447,697	—	18,842	18,842	37,308	(18,467)	-49%	447,697

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 2023 reflects an amount of R8.9 million for employee costs and R962 thousand for the remuneration of councillors. The remuneration of councillors shows a 59% underspending compared to what is expected at the same period. Employee costs have recorded a 17% 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 R1 million on electricity purchases for the period ended 31 July 2023 and a year to date actual of the same which is below the projected expenditure by 73%. This amount only relates to 10 days of July as the billing by Eskom only takes place on the 10th 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 2023 being R3 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 32%.

- **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 R1.8 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 (Operational Costs):** This also shows a saving of about 56% 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 R thousands	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1	—	—	—	—	—	—	—	—	—
Vote 1 - Executive and Council		—	—	—	—	—	—	—	—	—
Vote 2 - Corporate Services		—	441	—	37	37	37	0	0.1%	441
Vote 3 - Budget and Treasury Office		—	362,652	—	145,488	145,488	30,221	115,267	381.4%	362,652
Vote 4 - Community Services		—	13,502	—	625	625	1,125	(500)	-44.5%	13,502
Vote 5 - Development Planning		—	28,330	—	15,267	15,267	2,361	12,906	546.7%	28,330
Vote 6 - Engineering Services		—	111,464	—	6,879	6,879	9,289	(2,409)	-25.9%	111,464
Total Revenue by Vote	2	—	516,389	—	168,296	168,296	43,032	125,264	291.1%	516,389

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 R6.8 million for the month with Budget and Treasury showing generation of over R145 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 R15.2 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 R thousands	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote										
Vote 1 - Executive and Council	1	–	88,654	–	3,578	3,578	7,388	(3,810)	-51.6%	88,654
Vote 2 - Corporate Services		–	64,946	–	3,992	3,992	5,412	(1,420)	-26.2%	64,946
Vote 3 - Budget and Treasury Office		–	45,747	–	1,879	1,879	3,812	(1,934)	-50.7%	45,747
Vote 4 - Community Services		–	83,784	–	3,131	3,131	6,982	(3,851)	-55.2%	83,784
Vote 5 - Development Planning		–	24,898	–	1,100	1,100	2,075	(974)	-47.0%	–
Vote 6 - Engineering Services		–	139,689	–	5,162	5,162	11,639	(6,477)	-55.7%	–
Total Expenditure by Vote	2	–	447,697	–	18,842	18,842	37,308	(18,467)	-49.5%	283,131
Surplus/ (Deficit) for the year	2	–	68,692	–	149,454	149,454	5,724	143,730	2510.9%	233,258

The table above shows the expenditure by municipal vote. The total expenditure for the month of July 2023 amounted to above R18.8 million.

h) Municipality's financial performance

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

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		—	32,243	—	3,232	3,232	2,687	545	20%	32,243
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		—	5,661	—	353	353	472	(119)	-25%	5,661
Sale of Goods and Rendering of Services		—	201	—	48	48	17	31	187%	201
Agency services		—	1,266	—	79	79	106	(26)	-25%	1,266
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		—	3,390	—	264	264	282	(18)	-6%	3,390
Interest from Current and Non Current Assets		—	15,890	—	2,274	2,274	1,324	—	—	15,890
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fix ed Assets		—	5,282	—	378	378	440	(62)	-14%	5,282
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		—	471	—	38	38	39	(2)	-4%	471
Non-Exchange Revenue										
Property rates		—	21,250	—	15,240	15,240	1,771	13,469	761%	21,250
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	225	—	13	13	19	(6)	—	225
Licence and permits		—	2,537	—	187	187	211	(25)	—	2,537
Transfers and subsidies - Operational		—	349,897	—	142,596	142,596	29,158	113,438	—	349,897
Interest		—	1,780	—	365	365	148	217	—	1,780
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Reveneu		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		—	440,094	—	165,067	165,067	36,675	128,392	350%	440,094
Expenditure By Type										
Employee related costs		—	130,212	—	8,967	8,967	10,851	(1,884)	-17%	130,212
Remuneration of councillors		—	28,480	—	962	962	2,373	(1,411)	-59%	28,480
Bulk purchases - electricity		—	47,731	—	1,084	1,084	3,978	(2,893)	—	47,731
Inventory consumed		—	7,485	—	—	—	624	(624)	—	7,485
Debt impairment		—	10,109	—	—	—	842	(842)	-100%	10,109
Depreciation and amortisation		—	54,371	—	3,089	3,089	4,531	(1,442)	-32%	54,371
Interest		—	100	—	—	—	8	(8)	-100%	100
Contracted services		—	85,745	—	1,826	1,826	7,145	(5,319)	-74%	85,745
Transfers and subsidies		—	3,431	—	—	—	286	(286)	-100%	3,431
Irrecoverable debts w ritten off		—	—	—	—	—	—	—	—	—
Operational costs		—	80,034	—	2,913	2,913	6,669	(3,757)	-56%	80,034
Losses on Disposal of Assets		—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—
Total Expenditure		—	447,697	—	18,842	18,842	37,308	(18,467)	-49%	447,697
Surplus/(Deficit)		—	(7,603)	—	146,225	146,225	(634)	146,859	(0)	(7,603)
Transfers and subsidies - capital (monetary allocations)		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind)		—	76,295	—	3,229	3,229	6,358	(3,129)	(0)	76,295
Surplus/(Deficit) after capital transfers & contributions		—	68,692	—	149,454	149,454	5,724	—	—	68,692
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		—	68,692	—	149,454	149,454	5,724	—	—	68,692
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		—	68,692	—	149,454	149,454	5,724	—	—	68,692
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		—	68,692	—	149,454	149,454	5,724	—	—	68,692

The municipality has so far recorded a surplus of over R149 million for the period ended 31 July 2023. 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.

8. 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	2022/23	Budget Year 2023/24							
		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>										
Infrastructure										
Roads Infrastructure		—	82,532	—	2,862	2,862	6,878	4,015	58.4%	82,532
<i>Roads</i>		—	51,478	—	—	—	4,290	4,290	100.0%	51,478
<i>Road Structures</i>		—	42,181	—	—	—	3,515	3,515	100.0%	42,181
<i>Electrical Infrastructure</i>		—	9,297	—	—	—	775	775	100.0%	9,297
<i>MV Networks</i>		—	14,783	—	2,862	2,862	1,232	(1,630)	-132.3%	14,783
<i>Solid Waste Infrastructure</i>		—	14,783	—	2,862	2,862	1,232	(1,630)	-132.3%	14,783
<i>Landfill Sites</i>		—	16,271	—	—	—	1,356	1,356	100.0%	16,271
<i>Community Assets</i>		—	16,271	—	—	—	1,356	1,356	100.0%	16,271
<i>Community Facilities</i>		—	3,754	—	330	330	313	(17)	-5.6%	3,754
<i>Halls</i>		—	3,117	—	330	330	260	(71)	-27.2%	3,117
<i>Crèches</i>		—	770	—	—	—	64	64	100.0%	770
<i>Markets</i>		—	607	—	330	330	51	(280)	-552.6%	607
<i>Sport and Recreation Facilities</i>		—	1,739	—	—	—	145	145	100.0%	1,739
<i>Outdoor Facilities</i>		—	637	—	—	—	53	53	100.0%	637
<i>Heritage assets</i>		—	637	—	—	—	53	53	100.0%	637
<i>Works of Art</i>		—	1,304	—	—	—	109	109	100.0%	1,304
Computer Equipment										
<i>Computer Equipment</i>		—	2,000	—	—	—	167	167	100.0%	2,000
Furniture and Office Equipment										
<i>Furniture and Office Equipment</i>		—	2,000	—	—	—	167	167	100.0%	2,000
<i>Machinery and Equipment</i>		—	3,870	—	—	—	322	322	100.0%	3,870
<i>Machinery and Equipment</i>		—	3,870	—	—	—	322	322	100.0%	3,870
<i>Transport Assets</i>		—	137	—	—	—	11	11	100.0%	137
<i>Transport Assets</i>		—	137	—	—	—	11	11	100.0%	137
Total Capital Expenditure on new assets	1	—	100,275	—	3,193	3,193	8,356	5,164	61.8%	100,275

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

Description R thousands	Ref 1	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	4,122	-	377	377	344	(33)	-9.7%	4,122
Roads Infrastructure		-	4,122	-	377	377	344	(33)	-9.7%	4,122
Roads			4,122		377	377	344	(33)	-9.7%	4,122
Other assets		-	191	-	-	-	16	16	100.0%	191
Operational Buildings		-	191	-	-	-	16	16	100.0%	191
Municipal Offices			191		-	-	16	16	100.0%	191
Total Capital Expenditure on renewal of existing assets	1	-	4,313	-	377	377	359	(18)	-4.9%	4,313

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

Description R thousands	Ref 1	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	6,830	-	-	-	569	569	100.0%	6,830
Roads Infrastructure		-	6,830	-	-	-	569	569	100.0%	6,830
Roads			6,830		-	-	569	569	100.0%	6,830
Community Assets		-	11,864	-	-	-	989	989	100.0%	11,864
Community Facilities		-	8,744	-	-	-	729	729	100.0%	8,744
Halls			8,744		-	-	729	729	100.0%	8,744
Sport and Recreation Facilities		-	3,120	-	-	-	260	260	100.0%	3,120
Outdoor Facilities			3,120		-	-	260	260	100.0%	3,120
Total Capital Expenditure on upgrading of existing assets	1	-	18,695	-	-	-	1,558	1,558	100.0%	18,695

The above tables indicate that the municipality spent R3.5 million for the month from its capital budget for the period ended 31 July 2023. This is performance that cannot be encouraged as it is less than half of what was expected to have been spent at the same time during the planning stages. Indications are that there are still project registration processes that have not been finalised for these projects to take shape even though an improvement may be noted on the electricity projects progress and procurement.

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	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Multi-Year expenditure appropriation</u>	2									
Vote 6 - Engineering Services		-	10,125	-	-	-	844	(844)	-100%	10,125
Total Capital Multi-year expenditure	4,7	-	10,125	-	-	-	844	(844)	-100%	10,125
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Executive and Council		-	1,304	-	-	-	109	(109)	-100%	1,304
Vote 2 - Corporate Services		-	9,457	-	-	-	788	(788)	-100%	9,457
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	21,308	-	-	-	1,776	(1,776)	-100%	21,308
Vote 5 - Development Planning		-	2,376	-	-	-	198	(198)	-100%	2,376
Vote 6 - Engineering Services		-	78,712	-	3,569	3,569	6,559	(2,990)	-46%	78,712
Total Capital single-year expenditure	4	-	113,157	-	3,569	3,569	9,430	(5,860)	-62%	113,157
Total Capital Expenditure		-	123,282	-	3,569	3,569	10,274	(6,704)	-65%	123,282
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		-	11,109	-	-	-	926	(926)	-100%	11,109
Executive and council		-	1,304	-	-	-	109	(109)	-100%	1,304
Finance and administration		-	9,804	-	-	-	817	(817)	-100%	9,804
<i>Community and public safety</i>		-	907	-	-	-	76	(76)	-100%	907
Community and social services		-	770	-	-	-	64	(64)	-100%	770
Sport and recreation		-	137	-	-	-	11	(11)	-100%	137
<i>Economic and environmental services</i>		-	75,731	-	707	707	6,311	(5,604)	-89%	75,731
Planning and development		-	13,300	-	330	330	1,108	(778)	-70%	13,300
Road transport		-	62,430	-	377	377	5,203	(4,826)	-93%	62,430
<i>Trading services</i>		-	35,536	-	2,862	2,862	2,961	(99)	-3%	35,536
Energy sources		-	15,483	-	2,862	2,862	1,290	1,572	122%	15,483
Waste management		-	20,054	-	-	-	1,671	(1,671)	-100%	20,054
Total Capital Expenditure - Functional Classification	3	-	123,282	-	3,569	3,569	10,274	(6,704)	-65%	123,282
<u>Funded by:</u>										
National Government		-	66,343	-	3,239	3,239	5,529	(2,289)	-41%	66,343
Provincial Government		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	66,343	-	3,239	3,239	5,529	(2,289)	-41%	66,343
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	56,939	-	330	330	4,745	(4,415)	-93%	56,939
Total Capital Funding		-	123,282	-	3,569	3,569	10,274	(6,704)	-65%	123,282

The above table indicate that the municipality spent R3.5 million from its capital budget for the period ended 31 July 2023 as indicated in the earlier paragraph.

c) Expenditure on Repairs and Maintenance

EC443 Winnie Madikizela Mandela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description R thousands	Ref 1	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	22,656	-	169	169	1,888	1,719	91.1%	22,656
Roads Infrastructure		-	18,716	-	-	-	1,560	1,560	100.0%	18,716
Roads			666		-	-	56	56	100.0%	666
Road Structures			17,583		-	-	1,465	1,465	100.0%	17,583
Road Furniture			466		-	-	39	39	100.0%	466
Electrical Infrastructure		-	3,941	-	169	169	328	160	48.6%	3,941
MV Networks			3,941		169	169	328	160	48.6%	3,941
Community Assets		-	864	-	134	134	72	(62)	-85.5%	864
Community Facilities		-	864	-	134	134	72	(62)	-85.5%	864
Halls			262		134	134	22	(112)	-512.4%	262
Libraries			350		-	-	29	29	100.0%	350
Cemeteries/Crematoria			105		-	-	9	9	100.0%	105
Purls			148		-	-	12	12	100.0%	148
Other assets		-	3,279	-	-	-	273	273	100.0%	3,279
Operational Buildings		-	3,279	-	-	-	273	273	100.0%	3,279
Municipal Offices			3,123		-	-	260	260	100.0%	3,123
Yards			156		-	-	13	13	100.0%	156
Computer Equipment		-	30	-	-	-	3	3	100.0%	30
Computer Equipment			30		-	-	3	3	100.0%	30
Furniture and Office Equipment		-	199	-	-	-	17	17	100.0%	199
Furniture and Office Equipment			199		-	-	17	17	100.0%	199
Machinery and Equipment		-	693	-	-	-	58	58	100.0%	693
Machinery and Equipment			693		-	-	58	58	100.0%	693
Transport Assets		-	4,546	-	40	40	379	339	89.5%	4,546
Transport Assets			4,546		40	40	379	339	89.5%	4,546
Total Repairs and Maintenance Expenditure	1	-	32,267	-	342	342	2,689	2,347	87.3%	32,267

The table shows that the municipality spent R342 thousand on the maintenance of its assets and infrastructure during the month of July 2023 with a year to date actual below the projected spending by over 87.3% for the same period

9. 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

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 was 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	Order Date	Value	Specifications	Segment
Mie (Pty) Ltd	Core Function:Human Resources	7/17/2023	287.09	Request For Verification Of Finger Prints	Personnel Recruitment cost 1010
Institute For Local Government	Core Function:Finance	7/18/2023	1,070.00	Payment For Membership Fees For Mr. Z.A Zukulu 23/24 Fy	Membership Fees 1005260170
Pondoland Times	Core Function:Municipal Manager Town Se	8/4/2023	1,800.00	Request For Advertisement In Two Local Newspapers The Official Opening Mpumalanga Sport Field Phase One	Advertising Publicity and Marketing:Corporate and Municipal
Pondoland Times	Solid Waste Removal:Solid Waste Removal	8/4/2023	1,800.00	Request For Re Advertisement For Extension Of Waste Management Service	Advertising 5020
Pondoland Times	Core Function:Municipal Manager Town Se	7/20/2023	1,800.00	Request To Re-Advertise For Socio-Economic Infrastructure Survey	Advertising MM
Pondoland Times	Core Function:Ecconomic Development:Plann	7/7/2023	1,800.00	Request For A Newspaper Re Advert For Asuplementary Valuation Roll 3	Advertising fees Human resources 1010260540
Group Two Media Company	Core Function:Ecconomic Development:Plann	8/4/2023	1,998.70	Request For A Re Advert For Valuation Roll	Advertising fees 1505
Group Two Media Company	Core Function:Municipal Manager Town Se	8/4/2023	1,998.70	Request For Advertisement In Two Local Newspapers The Official Opening One Of Mpumalanga Sport Field	Advertising Publicity and Marketing:Corporate and Municipal
Group Two Media Company	Core Function:Project Management Unit	7/20/2023	1,998.70	Request To Re-Advertise For Construction Of Ngwala Access Road An Request To Re-Advertise Construction Of Bokvieni To Ntshikthane Conc	Advertising fees PMU 5505260540
Group Two Media Company	Non-Core Function:Population Development	7/20/2023	1,998.70	Request For Advertisement Of Service Provider For Maintenance Of 2 Vip Toilets And Honey Sucking Of A Septic Tank In Mbizana Taxi Rank For 36	Advertising fees community services 2505260540
Group Two Media Company	Core Function:Human Resources	7/20/2023	1,998.70	Request One Post Agricultural Officer Under : Development Planning Permanent	Advertising fees Human resources 1010260540
Pondoland Times	Core Function:Human Resources	7/7/2023	1,999.80	Request For 03 Posts Namely: Secretary Under Corporate Services ; Secr Under Development Planning And Hct Counsellors X4 Under Municipal Mana Office (12 Month's Contract.)	Advertising MM

20,550.39

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-quotation system

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Meyife Construction And Projec	Core Function:Mayor And Council	8/3/2023	2,700.00	Request Lunch With Soft Drinks For Local Aids Council Meeting To Be He 03 August 2023 At Council Chamber	HIVAids support group Catering
Kwik-Fit Bizana	Core Function:Fleet Management	7/20/2023	3,208.50	Request For Supply And Installation Of Battery For Isuzu Kb With Regitr Is 370 Ec Size 669(12v Class A)	Vehicle maintenance outsourced 1010235115
Zuba Transport Services & Cons	Core Function:Economic Development/Plann	7/19/2203	4,200.00	Request The Provision Of Catering By Means Of Lunch For 40 People Who Attending Izinhini Cpa Meeting On The 19 July 2023.The Meeting Will Be Council Chambers And Lunch To Be Served At 13h00.	Implementation of Spluma Catering
Salga Ec	Core Function:Human Resources	7/18/2023	5,000.00	Payment For Salga Provincial Members Assembly 2023 Matumbatha Mwazi	Advertising fees 1505
African Compass Trading 31cc	Core Function:Mayor And Council	8/3/2023	7,150.00	Request Catering For 65 People That Will Be Attending A Meeting In Municipal Council Chambers On 1st August 2023	Whippery support catering costs 203260175
Kwik-Fit Bizana	Core Function:Fleet	8/4/2023	9,430.00	Request For Two All Terrain Tyres For Toyota Bakkie With Registration Jkf146ec	Vehicle maintenance outsourced 1010235115
Kwik-Fit Bizana	Core Function:Fleet Management	7/20/2023	9,430.00	Request For Two All Terrain Tyres For Toyota Bakkie With Registration Number Jkf146 Ec Size 265/60/18	Police-Vehicle Maintenance
Kwik-Fit Bizana	Core Function:Fleet Management	7/17/2023	9,430.00	Request For Toyota Fortuner With Registration Number Kcb 798ec 265/60/18	Vehicle maintenance outsourced 1010235115
Kwik-Fit Bizana	Core Function:Fleet Management	7/17/2203	9,430.00	Request For Two All Terrain Tyres For Isuzu 300 With Registration Jfc 804 Ec Size 265/50/18	Vehicle maintenance outsourced 1010235115
Nandi-Lee Jnr Council	Core Function:Mayor And Council	8/7/2023	11,020.00	Request Lunch With Soft Drinks For Capacity Building Workshop Session T On The 07 August 2023 At Multi Purpose Youth Centre At 10h00.	Ward Committee support catering 505260581
Arena Holdings	Core Function:Human Resources	7/12/2023	11,954.25	Re-Advert For Sm Engineering Services. Provincial Newspapers	Advertising fees Human resources 1010260540
Black Butterfly Construction	Core Function:Biodiversity And Landscape	8/3/2023	12,000.00	Request For Catering For 50 Participants For Coastal Committee Meeting 03 August 2023 At Nobukhwe Gwala Community Hall (Ebenzer) Ward 24	Stakeholder meetings
The Institute Of Internal Function	Core Function:Governance	7/20/2023	14,019.07	Payment To Institute Of Internal Auditors For Membership	Membership fees internal audit 515260290
Kwik-Fit Bizana	Core Function:Solid Waste Removal	7/17/2023	14,057.60	Request For Purchasing Of 8 Tyres For (4 Jfg 442 Ec) And (4 Jnx 120 Ec	Vehicle maintenance outsourced 1010235115
Hongwanes Son Trading Enterpr	Core Function:Mayor And Council	7/28/2023	17,000.00	Request Quantums To Transport Councillors To Attend Capacity Building To Be Held On The 27 July 2023 At Mzimvubu Town Hall	Whippery support transport hire
Kerbel Group	Solid Waste Removal:Solid Waste Removal	8/7/2023	20,000.00	Request For Hiring Of Truck For 5 Days For Waste Collection	Transport Hire
Zuko And Pinky	Core Function:Mayor And	7/7/2023		Request Taxis For Transporting Councillors To Attend Dermacation Works In East London On The 08 July 2023	Whippery support transport

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Trading Enter	Council	23	20,500.00		Vehicle hire
Kwik-Fit Bizana	Core Function:Police Forces Traffic And	8/4/20 23	23,460.00	Request Replacement Of Tires; For Vip Patrol Car And Wheel Alignment S 265/60r18 91v All Terrain	outsourced 1010235115
University Of Kwazulu-Natal	Core Function:Human Resources	8/3/20 23	25,000.00	Payment For Study Fees For Sonwabo Songca	Study assistance 101026095
Bongwas Catering And Project	Core Function:Roads	8/4/20 23	27,000.00	Request To Replace New Aluminium Door 1.87mx91.5mm	RM Buildings Maintenance roads 5505
<u><u>255,089.42</u></u>					

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 PPPFA.

Creditor Name	Function	Date	Amount	Specifications	Segment
The Manes Pty Ltd	Core Function:Supply Chain Management	7/7/2023	31,800.00	Payment For Supply & Delivery Of Plants And Tools For Climate Change Strategic Workshop	SCM Accrual Withdrawal
Arena Holdings	Core Function:Human Resources	7/12/2022 3	47,182.20	Re-Advert For Sm Engineering Services . National Newspaper	Advertising fees 10/02/20240
Ndudude Zn Trading Pty Ltd	Core Function:Supply Chain Management	7/7/2023	67,850.00	Payment For Candle Light Memorial Day 2023	SCM Accrual Withdrawal
On Grid Training And Development	Core Development/Plann	8/7/2023	68,425.00	Payment For The Capacity Building For Wholesalers And Retailers	LED programme Support training 1505
Hambankukuzonke	Core Function:Supply Chain Management	7/7/2023	78,623.00	Payment For Supply & Delivery Of Cleaning Material	Finished Goods Acquisitions
Hambankukuzonke	Core Function:Finance	7/31/2022 3	140,400.00	Payment For Supply And Delivery Of Refuse Bags For Waste Collection	SCM Accrual Withdrawal
<u>434,280.20</u>					

10. Status of Tenders

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

a) Mini Tender progress for July 2023

NO	SUCCESSFUL TENDERER	AMOUNT	PAYMENTS	BALANCE	TENDER NO	DESCRIPTION	DATE AWARDED	END DEPARTMENT	USER
1	KGOSI PROJECTS	R 174,240.00	R -	R 174,240.00	WMM LM 25/05/23 P LAP	PROCUREMENT OF LAPTOPS	Jul-23	CORPORATE SERVICES OFFICE	
Total		R 174,240.00	R -	R 174,240.00					

b) Tenders awarded during the month of July 2023

Competitive Bidding

NO	SUCCESSFUL TENDERER	AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
Jul-23						
1	Masilo Projects	R 3,207,821.60	WMM LM 04/05/23/02 EMP	ELECTRIFICATION OF MSARHWE NI VILLAGE PHASE 2	Wednesday, July 19, 2023	Engineering Services
2	Masilo Jv Kresta Green	R 5,743,276.13	WMM LM 04/05/23/01 ENP	ELECTRIFICATION OF NOMLACU VILLAGE PHASE 2	Wednesday, July 19, 2023	Engineering Services
3	Nikhwe Group	R 5,864,368.09	WMM LM 0015 FMLS	CONSTRUCTION OF MAJAZI LANDFILL SITE PHASE 1	Wednesday, July 19, 2023	Community Services
4	Nkwali AM Trading Pty Ltd	R 4,863,852.26	WMM LM 04/05/23/06 FMM	MPHUTHUMI MAFUMBATHA SPORTFIELD FENCING	Wednesday, July 19, 2023	Engineering Services
5	Siya and Aya JV S One Trading	R 4,127,551.32	WMM LM 04/05/23/03 ELE	ELECTRIFICATION OF LOWER ETHRIDGE VILLAGE PHASE 2	Wednesday, July 19, 2023	Engineering Services
Total		R 23,806,869.40				

c) Status of current tenders

Name Of The Project	Bid Number	Chairperson	Closing Date	Validity	Validity Period	Status	Department
Maintenance of Traffic Lights for 3 years	WMM LM 09/06/22 MTL	Mr V.O Nontanda	Monday, May 22, 2023	90	Sunday, August 20, 2023	To be re-advertised	Engineering Services
Multi Discipline Panel of Consultants	WMM LM 31/05/22/06 MDP	Not Yet Appointed	Monday, July 31, 2023	90	Sunday, October 29, 2023	To be evaluated	Engineering Services
Multi Utility Online Pre-paid Electricity Vending Management System	WMM LM 00088 PYMS	Ms. Z. Ndzelu	Saturday, May 13, 2023	90	Friday, August 11, 2023	to be re-advertised	Engineering Services
Re-validation of Township Establishment	WMM LM 24/08/22/RTE	Ms. Z. Ndzelu	Tuesday, May 23, 2023	90	Monday, August 21, 2023	To be re-advertised	Development Planning
Supply and delivery of Cleaning resources	WMM LM 04/08/22/01 SDC	Ms. N. Jokweni	Monday, April 24, 2023	90	Sunday, July 23, 2023	Awarded	Community Services
Service provider for Extension of waste management services	WMM LM 04/08/22/01/EWM	Ms. N. Xoko	Monday, May 22, 2023	90	Sunday, August 20, 2023	To be re-advertised	Community Services
Mbizana heritage research	WMM LM 11/08/22/02 M-HR	Ms. N. Jokweni	Wednesday, June 7, 2023	90	Tuesday, September 5, 2023	On Advert	Municipal Manager
Contract for Services and Maintenance of a Back-up Generator	WMM-LM 00081 RLV	Ms. N. Jokweni	Monday, May 15, 2023	90	Sunday, August 13, 2023	To be re-advertised	Engineering Services
General Valuation Roll	WMM-LM 00013 GVR	Ms. Z. Ndzelu	Monday, April 3, 2023	90	Sunday, July 2, 2023	On Advert	Development Planning
Supply and Delivery of Protective Clothing for Protection Services for 3 Years	WMM-LM 09/06/22 PCPS	Mr. V. Nontanda	Monday, April 24, 2023	90	Sunday, July 23, 2023	Awarded	Community Services

Name Of The Project	Bid Number	Chairperson	Closing Date	Validity	Validity Period	Status	Department
Service Provider to Conduct Mbizana Heritage Research	WMM-LM 11/08/22/02 WHR	Ms. N. Jokweni	Wednesday, June 7, 2023	90	Tuesday, September 5, 2023	On Advert	Municipal Manager
Maintenance of Solar for 36 Months in WMM LM Wards	WMM-LM 000900 MS WMM L	Ms. Mhlembana	Monday, July 24, 2023	90	Sunday, October 22, 2023	To be evaluated	Community Services
Reviewal of ICT Disaster Recovery	WMM-LM 03/1/22/02	Not Yet Appointed	Friday, June 23, 2023	90	Thursday, September 21, 2023	To be evaluated	Corporate Service
Banking Services for Five Years	WMM-LM 00012 BS	Ms. Z. Ndzelu	Friday, April 28, 2023	90	Thursday, July 27, 2023	To be re-advertised	B.T.O
Maintinance of 2 VIP Toilets and Honey Sucking at Mbizzana	WMM-LM 000102 MM/T&hs	Not Yet Appointed	Tuesday, August 22, 2023	90	Monday, November 20, 2023	On Advert	Community Services
Construction of Mgqutsana Access Road in ward 18	WMM-LM 000103 M/W18	Not Yet Appointed	Monday, August 14, 2023	90	Sunday, November 12, 2023	On Advert	Engineering Services
Bhukwenu to Nishikitshane Access Road	WMM-LM 000104 CS W08	Not Yet Appointed	Friday, August 11, 2023	90	Thursday, November 9, 2023	On Advert	Engineering Services
Socio-Economic Infrastructure Assessment Study	WMM-LM 004/ SEIAS	Not Yet Appointed	Friday, August 11, 2023	90	Thursday, November 9, 2023	On Advert	Municipal Manager
Disposal of 4 Municipal properties	Notice	Mr. V. Nonianda	Friday, May 5, 2023	90	Thursday, August 3, 2023	To be adjudicated	Development Planning

d) Deviations

No deviations were approved during the month.

11. Database utilisation

The following table indicates the service providers that have been utilised for the month of July 2023. This is in keeping in line with demonstrating that we are making strides in ensuring that there is rotation of service providers and no single provider is preferred.

Creditor Name	Creditor Address	Function Name	Order No	Order Date	Value	Specifications	Ward No.
INSTITUTE FOR LOCAL GOVERNMENT	4 karen street Blyston gauteng 2021	Finance	33 89	7/18/2023	1,070.00	PAYMENT FOR MEMBERSHIP FEES FOR MR. ZA ZUKULU 23/24 FY	Gauteng
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Municipal Manager	95 6	023	1,800.00	REQUEST FOR ADVERTISEMENT IN TWO LOCAL NEWSPAPERS THE OFFICIAL OPENING MPHUTHUMI MAFUMBATHA SPORT FIELD PHASE ONE	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Solid Waste Removal	94 8	023	1,800.00	REQUEST FOR RE ADVERTISEMENT FOR EXTENSION OF WASTE MANAGEMENT SERVICE	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Municipal Manager	90 8	7/20/2023	1,800.00	REQUEST TO RE-ADVERTISE FOR SOCIO-ECONOMIC INFRASTRUCTURE SURVEY	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Economic Development	86 3	023	1,800.00	REQUEST FOR A NEWSPAPER RE ADVERT FOR ASUPPLEMENTARY VALUATION ROLL 3	Ward 17
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Economic Development	95 7	023	1,998.70	REQUEST FOR A RE ADVERT FOR VALUATION ROLL	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Municipal Manager	94 7	023	1,998.70	REQUEST FOR ADVERTISEMENT IN TWO LOCAL NEWSPAPERS THE OFFICIAL OPENING ONE OF MPHUTHUMI MAFUMBATHA SPORT FIELD	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Project Management Unit	91 5	7/20/2023	1,998.70	REQUEST TO RE-ADVERTISE FOR CONSTRUCTION OF MGQUTSALALA ACCESS ROAD AN REQUEST TO RE-ADVERTISE CONSTRUCTION OF BURVENI NTSHIKITSHANE CONC	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Population Development	91 3	7/20/2023	1,998.70	REQUEST FOR ADVERTISEMENT OF SERVICE PROVIDER FOR MAINTENANCE OF 2 VIP TOILETS AND HONEY SUCKING OF A SEPTIC TANK IN MBIZANA TAXI RANK FOR 36	Kokstad
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Human Resources	91 2	7/20/2023	1,998.70	REQUEST ONE POST AGRICULTURAL OFFICER UNDER ; DEVELOPMENT PLANNING PARMENT	Kokstad
PONDOLAND TIMES MEYFFE CONSTRUCTION AND PROJECT	P.O BOX 127 BIZANA WARD 17 4800	Human Resources	86 4	7/7/2023	1,999.80	REQUEST FOR 03 POSTS NAMELY; SECRETARY UNDER CORPORATE SERVICES ; SECUR UNDER DEVELOPMENT PLANNING AND HCT COUNSELLORS X4 UNDER MUNICIPAL MANA OFFICE (12 MONTH'S CONTRACT).	Ward 17
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Major and Council	94 4	8/3/2023	2,700.00	REQUEST LUNCH WITH SOFT DRINKS FOR LOCAL AIDS COUNCIL MEETING TO BE HE 03 AUGUST 2023 AT COUNCIL CHAMBER	Ward 9
ZUBA TRANSPORT SERVICES & CONS	P.O. BOX 210402 BIZANA EASTERN CAPE 4800	Fleet Management	90 7	7/20/2023	3,208.50	REQUEST FOR SUPPLY AND INTALLATION OF BATTERY FOR ISUZU KB WITH REGITR.JRS 370 EC SIZE 668(12V CLASS A)	Ward 1
		Economic Development	90 2	7/19/2023	4,200.00	REQUEST THE PROVISION OF CATERING BY MEANS OF LUNCH FOR 40 PEOPLE WHO ATTENDING IZININI CPA MEETING ON THE 19 JULY 2023. THE MEETING WILL BE COUNCIL CHAMBERS AND LUNCH TO BE SERVED AT 13H00.	Ward 17

Creditor Name	Creditor Address	Function Name	Order No	Order Date	Value	Specifications	Ward No.
SALGA EC	P.O. BOX 7457 EAST LONDON	Human Resources	33 89	7/18/ 2023	5,000.00	PAYMENT FOR SALGA PROVINCIAL MEMBERS ASSEMBLY 2023 MAFUMBATHA MLWAZI	East London n
AFRICAN COMPASS TRADING 3TCC	BOX 555 BIZANA WARD 31 4800	Mayor and Council	33 94	8/3/2 023	7,150.00	REQUEST CATERING FOR 65 PEOPLE THAT WILL BE ATTENDING A MEETING IN MUNICIPAL COUNCIL CHAMBERS ON 1ST AUGUST 2023	Ward 31
CONLOG	P.O.BOX2332 DURBAN	Electricity	33 87	7/12/ 2023	7,475.00	REQUEST FOR TARIFFS UPGRADE	Durban n
KWIK-FIT BIZANA	SHOP 221:45 MAIN STREET BIZANA 4800	Fleet Management	33 95	8/4/2 023	9,430.00	REQUEST FOR TWO ALL TERRAIN TYRES FOR TOYOTA BAKKIE WITH REGISTRATION JK146 EC	Ward 1
KWIK-FIT BIZANA	SHOP 221:45 MAIN STREET BIZANA 4800	Fleet Management	33 90	7/20/ 2023	9,430.00	REQUEST FOR TWO ALL TERRAIN TYRES FOR TOYOTA BUKKIE WITH REGISTRATION NUMBER JK1 146 EC SIZE 265/60R18	Ward 1
KWIK-FIT BIZANA	SHOP 221:45 MAIN STREET BIZANA 4800	Core Function:Fleet Management	33 88	7/17/ 2023	9,430.00	REQUEST LUNCH WITH SOFT DRINKS FOR CAPCITY BUILDING WORKSHOP SESSION ON THE 07 AUGUST 2023 AT MULTIPURPOSE YOUTH CENTRE AT 10H00.	Ward 1
NANDI-LEE JNR	P.O.BOX 2104:28 BIZANA WARD 17 4800	Mayor and Council	33 96	8/7/2 023	11,020.00	REQUEST FOR TWO ALL TERRAIN TYRES FOR ISUZU 300L WITH REGISTRATION JFC 804 EC SIZE 265/60R18	Ward 1
ARENA HOLDINGS	P.O BOX 2447 CAPE TOWN 80000 8000	Human Resources	33 87	7/12/ 2023	11,954.25	RE-ADVERT FOR SM ENGINEERING SERVICES, PROVINCIAL NEWSPAPERS	East London n
BLACK BUTTERFLY CONSTRUCTION	Amadiba A/A Ward 24 Bizana 4800	Biodiversity and Landscape	33 94	8/3/2 023	12,000.00	REQUEST FOR CATERING FOR 50 PARTICIPANTS FOR COASTAL COMMITTEE MEETING 03 AUGUST 2023 AT NOBUKHWE GWALA COMMUNITY HALL (EBENEZER) WARD 24	Ward 24
THE INSTITUTE OF INTERNAL	P.O.BOX 2290 BEDFORDVIEW 2008 2008	Governance Function	33 91	7/20/ 2023	14,019.07	PAYOUT TO INSTITUTE OF INTERNAL AUDITORS FOR MEMBERSHIP	Gauteng
KWIK-FIT BIZANA	SHOP 221:45 MAIN STREET BIZANA 4800	Solid Waste Removal	33 88	7/17/ 2023	14,057.60	REQUEST FOR PURCHASING OF 8 TYRES FOR 14 JFG 442 EC AND 14 JNX 120 EC	Ward 1
GOVERNMENT PRINTING WORKS	149 BOSMAN STREET PRETORIA	Property Services	33 87	7/10/ 2023	15,120.00	REQUEST TO GAZETTE TARIFS AND SUPPLEMENTARY VALUATION ROLL	Pretoria
HLONGWANE'S SON TRADING ENTERPR	P.O.BOX 21004:7 BIZANA WARD 19 4800	Mayor and Council	33 93	7/28/ 2023	17,000.00	REQUEST QUANTAMS TO TRANSPORT COUNCILLORS TO ATTEND CAPACITY BUILDING TO BE HELD ON THE 27 JULY 2023 AT MZIMVUBU TOWN HALL	Ward 19
DRIVING LICENSE CARD ACCOUNT	P.O.BOX 2622:3 MONUMENT PARK PRETORIA 0105	Road and Traffic Regulations	33 91	7/20/ 2023	18,644.00	PAYOUT FOR R751- NEW CARD ORDERS	Pretoria
KERVEL GROUP	P O BOX 204 BIZANA WARD 20 4800	Solid Waste Removal	33 95	8/7/2 023	20,000.00	REQUEST FOR HIRING OF TRUCK FOR 5 DAYS FOR WASTE COLLECTION	Ward 20
ZUKO AND PINKY TRADING ENTER	P.O.BOX 291 BIZANA WARD 31 4800	Mayor and Council	33 86	7/7/2 023	20,500.00	REQUEST TAXIS FOR TRANSPORTING COUNCILLORS TO ATTEND DERMACATION WORKS IN EAST LONDON ON THE 08 JULY 2023	Ward 31

Creditor Name	Creditor Address	Function Name	Order No	Order Date	Value	Specifications	Ward No.
KWIKFIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Police Forces Traffic and	33 94	8/4/2 023	23,460.00	REQUEST REPLACEMENT OF TYRES; FOR VIP PATROL CAR AND WHEEL ALIGNMENT S 265/60R18 91V ALL TERRAIN	Ward 1
UNIVERSITY OF KWAZULU-NATAL	P O BOX WESTVILLE CAMPUS VARSITY DRIVE, DURBAN 3330	Human Resources	33 94	8/3/2 023	25,000.00	PAYMENT FOR STUDY FEES FOR SONWABO SONGCA	Durban
UKZN Extended Learning Pty Ltd	P.O. BOX 448 HYPER BY THE SEA DURBAN 4053	Human Resources	33 92	7/27/ 2023	25,000.00	PAYMENT FOR STUDY FEES FOR SONWABO SONGCA	Durban
BONGWAS CATERING AND PROJECT	P.O BOX 512 BIZANA WARD 25 4800	Roads	33 95	8/4/2 023	27,000.00	REQUEST TO REPLACE NEW ALUMINUM DOOR 1.87MX91.5MM	Ward 25

342,491.72

12. Regulation 17(1) c Procurement

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

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

SECTION 17 TRANSACTION DETAILS						PROCUREMENT PROCESS				
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
N/A	N/A	GOVERNMENT PRINTING WORKS	R 15,132.00	PRINTING WORKS	Z. ZUKULLU	7/7/2023	MUNICIPAL MANAGERS OFFICE	NO	ONE QUOTE REQUESTED	SOLE PROVIDER
N/A	N/A	ILGM	R 1,070.00	MEMBERSHIP FEES	Z. ZUKULLU	8/17/2023	BTO	NO	ONE QUOTE REQUESTED	SOLE PROVIDER
N/A	N/A	SALGA	R 5,000.00	MEMBERSHIP FEES	Z .ZUKULLU	8/18/2023	MUNICIPAL MANAGERS OFFICE	NO	ONE QUOTE REQUESTED	SOLE PROVIDER

SECTION 17 TRANSACTION DETAILS						PROCUREMENT PROCESS			
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process Followed	Reason for Section 17
N/A	N/A	UKZN	R 25,000.00	STUDY FEES	Z .ZUKULU	7/25/2023	COOPERATE SERVICES	NO	ONE QOUTE REQUESTED SOLE PROVIDER
	TOTAL		R 46,202.00						

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	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure	Closing Balance
Zama Dunga Business Enterprise	Construction of Mbizana Civic Centre	MBIZLM27/02/18/02EN G	R 74,861,072.75	R 31,984,133.12	R 31,984,133.12	R 1,173,000.00	R 3,988,594.39	R 7,114,930.32

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure	Closing Balance
SAGE VIP	Payroll System	None Provided	R -	-R 283,395.82	-R 283,395.82	R 5,984.99	R 303,686.76	-R 861,144.95
MUNSOFT PTY (LTD)	Financial and Billing System	MBIZ LM ICT DUE DELIGENT S	R -	-R 5,318,113.79	-R 5,318,113.79	R 548,238.50	R 4,730,698.77	-R 14,904,823.93
Indwe Risk Services	Provision of Insurance Services	MBIZ LM/02/05/18 /INS/BTO	R 876,543.75	R -	R -	R -	R 2,239,202.98	-R 4,806,877.51
First Rand Limited	Provision of Banking Services	MBIZ LM/06/03/18 /LT/BTO	R -	-R 7,524,870.94	-R 7,524,870.94	R 1,473,761.45	R 6,538,379.46	-R 16,245,864.06
CONLOG	Prepaid electricity agent	Fef/6/1/1/5	R -	-R 6,727,453.16	-R 6,727,453.16	R 97,590.29	R 1,440,256.07	-R 8,789,825.27
West Bank Limited	Fuel	MBIZ LM/06/03/18 /LT/BTO	R -	R -	R -	R -	R 454,375.70	-R 5,975,851.29
Kumyolz Investments	Debt collection services for 3 years	MBIZ LM 00022 DCS	R 0.13	R 0.13	R 0.13	R -	R 841,298.20	-R 2,224,282.98
Khanya Africa Networks	Integrated Financial Records and Archiving Solutions (IFRA) for 3 years	MBIZ LM 0035 IFRA	R 5,300,000.00	R 455,292.19	R 455,292.19	R -	R -	R 334,499.41
Techseeds Pty Ltd	Procurement of IP-PBX	MBIZ LM 0041 IP-PBX	R 3,292,404.50	R 909,349.82	R 909,349.82	R -	R 720,488.18	R 188,861.64
Vodacom Pty Ltd	Procurement of Mobile Contract	MBIZ LM 0040 PMC	R -	-R 5,602,000.00	-R 5,602,000.00	R 416,768.48	R 4,246,451.91	-R 13,575,722.50
Blue Cycle Services Pty Ltd	Review of Municipal Corporate Governance for ICT Charter and Framework for Two Years	MBIZ LM 002 ICT&FM	R 1,180,000.00	R 10,000.01	R 10,000.01	R -	R -	R 10,000.01
Ndlela Mhlopine	Website Revamp	MBIZ LM 0058 WEB	R 805,000.00	R 168,500.00	R 168,500.00	R -	R -	R 168,500.00

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure	Closing Balance
Trading	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R 345,000.00	R 345,000.00	R 345,000.00	R 104,362.50	R 345,000.00	R -
ODG Technologies PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -	R -	R -	R -	R -	R -
Restham Engineering PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	R -	R -	R -	R -	R -	R -
Emerald Metering and Utility Management Pty Ltd	Supply & Maintenance of Automated Meter Reading System for 3 years	MBIZ LM 0085 AMRS	R 2,129,902.23	R 1,800,336.15	R 1,800,336.15	R 131,993.97	R 985,628.55	-R 884,219.02
Iqhayiya Design Workshop	Panel of Consultants-Architectural: Temporary Traders Stalls and Civil Works	MBIZ LM 0055 CON	R 956,705.82	R 287,011.75	R 287,011.75	R -	R -	R 287,011.75
YG Solutions	Maintenance of Bulk Metering and Cables	WMM LM 0091 MBM&C	R 756,551.68	R 756,551.68	R 756,551.68	R -	R -	R 75,655.16
Iqhayiya Design and Workshop	Manufacturing Hubs	WMM-LM(Panel of Consultants)	R 3,850,372.50	R 3,850,372.50	R 3,850,372.50	R -	R 1,146,544.25	R 2,017,822.13
S. Zoko Consulting	Construction of Signqini to Marina Access Road	MBIZ LM 0055 CON	R 838,341.08	R 838,341.08	R 838,341.08	R 112,979.39	R 449,108.71	R 705.17
TPA JV Lisa Solutions	Sixhanxeni Access Road	MBIZ LM 0055 CON	R 1,138,312.20	R 1,138,312.20	R 1,138,312.20	R 33,974.03	R 365,388.95	-R 0.02
Bukhobethu Security Services	Provision of Private Security Services	WMM LM 08/12/20/03 PSC	R 27,820,800.00	R 27,820,800.00	R 27,820,800.00	R 869,400.00	R 10,783,100.00	R 10,441,300.00
Phahle Construction	Repairs and Maintenance of DLTC	WMM LM RDL	R 860,741.50	R 860,741.50	R 860,741.50	R -	R -	R 164,991.50
BMK Consulting Engineering	Tshuze To Luphiliswe Access Road	MBIZ LM 0055 CON	R 1,232,705.70	R 1,232,705.70	R 1,232,705.70	R -	R -	R 205,357.73

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure		Closing Balance
							R	R	
Sibile Pot Trading	Disaster Management Plan	WMM L/M DRMP	R 480,000.00	R 480,000.00	R 480,000.00	-	R 334,180.00	R 334,180.00	R 49,820.00
Phahle Construction	Maintanance of Recreational Facilities	WMM L/M 16/09/20/01	R -	R -	R -	-	R 276,879.09	R -	R 276,879.09
Dr Sugndhav-Sewpersadh Attorneys	Provision of Legal Services	WMM L/M 25/08/21	R -	R -	R -	-	R 67,063.80	R 2,311,758.66	R 2,768,179.44
Z.N.Mitshabe	Provision of Legal Services	WMM L/M 25/08/21	R -	R -	R -	-	R 105,612.06	R 2,964,578.50	R 5,207,718.76
Techseeds Pty Ltd	Supply and Delivery of Printers	WMM L/M 21/12/21/01 PRI	R 6,581,971.41	R 6,581,971.41	R 6,581,971.41	-	R -	R 684,803.38	R 5,897,168.03
Zinzame Consulting Engineers	Sidanga Access Road with a Bridge	MBIZ L/M 0055 CON	R 3,256,364.38	R 3,256,364.38	R 3,256,364.38	-	R 639,321.57	R 2,432,034.26	R 102,691.34
Vitsha Trading	Signinini to Marina Access Road	WMM L/M 31/05/2022	R 5,594,999.70	R 5,594,999.70	R 5,594,999.70	-	R 559,238.77	R 4,951,427.46	R 643,572.24
Mabozela Trading and Enterprise	Sixhaseni Access Road	WMM L/M 31/05/22/03	R 8,255,733.77	R 8,255,733.77	R 8,255,733.77	-	R -	R 7,842,772.09	R 412,961.68
Oracle Energy and Power	Electrification of Nomiacu Village	WMM LM00059E MV	R 5,485,723.24	R 5,485,723.24	R 5,485,723.24	-	R -	R 1,834,422.92	R 3,651,300.32
YG Solutions Pty Ltd	Maintenance of Electricity Infrastructure	WMM L/M 31/05/22/01	R 646,225.25	R 646,225.25	R 646,225.25	-	R -	R 452,174.73	R 194,050.52
Nikhwe Group	Bizana Mini Market	WMM 001/NS-21	R 2,404,750.80	R 2,404,750.80	R 2,404,750.80	-	R -	R 1,838,402.08	R 566,348.72
Sakhwi Contractors	Procurement of Electricity Material and Tools	WMM 00083 PEM&T	R 1,287,700.00	R 1,287,700.00	R 1,287,700.00	-	R -	R 1,280,200.00	R 7,500.00
EKS Vehicle Tracking	Vehicle Tracking Services	Transversal Contracts(R T-46)	R -	R -	R -	-	R -	R -	R -
Isivuno Esihle Construction	Construction of Tsuze to Luphilisweni Access Road	WMM L/M 00097	R 7,534,851.06	R 7,534,851.06	R 7,534,851.06	-	R 1,393,164.10	R 6,729,159.47	R 805,691.59
YG Solutions	Electrification of Msarthweni	WMM L/M 0060E	R 8,162,989.79	R 8,162,989.79	R 8,162,989.79	-	R 2,410,827.32	R 5,558,709.66	R 2,604,280.13

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure	Closing Balance
Iheans Travelling Agency	Village Provision of Traveling Agency for 36 months	WMM LM TRA 30/06/22/01	R -	R -	R -	R -	R 173,923.28	-R 173,923.28
Tunimart(PTY) LTD	Provision of Traveling Agency for 36 months	WMM LM TRA 30/06/22/01	R -	R -	R -	R -	R 486,002.26	-R 486,002.26
Bomba Diesel	Supply and Delivery of Stationery for 12 months	WMM LM 18/09/09/10	R 1	R -	R -	R -	R 283,206.73	-R 283,206.73
Thahle jv Ayagu	Construction of Sidanga Access Road with Bridges	WMM LM 00098	R 19,990,389.66	R 19,990,389.66	R 19,990,389.66	R 4,388,243.39	R 15,992,279.52	R 3,998,110.14
Mabozela Trading Enterprise JV Boboste Trading Enterprise	Electrification of Redoubt Village (Ward 20) 180 Households	WMM LM 00057E MV	R 4,845,112.10	R 4,845,112.10	R 4,845,112.10	R 1,293,753.84	R 2,490,204.46	R 2,354,907.64
XS Dollarz	Construction of DLTC Guard House	WMM LM CGH 08/12/22/01	R 860,706.00	R 860,706.00	R 860,706.00	R 476,436.95	R 817,670.70	R 43,035.30
Nikhwe Group	Repairs and Maintenance of Municipal Main Building	WMM LM MB 00099 R&M ECDC	R 1,557,620.17	R 1,557,620.17	R 1,557,620.17	R 235,639.72	R 1,147,522.59	R 410,097.58
XS Dollarz	HIRING OF CONSTRUCT ION PLANT AND TRUCKS	WMM LM 08/12/22/02 HPC	R 3,494,043.85	R 3,494,043.85	R 3,494,043.85	R 321,279.64	R 1,738,514.80	R 1,755,529.05
Thahle Projects jv Ayagu Trading	HIRING OF CONSTRUCT ION PLANT AND TRUCKS	WMM LM 08/12/22/02 HPC	R 5,884,206.38	R 5,884,206.38	R 5,884,206.38	R -	R 2,636,087.09	R 3,248,119.29
Mabozela Trading and Enterprise	Hiring of WMM PLANT AND TRUCKS	WMM LM 08/12/22/02 HPC	R 7,894,646.45	R 7,894,646.45	R 7,894,646.45	R 1,657,814.99	R 5,924,494.39	R 1,970,152.06
Mvi Construction	Hiring of CONSTRUCT	WMM LM 08/12/22/02	R 5,660,152.80	R 5,660,152.80	R 5,660,152.80	R 1,029,002.49	R 5,311,690.99	R 348,461.81

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure	Closing Balance
and Maintenance	ION PLANT AND TRUCKS	HPC						
Manyobo Group	HIRING OF CONSTRUCT ION PLANT AND TRUCKS	WMM LM HPC 08/12/22/02 3,283,800.85	R 3,283,800.85	R 3,283,800.85	R 1,180,001.20	R 1,657,117.80	R 1,659,063.60	R 1,624,737.25
LG Construction	HIRING OF CONSTRUCT ION PLANT AND TRUCKS	WMM LM HPC 08/12/22/02 5,232,704.10	R 5,232,704.10	R 5,232,704.10	R -	R -	R 3,822,521.80	R 1,410,182.30
Madisof	CBD Road Maintenance	WMM LM CBD 06/10/22/01 1,200,000.00	R 1,200,000.00	R 1,200,000.00	R -	R -	R 99,5824.03	R 204,175.97
Abangula ICT Solutions	Re-Cabling of Municipal Main Building	WMM LM 03/11/22/01 1,864,626.65	R 1,864,626.65	R 1,864,626.65	R -	R -	R 1,700,094.22	R 164,532.43
Resam Engineering PTY Ltd	Electrification of Msarhweni Village	MBIZ LM 0055 CON 607,200.00	R 607,200.00	R 607,200.00	R -	R -	R 405,609.60	R 201,590.40
Wosa Nawe 16	HIRING OF CONSTRUCT ION PLANT AND TRUCKS	WMM LM HPC 08/12/22/02 1,632,704.82	R 1,632,704.82	R 1,632,704.82	R 196,775.25	R 1,532,316.59	R 100,388.23	
Mayile Solutions	Provision of Internal Services	WMM LM IAS 06/10/22/03 -	R -	R -	R 650,578.00	R 650,578.00	R -	R 650,578.00
Masinyane and Sond	Supply and Delivery of Fishing Material and Equipment	WMM LM 00101 S&D AGR 06/10/22/02 453,510.00	R 453,510.00	R 453,510.00	R -	R -	R -	R 453,510.00
Masinyane and Sond	Supply and Delivery of Agricultural Inputs	WMM LM AGR 7,836,167.58	R 7,836,167.58	R 7,836,167.58	R 1,194,685.00	R 1,194,685.00	R 1,194,685.00	R -
ZML Group	Electrification of Zizityaneni Village	WMM LM 00058E SUPPLY AND DELIVERY 02/06/22/01 PST	R 542,376.67	R 542,376.67	R 362,850.00	R 362,850.00	R 362,850.00	R 4,573,820.49
Ezanavovo Trading Pty Ltd								R 179,526.67

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure	Closing Balance
	OF PROTECTIVE CLOTHING FOR 12 MONTHS					R -	R -	
NanoChip Technologies	SUPPLY AND DELIVERY OF LAPTOPS AND DESKTOPS	WMM LM 16/03/23/01 SLD	R 1,524,520.00	R 1,524,520.00	R 1,524,520.00	R -	R -	R 1,524,520.00
Manyobo Group	REHABILITATION OF DUMPING SITE FOR 18 MONTHS	WMM LM 04/08/22/02 RMD	R -	R -	R 234,400.00	R -	R -	R -R 234,400.00
Lilitha Project Managers	PREPARATION OF GRAP COMPLIANT INMOVABLE ASSET REGISTER FOR 2022/23FY	WMM LM 14/06/22 FAR	R 1,722,106.00	R 1,722,106.00	R 1,722,106.00	R -	R -	R 1,722,106.00
Wandile and Son Trading Pty Ltd	MULTI THREE YEAR CONTRACT FOR SUPPLY AND DELIVERY OF ELECTRICITY MATERIAL	WMM LM 03/11/22/05 EMT	R -	R -	R -	R -	R -	R -
Nikhwe Group	MULTI DISCIPLINE OF CONSULTANTS FOR A PERIOD OF 3 YEARS	WMM LM 25/03/22/01 MDP	R -	R -	R -	R -	R -	R -
VHB and Associates	Construction of Mbizana	MBIZLM27/	R 3,811,822.48	R 3,811,832.48	R 3,811,832.48	R 381,183.24	R 381,183.24	R 3,430,649.24

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Jun	Current year Expenditure	Closing Balance
	Civic Centre	02/18/02EN	G					
Nikhve Group	HIRING OF CONSTRUCT ION PLANT AND TRUCKS	WMM LM 08/12/22/02 HPC	R -	R -	R -	R -	R -	R -
Citi Cargo	HIRING OF CONSTRUCT ION PLANT AND TRUCKS	WMM LM 08/12/22/02 HPC	R 1,302,481.25	R 1,302,481.25	R 1,302,481.25	R 269,282.22	R 876,727.24	R 425,754.01
Masilo 85 Projects	Refurbishment of Low Voltage Lines in Extension 4	WMM LM 00081 RVL	R 3,491,945.22	R 3,491,945.22	R 3,491,945.22	R -	R -	R 3,491,945.22
			R 261,823,301.27	R 182,580,461.55	R 182,580,461.55	R 26,371,933.20	R 133,199,502.39	R 8,768,628.61

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 2022/23 annual financial statements must be submitted by 31 August 2023 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 store room managed with the Assets and Stores Management Unit that oversees proper recording and accounting for stock movements.

The inventory count is performed to ensure that all stock movements were recorded and to test effectiveness of stock control measures. This is a process that is done in the presence of the Auditor-General or delegate, in this case delegated to our Internal Audit Unit. The stock count was performed on Friday the 30th of June 2023 in the following storerooms:

- Finance
- Refuse removal
- Cultural Village
- Electricity

On 30 June 2023, the stores management section conducted a 100% verification of inventory in the municipal stores for purposes of ensuring that inventory for year-end has been correctly valued at reporting date. The preparations for a successful inventory count were carried out through implementing the approved AFS compilation plan. For increased assurance, the Auditor General and internal audit of the municipality was invited to take part in the inventory count.

The results of the inventory count showed inventory levels valued at an amount of R 1 383 522.59. The inventory movements for the quarter can be broken down as follows:

	FUNCTION	OPENING BALANCE	PURCHASES	WRITE-OFFS	ISSUES & ADJUSTMENTS	CLOSING BALANCE
Electricity	Electricity	1 061 563.66		2 145.25	49 775.33	1 009 643.08
Refuse	Solid Waste Removal	244 908.16	89 970.00	15 584.05	261 669.69	57 624.42
Stationery	B.T.O	525 174.46			247 555.26	277 619.20
Building Material	Building Materal	2 865.00				2 865.00
Cleaning Material	Admin & Corporate Support	93 863.09			58 092.20	35 770.89
Security Equipment	Security Equipment	-			-	-
Fuel	Fuel	-	31 169.49		31 169.49	-
Animal Feed	Licensing and control of animals	-	158 000.00		158 000.00	-
Disaster PPE	Human Resources	-	-		-	-
TOTAL COST		1 928 374.37	279 139.49	17 729.30	806 261.97	1 383 522.59

b. Compilation of the movables assets register

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.

The movable asset register is subject to monthly reconciliations which assists the sections to track and deal with changes monthly, including the processing of monthly depreciation. The 4th quarter asset verification was conducted in order to make the following updates to the asset register required by the GRAP standards:

- Conditional assessment of assets
- Updating of asset custodians
- Reassessment of useful lives
- Updating of asset locations
- Confirmation of physical existence
- Completeness of the asset register

c. Review of Infrastructure register

Review of Infrastructure register

During the fourth quarter, the municipality advertised a tender to acquire the services of a suitable service provider that can assist the municipality with preparation of the immovable asset register for a period of 12 months. The submissions from bidders was evaluated and adjudicated during the quarter and Lilitha Project managers was the successful bidders appointed by the municipality.

The asset management section invited key stakeholders within the municipality and conducted an inception meeting on the 22nd June 2023 where the pertinent matters were discussed and the planning was initiated.

The municipality has conducted 4 additional meetings with the service provider where the submission of information is facilitated and outstanding information as well as challenges are circumvented. The service provider is now on site and has, after gathering the relevant information, mapped all the places for verification on the GIS maps. On site verifications have commenced from the weekend of the 8th July 2023.

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

Below is a summary of the progress made to date on the exercise which we hope will be completed earlier this year than in the past:

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
PLANNING									
1	Infrastructure Assets	Kick-off meeting	Kick-off meeting with client to clarify scope of work and way forward as well as meeting frequency	Lilitha	M Majikja	H	22/06/2023	100%	Kick-off meeting held 22 June 2023
2	Infrastructure Assets	Compile Action Plan & Programme	Draft project plan with all deliverables and milestones	Lilitha	M Majikja	H	26/06/2023	100%	Project Plan Completed and Circulated for comments
EXECUTION									
3	Infrastructure Assets	Obtain Project List/Contracts Register/Commitments Register & Retention Register	Updated e.g. asset lists, maps, GIS data, Project data (incl. Bills of Quantity) and As-built Drawings	Lilitha/ WMMLM	M Majikja	H	05/07/2023	100%	Latest audited registers circulated by Mr Mthimde

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
Infrastructure Assets	Compile/Update project Lists & files since 1 July 2022 to AR	Identify projects completed since 1 July 2021 and provide following:	<ul style="list-style-type: none"> - Practical completion certificate - Drawing showing the location and extent of the project - Total project expenditure – consultant and construction costs - Bill of quantities attached to the last payment certificate - As-Built drawings - Obtain Coordinates for each project - Check expenditure on all projects since 1 July 2020 and that it reconciles with the Financial System. 	Lilitha/ WMMLM	M Majikja	H	10/07/2023	50%	<p>Payment Certificates, BoQ's and Completion Certificates circulated by Mr Mthimde on 02 July 2003.</p> <p>Practical Completion Certificates for in-house completed projects circulated on the 06 July 2023.</p> <p>Mr. Mbasa said that on Capital projects the summary of the bill of quantities do not tie up with the full breakdown of the bill of quantities. Mr Mbasa had a meeting with Mr. A. Mtwa, Mr. S. Cele and they had a bit of understanding of what should be done and not be done, he said that the challenge is that on the completion certificate there are no amounts of capitalization in completion certificates on in-house bill of quantities projects, after the session they had agreed that the</p>

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
									bill of quantities should be completed on 25 July 2023
	Infrastructure Assets	Prior Year Errors	Prior year's adjustment errors will be dealt with separately. This will include verification in the field and meetings with technical staff.	Lilitha/WMMMLM Madikizela	H	10/07/2023	60%		Discrepancies with Electrical Assets were noted and in the process of being addressed. A map of electrical assets were send to Mr Mgina to mark-up new assets on 12 July 2023. Mr Mgina has submitted first round of corrections and information on 19 July 2023. Costing and practical completion certificates for new assets

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
									are still outstanding

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
	Infrastructure Assets	Spatial Maps of Infrastructure Assets	Prepare spatial maps of infrastructure for technical staff to verify coverage and existence.	Lilitha	L Lyle	M	25/07/2023	100%	Spatial maps were completed for all the low life assets identifying locations for easy location. Maps were prepared for electrical assets to identify discrepancies and test completeness and existence
7	Infrastructure Assets	Classify additional assets for inclusion into register	Specify types of assets to be linked to the Asset Catalogue.	Lilitha	F Durr	L	10/08/2023	Not started	Will be linked to the catalogue when additions are added to the register.
8	Infrastructure Assets	Record assets and relevant information (including Project data & WIP Expenditure)	Import Assets into Asset Register format. Completed Projects to be identified spatially and recoded as actual costs. Expenditure for WIP projects to be recorded. (This will be updated as information is made available)	Lilitha	F Durr	M	31/07/2023	30%	In progress. Additions recorded in the WIP register totals R 85 m but still have to be signed off for completeness.
9	Infrastructure Assets	Record all asset movements (incl Land & Buildings)	Record all additions/impairments/disposals, reviewed conditions, Replacement/Refurbishment and RUL. This will include movement in values of Land &	Lilitha	F Durr & Sam Marandu	H	02/08/2023	30%	In progress. Additions recorded in the WIP register totals R 85 m but still have to be signed off for completeness.
10									

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
		Buildings							
11	Infrastructure Assets	Financial Accounting Support	Passing of Journals, Preparation of Notes to the Financial Statements	Lilitha	Accountant	H	10/08/2023	Not started	
12	Investment Property	Assessment	Assess all properties controlled by the WMMLM Local Municipality to ensure that they are correctly classified as either Investment Property or Land and Building.	Lilitha	Penny Lindstrom	H	10/08/2023	40%	Mr Lindstrom received the lease agreements on the 19th of July 2023 . The previous year only 6 lease were on the register and this year there was 7 th one that was not included last year. Mr Lindstrom will visited the Municipality on the 24th of July 2023 where he will be at municipal premises to start with verification of assets.
13	Investment Property	Valuation	Determine the fair value of the Investment Property as at 30 June 2023 and provide detailed workings and methodology	Lilitha	Penny Lindstrom	H	10/08/2023	20%	In progress.

REPORTING AND UPLOADING ON MUNSOFT

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
14	Infrastructure Assets	Draft Register	Submit Draft FAR	Lilitha	F Durr	H	18/08/2023		
15	Infrastructure Assets	Final Review & Submission of Asset Register	Check register for completeness and correctness	Lilitha	F Durr/ M. Madikizela	H	22/08/2023		
16	Infrastructure Assets	Update Project Spatial Files	Ensure that all project assault drawings or sketched is updated on the GIS system	Lilitha	F Durr/L Lyle	M	21/08/2023		
RESPONDING TO AUDIT QUERIES									
17	Infrastructure Assets	Audit queries	Attend to any RFI's & COAFA's Audit Queries after submission of Register, Audit Action Plan inputs if required	Lilitha Majikja	F Durr/M Majikja	H	1 Sept 2023 to 30 Nov 2023		

Challenges faced during the unbundling process:

- Final BOQs not detailing the components of each asset completed
- Final bills not equalling the sum of bills used during the payment processes

The municipality's infrastructure register is current being reviewed and expected to be completed by Tuesday 22 August 2023 which will still be in time for the finalisation of the annual financial statements.

d. Correction of prior year errors

During the review of the current year activities there were items noted that should have been recorded in the prior years. The following is a summary issues needing correction:

- Billing for electricity for some conventional meter customer where they were linked to incorrect categories
- VAT refunds emanating from the audit conducted by SARS for the past 5 years from 2017
- Leave provision for some contract employees whose contracts were expected to end but were then extended and erroneously terminated on the municipal payroll system
- Reversal of debtors raised in the prior years and subsequently effected on the affected accounts but journals not reversed
- Invoices relating to a printing contract with GENBIZ that were not paid during the change over from manual to debit orders
- Correction of cellphone and data allowance for councillors as a result of the correcting of the gazette of upper limits for political officer bearers which was done after year-end
- Invoices for a workshop that was held in June 2022 budget were only submitted after the annual financial statements had been concluded and submitted for audit

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 R1.3 billion with the following main areas of improvement:

- Property, Plant and Equipment
- Cash and Cash Equivalents
- Operating lease asset
- VAT Receivable
- Statutory receivables

The municipality's total liabilities have also increased from R76.1 million to R79.4 million with the following main contributors:

- Payables from exchange transactions

- Unspent conditional grants (GBS Grant)

The municipality's net worth has also increased from R1 billion to R1.2 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 three 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 R144 million for the year which is also in line with the increase on the municipality's net worth.

The municipality's total revenue has increased from R466 million to R543 million with the following areas to be noted:

- Government grants and subsidies
- Interest received
- Service Charges (electricity)
- Fines, Penalties and Forfeits

The municipality's total expenditure has increased from R361 million to R373 million with the following areas contributing to the increase:

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

The municipality has recorded an increase of over R82 million on its cash and cash equivalents from R277 million to R360 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 an increase in net cash flows from operating activities of R22.8 million from R178 million to R201 million with the following areas contributing:

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

A decrease on investing activities has also been recorded from R159 million to R118 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 resulting in funding being withheld should this be picked up by the funder. Some of the candidates that get shortlisted do not meet the minimum requirements and no proscribed process is followed as prescribed when the municipality decides not to follow the guidelines.

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

The municipality had finalised the process of recruiting three additional Financial Management Interns to make the required number of 5.

During the months of January 2023 one of the interns resigned from the municipality and the municipality has also commenced with the recruitment processes. It was also noted that one of the Interns stopped reporting for duty since the 9th of February 2023 and a report had been submitted to Corporate Services to handle the matter and advise on the process to be followed. The contract has been terminated and a process to recruit a new candidate has commenced.

5. 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 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts in to Council Policy
		NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total		
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5,336	1,408	1,831	1,358	1,375	1,359	1,005	9,551	23,222	14,647		
Receivables from Non-exchange Transactions - Property Rates	1400	15,925	299	283	281	303	288	256	32,989	50,596	34,087		
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Waste Management	1600	38	2	2	2	2	2	2	2,395	2,446	2,404		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	403	403	403		
Interest on Arrear Debiti Accounts	1810	1,290	628	618	603	569	562	531	14,977	19,780	17,243		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	646	273	249	243	240	235	664	7,048	9,597	8,430		
Total By Income Source	2000	23,236	2,610	2,983	2,487	2,490	2,416	2,458	67,354	106,043	77,214	-	
2022/23 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	15,486	379	911	352	348	350	348	34,003	52,178	35,402		
Commercial	2300	7,121	1,942	1,808	1,878	1,879	1,816	1,865	19,601	37,911	27,059		
Households	2400	628	289	264	257	263	249	245	13,759	15,954	14,773		
Other	2500	-	-	-	-	-	-	-	-	-	-		
Total By Customer Group	2600	23,236	2,610	2,983	2,487	2,490	2,416	2,458	67,354	106,043	77,214	-	

The table above shows municipal debtors for the month of July 2023 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.

6. Creditors' analysis

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

Description R thousands	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700		412							412	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	412	-	-	-	-	-	-	-	412	-

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.

7. Investment portfolio analysis

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate	Commission Paid (Rands)	Commissio n Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	#DIV/0!	0	n/a	not fixed	-	47	(47)	15,926	15,926
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	#DIV/0!	0	n/a	not fixed	-	6	(2,800)	2,800	6
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.006094443	0	n/a	not fixed	351,690	2,143	(36,843)	142,168	459,158
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0.006157533	0	n/a	not fixed	349	2	-	-	351
FNB CALL DEPOSIT ACCOUNT(6281673073)		Not fixed	Call Deposit	No	Variable	0	0	n/a	not fixed	0	-	-	-	0
FNB CALL DEPOSIT ACCOUNT(62896101070)		Not fixed	Call Deposit	No	Variable	0.006157535	0	n/a	not fixed	2,196	14	-	-	2,209
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.006306064	0	n/a	not fixed	4,824	30	-	1,007	5,862
FNB CALL DEPOSIT ACCOUNT(62550715828)		Not fixed	Call Deposit	No	Variable	#DIV/0!	0	n/a	not fixed	-	-	-	-	-
Entities														
Entities sub-total														
TOTAL INVESTMENTS AND INTEREST	2									359,058	2,243	(39,691)	161,901	483,512

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 R124.5 million which lead to an increase in its investments for the month of July 2023. It should however be noted that this only reflects the difference between what was received and what was spent.

8. 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 R thousands	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		–	349,397	–	142,168	142,168	29,116	113,495	389.8%	349,397
Finance Management										
Integrated National Electrification Programme										
EPWP Incentive										
Neighbourhood Development Partnership Grant										
Municipal Infrastructure Grant										
Other transfers and grants [insert description]										
Provincial Government:										
Health subsidy										
Capacity Building and Other										
Other transfers and grants [insert description]										
District Municipality:										
[Insert description]										
Other grant providers:										
Total Operating Transfers and Grants	5	–	349,897	–	142,168	142,168	29,158	113,453	389.1%	349,897
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		–	71,555	–	18,726	18,726	5,963	11,380	190.8%	71,555
Neighbourhood Development Partnership										
Municipal Disaster Recovery Grant										
Integrated National Electrification Programme Gran										
Other capital transfers [insert description]										
Provincial Government:										
District Municipality:										
[Insert description]										
Other grant providers:										
Total Capital Transfers and Grants	5	–	71,555	–	18,726	18,726	5,963	11,380	190.8%	71,555
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	421,452	–	160,894	160,894	35,121	124,833	355.4%	421,452

The above table shows grants received during the month of July 2023.

b) Transfers & Grants Expenditure

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

Description R thousands	Ref	2022/23		Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
EXPENDITURE											
Operating expenditure of Transfers and Grants											
National Government:		-	349,397	-	15,473	15,473	29,116	(13,644)	-46.9%	349,397	
Local Government Equitable Share			341,204	-	15,031	15,031	28,434	(13,403)	-47.1%	341,204	
Finance Management			2,100	-	5	5	175	(170)	-97.1%	2,100	
Integrated National Electrification Programme			-	-	-	-	-	-	-	-	
EPWP Incentive			3,222	-	-	-	269	(269)	-100.0%	3,222	
Neighbourhood Development Partnership Grant			-	-	-	-	-	-	-	-	
Municipal Infrastructure Grant			2,871	-	437	437	239	198	82.6%	2,871	
Other transfers and grants [insert description]			-	-	-	-	-	-	-	-	
Provincial Government:		-	500	-	-	-	42	(42)	-100.0%	500	
Health subsidy			-	-	-	-	-	-	-	-	
Capacity Building and Other			500	-	-	-	42	(42)	-100.0%	500	
Other transfers and grants [insert description]			-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
[insert description]											
Other grant providers:		-	-	-	-	-	-	-	-	-	
[insert description]											
Total operating expenditure of Transfers and Grants:		-	349,897	-	15,473	15,473	29,158	(13,685)	-46.9%	349,897	
Capital expenditure of Transfers and Grants											
National Government:		-	76,295	-	3,686	3,686	6,358	(2,672)	-42.0%	76,295	
Municipal Infrastructure Grant (MIG)			76,295	-	3,686	3,686	6,358	(2,672)	-42.0%	76,295	
Neighbourhood Development Partnership Grant			-	-	-	-	4,546	(4,546)	-100.0%	54,555	
Integrated National Electrification Programme Gran			54,555	-	-	-	-	-	-	-	
Disaster Recovery Grant			17,000	-	3,249	3,249	1,417	1,832	129.3%	17,000	
Other capital transfers [insert description]			4,740	-	438	438	395	43	10.8%	4,740	
Provincial Government:		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants		-	76,295	-	3,686	3,686	6,358	(2,672)	-42.0%	76,295	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	426,192	-	19,159	19,159	35,516	(16,357)	-46.1%	426,192	

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 R thousands	Ref	Budget Year 2023/24				
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance %
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	-
Local Government Equitable Share						-
Finance Management						-
Integrated National Electrification Programme						-
EPWP Incentive						-
Neighbourhood Development Partnership Grant						-
Municipal Infrastructure Grant						-
Other transfers and grants [insert description]						-
Provincial Government:		-	-	-	-	-
Health subsidy						-
						-
						-
						-
District Municipality:		-	-	-	-	-
[insert description]						-
Other grant providers:		-	-	-	-	-
[insert description]						-
Total operating expenditure of Approved Roll-overs		-	-	-	-	-
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	-
Municipal Infrastructure Grant (MIG)						-
						-
						-
						-
						-
						-
Provincial Government:		-	-	-	-	-
						-
						-
District Municipality:		-	-	-	-	-
						-
						-
Other grant providers:		-	-	-	-	-
						-
Total capital expenditure of Approved Roll-overs		-	-	-	-	-
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	-

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

9. Cash flow Statement

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

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		34,817	—	613	613	2,901	(2,288)	-79%	34,817	
Service charges		54,588	—	2,944	2,944	4,549	(1,605)	-35%	54,588	
Other revenue		26,570	—	796	796	2,214	(1,418)	-64%	26,570	
Transfers and Subsidies - Operational	0	338,352	—	142,168	142,168	28,196	113,972	404%	338,352	
Transfers and Subsidies - Capital		82,288	—	21,526	21,526	6,857	14,669	214%	82,288	
Interest		9,760	—	2,279	2,279	813	1,466	180%	9,760	
Dividends		—	—	—	—	—	—	—	—	
Payments										
Suppliers and employees		(367,832)	—	(39,517)	(39,517)	(30,653)	8,864	-29%	(367,832)	
Interest		(100)	—	—	—	(8)	(8)	100%	(100)	
Transfers and Subsidies		—	—	—	—	—	—	—	—	
NET CASH FROM/(USED) OPERATING ACTIVITIES	0	178,444	—	130,809	130,809	14,870	(115,939)	-780%	178,444	
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	
Payments										
Capital assets		(129,968)	—	(5,906)	(5,906)	(10,831)	(4,924)	45%	(129,968)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	—	(129,968)	—	(5,906)	(5,906)	(10,831)	(4,924)	45%	(129,968)	
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	
Payments										
Repayment of borrowing		—	—	—	—	—	—	—	—	
NET CASH FROM/(USED) FINANCING ACTIVITIES	—	—	—	—	—	—	—	—	—	
NET INCREASE/ (DECREASE) IN CASH HELD	0	48,476	—	124,903	124,903	4,040			48,476	
Cash/cash equivalents at beginning:		360,065	—	360,065	360,065	360,065	360,065	360,065	360,065	
Cash/cash equivalents at monthly/year end:	0	408,540	—	—	484,968	364,104	—	—	408,540	

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.

10. Statement of Financial Position

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

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents			306,560		484,919	306,560
Trade and other receivables from exchange transactions			46,746		37,340	46,746
Receivables from non-exchange transactions			25,809		58,470	25,809
Current portion of non-current receivables			—		—	—
Inventory			450		1,384	450
VAT			18,042		41,888	18,042
Other current assets			15,763		15,481	15,763
Total current assets		—	413,370	—	639,480	413,370
Non current assets						
Investments			—		(105)	—
Investment property			39,090		39,090	39,090
Property, plant and equipment			834,980		819,272	834,980
Biological assets			—		—	—
Living and non-living resources			—		—	—
Heritage assets			1,261		1,261	1,261
Intangible assets			43		43	43
Trade and other receivables from exchange transactions			—		—	—
Non-current receivables from non-exchange transactions			—		—	—
Other non-current assets			—		—	—
Total non current assets		—	875,374	—	859,560	875,374
TOTAL ASSETS		—	1,288,744	—	1,499,041	1,288,744
LIABILITIES						
Current liabilities						
Bank overdraft					—	—
Financial liabilities					—	—
Consumer deposits			506		450	506
Trade and other payables from exchange transactions			74,019		28,963	74,019
Trade and other payables from non-exchange transactions					24,519	—
Provision			20,308		18,437	20,308
VAT			4,947		20,044	4,947
Other current liabilities					—	—
Total current liabilities		—	99,779	—	92,413	99,779
Non current liabilities						
Financial liabilities					22,484	22,484
Provision					—	—
Long term portion of trade payables			—		—	—
Other non-current liabilities			—		—	—
Total non current liabilities		—	22,484	—	22,484	22,484
TOTAL LIABILITIES		—	122,263	—	114,897	122,263
NET ASSETS	2	—	1,166,481	—	1,384,143	1,166,481
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)			1,166,481		1,384,143	1,166,481
Reserves and funds			—		—	—
Other			—		—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	—	1,166,481	—	1,384,143	1,166,481

This is the report for July 2023 and we would like the Committee to consider its contents.

11. Municipal Manager's quality certification

Quality Certificate

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

The monthly budget statement

for the month of July 2023 has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print name: Luyolo MATHAKA

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

Signature: 

Date: 14/08/2023

