



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

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

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PART 1 – IN-YEAR REPORT

1. Executive Summary

Section 71 of the Municipal Finance Management Act No 56 of 2003 requires that the Accounting officer of a municipality must, within 10 working days after the end of each month submit to the Mayor of the municipality and relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

This is the second report of the 2023/24 financial year which should give an indication of how the municipality has performed on its first two months of operation in the indicated year. There is generally not much activity to report during this period as processes to prepare and submit annual financial statements normally take part during the period while procurement processes are also being finalised for the first programs of the financial year. This situation is expected to be better this year compared to the same period in the previous years as procurement for some projects is in advanced stages. The information reported below sets the tone 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 made 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 are incorrect. This challenge seems however, to have been addressed from the adjustment budget processes and we continue to analyse the reasonability of the principles these modules are using to check consistency with the financial management standards.

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

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

5. Implementation of the 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										
Outcome 9 Objective			Project to be Implemented			Measurable Performance			Responsibility Section	
Sub-Result Area	Issue	Strategic Objective	Objectives No.	Strategies	Baseline Information	KPI No.	KPI Weight	Annual Target	Means of Verification	War d
Revenue Management	To achieve 100% billing of all active accounts for all services that are connected to the municipality's going concern to be billed by June 2024	Revenue collection trends are decreasing, posing a threat to the municipality's going concern	4.1	Metering of all electricity consumers by June 2024 manually	Electricity meters are read, recorded, and captured by June 2024 manually	4.1.1	0.5	Accurate billing of electricity consumption	Reading of electricity meters	Reading of 100% of active electricity meters utilizing the Automated system by June 2024
Revenue Management	Revenue management issues	Revenue collection trends are decreasing, posing a threat to the municipality's going concern	4.1	90% monthly billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	4.1.2	0.2	Billing of 100% of active consumer accounts for property rates, refuse and electricity	12 monthly Billing Report	R -
Revenue Management	Revenue collection trends are decreasing, posing a threat to the municipality's going concern	Revenue collection trends are decreasing, posing a threat to the municipality's going concern	4.1	90% monthly billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	4.1.2	0.2	Billing of 100% of active consumer accounts for property rates, refuse and electricity	12 monthly Billing Report	R -
Revenue Management	Revenue collection trends are decreasing, posing a threat to the municipality's going concern	Revenue collection trends are decreasing, posing a threat to the municipality's going concern	4.1	90% monthly billing on property rates, 80% on electricity and 90% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	4.1.2	0.2	Billing of 100% of active consumer accounts for property rates, refuse and electricity	12 monthly Billing Report	R -

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective										
Sub-Objectives	Issue	Strategic Objectives	Strategic Objectives	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Annual Target	Means of Verification
Sub-Objectives	Issue	Strategic Objectives	Strategic Objectives	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Annual Target	Means of Verification
Reducing electricity consumption	Reducing electricity consumption	Strategic Objective 1	Strategic Objective 2	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Annual Target	Means of Verification
Billing completion by the 3rd day of each month	Billing completion by the 3rd day of each month	Billing completed beyond the 3rd day of the following month	Billing completed by the 3rd day of each month	Billing completion by the 3rd day of each month	Billing completed by the 3rd day of each month	Billing completed by the 3rd day of each month	R	-	12 Month end closing Reports	Budget Source
Manual distribution of consumer statements	Manual distribution of consumer statements	Sending of monthly statement using emails and sms	Sending of monthly statement using emails and sms	Manual distribution of consumer statements	Distribution of electrical monthly statements	12 Monthly Statements distribution Report	R	0.2	7,308.00	War d 01
Measurable Performance	Measurable Performance	and electricity	and electricity	and electricity	and electricity	and electricity	N/A	0.2	7,308.00	War d 01
Ward	Ward	and electricity	and electricity	and electricity	and electricity	and electricity	N/A	0.2	7,308.00	War d 01
Responsibility	Responsibility	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	0.2	7,308.00	War d 01
Responsibility	Responsibility	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	Manager: Revenue and Expenditure	0.2	7,308.00	War d 01

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 Name	Annual Target
				Review and implementation of the Revenue Enhancement Strategy review in 2020/2021	Revenue Enhancement Strategy by June 2024	Monitoring of the Revenue enhancement Strategy Action Plan	Improved revenue collection and generation	4.1.5	0.25	Review ed Revenue enhancement Strateg y Action Plan by June 2024
							Implementing Consumer Data Analytics, Data cleansing and handing over of all accounts handed over for debt collectors	04	Quarterly report on 10% business accounts	1
				Implementation of credit control measures by June 2024	Long outstanding debts, which are more than 365 days	Outsourcing of collection services	4.1.6	0.25	R1 368 ,900.00	1
				To achieve at least 95% collection of all debt by June 2024			Number of handled over accounts to debt collectors that are beyond 90 days	N/A	Yes	1
							Budgeted	Budget Source	Measurable Performance	War d
							Review ed Revenue enhancement Strateg y action plan	1 Quartel	1 Quartel y Revenue enhancement meeting	1 Quartel y Revenue enhancement meeting
										Revenue Management and Enhancement
										Revenue Management and Enhancement

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.	Annual Target
Accounts 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	Establishing of a credit control and debt collection services function within the revenue structure	Performance of monthly debtors, rates and investment reconciliation by the 7th working day of each month	Monthly review of debtors, rates and investment reconciliation by the 7th working day of each month	Number of monthly reviewed debtors, \$, investments and rates reconciliation	4.1.7	0.25	Implementation by June 2024.
Outdated Policies	Annual Review of 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 and adopted policies	4.1.9	0.25			

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
To ensure proper regulations of the municipal powers and functions by June 2024	Compliance with laws and regulations	Promulgation of revenue laws that not promulgated on time	Promulgation of property rates policy and credit control policies into by-laws by June 2024	Revenue by laws that not promulgated on time	Number of gazetted policies	Promulgated of property rates policy and credit control policies into by-laws by June 2024	2	Promulgated of property rates policy and credit control policies into by-laws by June 2024	R	-	Promulgated of property rates policy and credit control policy by 30 June 2024

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
Municipalities must comply with Section 18 of the MFMA and ensure that they fund their MTRE F budget from realistically anticipated revenues to be collected	Issue 2024	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	0.2 5
		Maximising 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 4 4 4	R -	N/A	0.2 5
						1 Promulgated of the approved tariffs (gazetting)	N/A	N/A	1 Promulgated of the approved tariffs (gazetting)
							W/M	W/M	Revenue Management
							W/M	W/M	Revenue Management

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

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
Business Unit	Business Unit	Business Unit	Business Unit	Business Unit	Business Unit	Business Unit	Business Unit	Business Unit	Business Unit
To pay creditors within 30 days in compliance with the MFM policy 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 by June 2024	Invoice 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	100% Creditors paid within 30 days of receipt of a valid invoice by June 2024
Draftsings that are submitted with incomplete information and month end procedures that are not performed on time	To achieve a clean audit by June 2024	Development of sound, strict and effective procedures for reporting by June 2028	Non implementation of all monthly procedures	Implementing of month end procedures for 8 modules(cashiers,stores,creditors,cashbook,sundries,consumer debtors,GL and Asset)	Number of submitted monthly data strings and reports no later than 10 working days after month end	4.2	2	0.5	12 confirmations of submissions from LG Report s not later than 10 working days after month end by June 2024
Expenditure Management									
					Submit monthly datasets and Report s not later than 10 working days after month end	R	-	N/A	3 monthly datasets submitted to LG Portal
					3 monthly datasets submitted to LG Portal				3 monthly datasets submitted to LG Portal
									WM MLM
									Manager: Revenue and Expenditure
									Expenditure Manager
									Ward Manager
									Responsible Person

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 We.	Annual Target
Inaccuracy and incomplete commitment register		Commitment register with material missatements	Monthly review of commitment register by the 7th working day of each month	Number of monthly review ed commitment register	12	12 monthly y review ed commitment register by June 2024	Signed commitment register	R	N/A	Means of Verification
Creditors and grants with errors taking longer to identify and resolve		Performance of monthly VAT reconciliations	Monthly review of VAT and VAT reconciliation by the 7th working day of each month	Number of monthly VAT review ed condition grants, creditors	12	12 monthly VAT review ed condition grants, creditors	Signed monthly Conditional grants, monthly creditors	R	N/A	Budget Source

Measurable Performance										
War d	Responsible e.									
WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM
WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM	WMM

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
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 June 2024	Monthly reconciliation not performed by the 7th day of each month	Monthly review of payroll reconciliations by the 7th working day of each month	Number of monthly payroll reconciliations	12 monthly review ed payroll reconciliations by June 2024	12 monthly review ed payroll reconciliations by June 2024	R -	N/A
Annual Review of section policies by June 2024	Outdated Policies	Review section policies that are not reviewed annually	Review and adopt accounts payable policy.	Review and adopt accounts payable policy.	Number of reviewed policies	1 monthly review ed policies	1 monthly review ed policies	R -	N/A
To have fully capacitated Supply Chain Management system by June 2024	No clear monitoring of the procurement plan	Approving procurement plan with no clear monitoring plan	Monitoring and achieving adherence to procurement plan by June 2024	Monthly monitoring of the procurement plan	Number of monthly reports on the monitoring of the procurement plan	12 monthly reports on the monitoring of the procurement plan by June 2024	R -	N/A	Yes
Supply Chain Management									
Measurable Performance									
						Budget Source	Budget Type	Ward	Responsibility
						3 monthly review ed payroll reconciliations	3 monthly review ed payroll reconciliations	WM M	Manager: Revenue and Expenditure
						3 monthly review ed payroll reconciliations	3 monthly review ed payroll reconciliations	WM M	Expenditure Manager
						Review ed Accounts payable policy by June 2024	Review ed Accounts payable policy by June 2024	WM M	Manager: Revenue and Expenditure
						Signed report by the SCM Manager and CFO	Signed report by the SCM Manager and CFO	WM M	Manager: Revenue and Expenditure
						3 signed SCM reports	3 signed SCM reports	WM M	Supply Chain Management

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
Sub-Ref	Re	Re	Re	Re	Re	Re	Re	Re	Re
To have fully capacitated Supply Chain Management Personnel by June 2024	The municipality needs to comply with all statutory training requirements	Training of SCM Officials	Number of trained SCM personnel	2 SCM officials trained on Munsif system and SCM Regulations.	Attendance certificate registered concept document signed by MM.	R 100.00	Yes	N/A	Measurable Performance
Inadequate contract management processes	To have an effective contract management system by June 2024	Training of SCM Officers	Number of trained SCM personnel	2 SCM officials trained on Munsif system and SCM Regulations.	Attendance certificate registered concept document signed by MM.	R 100.00	Yes	N/A	Ward
		Training of 2 SCM officers on newly promulgated PPPFA Regulations	Trainings attended by the SCM officers targeted	02 SCM Officer s trained to PPPFA regulations by June 2024.	Attendance certificate registered concept document signed by MM.	R 50,000.00	Yes	N/A	Responsible Person
		To develop non-compliance management mechanisms with s116 of the MFMA for all BTO contracts	Number of monitoring reports for all extended contracts	12 monthly monitoring reports	Attendance certificate registered concept document signed by MM.	R -	Yes	N/A	Manager: Supply Chain Management
		Monthly monitoring reports for all extended contracts.	Monthly monitoring reports for all extended contracts by June 2024	12 monthly monitoring reports	Attendance certificate registered concept document signed by MM.	R -	Yes	N/A	Supply Chain Manager

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective									
Sub-Objectives	Issue	Strategic Objectives	Baseline	Project to be Implemented	Output KPI	KPI No.	KPI Me.	Annual Target	Means of Verification
Outdated and expired supplier information	To have a fair competitive bidding process in all municipalities by June 2024	Supplier database with bidders showing information that has not been updated for a number of years	Update supplier information by June 2024	Annual update of the supplier database	Number of suppliers updated information	4.3.5	0.25	300	Supplier database update information by June 2024
No effective scheduling of bid committee sittings	Developing mechanisms to monitor siting of bid committee by June 2024	Bid committee sitting randomly	Schedule of bid committee sittings with confirmed dates	Schedule of bid committee sittings	4.3.6	0.5	12	Signed schedule of bid committee sittings ensuring each bid is concluded within 60 days of the tender closing by June 2024	Development and approval of signed schedule of seating
Inadequate contract management processes	To have valid and closely monitored municipal contracts by June 2024	Review of all existing contracts by June 2024	Contract register reviewed monthly	Number of contracts reviewed monthly	4.3.7	0.25	12 monthly signed contract registers	Review by June 2024	3 monthly contract register reviewed

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING										
Outcome 9 Objective										
Sub-Objectives	Issue	Strategic Objectives	Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI	KPI No.	Measures	Measurable Performance
Annual Review of Sectional Policies by June 2024	Outdated Policies	Reviewing sectional policies that are not reviewed annually	Sectional policies that are not reviewed annually	Review and adoption of existing sectional policies.	Number of reviewed policies	3 review ad policy s	4.3. 8	0.2 5	R -	Reviewed and Signed off Supply Chain Management Policy, Contract Management Policy, Cost Constraint Policy, and Framework for Infrastructure Development Management Policy/re solution extract.
Financial statements To achieve a clean audit by June 2024	To have a complete GRAP compliant fixed asset register by June 2024	To have an accurate GRAP compliant fixed asset register by June 2024	To have an accurate GRAP compliant fixed asset register by June 2024	Performance of monthly reconciliations between FAR and GI within 5 working days after month closure.	number of reconciliations	4.4. 1	0.2 5	12 Review ed and approved Assets reconciliations	R -	12 monthly Fixed Assets reconciliation s signed, reviewed and approved by June 2024
Financial statements with non-compliance laws	Asset Management	Financial statements To achieve a clean audit by June 2024	To have a complete GRAP compliant fixed asset register by June 2024	To have an accurate GRAP compliant fixed asset register by June 2024	Performance of monthly reconciliations between FAR and GI within 5 working days after month closure.	number of reconciliations	4.4. 1	0.2 5	N/A	3 review ed and approved Assets reconciliations .
										3 review ed and approved Assets reconciliations .

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective									
Sub-Objec-tive	Issue	Strate-gic Objec-tive	Objectiv-e	Strate-gies	Baseli-ne Inform	Project to be Implemented	Output-KPI	KPI No.	KPI 1
Re-								1	Annual Target
All assets recorded in the FAR do exist and validate accurately by June 2024	Approved Assets Verification Report as at 30 June 2022	GRAP Compliant asset register as at 30 June 2024	Review and submission of the GRAP compliant fixed asset register	GRAP compliant fixed asset register	GRAP compliant fixed asset register	Submission of GRAP compliant asset register to AG, RFI and Coef Register	R1,684,800.00	Yes	N/A
Council approved assets write off report as at 30 June 2022	Removing of previously disposed assets from municipal operational facilities	GRAP Compliant asset register as at 30 June 2024	Review and submission of the GRAP compliant fixed asset register	Number of signed and approved quarterly Assets Verification Report s	Review ed and approved quarterly Assets Verification Report s by June 2024	Review ed and approved Assets Verification Report s by June 2024	R -	N/A	N/A

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
Br-Res	Re	Strategic Objectives	Objectives	Strategies	Basis and assumptions on which assets are accounted for to be well documented and approved by June 2024	Preparation and approval of a PPE (movable assets) Methodology	Approved PPE (movable assets) Methodology	01	Review ed and approved PPE Methodology by 30 June 2024	01 PPE (movable assets) methodology signed and approved by CFO	N/A
					Audited PPE methodology as at 30 June 2022 with no audit findings.		4.4.5	0.2	R -	N/A	N/A

Measurable Performance											
War-d	Responsible Person	Ward	Responsible Person	War-d	Responsible Person						
Ward	Asset Management	Ward	Asset Management	Ward	Asset Management	Ward	Asset Management	Ward	Asset Management	Ward	Asset Management
Responsible Person	WM	Responsible Person	ML	Responsible Person	M	Responsible Person	WM	Responsible Person	ML	Responsible Person	WM

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective														
Strategic Objectives	Issue	Strategic Objectives	Strategies	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.	Inventoried	Approved Inventory Count report as at 30 June 2022	Inventory update once every quarter by June 2024	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 reports by June 2024	Review and approved inventory count	4	0.2	R	N/A	Performed and review ed inventory Count	1	1	Manager; Assets and Stores Manager
To ensure that the municipality has an active insurance policy by June 2024	Valid Insurance contract for municipal assets	Continuous extension of municipal insurance	Insuring of municipal assets	Provision of insurance services.	Annual insurance scheduled proof of payment by June 2024.	Insurance service provided for municipal assets	4.4.	0.5	-	N/A	Performed and review ed inventory Count	1	1	Stores Manager

KPA NO 4: FINANCIAL PLANNING AND BUDGETTING

Outcome 9 Objective										
Sub-Objective	Issue	Strategic Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI	KPI No.	KPI Weight	Annual Target	Means of Verification
Municipality ensures that municipal assets are available when needed by June 2024.	To ensure that municipality has stationary with enough operational material.	Valid contractor provisions on municipal stationery	Municipalities have an existing contractor for 12 months	To supply stationery	Provision of stationery for municipal operations	4.4.9	0.25	Yes	R1.816 212.00	Authorised Stock Issue form
Outdated Asset and Inventory Management Policies	Review of Asset and Inventory Management Policies by June 2024	Annual review Asset and Inventory Management Policies for 2021 financial year.	Review of existing Asset and Inventory Management Policies by June 2024	Number of Asset and Inventory Management Policies reviewed, approved and signed	2	Signed Assets and Inventory Management Policies	-	N/A	N/A	Management Policies, resolution extract
All council assets need to be well managed effectively.	Compliance with the requirements of MFM	Review of an effective Asset Management Plan by June 2024	Review of Asset Management Plan	Number of Reviewed Asset Management Plan	1	Reviewed and signed Asset Management Plan	by 30 June 2024	N/A	N/A	Management Plan by 30 June 2024
Measurable Performance										
Ward										
Responsible Person										
Manager: Assets and Stores Manager										
Issuing of all available stationery requested										
Issuing of all available stationery requested										
Issuing of all available stationery requested										
Issuing of all available stationery requested										
Review ed of Asset and Inventory Management Policies										
Manager: Assets and Stores Manager										
Review ed asset management plan.										
Manager: Assets and Stores Manager										

KPA No 4: FINANCIAL PLANNING AND BUDGETTING											
Outcome 9 Objective			Strategic Objectives			Project to be Implemented		Measurable Performance			Responsible Person
Sub-Objective	Issue	Strategic Objective	Objectives	Strategies	Baseline Inform.	KPI No.	KPI We.	Budget Target	Budget Source	War d	Responsible Person
To compli Annual Financial Statements that comply with all requirements by June 2024		Annual Financial Statement	Develo p sound, strict and effective procedures for the compilation of AFS by June 2024	Audit d Annual Financial Statement for 2021/22 with compliance findings	Crediti e Annual Financial Statement submitted	4.5. 1	0.5	AFS, Proof of casewar e payment, Interim Financial statements submitted by 30 June 2024	Monitoring of AFS plan, Roll-forward of AFS File	N/A	Manager: Budgeting and Reporting
Financial statements with non-compliance with laws		Manage audit and ensure audit readiness by June 2024	To achiev e a clean audit by June 2024	Audit d Annual Financial Statement for 2021/22 with compliance findings	Manage audit and ensure audit readiness by June 2024	4.5. 2	0.2	Proof of submission to AG, COAF register, Audit Action Plan, updated Audit Action Plan	R5,475,600.00	Yes	Manager: Budgeting and Reporting
Reporting		Performance	Reconciliati on	Reconciliations of monthly bank reconciliations by June 2024	Number of Revi ewed bank reconciliations	4.5. 3	0.2	12 Signed monthly Bank Reconciliation	R -	N/A	Manager: Budgeting and Reporting
				Performance of monthly reconciliations by the 7th working day of each month	Review ed monthly Bank Reconciliati on	3	3	Review ed monthly Bank Reconciliati on	WMM	WMM	Manager: Budgeting and Reporting

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.	Annual Target
Sub-Objectives	Issue	Strategic Objectives	Objectives	Strategies	Baseline Information	Project to be Implemented	Output KPI	KPI No.	Annual Target
Achieve compliance in terms of mandatory reporting by June 2024	Non-compliance with statutory requirements	Adhere to statutory reports which is section 71(2)(d) and 72 of the MFMA and FMG monthly and quarterly reports by June 2024	Preparation and submission of all-in-year statutory reports which is section 71(2)(d) and 72 of the MFMA and FMG monthly and quarterly reports by June 2024	Submission of s71 Report not later than 10 working day of each month	Number of signed S71 Reports and monthly FMG report submitted	Submission of 12 signed S71 Reports and 30 monthly FMG reports by June 2024	Proof of submission of 12 signed S71 Report and 12 monthly FMG reports	R	N/A
Non-compliance with statutory requirements	Non-compliance with statutory requirements	Adhere to compliance in terms of mandatory reporting by June 2024	Preparation and submission of all-in-year statutory reports which is section 71(2)(d) and 72 of the MFMA and FMG monthly and quarterly reports by June 2024	Submission of s52(d) reports within 30 days of the end of each quarter	Number of signed S52(d) and quarterly FMG Report submitted	Submission of 4 signed S52(d) Reports and 4 quarterly Quarterly Reports by June 2024	Proof of submission of 4 signed S52(d) Reports and 4 quarterly Quarterly Reports	R	N/A
Non-compliance with statutory requirements	Non-compliance with statutory requirements	Non-compliance with statutory requirements	Non-compliance with statutory requirements	Submission of the s72 report by the 25th of January 2024	Signed mid-year assessment report	Submission of 1 signed s72 Report by the 25th of January 2024	Proof of submission of s72 Report by the 25th of January 2024	R	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	Measurable Performance
Re.									Ward
4.6	The municipality needs to comply with all statutory budgeting and reporting requirements	Adhere to compliance with Municipal Regulations on Minimum Competency levels	Training of new finance officials on Minimum Competency levels	Appointed interns and new accountants	Training of newly appointed FMG Interns and finance officials to meet minimum competency requirements	Number of trained financial management interns and finance staff to meet minimum competency requirements	Enrolment of financial management interns to meet minimum competency requirements	0.2	Means of Verification
	Budgeting					R 174,00	N/A	Yes	Manager: Budgeting and Reporting
4.6	To timely produce budgets and reports in line with the National Treasury guidelines and regulations by June 2024	Develop and monitor processes to ensure timely preparation, adoption and publication of creditable municipal budgets by June 2024	Adjustments budget approved by February 2024 and draft budget approved by March 2024; final budget approved by June 2024	Compile three budgets to be approved by council	Number of Approved budgets	Approved 4.6 2	0.5	Approved budget adjustment 2023/24; Draft budget 24/25; Approved 24/25 Final Budget and Council resolutions	Manager: Budgeting and Reporting
						R -	N/A	N/A	Manager: Budgeting and Reporting
						Approved budget adjustment 2024/25; Draft budget 2024/25	Approved 2024/25	Approved 2024/25	Manager: Budgeting and Reporting

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
Outdat ed Policies	Annual Review of section al Policies by June 2024	non publication of budget approved by council	Publication of approved budgets	Publication of approved budgets	Number of publicized approved budgets	Publication of adjustment draft and final budget by June 2024	3	4.6.3	0.5	R 65328.00
Outdat ed Policies	Annual Review of section al Policies by June 2024	Reviewing section al policies that are not reviewed annually	Review of existing sectional policies and presentation to the relevant stakeholders	Review of existing sectional policies and presentation to the relevant stakeholders	Number of reviewed policies	1 IDP 01 and Budget policy review signed IDP/Budget policy, e solution extract	-	4.6.4	0.5	R -

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 - M02 August

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	—	603	15,842	3,542	12,301	347%	21,250
Service charges	—	37,904	—	4,337	7,922	6,317	1,605	25%	37,904
Investment revenue	—	15,890	—	3,071	5,345	2,648	2,697	102%	—
Transfers and subsidies - Operational	—	349,897	—	1,210	143,806	58,316	85,489	147%	15,890
Other own revenue	—	15,153	—	1,637	3,010	2,525	484	19%	—
Total Revenue (excluding capital transfers and contributions)	—	440,094	—	10,858	175,925	73,349	102,576	140%	440,094
Employee costs	—	130,212	—	9,839	18,806	21,702	(2,896)	-13%	130,212
Remuneration of Councillors	—	28,480	—	2,146	3,108	4,747	(1,638)	-35%	28,480
Depreciation and amortisation	—	54,371	—	3,371	6,460	9,062	(2,602)	-29%	54,371
Interest	—	100	—	—	—	17	(17)	-100%	100
Inventory consumed and bulk purchases	—	55,216	—	5,381	6,465	9,203	(2,738)	-30%	55,216
Transfers and subsidies	—	3,431	—	—	—	572	(572)	-100%	3,431
Other expenditure	—	175,887	—	14,222	18,960	29,315	(10,354)	-35%	175,887
Total Expenditure	—	447,697	—	34,958	53,800	74,616	(20,817)	-28%	447,697
Surplus/(Deficit)	—	(7,603)	—	(24,100)	122,126	(1,267)	123,393	-9738%	(7,603)
Transfers and subsidies - capital (monetary)	—	76,295	—	5,340	8,570	12,716	###	-33%	76,295
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	—	68,692	—	(18,759)	130,695	11,449	119,247	1042%	68,692
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	—	68,692	—	(18,759)	130,695	11,449	119,247	1042%	68,692
Capital expenditure & funds sources									
Capital expenditure	—	123,282	—	5,548	9,117	20,547	(11,430)	-56%	123,282
Capital transfers recognised	—	66,343	—	4,326	7,565	11,057	(3,492)	-32%	66,343
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	—	56,939	—	1,222	1,552	9,490	(7,937)	-84%	56,939
Total sources of capital funds	—	123,282	—	5,548	9,117	20,547	(11,430)	-56%	123,282
Financial position									
Total current assets	—	413,370	—	—	602,971	—	—	—	413,370
Total non current assets	—	875,374	—	—	879,767	—	—	—	875,374
Total current liabilities	—	99,779	—	—	80,234	—	—	—	99,779
Total non current liabilities	—	22,484	—	—	11,485	—	—	—	22,484
Community wealth/Equity	—	1,166,481	—	—	1,391,019	—	—	—	1,166,481
Cash flows									
Net cash from (used) operating	—	170,828	—	(12,292)	118,518	28,471	(90,047)	-316%	170,828
Net cash from (used) investing	—	(141,376)	—	(9,492)	(15,398)	(23,563)	(8,165)	35%	(141,376)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the month/year end	—	306,560	—	—	463,135	282,017	(181,118)	-64%	389,467
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Ds	151-180 Ds	181 Ds-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5,866	17,675	2,744	2,529	2,964	2,473	2,420	69,294	105,967
Creditors Age Analysis									
Total Creditors	1,176	—	—	—	—	—	—	—	1,176

The table above shows a summary of the municipality's financial performance for the period ended 31 August 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) - M02 August

Description	Ref	2022/23		Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
Revenue - Functional									
<i>Governance and administration</i>		—	391,308	—	4,980	165,744	65,218	100,526	154%
Executive and council		—	—	—	—	—	—	—	—
Finance and administration		—	391,308	—	4,980	165,744	65,218	100,526	154%
Internal audit		—	—	—	—	—	—	—	—
<i>Community and public safety</i>		—	4,599	—	453	725	766	(41)	-5%
Community and social services		—	605	—	21	24	101	(77)	-76%
Sport and recreation		—	—	—	—	—	—	—	—
Public safety		—	3,993	—	432	701	666	36	5%
Housing		—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		—	62,281	—	1,775	2,639	10,380	(7,741)	-75%
Planning and development		—	2,986	—	366	801	498	304	61%
Road transport		—	59,295	—	1,409	1,838	9,883	(8,044)	-81%
Environmental protection		—	—	—	—	—	—	—	—
<i>Trading services</i>		—	58,201	—	8,991	15,386	9,700	5,686	59%
Energy sources		—	49,298	—	7,905	13,947	8,216	5,730	70%
Water management		—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—
Waste management		—	8,903	—	1,086	1,439	1,484	(45)	-3%
<i>Other</i>	4	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	—	516,389	—	16,199	184,495	86,065	98,430	114%
Expenditure - Functional									
<i>Governance and administration</i>		—	217,120	—	16,770	26,740	35,774	(9,035)	-25%
Executive and council		—	68,123	—	4,757	6,858	11,354	(4,496)	-40%
Finance and administration		—	144,047	—	11,657	19,323	24,008	(4,685)	-20%
Internal audit		—	4,950	—	356	559	412	147	36%
<i>Community and public safety</i>		—	34,348	—	2,117	3,787	4,822	(1,035)	-21%
Community and social services		—	13,748	—	551	985	1,389	(403)	-29%
Sport and recreation		—	2,866	—	228	364	478	(114)	-24%
Public safety		—	16,544	—	1,258	2,288	2,757	(470)	-17%
Housing		—	1,190	—	79	150	198	(48)	-24%
Health		—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		—	95,895	—	5,873	10,353	15,982	(5,630)	-35%
Planning and development		—	27,599	—	1,665	3,045	4,600	(1,555)	-34%
Road transport		—	65,786	—	4,043	7,000	10,964	(3,964)	-36%
Environmental protection		—	2,510	—	165	307	418	(111)	-27%
<i>Trading services</i>		—	98,035	—	9,918	12,458	16,006	(3,548)	-22%
Energy sources		—	67,303	—	6,795	8,543	11,217	(2,674)	-24%
Water management		—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—
Waste management		—	28,732	—	3,123	3,915	4,789	(874)	-18%
<i>Other</i>		—	4,299	—	281	462	717	(255)	-36%
Total Expenditure - Functional	3	—	447,697	—	34,958	53,800	73,301	(19,501)	-27%
Surplus/ (Deficit) for the year		—	68,692	—	(18,759)	130,695	12,764	117,931	924%
									68,692

The table above shows the municipality's financial performance for the period ended 31 August 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) - M02 August

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	—	3,981	7,212	5,374	1,838	34%	32,243
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		—	5,661	—	357	710	944	(233)	-25%	5,661
Sale of Goods and Rendering of Services		—	201	—	4	52	34	19	56%	201
Agency services		—	1,266	—	198	277	211	66	31%	1,266
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		—	3,390	—	285	550	565	(15)	-3%	3,390
Interest from Current and Non Current Assets		—	15,890	—	3,071	5,345	2,648	—	—	15,890
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		—	5,282	—	383	761	880	(119)	-14%	5,282
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		—	471	—	17	54	79	(24)	-31%	471
Non-Exchange Revenue										
Property rates		—	21,250	—	603	15,842	3,542	12,301	347%	21,250
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	225	—	(1)	12	38	(26)	—	225
Licence and permits		—	2,537	—	232	419	423	(4)	—	2,537
Transfers and subsidies - Operational		—	349,897	—	1,210	143,806	58,316	85,489	—	349,897
Interest		—	1,780	—	519	885	297	588	—	1,780
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		—	440,094	—	10,858	175,925	73,349	102,576	140%	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 to an average of R603 a month 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 3.9 million for the month and a year to date actual of R7.2 million. This is above the projection by about 34% (about R1.8 million) which may add up to R10 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 R357 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 R3 million worth of interest on investments with a year to date actual that is above the projection by 102% which hope will be maintained 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 R805 thousand for the period ended 31 August 2023 which has gone above the amount projected for the period by 196%. 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 tempering. The municipality has not generated any revenue on these fines during the month of August 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 R383 thousand for the month which has pushed the actual performance to a level below the projection by 14% which is a result of a combination of revised contracts that have been concluded and those that have since expired and are on a month to month term.
- **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 R238 thousand worth of revenue for the period. The municipality has generated below the projected collection by 1% which we hope will be maintained throughout the year or even bettered.
- **Transfers and subsidies:** The municipality receives grants, both conditional and those without conditions. The report shows that an amount of over R1.2 million has been transferred to revenue for the period ended 31 August 2023 from the operating grants whose conditions have been met. This has recorded a year to date performance of R143 million the first two months 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 previous month.

d) **Debt Collection**

The table below shows a 70% overall collection rate for the month ended 31 August 2023. However, we note a 94% collection rate on leasehold fees, 70% on electricity, 71% on property rates and 69% on refuse removal for the period.

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

INCOME TYPE	JULY	AUGUST	1ST QUOTER	TOTAL
RATES				
billed	15,604,955	1,123,005	16,727,960	16,727,960
payment received	627,627	796,923	1,424,549	1,424,549
% of billing received	4%	71%	9%	9%
ELECTRICITY				
billed	3,155,904	3,176,575	6,332,479	6,332,479
payment received	2,272,302	2,217,570	4,489,872	4,489,872
% of billing received	72%	70%	71%	71%
LEASEHOLD FEES				
billed	376,354	376,354	752,709	752,709
payment received	317,570	352,727	670,297	670,297
% of billing received	84%	94%	89%	89%
VAT				
billed	582,493	585,865	1,168,358	1,168,358
payment received	434,172	409,864	844,035	844,035
% of billing received	134%	143%	138%	138%
INTEREST				
billed	284,802	285,266	570,068	570,068
payment received	127,852	100,457	228,309	228,309
% of billing received	45%	35%	40%	40%
REFUSE REMOVAL				
billed	351,026	352,839	703,865	703,865
payment received	295,868	243,433	539,301	539,301
% of billing received	84%	69%	77%	77%
TOTAL INCOME				
billed	20,355,535	5,899,905	26,255,440	26,255,440
payment received	4,075,390	4,120,974	8,196,365	8,196,365
% of billing received	20%	70%	31%	31%

e) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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										
Expenditure By Type										
Employee related costs		-	130,212	-	9,839	18,806	21,702	(2,896)	-13%	130,212
Remuneration of councillors		-	28,480	-	2,146	3,108	4,747	(1,638)	-35%	28,480
Bulk purchases - electricity		-	47,731	-	5,009	6,093	7,955	(1,862)	-23%	47,731
Inventory consumed		-	7,485	-	371	371	1,248	(876)	-70%	7,485
Debt impairment		-	10,109	-	-	-	1,685	(1,685)	-100%	10,109
Depreciation and amortisation		-	54,371	-	3,371	6,460	9,062	(2,602)	-29%	54,371
Interest		-	100	-	-	-	17	(17)	-100%	100
Contracted services		-	85,745	-	7,778	9,604	14,291	(4,687)	-33%	85,745
Transfers and subsidies		-	3,431	-	-	-	572	(572)	-100%	3,431
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		-	80,034	-	6,444	9,356	13,339	(3,983)	-30%	80,034
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	447,697	-	34,958	53,800	74,616	(20,817)	-28%	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 August 2023 reflects an amount of R9.8 million for employee costs and R2.1 million for the remuneration of councillors. The remuneration of councillors shows a 35% underspending compared to what is expected at the same period. Employee costs have continued to record a 13% 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 R5 million on electricity purchases for month ended 31 August 2023 with a year to date actual of R6 million which is below the projected expenditure by 23%. Eskom has since changed their billing date to coincide with the month end from their traditional billing date of the 10th of the following 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 August 2023 being R3.3 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 29%.

- **Contracted Services:** This relates to the municipality's general expenses that have been incurred during the month where only external service providers could be used to render the service or procure goods. This shows that the municipality incurred R7.7 million worth of expenditure during the month. This is as a result of slow activity during the first months of each financial year which is always experienced.
- **Other Expenditure (Operational Costs):** This also shows a saving of about 30% 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) - M02 August

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	-	14	51	74	(22)	-30.3%	441
Vote 3 - Budget and Treasury Office		-	362,652	-	4,363	149,851	60,442	89,409	147.9%	362,652
Vote 4 - Community Services		-	13,502	-	1,539	2,164	2,250	(86)	-3.8%	13,502
Vote 5 - Development Planning		-	28,330	-	613	15,880	4,722	11,158	236.3%	28,330
Vote 6 - Engineering Services		-	111,464	-	9,669	16,549	18,577	(2,028)	-10.9%	111,464
Total Revenue by Vote	2	-	516,389	-	16,199	184,495	86,065	98,430	114.4%	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 R9.6 million for the month with Budget and Treasury showing generation of over R4.3 million which may be attributable to interest received on investments and debtors as well as Community Services at over R1.5 million.

g) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description R thousands	Ref	2022/23 Audited Outcome	Budget Year 2023/24							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	88,654	-	7,035	10,612	14,363	(3,751)	-26.1%	88,654
Vote 2 - Corporate Services		-	64,946	-	5,112	9,104	10,824	(1,720)	-15.9%	64,946
Vote 3 - Budget and Treasury Office		-	45,747	-	2,283	4,162	7,625	(3,463)	-45.4%	45,747
Vote 4 - Community Services		-	83,784	-	7,768	10,899	13,061	(2,162)	-16.6%	83,784
Vote 5 - Development Planning		-	24,898	-	1,507	2,607	4,150	(1,542)	-37.2%	24,898
Vote 6 - Engineering Services		-	139,669	-	11,254	16,416	23,278	(6,862)	-29.5%	139,669
Total Expenditure by Vote	2	-	447,697	--	34,958	53,800	73,301	(19,504)	-26.6%	447,697
Surplus/ (Deficit) for the year	2	-	68,692	-	(18,759)	130,695	12,764	117,931	923.9%	68,692

The table above shows the expenditure by municipal vote. The total expenditure for the month of August 2023 amounted to above R34.9 million with a year to date of R53.8 million.

h) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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	—	3,981	7,212	5,374	1,838	34%	32,243	
Service charges - Water	—	—	—	—	—	—	—	—	—	
Service charges - Waste Water Management	—	—	—	—	—	—	—	—	—	
Service charges - Waste management	—	5,661	—	357	710	944	(233)	-25%	5,661	
Sale of Goods and Rendering of Services	—	201	—	4	52	34	19	56%	201	
Agency services	—	1,266	—	198	277	211	66	31%	1,266	
Interest	—	—	—	—	—	—	—	—	—	
Interest earned from Receivables	—	3,390	—	285	550	565	(15)	-3%	3,390	
Interest from Current and Non Current Assets	—	15,890	—	3,071	5,345	2,648	—	—	15,890	
Dividends	—	—	—	—	—	—	—	—	—	
Rent on Land	—	—	—	—	—	—	—	—	—	
Rental from Fixed Assets	—	5,282	—	383	761	880	(119)	-14%	5,282	
Licence and permits	—	—	—	—	—	—	—	—	—	
Operational Revenue	—	471	—	17	54	79	(24)	-31%	471	
Non-Exchange Revenue										
Property rates	—	21,250	—	603	15,842	3,542	12,301	347%	21,250	
Surcharges and Taxes	—	—	—	—	—	—	—	—	—	
Fines, penalties and forfeits	—	225	—	(1)	12	38	(26)	225		
Licence and permits	—	2,537	—	232	419	423	(4)	2,537		
Transfers and subsidies - Operational	—	349,897	—	1,210	143,806	58,316	85,489	349,897		
Interest	—	1,780	—	519	885	297	588	1,780		
Fuel Levy	—	—	—	—	—	—	—	—	—	
Operational Revenue	—	—	—	—	—	—	—	—	—	
Gains on disposal of Assets	—	—	—	—	—	—	—	—	—	
Other Gains	—	—	—	—	—	—	—	—	—	
Discontinued Operations	—	—	—	—	—	—	—	—	—	
Total Revenue (excluding capital transfers and contributions)		—	440,094	—	10,858	175,925	73,349	102,576	140%	440,094
Expenditure By Type										
Employee related costs	—	130,212	—	9,839	18,806	21,702	(2,896)	-13%	130,212	
Remuneration of councillors	—	28,480	—	2,146	3,108	4,747	(1,638)	-35%	28,480	
Bulk purchases - electricity	—	47,731	—	5,009	6,093	7,955	(1,862)	47,731		
Inventory consumed	—	7,485	—	371	371	1,248	(876)	7,485		
Debt impairment	—	10,109	—	—	—	1,685	(1,685)	-100%	10,109	
Depreciation and amortisation	—	54,371	—	3,371	6,460	9,062	(2,602)	-29%	54,371	
Interest	—	100	—	—	—	17	(17)	-100%	100	
Contracted services	—	85,745	—	7,778	9,604	14,291	(4,687)	-33%	85,745	
Transfers and subsidies	—	3,431	—	—	—	572	(572)	-100%	3,431	
Irrecoverable debts written off	—	—	—	—	—	—	—	—	—	
Operational costs	—	80,034	—	6,444	9,356	13,339	(3,983)	-30%	80,034	
Losses on Disposal of Assets	—	—	—	—	—	—	—	—	—	
Other Losses	—	—	—	—	—	—	—	—	—	
Total Expenditure		—	447,697	—	34,958	53,800	74,616	(20,817)	-28%	447,697
Surplus/(Deficit)		—	(7,603)	—	(24,100)	122,126	(1,267)	123,393	(0)	(7,603)
Transfers and subsidies - capital (monetary allocations)	—	76,295	—	5,340	8,570	12,716	(4,146)	(0)	76,295	
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	
Surplus/(Deficit) after capital transfers & contributions		—	68,692	—	(18,759)	130,695	11,449	—	—	68,692
Income Tax	—	—	—	—	—	—	—	—	—	
Surplus/(Deficit) after income tax		—	68,692	—	(18,759)	130,695	11,449	—	—	68,692
Share of Surplus/Deficit attributable to Joint Venture	—	—	—	—	—	—	—	—	—	
Share of Surplus/Deficit attributable to Minorities	—	—	—	—	—	—	—	—	—	
Surplus/(Deficit) attributable to municipality		—	68,692	—	(18,759)	130,695	11,449	—	—	68,692
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	
Intercompany/Parent subsidiary transactions	—	—	—	—	—	—	—	—	—	
Surplus/ (Deficit) for the year		—	68,692	—	(18,759)	130,695	11,449	—	—	68,692

The municipality has so far recorded a surplus of over R130 million for the period ended 31 August 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 - M02 August

Description	Ref	2022/23		Budget Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure		–	82,532	–	3,128	5,991	13,755	7,765	56.4%
Roads Infrastructure		–	51,478	–	60	60	8,580	8,520	99.3%
Roads		–	42,181	–	60	60	7,030	6,971	99.2%
Road Structures		–	9,297	–	–	–	1,550	1,550	100.0%
Electrical Infrastructure		–	14,783	–	3,069	5,931	2,464	(3,467)	-140.7%
MV Networks		–	14,783	–	3,069	5,931	2,464	(3,467)	-140.7%
Solid Waste Infrastructure		–	16,271	–	–	–	2,712	2,712	100.0%
Landfill Sites		–	16,271	–	–	–	2,712	2,712	100.0%
Community Assets		–	3,754	–	548	878	626	(252)	-40.3%
Community Facilities		–	3,117	–	548	878	519	(359)	-69.0%
Halls		–	770	–	548	548	128	(419)	-326.6%
Centres		–	–	–	–	–	–	–	–
Crèches		–	607	–	–	330	101	(229)	-226.3%
Markets		–	1,739	–	–	–	290	290	100.0%
Sport and Recreation Facilities		–	637	–	–	–	106	106	100.0%
Indoor Facilities		–	–	–	–	–	–	–	–
Outdoor Facilities		–	637	–	–	–	106	106	100.0%
Capital Spares		–	–	–	–	–	–	–	–
Heritage assets		–	1,304	–	–	–	217	217	100.0%
Works of Art		–	1,304	–	–	–	217	217	100.0%
Computer Equipment		–	2,000	–	–	–	333	333	100.0%
Computer Equipment		–	2,000	–	–	–	333	333	100.0%
Furniture and Office Equipment		–	3,870	–	–	–	645	645	100.0%
Furniture and Office Equipment		–	3,870	–	–	–	645	645	100.0%
Machinery and Equipment		–	137	–	–	–	23	23	100.0%
Machinery and Equipment		–	137	–	–	–	23	23	100.0%
Transport Assets		–	6,678	–	–	–	1,113	1,113	100.0%
Transport Assets		–	6,678	–	–	–	1,113	1,113	100.0%
Total Capital Expenditure on new assets	1	–	100,275	–	3,676	6,869	16,712	9,844	58.9%

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M02 August

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 renewal of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		–	4,122	–	1,540	1,917	687	(1,230)	-179.0%	4,122
Roads Infrastructure		–	4,122	–	1,540	1,917	687	(1,230)	-179.0%	4,122
Roads		–	4,122	–	1,540	1,917	687	(1,230)	-179.0%	4,122
<u>Other assets</u>		–	191	–	–	–	32	32	100.0%	191
Operational Buildings		–	191	–	–	–	32	32	100.0%	191
Municipal Offices			191		–	–	32	32	100.0%	191
Total Capital Expenditure on renewal of existing assets	1	–	4,313	–	1,540	1,917	719	(1,198)	-166.7%	4,313

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M02 August

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 upgrading of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		–	6,830	–	–	–	1,138	1,138	100.0%	6,830
Roads Infrastructure		–	6,830	–	–	–	1,138	1,138	100.0%	6,830
Roads		–	6,830	–	–	–	1,138	1,138	100.0%	6,830
<u>Community Assets</u>		–	11,864	–	331	331	1,977	1,646	83.2%	11,864
Community Facilities		–	8,744	–	331	331	1,457	1,126	77.3%	8,744
Halls		–	8,744	–	331	331	1,457	1,126	77.3%	8,744
Sport and Recreation Facilities		–	3,120	–	–	–	520	520	100.0%	3,120
Outdoor Facilities			3,120		–	–	520	520	100.0%	3,120
Total Capital Expenditure on upgrading of existing assets	1	–	18,695	–	331	331	3,116	2,784	89.4%	18,695

The above tables indicate that the municipality spent R5.5 million for the month from its capital budget for the period ended 31 August 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) - M02 August

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	–	331	331	1,688	(1,356)	-80%	10,125
Total Capital Multi-year expenditure	4,7	–	10,125	–	331	331	1,688	(1,356)	-80%	10,125
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Executive and Council		–	1,304	–	–	–	217	(217)	-100%	1,304
Vote 2 - Corporate Services		–	9,457	–	–	–	1,576	(1,576)	-100%	9,457
Vote 4 - Community Services		–	21,308	–	–	–	3,551	(3,551)	-100%	21,308
Vote 5 - Development Planning		–	2,376	–	–	–	396	(396)	-100%	2,376
Vote 6 - Engineering Services		–	78,712	–	5,216	8,786	13,119	(4,333)	-33%	78,712
Total Capital single-year expenditure	4	–	113,157	–	5,216	8,786	18,860	(10,074)	-53%	113,157
Total Capital Expenditure		–	123,282	–	5,548	9,117	20,547	(11,430)	-56%	123,282
<u>Capital Expenditure - Functional Classification</u>										
<u>Governance and administration</u>		–	11,109	–	–	–	1,851	(1,851)	-100%	11,109
Executive and council		–	1,304	–	–	–	217	(217)	-100%	1,304
Finance and administration		–	9,804	–	–	–	1,634	(1,634)	-100%	9,804
<u>Community and public safety</u>		–	907	–	–	–	151	(151)	-100%	907
Community and social services		–	770	–	–	–	128	(128)	-100%	770
Sport and recreation		–	137	–	–	–	23	(23)	-100%	137
<u>Economic and environmental services</u>		–	75,731	–	2,479	3,186	12,622	(9,436)	-75%	75,731
Planning and development		–	13,300	–	879	1,210	2,217	(1,007)	-45%	13,300
Road transport		–	62,430	–	1,600	1,977	10,405	(8,428)	-81%	62,430
<u>Trading services</u>		–	35,536	–	3,069	5,931	5,923	8	0%	35,536
Energy sources		–	15,483	–	3,069	5,931	2,580	3,351	130%	15,483
Waste management		–	20,054	–	–	–	3,342	(3,342)	-100%	20,054
<u>Other</u>		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	–	123,282	–	5,548	9,117	20,547	(11,430)	-56%	123,282
<u>Funded by:</u>										
National Government		–	66,343	–	4,326	7,565	11,057	(3,492)	-32%	66,343
Transfers recognised - capital		–	66,343	–	4,326	7,565	11,057	(3,492)	-32%	66,343
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		–	56,939	–	1,222	1,552	9,490	(7,937)	-84%	56,939
Total Capital Funding		–	123,282	–	5,548	9,117	20,547	(11,430)	-56%	123,282

The above table indicate that the municipality spent R5.5 million from its capital budget for the period ended 31 August 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 - M02 August

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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	22,656	–	734	903	3,776	2,873	76.1%	22,656
Roads Infrastructure		–	18,716	–	334	334	3,119	2,785	89.3%	18,716
Roads		–	666	–	–	–	111	111	100.0%	666
Road Structures		–	17,583	–	222	222	2,931	2,709	92.4%	17,583
Road Furniture		–	466	–	112	112	78	(35)	-44.5%	466
Electrical Infrastructure		–	3,941	–	400	569	657	88	13.3%	3,941
MV Networks		–	3,941	–	400	569	657	88	13.3%	3,941
Community Assets		–	864	–	31	164	144	(20)	-13.9%	864
Community Facilities		–	864	–	31	164	144	(20)	-13.9%	864
Halls		–	262	–	31	164	44	(121)	-276.2%	262
Libraries		–	350	–	–	–	58	58	100.0%	350
Cemeteries/Crematoria		–	105	–	–	–	17	17	100.0%	105
Police		–	–	–	–	–	–	–	–	–
Parks		–	148	–	–	–	25	25	100.0%	148
Other assets		–	3,279	–	50	50	546	497	90.9%	3,279
Operational Buildings		–	3,279	–	50	50	546	497	90.9%	3,279
Municipal Offices		–	3,123	–	50	50	520	471	90.4%	3,123
Yards		–	156	–	–	–	26	26	100.0%	156
Computer Equipment		–	30	–	–	–	5	5	100.0%	30
Computer Equipment		–	30	–	–	–	5	5	100.0%	30
Furniture and Office Equipment		–	199	–	16	16	33	17	50.3%	199
Furniture and Office Equipment		–	199	–	16	16	33	17	50.3%	199
Machinery and Equipment		–	693	–	–	–	115	115	100.0%	693
Machinery and Equipment		–	693	–	–	–	115	115	100.0%	693
Transport Assets		–	4,546	–	941	981	758	(223)	-29.4%	4,546
Transport Assets		–	4,546	–	941	981	758	(223)	-29.4%	4,546
Total Repairs and Maintenance Expenditure	1	–	32,267	–	1,772	2,114	5,378	3,264	60.7%	32,267

The table shows that the municipality spent R1.7 million on the maintenance of its assets and infrastructure during the month of August 2023 with a year to date actual below the projected spending by over 60.7% for the same period.

d) Depreciation by asset class

EC443 Winnie Madikizela Mandela - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M02 August

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>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		—	34,353	—	2,487	4,974	5,726	751	13.1%	34,353
Roads Infrastructure		—	32,894	—	2,373	4,745	5,482	737	13.4%	32,894
Roads		—	14,241	—	967	1,933	2,373	440	18.6%	14,241
Road Structures		—	18,165	—	1,369	2,739	3,028	289	9.5%	18,165
Road Furniture		—	488	—	37	73	81	8	9.9%	488
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	588	—	46	92	98	6	5.9%	588
Drainage Collection		—	221	—	17	35	37	2	5.9%	221
Storm water Conveyance		—	366	—	29	57	61	4	5.9%	366
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	691	—	54	108	115	7	5.9%	691
MV Substations		—	55	—	4	9	9	1	5.9%	55
MV Switching Stations		—	—	—	—	—	—	—	—	—
MV Networks		—	467	—	37	73	78	5	5.9%	467
LV Networks		—	168	—	13	26	28	2	5.9%	168
Solid Waste Infrastructure		—	181	—	14	28	30	2	5.9%	181
Landfill Sites		—	181	—	14	28	30	2	5.9%	181
<u>Community Assets</u>		—	9,089	—	208	415	1,515	1,100	72.6%	9,089
Community Facilities		—	6,344	—	142	285	1,057	773	73.1%	6,344
Halls		—	4,764	—	100	201	794	593	74.7%	4,764
Crèches		—	320	—	25	50	53	3	5.9%	320
Cemeteries/Crematoria		—	14	—	1	2	2	0	5.9%	14
Purls		—	1,068	—	9	17	178	161	90.4%	1,068
Public Ablution Facilities		—	114	—	2	5	19	14	76.0%	114
Stalls		—	64	—	5	10	11	1	8.6%	64
Sport and Recreation Facilities		—	2,745	—	65	131	458	327	71.4%	2,745
Outdoor Facilities		—	2,745	—	65	131	458	327	71.4%	2,745
730		—	—	—	57	114	122	7	5.9%	730
<u>Other assets</u>		—	716	—	56	112	119	7	5.9%	716
Operational Buildings		—	386	—	30	61	64	4	5.9%	386
Municipal Offices		—	4	—	0	1	1	0	5.8%	4
Pay/Enquiry Points		—	83	—	7	13	14	1	5.9%	83
Yards		—	125	—	10	20	21	1	5.9%	125
Stores		—	119	—	9	19	20	1	5.9%	119
Training Centres		—	14	—	1	2	2	0	5.9%	14
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	14	—	1	2	2	0	5.9%	14
<u>Intangible Assets</u>		—	—	—	20	20	—	(20)	#DIV/0!	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	20	20	—	(20)	#DIV/0!	—
Computer Software and Applications		—	—	—	20	20	—	(20)	#DIV/0!	—
<u>Computer Equipment</u>		—	2,809	—	211	334	468	134	28.6%	2,809
Computer Equipment		—	2,809	—	211	334	468	134	28.6%	2,809
<u>Furniture and Office Equipment</u>		—	1,342	—	100	164	224	59	26.4%	1,342
Furniture and Office Equipment		—	1,342	—	100	164	224	59	26.4%	1,342
<u>Machinery and Equipment</u>		—	4,550	—	103	200	758	558	73.6%	4,550
Machinery and Equipment		—	4,550	—	103	200	758	558	73.6%	4,550
<u>Transport Assets</u>		—	1,499	—	185	237	250	13	5.3%	1,499
Transport Assets		—	1,499	—	185	237	250	13	5.3%	1,499
Total Depreciation	1	—	54,371	—	3,371	6,460	9,062	2,602	28.7%	54,371

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 during and Post COVID-19

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

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

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

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

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

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

c. 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
Government Printing Works	Core Function:Economic Development/Plann	8/29/2023	1,008.78	Request To Gazette Municipal Tribunal Notice	Advertising Fees 1505
Philakona Council	Core Function:Mayor And Council	8/21/2023	1,870.00	Request Lunch For Mpact Meeting For 22 People With 340 Ml Soft Drinks A 340 Ml Juices	Catering Councillors Meetings
Pondoland Times	Core Function:Municipal Manager Town Se	9/1/2023	1,900.00	Request To Advertise Public Notice For Idp,Pms & Budget Process Plan 2025 Idp & Budget Review On 2 Local News Papers	Advertising Fees Idp 515260540
Pondoland Times	Core Function:Human Resources	8/17/2023	1,900.00	Request For One Post Namely Admin Clerk Under Municipal Manager	Advertising Fees Human Resources 1010260540
Group Two Media Company	Core Function:Municipal Manager Town Se	8/25/2023	1,998.70	Request For Advert For Ordinary Council Meeting In 2 Local Newspapers On The 30th August 2023	Advertising Mn
Pondoland Times	Core Function:Municipal Manager Town Se	8/28/2023	2,000.00	Request Advert For Ordinary Council Meeting In 2 Local Newspapers To B The 30/08/2023	Advertising M/m
Pondoland Times	Core Function:Economic Development/Plann	8/28/2023	2,000.00	Request For An Advert For Appointment Of Service Provider For Developm Municipal Land Audit.	Advertising Fees 1505
Pondoland Times	Core Function:Finance	8/28/2023	2,000.00	Request For Advertising Of Provision Of Banking Services For 60 Months	Advertising Finance

14,677.48

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
Fakade Construction (Pty) Ltd	Core Function:Mayor And Council	8/16/2023	2,442.00	Request Catering For Meeting To Be Held At Council Chamber On The 16/0	Whippery Support Catering Costs 505260175
Southern Business School	Core Function:Human Resources	9/1/2023	3,330.00	Payment For Study Assistance For Ziyanda Bewu	Study Assistance Hr 10/10260395
Kwik-Fit Bizana	Core Function:Fleet Management	8/15/2023	3,553.50	Request For One Battery For Toyota Bakkie With Registration Number Ec Size 669(12v Class A) And Also Need Wheel Alignment	Vehicle Maintenance Outsourced 1010235115
Sandulube Trading And Projects Development	Non-Core Function:Population Development	8/15/2023	4,250.00	Request For Catering For 50 People For Disaster Advisory Forum On The 2023 @ Ward 1(Council Chamber)	Social Services Awareness Catering 2505
Meylife Construction And Project Council	Core Function:Mayor And Council	8/15/2023	4,375.00	Request Catering For 35 Women Traditional Leaders For 15 Agust 2023 At Cham:Bers	Support To Traditional Leaders Catering
African Compass Trading 37cc	Core Function:Mayor And Council	8/24/2023	4,500.00	Request For Water 500ml	Catering Councillors Meetings
Kwik-Fit Bizana	Core Function:Roads	8/15/2023	6,440.00	Request For Replacement Of One (1) New Tyre Of Low-Bad; Since The Old Burst. Registration Number Fv5 109 Ec; Tyre Size 315/80 R22.5	Vehicle Maintenance Outsourced 1010235115
Fakade Construction (Pty) Ltd	Core Function:Mayor And Council	8/29/2023	6,565.00	Request Lunch With Soft Drinks For Constituency Work Programme To Be H On The 29 August 2023 At Council Chamber At 10h00	Whippery Support Catering Costs 505260175
Lusikisiki Spares Cc	Core Function:Police Forces Traffic And	8/31/2023	6,994.32	Replacement Of Battery For Traffic Patrol Vehicles Ids 857 Ec (12v85ah)150rc470ccal(Sae)Class A)	Police- Vehicle Maintenance
Bell Equipment Co S A (Pty)ltd	Core Function:Roads	8/8/2023	8,667.87	Request For Replacement Of Two New Batteries For Bell Roller Registration No:Jcf371ec. Weight Ea And Description Og Battery -Taper	Roads Vehicle Maintenance
Laz Investments	Non-Core Function:Libraries And Archives	8/15/2023	8,832.00	Supply And Delivery Of Periodicals For The Month Of July	Newspaper Library 2505
Kwik-Fit Bizana	Core Function:Fleet Management	8/15/2023	10,338.50	Request For Two Tyres (All Terrain Tyres) For Fortuner With Registrat Kcb 798 Ec Size 265/60r18	Roads Vehicle Maintenance
Kwik-Fit Bizana	Core Function:Fleet Management	8/23/2023	10,374.87	Request For All Terrain Tyres For Toyota Quantum With Registration Nu Hmg225 Ec Size 195r15	Vehicle Maintenance Outsourced 1010235115
Gs7 Trading	Core Function:Mayor And Council	8/23/2023	13,200.00	Request Lunch With Soft Drinks For Thp Awareness Event To Be Held On T 29 August 2023 At Kwaiaili (Ward 6)	Hivails Support Group Catering
Gumla Construction Pty Ltd	Core Function:Mayor And Council	8/8/2023	15,000.00	Request Lunch With Soft Drinks For Afm Hall(Ward 16)	Hivails Support Group Catering
Homba And Homba Trading Enterp Council	Core Function:Mayor And Council	8/31/2023	15,950.00	Request Lunch With Soft Drinks For Ordinary Council Meeting To Be Held 30 August 2023 At Council Chamber At 10	Catering Councillors Meetings
Jnw Trading Enterprise Pty Ltd	Core Function:Community Parks (Including	8/29/2023	16,476.00	Payment For Maintenance Of Power Garden Tools	Rnm Power Tools
Kwik-Fit Bizana	Core Function:Electricity	8/15/2023	18,860.00	Request For Replacement Of All Four (4) Tyres For Electricity Bakkie Reg No. Hwl 365 Ec; Tyre Sizes 265/65r17.	Vehicle Maintenance Outsourced 1010235115

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Mavuma Agricultural Primary	Core Function:Mayor And Council	8/17/2023	19,000.00	Catering For 150 People In Ward 02 For Community Education Meeting On 17.08.23	Community Education Catering 505260695
Bell Equipment Co S A (Pty) Ltd	Core Function:Roads	8/8/2023	19,329.38	Request For Replacement Of Two New Batteries For Cat Grader ; Since T Expired .Registration No: Fsc-245 Ec. The Battery Sizes 3t-5t/60 750a(En) 12v95ah X2	Roads Vehicle Maintenance
Aaxxa Projects Pty Ltd	Core Function:Mayor And Council	8/28/2023	19,500.00	Request For Lunch For Women's Month Celebration On The 30 August 2023	Catering Special Programms Gender 505260191
Nomination Trading Enterprise	Core Function:Solid Waste Removal	9/1/2023	20,000.00	Request For Hiring Of Truck For 5 Days For Waste Collection	Transport Hire
Zisimpilo Trading Enterpris Pt	Core Function:Mayor And Council	8/14/2023	20,300.00	Request Catering For 200 People On The 20 September 2023	Community Education Catering 505260695
Cokotho Trading Enterprise	Core Function:Mayor And Council	8/23/2023	21,900.00	Request Catering For 200 People In Ngqindili Community Hall	Community Education Hiring Costs 505260695
Cjee Holdings	Core Function:Roads	8/21/2023	22,830.00	Request Of The Service Provider For Te Demolishin And Reconstruction Wall For Vmb-Council Support .Remove And Replace Existing Hollow Door Vmb-Toilet.	Rm Buildings Maintenance Roads 5505
Driving License Card Account	Non-Core Function:Road And Traffic Regul	8/23/2023	24,411.00	Payment For Driving Licence Card. July 2023	Stationery Vehicle Testing And Licensing
Esri South Africa	Core Function:Town Planning Building Re	8/29/2023	24,562.23	Payment For Annual Licence Renewal	Licence Fees
The Middle Man Enterprise 485	Core Function:Marketing Customer Relati	8/17/2023	25,000.00	Request To Purchase 5 Municipal Flags And 5 National Flags	Branding Marketing Customer Relations
University Of KwaZulu-Natal	Core Function:Administrative And Corpora	8/15/2023	25,000.00	Payment For Study Fees For Sonwabo Songca	Study Assistance Hr 1010260395
Jnw Trading Enterprise Pty Ltd	Core Function:Solid Waste Removal	8/24/2023	25,800.00	Request For Supply And Delivery Of 400 Plastic Rakes	Finished Goods:Acquisitions
African Compass Trading 37cc	Core Function:Mayor And Council	8/14/2023	28,000.00	Request For Fruit Packs With Water	Catering Councillors Meetings
Billy And Chris Pty Ltd	Core Function:Mayor And Council	8/14/2023	29,000.00	Request 2 Taxis To Transport Councillors To Attend Capacity Building W At Queenstown On The 23 July 2023	Whippery Support Transport Hire
Ndikude Zn Trading Pty Ltd	Core Function:Security Services	8/14/2023	29,600.00	Request For Supply And Delivery Of Cleaning Rods With Blush(Rods)	Security Equipment 2505

514,381.67

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 Name	Order Date	Value	Specifications	Segment
Firstrand	Finance:Default	8/14/2023	32,912.50	Fuel Payment	Finished Goods:Acquisitions
Sthle Nteyi Projects	Core Function:Mayor And Council	8/15/2023	84,550.00	Logistics For The Commemoration Of Mphuthumi Matumbatha Legacy	Hire Costs Legacy 505260188
Jangoware	Core Function:Economic Development/Plan	8/8/2023	103,500.00	Payment For The Development Of Bankable Business Plan	Economic Development
Eveitho Trading 820(Pty)ltd	Core Function:Police Forces Traffic And	8/15/2023	112,200.00	Payment For Cbd Road Markings	Business Plans
					Road Markings
					<u>333,162.50</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 August 2023

No	SUCCESSFUL TENDERER	AMOUNT	PAYMENTS	BALANCE	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
1	STHE NTEYI PROJECTS	R 84,550.00	R 84,550.00	R -	WMMMLM 24/07/23/01	MPHUTHUMI MAFUMBATHA LEGACY COMMEMORATION	Saturday, August 5, 2023	MUNICIPAL MANAGERS OFFICE
2	KERVEL GROUP	R 82,530.00	R -	R 82,530.00	WMMMLM 26/07/23 JAC	INDIGENT AWARENESS CAMPAIGN	Monday, August 14, 2023	COMMUNITY SERVICES
3	NCIAJANA TRADING AND ENTERPRISE	R 79,000.00	R -	R 79,000.00	WMM LM 26/07/23 P&B:23/24 IDP D DOCUMENT	PRINTING AND BINDING OF 2023/2024 IDP DOCUMENT	Monday, August 14, 2023	MUNICIPAL MANAGERS OFFICE
4	FAITH LWA 01 PTY LTD	R 79,500.00	R -	R 79,500.00	WMM LM 26/07/23 P&E:21/22 AR	PRINTING AND BINDIN OF 2021/2022 ANNUAL REPORT	Tuesday, August 15, 2023	MUNICIPAL MANAGERS OFFICE
5	THE DREAM GIRLS	R 69,500.00	R -	R 69,500.00	WMM LM 07/08/23 DAC 23	DISASTER AWARENESS CAMPAIGN	Wednesday, August 23, 2023	COMMUNITY SERVICES
6	AMADONI PROJECT MANAGERS	R 34,960.00	R -	R 34,900.00	WMM LM 07/08/23 WMAC	WASTE MANAGEMENT CAMPAIGN	Wednesday, August 23, 2023	COMMUNITY SERVICES
7	PHA PHAZINDELA	R 28,000.00	R -	R 28,000.00	WMM LM 07/08/23 P&F PL	PHOTOSHOOT AND FRAMED PHOTOGRAPHY OF LEADERSHIP	Tuesday, August 29, 2023	MUNICIPAL MANAGERS OFFICE
8	EZAMA/OVO TRADING	R 149,300.00	R -	R 149,300.00	WMM LM 08/08/23 RMP&RS	ROAD MARKING PAINT AND ROAD SIGNS	Tuesday, August 29, 2023	COMMUNITY SERVICES
Total		R 607,280.00	R 84,550.00	R 522,730.00				

b) Tenders awarded during the month of August 2023

Competitive Bidding

NO	SUCCESSFUL TENDERER	AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
				AUG-23 SUPPLY AND DELIVERY OF CLEANING RESOURCES FOR 3 YEARS		
1	The Mane's	Rates	WMM-LM 04/08/22/01 SDC		Tuesday, August 8, 2023	Community Services
Total		R	-			

c) Status of current tenders

Name Of The Project	Bid Number	Chairperson	Closing Date	Validity	Validity Period	Status	Department
Multi Discipline Panel of Consultants	WMM-LM 31/05/22/06 MDP	Mr. V. Nontanda	Monday, July 31, 2023	90	Sunday, October 29, 2023	To be evaluated	Engineering Services
Multi-Utility Online Pre-paid Electricity Vending Management System Revalidation of Township Establishment	WNMLM 00088 PwMS 24/08/22/RTE	Ms. Z. Ntzelu Appointed	Saturday, May 13, 2023 Thursday, September 14, 2023	90	Friday, August 11, 2023 Wednesday, December 13, 2023	To be adjudicated On Advert	Engineering Services Development Planning
Service provider for Extension of waste management services Design, Manufacturing and Erection of The Life-Size Bronze Statue of Winnie Madikizela - Mandela In Bizana	WNMLM 00089/1 WNMLM 00087 S WNMLM B	Not Yet Appointed	Monday, September 4, 2023	90	Sunday, December 3, 2023	To be appointed	Community Services
Contract for Service and Maintenance of a Back-up Generator	WNMLM 00081 R LV	Ms. N. Jokweni Appointed	Wednesday, June 7, 2023	90	Tuesday, September 5, 2023	To be adjudicated	Municipal Manager
General Valuation Roll	WNMLM 00013 GVR	Ms. N. Jokweni MHR	Wednesday, June 7, 2023	90	Tuesday, September 5, 2023	To be re-adjudicated	Engineering Services
Service Provider to Conduct Mbizana Heritage Research	WNMLM 00090 MS WNMLM	Ms. N. Mhlembana Appointed	Monday, September 4, 2023	90	Sunday, December 3, 2023	To be re-advertised	Development Planning
Maintenance of Solar for 36 Months in WMM-LM Wards	WNMLM 03/11/22/02	Ms. N. Xoko Not Yet Appointed	Friday, June 23, 2023 Wednesday, October 25, 2023	90	Thursday, September 21, 2023	To be re-advertised	Municipal Manager
Review of ICT Disaster Recovery	WNMLM 00012 BS	Ms. N. Jokweni MMT&hs	Tuesday, August 22, 2023	90	Tuesday, January 23, 2024	To be re-advertised	B.T.O
Banking Services for Five Years	WNMLM 000102	Mr. V. Nontanda W18	Monday, November 20, 2023	90	Monday, November 20, 2023	To be re-adjudicated	Community Services
Maintenance of 2 VIP Toilets and Honey Sucking at Mbizana Construction of Mgutsana Access Road in ward 18	WNMLM 000103 M W08	Mr. V. Nontanda Friday, August 11, 2023	Monday, August 14, 2023 Tuesday, November 9, 2023	90	Sunday, November 12, 2023	To be adjudicated	Engineering Services
Bhukuveni to Nshikishane Access Road	WNMLM 000104 CS	Ms. N. Jokweni Appointed	Thursday, November 9, 2023	90	Thursday, November 9, 2023	To be adjudicated	Engineering Services
Socio-Economic Infrastructure Assessment Study	WNMLM 004/SEIAS	Friday, August 11, 2023	90	Thursday, November 9, 2023	To be adjudicated	Municipal Manager	

Disposal of 4 Municipal properties	N/A	Mr. V. Nentanda	Friday, May 5, 2023	90 Thursday, August 3, 2023	To be adjudicated	To be Development Planning
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d) Deviations

No deviations were approved during the month.

e) Irregular, Fruitless and Wasteful Expenditure

The table below shows details of the transactions identified during the review of the quarter 4 appointments and contracts by the municipality's Internal Audit Unit, these transactions will require the standing committee to recommend to the executive committee to report these to council for further investigation and gathering of facts as well as recommendation of appropriate action to the council:

Irregular, Unauthorised, Fruitless and Wasteful Expenditure - 2022-23							Status						
Transaction details						Type of Prohibited Expenditure	UI	DP	CC	TR	P	WO	General comments
Date of Payment	Payment Number	Creditors Name	Amount	Description of Incident									
01 June 2023	EF008112-0007	Masiyane and Son	R 453,510	Bidder not disqualified for reasons other bidders were disqualified for and other bidders disqualified for reasons that no longer apply after the SCM regulations were revised	Irregular Expenditure	✓	□	□	□	□	□	This was an inconsistency in the application of elimination reasons used by the municipality	
07 June 2023	EF008166-00005	Ingalii Agricultural Solutions	R 165,750	The bidder submitted a expires Tax PIN while the requirements required a valid Tax PIN	Irregular Expenditure	✓	□	□	□	□	□	This was an inconsistency in the application of elimination reasons used by the municipality	
30 June 2023	EF008154-0003	Laz Investments	R 28,116	The bidder's quotation had calculation errors which were not picked up while other bidders were eliminated for the same reasons	Irregular Expenditure	✓	□	□	□	□	□	This was an inconsistency in the application of elimination reasons used by the municipality	

Winnie Madikizela-Mandela Local Municipality										
Irregular, Unauthorised, Fruitless and Wasteful Expenditure - 2022-23										
Date of Payment	Payment Number	Creditor Name	Amount	Description of Incident	Type of Prohibited Expenditure	Status				
						UJ	DP	CC	TR	P
29 September 2022	EF008150-00003	Masimyane and Son	R 1,194,685	Bidder not disqualified for reasons other bidders were disqualified for and other bidders disqualified for reasons that no longer apply after the SCM regulations were revised	Irregular Expenditure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31 July 2023	heal170	Iheans Travelling Agencies	R 20,400	Damages on a hired vehicle	Fruitless Expenditure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1,862,460.99		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A summary of the incident and the reasons for this to be considered irregular is given on the comments section of the table above. Details were also presented by the Internal Audit to the municipality's audit committee which reports will also form part of the investigations to follow.

11. Database utilisation

The following table indicates the service providers that have been utilised for the month of August 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	Status	Specifications	Ward no.
MUNSOFT (PTY) LTD	P O BOX 2488 HONEYDEW	Information Technology	3407	8/31/2023	822.83	RECEIVED	PAYMENT FOR SMD AND EMAIL SERVICE FEES, JULY 2023	Pretoria

Creditor Name	Creditor Address	Function Name	Order No.	Order Date	Value	Status	Specifications	Ward no.
GOVERNMENT PRINTING WORKS	149 BOSMAN STREET PRETORIA P.O BOX 220 BIZANA WARD 01 4800	Economic Development	3405 0	8/29/2023	1,008,78	OPEN	REQUEST TO GAZETTE MUNICIPAL TRIBUNAL NOTICE LUNCH FOR MPAC MEETING FOR 22 PEOPLE WITH 340 ML SOFT DRINKS A 340 ML JUICES	Pretoria
PHILAKONA	P.O BOX 127 BIZANA WARD 17 4800	Mayor and Council	3401 4	8/21/2023	1,870.00	RECEIVED	PUBLIC NOTICE FOR IDP/PMS & BUDGET PROCESS PLAN 2025 IDP & BUDGET REVIEW	Ward 01
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Municipal Manager	3407 9	9/1/2023	1,500.00	OPEN	FOR ONE POST NAMELY ADMIN CLERK UNDER MUNICIPAL MANAGER	Ward 17
PONDOLAND TIMES	SHOP NO 16 TIAGOS KOKSTAD 4700	Human Resources	3401 0	8/17/2023	1,900.00	RECEIVED	R ADVERT FOR ORDINARY COUNCIL MEETING IN 2 LOCAL NEWSPAPERS ON THE 30TH AUGUST 2023 ADVERT FOR ORDINARY COUNCIL MEETING IN 2 LOCAL NEWSPAPERS TO B THE 30/08/2023	Koekstad
GROUP TWO MEDIA COMPANY	P.O BOX 127 BIZANA WARD 17 4800	Municipal Manager	3403 2	8/25/2023	1,998.70	RECEIVED	LOCAL NEWSPAPERS TO B THE 30/08/2023 ADVERT FOR APPOINTMENT OF SERVICE PROVIDER FOR DEVELOPM MUNICIPAL LAND AUDIT.	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Municipal Manager	3403 6	8/28/2023	2,000.00	RECEIVED	Request for advertising of Provision of Banking Services for 60 Months	Ward 17
FAKADE CONSTRUCTION (PTY) LTD	P.O.BOX 307 BIZANA WARD 1 4800	Mayor and Council	3400 4	8/16/2023	2,442.00	RECEIVED	CATERING FOR MEETING TO BE HELD AT COUNCIL CHAMBER ON THE 16/08/2023	Ward 01
SOUTHERN BUSINESS SCHOOL	P/BAG X03 HELDERKRUIJN	Human Resources	3407 2	9/1/2023	3,330.00	RECEIVED	PAYMENT FOR STUDY ASSISTANCE FOR ZIYANDA BEVNU	Pretoria
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Fleet Management	3398 7	8/15/2023	3,553.50	RECEIVED	REQUEST FOR ONE BATTERY FOR TOYOTA BAKIE WITH REGISTRATION NUMBER EC SITE 669/12V CLASS A) AND ALSO NEED WHEEL ALIGNMENT	Ward 01
SANDULUBE TRADING AND PROJECTS	P O BOX 223 BIZANA BIZANA 4800	Population Development	3399 6	8/15/2023	4,250.00	RECEIVED	REQUEST FOR CATERING FOR 50 PEOPLE FOR DISASTER ADVISORY FORUM ON THE 2023 @ WARD 11(COUNCIL CHAMBER)	Ward 13
MEYFIE CONSTRUCTION AND PROJECT	P O BOX 210168 WARD 9 BIZANA 4800	Mayor and Council	3399 7	8/15/2023	4,375.00	RECEIVED	REQUEST CATERING FOR 35 WOMEN TRADITIONAL LEADERS FOR 15 AUGUST 2023 AT CHAMBERS	Ward 09
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Mayor and Council	3403 1	8/24/2023	4,500.00	RECEIVED	REQUEST FOR WATER 500ML	Ward 31
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Roads	3398 3	8/15/2023	6,440.00	RECEIVED	REQUEST FOR REPLACEMENT OF ONE (1) NEW TYRE OF LOW-BAD; SINCE THE OLD BURST. REGISTRATION NUMBER FVS 109 EC; TYRE SIZE 315/80 R22.5	Ward 01
FAKADE CONSTRUCTION (PTY) LTD	P.O.BOX 307 BIZANA WARD 1 4800	Mayor and Council	3405 5	8/29/2023	6,565.00	RECEIVED	REQUEST LUNCH WITH SOFT DRINKS FOR CONSTITUENCY WORK PROGRAMME TO BE HELD ON THE 29 AUGUST 2023 AT COUNCIL CHAMBER AT JOHOO	Ward 01
LUSIKISIKI SPARES CC	P O BOX 207 PORT SHEPSTONE 4240	Police Forces Traffic and Roads	3406 2	8/31/2023	6,994.32	OPEN	REPLACEMENT OF BATTERY FOR TRAFFIC PATROL VEHICLES JDS 867 EC (12V85AH)150RC470CCA(SALE/CLASS A)	Ward 01
BELL EQUIPMENT CO S (PTY)LTD	P O BOX 7332 EMPANGENI RAIL 3910	Libraries and Archives	3396 4	8/8/2023	8,667.87	RECEIVED	REQUEST FOR REPLACEMENT OF TWO NEW BATTERIES FOR BELL ROLLER REGISTRATION NO:ICF-371EC. WEIGHT EA AND DIScription OG BATTERY - TAPER	Mthatha
LAZ INVESTMENTS	IMIZI/A/M NYAKA LOCATION 4800	Fleet Management	3398 9	8/15/2023	8,832.00	RECEIVED	SUPPLY AND DELIVERY OF PERIODICALS FOR THE MONTH OF JULY	Ward 18
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Fleet Management	3398 2	8/15/2023	10,338.50	RECEIVED	REQUEST FOR TWO TYERS (ALL TERRAIN TYRES) FOR FORTUNER WITH REGISTRATI KCB 798 EC SIZE 265/60R18	Ward 01

Creditor Name	Creditor Address	Function Name	Order No.	Order Date	Value	Status	Specifications	Ward no.
KWIK-FIT BIZANA	SHOP 221145 MAIN STREET BIZANA 4800	Fleet Management	3402	8/23/ 2023	10,374.87	RECEIVED	REQUEST FOR ALL TERRAIN TYRES FOR TOYOTA 195R15 REQUEST LUNCH WITH REGISTRATION NU HMG225 EC SIZE	Ward 01
GST TRADING	P.O.BOX 109 BIZANA WARD 6 4800	Mayor and Council	3402	8/23/ 2023	13,200.00	OPEN	REQUEST LUNCH WITH SOFT DRINKS FOR THP AWARENESS EVENT TO BE HELD ON 29 AUGUST 2023 AT KWAIJALI (WARD 6)	Ward 06
GUMLA CONSTRUCTION PTY LTD	P.O.BOX 124 WARD 16 BIZANA 4800	Mayor and Council	3396	8/8/2 023	15,000.00	RECEIVED	REQUEST LUNCH WITH SOFT DRINKS FOR THP AWARENESS EVENT TO BE HELD ON 30 AUGUST 2023 AT AFM HALL(WARD 16)	Ward 16
HOMBÀ AND HOMBÀ TRADING ENTERPRISE	P.O.BOX 210362 BIZANA WARD 174800	Mayor and Council	3406	8/3/2 023	15,950.00	RECEIVED	REQUEST LUNCH WITH SOFT DRINKS FOR ORDINARY COUNCIL MEETING TO BE HELD 30 AUGUST 2023 AT COUNCIL CHAMBER AT 10	Ward 17
JNW TRADING ENTERPRISE PTY LTD	P.O.BOX 425 PORT EDWARD WARD 314800	Community Parks (including	3404	8/29/ 2023	16,476.00	RECEIVED	PAYMENT FOR MAINTENANCE OF POWER GARDEN TOOLS	Ward 31
KWIK-FIT BIZANA	SHOP 221145 MAIN STREET BIZANA 4800	Electricity	3398	8/15/ 2023	18,860.00	RECEIVED	REQUEST FOR REPLACEMENT OF ALL FOUR (4) TYRES FOR ELECTRICITY BAKKIE REG NO. HWL 365 EC; TYRE SIZES 265/65R17.	Ward 01
MAVUMA AGRICULTURAL PRIMARY	P.O.BOX 871 BIZANA WARD 2 4800	Mayor and Council	3400	8/17/ 2023	19,000.00	RECEIVED	CATERING FOR 150 PEOPLE IN WARD 02 FOR COMMUNITY EDUCATION MEETING ON 17.08.23	Ward 02
BELL EQUIPMENT CO S A (PTY)LTD	P.O.BOX 7332 EMPANGENI RAIL ROADS 3910	Roads	3396	8/8/2 023	19,329.38	RECEIVED	REQUEST FOR REPLACEMENT OF TWO NEW BATTERIES FOR CAT GRADER ; SINCE T EXPIRED . REGISTRATION NO: T-5760 750A-75DA(EN) 12/1954h X2	Mthatha
AAAXA PROJECTS PTY LTD	P.O. BOX 67 BIZANA BIZANA 4800	Mayor and Council	3403	8/28/ 2023	19,500.00	RECEIVED	REQUEST FOR LUNCH FOR WOMENS MONTH CELEBRATION ON THE 30 AUGUST 2023	Ward 25
NOMINATION TRADING ENTERPRISE	NTSHAMATHA A/A MH-LANGA LOCATION 4800	Solid Waste Removal	3407	9/1/2 023	20,000.00	OPEN	REQUEST FOR HIRING OF TRUCK FOR 5 DAYS FOR WASTE COLLECTION	Ward 06
ZISIMPilo TRADING ENTERPRISE PT	P.O.BOX 210675 WARD 30 BIZANA 4800	Mayor and Council	3397	8/14/ 2023	20,300.00	OPEN	REQUEST CATERING FOR 200 PEOPLE ON THE 20 SEPTEMBER 2023	Ward 07
COKOTHO TRADING ENTERPRISE	P.O.BOX 1039 FLAGSTAFF 4810 P.O.BOX 39274 BIZANA WARD 174800	Mayor and Council	3402	8/23/ 2023	21,900.00	RECEIVED	REQUEST CATERING FOR 200 PEOPLE IN NGQINDLU COMMUNITY HALL	Ward 08
THE MANES PTY LTD	AMANGUTYANA A/A MATHWEBU LOCATION WARD 30 4800	Electricity	3407	9/1/2 023	22,275.00	OPEN	PAYMENT FOR SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING FOR ELECTRICITY DEMOLISHIN AND RECONSTRUCTION WALL FOR VMB COUNCIL SUPPORT , REMOVE AND REPLACE EXISTING HOLLOW DOOR VMB-TOILET.	Ward 17
CEEY HOLDINGS	Roads		3401	8/21/ 2023	22,830.00	RECEIVED		Ward 13
DRIVING LICENSE CARD ACCOUNT	P.O. BOX 25223 MONUMENT PARK PRETORIA 0105	Road and Traffic Regulations	3401	8/23/ 2023	24,411.00	RECEIVED	PAYMENT FOR DRIVING LICENCE CARD. JULY 2023	Pretoria
ESRI SOUTH AFRICA	P.O. BOX 652 HALFWAY HOUSE JOHANNESBURG 1685	Town Planning	3404	8/29/ 2023	24,562.23	OPEN	PAYMENT FOR ANNUAL LICENCE RENEWAL	Johannesburg
THE MIDDLE MAN ENTERPRISE 485	P.O. BOX 14 BIZANA WARD 01 4800	Building Marketing Customer Relati	3400	8/17/ 2023	25,000.00	RECEIVED	REQUEST TO PURCHASE 5 MUNICIPAL FLAGS AND 5 NATIONAL FLAGS	Ward 01
UNIVERSITY OF KWAZULU-NATAL	P.O.BOX WESTVILLE CAMPUS VARSITY DRIVE; DURBAN 4530	Administrative and Corpora	3399	8/15/ 2023	25,000.00	RECEIVED	PAYMENT FOR STUDY FEES FOR SONWABO SONGCA	Durban
JNW TRADING ENTERPRISE PTY LTD	P.O.BOX 425 PORT EDWARD WARD 314800	Solid Waste Removal	3402	8/24/ 2023	25,800.00	OPEN	REQUEST FOR SUPPLY AND DELIVERY OF 400 PLASTIC RAKES	Ward 31
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Mayor and Council	3397	8/14/ 2023	28,000.00	RECEIVED	REQUEST FOR FRUIT PACKS WITH WATER	Ward 31
BILLY AND CHRIS PTY	P.O.BOX 240786 BIZANA WARD	Mayor and Council	3397	8/14/ 2023	29,000.00	RECEIVED	REQUEST 2 TAXIS TO TRANSPORT COUNCILLORS TO	Ward 13

Creditor Name	Creditor Address	Function Name	Order No.	Order Date	Value	Status	Specifications	Ward no.
LTD	13 4800		9	2023			ATTEND CAPACITY BUILDING W AT QUEENSTOWN ON THE 23 JULY 2023	
NDUKUDE ZN TRADING PTY LTD	P.O BOX531 BIZANA WARD13 4800	Security Services	3397 1	8/14/2023	29,600.00 OPEN		Request for supply and delivery of cleaning rods with brush (Rods)	Ward13
Total					<u>552,156.98</u>			

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 FOR AUGUST 2023								
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process
		GOVERNMENT PRINTING WORKS	R 15,132.00	PRINTING WORKS	Z.ZUKU LU	7/7/2023	MUNICIPAL MANAGERS OFFICE	NO
		ILGM	R 1,070.00	MEMBERSHIP FEES	Z.ZUKU LU	8/17/2023	BTO	NO
		SALGA	R 5,000.00	MEMBERSHIP FEES	Z.ZUKULU LU	8/18/2023	MUNICIPAL MANAGERS OFFICE	NO
		UKZN	R 25,000.00	STUDY FEES	Z.ZUKU LU	7/25/2023	MUNICIPAL SERVICES COOPERATE SERVICES	NO
		GOVERNMENT PRINTING WORKS	R 1,008.78	PRINTING WORKS	Z.ZUKU LU	8/25/2023	MUNICIPAL MANAGERS OFFICE	NO
		ESRI	R 24,562.23	STUDY FEES	Z.ZUKU LU	8/25/2023	MUNICIPAL MANAGERS OFFICE	NO
		INSTITUTE OF INTERNAL AUDITORS	R 14,019.08	MEMBERSHIP FEES	ZZUKULU	7/20/2023	MUNICIPAL MANAGERS OFFICE	NO
		STADIO HIGHER EDUCATION	R 3,330.00	STUDY FEES	ZZUKULU	8/15/2023	COOPERATE SERVICES	NO
		TOTAL	R 89,122.09					

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	Closing Balance	23-Aug	Current year Expenditure	Closing Balance
Zama Dunga Business Enterprise	Construction of Mbizana Civic Centre	MBIZLM27/02/18/02ENG	R 78,175,109.23	R 11,103,524.71	R -	R -	R 5,127,510.31
Sage VIP	Payroll System	None Provided	R -	R 557,458.19	R -	R -	R 861,144.95
Sizanane Consulting	General Valuation Roll 2019/2024	Valuation Roll 2019/2024	R 1,576,425.00	R 581,897.44	R -	R -	R 581,897.44
Munsoft (PTY) LTD	Financial and Billing System	MBIZ LM ICT DUE DELIGENTS	R -	R 10,174,125.16	R 285,908.98	R 285,908.98	R -
Indwe Risk Services	Provision of Insurance Services	MBIZ LM/02/05/18/INS/BTO	R 876,543.75	R 2,567,674.53	R -	R -	R 4,805,877.51
First Rand Limited	Provision of Banking Services	LM/06/03/18/LT/B TO	R -	R 9,657,484.60	R -	R -	R 16,245,864.06
Conlog	Prepaid electricity agent	Fef6/1/15	R -	R 7,349,569.20	R -	R -	R 8,789,825.27
West Bank Limited	Fuel	MBIZ LM/06/03/18/LT/B	R -	R 5,521,475.59	R -	R -	R 5,975,851.29

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Closing Balance	23-Aug	Expenditure	Closing Balance
Kumyolz Investments	Debt collection services for 3 years	MBIZ LM 00022 TO DCS	R 0.13	-R 1,382,984.78	R -	R -	-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 -R 9,329,270.59	R -R 168,500.00	R 208,042.19 R 13,575,722.50
Vodacom Pty Ltd	Procurement of Mobile Contract	MBIZ LM 0040 PMC	R -	R 168,500.00	R -	R -	R 168,500.00
Ndilela Mhlaphhe Trading	Website Revamp	MBIZ LM 0058 WEB	R 805,000.00	R 345,000.00	R -	R -	R -
ODG Technologies PTY Ltd	Panel of Electrical Engineering Consultants(Ele Load Forecasting)	MBIZ LM 0055 CON	R 345,000.00	R 345,000.00	R -	R -	R -
Resistam Engineering PTY Ltd	Panel of Electrical Engineering Consultants	MBIZ LM 0055 CON	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 101,409.53	R -	R -	R -R 1,104,703.37
Ichayiya Design Workshop	Panel of Consultants-Architectural; Temporary Traders Stalls and Civil Works	MBIZ LM 0055 CON	R 955,705.82	R 287,011.75	R -	R -	R 287,011.75
Bukhobethu Security Services	Manufacturing Hubs	WMM-LM(Panel of Consultants)	R 3,850,372.50	R 3,164,366.38	R -	R -	R 2,017,822.13
BMK Consulting Engineering	Provision of Private Security Services	WMM LM 08/12/20/03 PSSC	R 27,820,800.00	R 21,224,400.00	R -	R -	R 10,347,700.00
Phahle Construction	Tshuze To Luphiliswe Access Road	MBIZ LM 0055 CON	R 1,232,705.70	R 205,357.73	R -	R -	R 234.29
Dr Sugudhav-Sewpersad Attorneys	Maintenance of Recreational Facilities	WMM LM 16/09/20/01	R -	R -	R -	R -	R 448,965.09
Z.N.Mishabe	Provision of Legal Services	WMM LM 25/08/21	R -	R -R 456,420.78	R 74,687.28	R -R 571,369.79	R -R 5,779,088.55
Techseeds Pty Ltd	Provision of Legal Services	WMM LM 25/08/21	R -	R 2,243,140.26	R -	R -	R 5,897,158.03
Zilizame Consulting Engineers	Supply and Delivery of Printers	WMM LM 2/1/22/1/01 PRI	R -	R 6,581,971.41	R -	R -	R 2,842,866.72
Oracle Energy and Power	Sidanga Access Road with a Bridge	MBIZ LM 0055 CON	R 3,256,364.38	R 2,584,725.60	R -	R -	R 102,691.34
Oracle Energy and Power	Electrification of Nomiauci Village	VMM LM00059E MV	R 5,485,723.24	R 1,101,455.44	R 2,259,518.12	R 946,482.55	

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Closing Balance	23-Aug	Current year Expenditure	Closing Balance
Nikhwe Group	Bizana Mini Market	WMM 001/MS-21	R 2,404,750.80	R 2,404,750.80	R 267,654.81	R 219,997.70	-R 219,997.70
EKS Vehicle Tracking	Vehicle Tracking Services	Transversal Contracts(RT-46)	-	-	-	R 20,661.39	-R 186,733.77
Istivuno Esihle Construction	Construction of Tshuze to Luphulweni Access Road	WMM/LM 00097	R 7,534,851.06	R 7,534,851.06	R -	R -	R 805,691.59
YG Solutions	Electrification of Msaritweni Village	WMM LM 0060E	R 8,162,989.79	R 8,162,989.79	R -	R -	R 2,586,167.62
Iheans Travelling Agency	Provision of Traveling Agency for 36 months	WMM LM 30/06/22/01 TRA	R -	R -	R 209,937.23	R 581,542.99	-R 755,466.27
Trunimart(PTY)LTD	Provision of Traveling Agency for 36 months	WMM LM 30/06/22/01 TRA	R -	R -	R 546,151.90	R 628,779.07	-R 1,114,781.53
Bomba Diesel	Supply and Delivery of Stationery for 12 months	WMM LM 18/09/09/1/01	R -	R -	R -	R -	R 283,206.73
Thahle Project Jv Ayagu Construction	Construction of Sidanga Access Road with Bridges	WMM LM 00098	R 19,990,389.66	R 19,990,389.66	R 1,999,034.91	R 1,999,034.91	R 1,999,034.91
Mabozela Trading Enterprise Jv Bobotse Trading Enterprise	Electrification of Redout Village (Ward 20) 180 Households	WMM LM 0005/IE MV	R 4,845,112.10	R 4,845,112.10	R -	R -	R 2,354,907.64
XS Dollarz	Construction of DLTC Guard House	WMM LM 08/12/22/01 CGH	R 860,706.00	R 860,706.00	R -	R -	R 129,105.90
Nikhwe Group	Repairs and Maintenance of Municipal Main Building	WMM LM 00099 R&M MB	R 1,557,620.17	R 1,557,620.17	R -	R -	R 410,097.58
XS Dollarz	Construction of Ward 13 ECDC	WMM LM ECDC	R 3,494,043.85	R 3,494,043.85	R 503,929.08	R 807,814.28	R 947,714.77
Thahle Projects Jv Ayagu Trading	Hiring of Construction Plant and Trucks	WMM LM 08/12/22/02 HPC	R 5,884,206.38	R 5,884,206.38	R -	R -	R 2,322,607.29
Moya Trading and Projects	Social and Disaster Relief Material for 3 years	WMM LM 0064 SRM	R -	R -	R 193,000.00	R 193,000.00	-R 1,173,420.00
Mabozela Trading and Enterprise	Hiring of Construction Plant and Trucks	WMM LM 08/12/22/02 HPC	R 7,894,646.45	R 7,894,646.45	R 559,204.47	R 559,204.47	R 563,006.59
Myi Construction and Maintenance	Hiring of Construction Plant and Trucks	WMM LM 08/12/22/02 HPC	R 5,660,152.80	R 5,660,152.80	R -	R -	R 348,461.81
Manyobo Group	Hiring of Construction Plant and Trucks	WMM LM 08/12/22/02 HPC	R 6,825,933.78	R 6,825,933.78	R 506,033.07	R 711,680.67	R 1,779,898.52
LG Construction TALGC	Hiring of Construction Plant	WMM LM 08/12/22/02 HPC	R 5,232,704.10	R 5,232,704.10	R 615,238.51	R 615,238.51	R 440,578.19

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO.	Contract Amount	Closing Balance	23-Aug	Current year Expenditure	Closing Balance
Construction	and Trucks		R 607,200.00	R 607,200.00	-	R -	R 201,590.40
Reestham Engineering PTY Ltd	Electrification of Msarhweni Village	MBIZ LM 0055 CON	R 1,632,704.82	R 1,632,704.82	-	R -	R 100,386.23
Wosa Nawe 16	Hiring of Construction Plant and Trucks	WMM LM 08/12/22/02 HPC	R -	R -	-	R -	R 650,578.00
Mayile Solutions	Provision of Internal Services	WMM LM 06/10/22/03 IAS	R -	R -	-	R -	R 1,641,822.15
ZML Group	Electrification of Ziziyani Village	WMM LM 00058E	R 7,836,167.58	R 7,836,167.58	R 1,127,647.80	R 2,931,998.34	R 1,79,526.67
Ezamavovo Trading Pty Ltd	Supply and Delivery of Protective Clothing for 12 Months	WMM LM 02/06/22/01 PST	R 542,376.67	R 542,376.67	-	R -	R 213,120.00
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 -	R 588,763.31
Manyobo Group	Rehabilitation of Dumping Site for a Period of 18 Months	WMM LM 04/08/22/02 RMD	R -	R -	R 117,133.83	R 354,333.31	R 1,722,106.00
Lilitha Project Managers	Preparation og GRAP Compliant Immoveable Fixed Asset Register	WMM LM 14/06/22 FAR	R 1,722,106.00	R 1,722,106.00	-	R -	R -
Vandile 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 -
Nikhwe Group	Multi Discipline Panel of Consultants for a Period of 3 years	WMM LM 25/03/22/01 MDP	R -	R -	-	R -	R -
VHB and Associates	Construction of Mbizana Civic Centre	MBIZLM27/02/18/02ENG	R 3,811,832.48	R 3,811,832.48	-	R -	R 3,430,649.24
Nikhwe Group	Hiring of Construction Plant and Trucks	WMM LM 08/12/22/02 HPC	R -	R -	-	R -	R -
Citi Cargo	Hiring of Construction Plant and Trucks	WMM LM 08/12/22/02 HPC	R 1,302,481.25	R 1,302,481.25	-	R -	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 -	R 3,491,945.22
Zinzame Consulting Engineers	Multi Discipline Panel of Consultants for a Period of 3 years	WMM LM 25/03/22/01 MDP	R -	R -	-	R -	R -
Zinzame Consulting Engineers	Rehabilitation of Matshezini Access Road	MBIZ LM 0055 CON	R 307,674.95	R 307,674.95	-	R -	R 59,083.23

SUCCESSFUL TENDERER	NAME OF THE PROJECT	TENDER NO	Contract Amount	Closing Balance	23-Aug	Current year Expenditure	Closing Balance
S Zoko Consulting	Rehabilitation of Ntamondwe Access Road	MBIZ LM 0055 CON	R 508,801.44	R 508,801.44	R 68,558.95	R 68,558.95	R 27,338.44
Zinzame Consulting Engineers	Rehabilitation of Mgodini to Mchinjweni Access Road	MBIZ LM 0055 CON	R 433,683.34	R 433,683.34	R -	R -	R 159,301.47
Zinzame Consulting Engineers	Maintenance of Monti Access Road	MBIZ LM 0055 CON	R 253,105.02	R 253,105.02	R -	R -	R 12,190.01
The Mane's	Construction of Majazi Landfill Site	MBIZ LM 0055 CON	R 10,217,253.61	R 10,217,253.61	R -	R -	R 9,030,991.07
Nikwall AM	Car Wash Services for 12 Months	WMM LM 26/10/22/03 CWS	R -	R -	R 34,570.00	R 34,570.00	R -34,570.00
The Mane's	Fencing of Mphuthumzi Matumbatha Stadium	WMM-LM 04/05/23/06	R 4,863,852.26	R 4,863,852.26	R 3,673,679.89	R 3,673,679.89	R 1,190,172.37
	Supply and Delivery of Cleaning Resources	WMM LM 04/08/22/01 SDC	R -	R -	R -	R -	R -
			R 257,796,434.97	R 122,403,387.88	R 12,475,857.33	R 16,639,265.76	-R 20,595,091.03

PART 2 – SUPPORTING DOCUMENTATION

14. 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.

15. Preparation Process

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

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

a. Stock Count

The municipality runs a storeroom managed with the 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	WRIT-EFFS	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 Mterial	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

A report from Internal audit on the observations during the stock count indicated that there are items of stock in the electricity stores that were had no record of how they were procured or how and when they were received. On enquiring about the items, the manager from Electricity indicated that the items were procured through the High Mast project. The following was recommended:

- No department to receive and store inventory items without the personnel from Stores management
- Managers to be held liable for stock discrepancies
- The municipality to find a centralised stores facility

b. Compilation of the movable asset 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

From a combination of the events which transpired during the year and outcome of the asset verification conducted, the asset management section recommended that a disposal of assets with a carrying amount of R 799 237,12 through auction (where applicable) be approved as previously reported as per the summary below:

ASSET CATEGORY	COST/DRC	ACCUM. DEPREC OPENING 1 JULY 2022	2022/23 CURRENT YEAR DEPRECIATION	CLOSING ACCUM DEPREC 31 JUNE 2023	NET BOOK VALUE 30 JUNE 2023
FURNITURE AND FIXTURES	2 222 226.72	1 880 878.89	100 164.90	1 908 718.32	105 229.03
INTANGIBLE ASSETS	89 900.00	89 899.00	-	89 899.00	1.00
MACHINERY AND EQUIPMENT	257 350.00	235 266.94	3 956.54	239 223.49	18 126.51
TRANSPORT ASSETS	760 469.70	-	84 589.12	84 589.12	675 880.58
TOTAL	3 329 946.42	2 206 044.84	188 710.57	2 322 429.93	799 237.12

Reasons for disposal can be summarised into the following groupings below:

- Irreparable, damaged and no longer function as required by the management

- Lost/stolen/damaged and reported to the insurance
- Used up and no longer functioning as intended

c. 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 has since been on site and has, after gathering the relevant information, mapped all the places for verification on the GIS maps. On site verifications have also been concluded as per the update below.

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 Majikija	H	22/06/2023	100%	Kick-off meeting held 22 June 2023
2	Infrastructure Assets	Compile Project Action Plan & Programme	Draft project plan with all deliverables and milestones	Lilitha	M Majikija	H	26/06/2023	100%	Project Plan Completed and Circulated for comments
EXECUTION									
3	Infrastructure Assets	Obtain Updated Project List/Contracts Register/Commitments Register & Retention Register	Obtain existing municipal data e.g. asset lists, maps, GIS data, Project data (incl. Bills of Quantity) and As-built Drawings	Lilitha/ WMMLM	M Majikija	H	05/07/2023	100%	Latest audited registers circulated by Mr Mthimde
4	Infrastructure Assets	Compile/Update project Lists & files since 1 July 2022 to AR	<p>Identify projects completed since 1 July 2021 and provide the following:</p> <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 Majikija / O Mhasa	H	10/07/2023	80%	<p>Payment Certificates, BoQ's and Completion Certificates circulated by Mr Mthimde on 02 July 2023. Practical Completion Certificates for in-house completed projects circulated on the 06 July 2023.</p> <p>A list of outstanding issues on BOQs was sent to the Municipality on the 16th of August 2023. Mr Mthimde indicated that he is liaising with the Project Management department to find a resolve on the listed items.</p> <p>The affected projects are:</p> <ul style="list-style-type: none"> > Mpetsiwa to Bonda Access road > Ndinomntu Access road > Bazana Access road

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
5	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/WMLM	M.Mqina	H	10/07/2023	80%	Costing and practical completion certificates for assets upgraded were e-mailed by Mr Mqina. Maps were marked up with new and replaced lines and transformers but was not split per project. Mr Mqina was requested to mark up the 2019 7 km MV lines and the 2022 5 km MV lines to be split on the register.
6	Infrastructure Assets	Data Collection	Conditional Assessment of Low Life Assets	Lilitha	M Majikija	H	31/07/2023	100%	Completed and awaiting to be imported into the FAR
7	Infrastructure Assets	Spatial Maps of Infrastructure Assets	Prepare spatial maps of infrastructure for technical staff to verify coverage and existence.	Lilitha	O. Mbasa & GIS specialist	M	25/07/2023	100%	Completed
8	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	90%	Only projects with outstanding information are not ready for inclusion into the FAR
9	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	90%	Most of the projects were imported except for Mafumabatha Stadium on which the Completion date need to be determined.
10	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 & Buildings	Lilitha	F Durr & Accountant	H	02/08/2023	70%	In progress. Additions recorded in the WIP register totals R 110,855,832.55. Decision should be made to capitalise the Mafumabatha stadium as it was not capitalised yet.
11	Infrastructure Assets	Financial Accounting Support	Passing of Journals, Preparation of Notes to the Financial Statements	Lilitha	Accountant	H	10/08/2023	Not started	

Activity	Work stream	Task	Description	Accountable Company	Responsible Person(s)	Priority	Due date	Status	Comments
12	Investment Property	Assessment	Assess all properties controlled by the WMM/MLM Local Municipality to ensure that they are correctly classified as either Investment Property or Land and Building.	Lilitha	Penny Lindstrom/Mr Stilo	H	10/08/2023	95%	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/Mr Stilo	H	10/08/2023	100%	Fair Value of Investment Properties included in Land & Building Register
REPORTING AND UPLOADING ON MUNSOFT									
14	Infrastructure Assets	Draft Register	Submit Draft FAR	Lilitha	F Durr	H	18/08/2023		Delayed, due outstanding info as reported above.
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 as-built drawings or sketched is updated on the GIS system	Lilitha	F Durr/O. Mhassa	M	21/08/2023		
RESPONDING TO AUDIT QUERIES									
17	Infrastructure Assets	Audit queries	Attend to any RFIs & COAF's Audit Queries after submission of Register, Audit Action Plan inputs if required	Lilitha	F Durr/M Majikija	H	01/09/2023 to 30/11/2023		

Challenges resulting to delays in the completion of the Infrastructure Fixed Asset Register and therefore delaying the finalisation of the Annual Financial Statements are as follows:

- BOQs reconciling to the amounts paid for the following projects:
 - Mphetshwa to Bonda Access Road
 - Ndinomntu Access Road
 - Bazana Access Road
- Completion certificate for Mphuthumi Mafumbatha with BOQs reconciling to the amounts paid (Practical Completion that was issued when the field was opened for utilization)
- Marking of the 2019 7 km MV line replacement on the map by the municipality
- Marking of the 2022 5 km MV line replacement on the map by the municipality
- Clarity by the municipality on the land or property that was sold but was never registered in the deeds on the municipality's name.

These have resulted in the register not being finalised and submitted to the municipality on the targeted date of the 18th August 2023.

Follow up sessions were held with both infrastructure and Development planning to get these resolved and finalised before close of business day on the 23rd of August 2023, however, these were only resolved on the 30th of August 2023 causing serious delays in the preparation of the annual financial statements and therefore resulting in submission of the annual financial statements that could not be reviewed as necessary before submission.

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 of issues that needed 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

- Reclassification of VAT receivable into Statutory Receivables as per the interpretations issued by the Accounting Standards Board on the classification of VAT.

16. 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
- Statutory receivables

The municipality's total liabilities have also decreased from R103 million to R102 million with the following main contributors:

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

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 following items:

- Landfill site rehabilitation provision expected to be completed by the 24th of August 2023
- Valuation of investment properties expected to be completed by the 23rd of August 2023
- Review of the infrastructure assets register expected to be completed by the 25th of August 2023

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 R145 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 R371 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.

17. 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

Over the past months from January 2023 we have been reporting resignations of a number of interns resulting in three additional vacancies that were pending finalisation before the end of the month.

A report from the recruitment processed indicated that the processes were finalised and three additional interns were to commence duties during the month of September 2023.

18. Debtors' analysis

Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table Sc3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2023/24						Budget Year 2023/24					
		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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,604	1,816	1,666	1,380	1,829	1,338	1,308	10,782	23,644	16,658		
Receivables from Non-exchange Transactions - Property Rates	1400	1,024	14,943	285	282	280	279	302	33,152	50,547	34,296		
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	34	17	2	2	2	2	2	2	2,107	2,169	2,116	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	401	401	401	
Interest on Arrear Debtor Accounts	1810	829	646	633	621	612	598	564	15,212	19,716	17,608		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	375	253	259	243	240	236	244	7,639	9,490	8,603		
Total By Income Source	2000	5,866	17,675	2,744	2,529	2,964	2,473	2,420	69,294	105,967	79,681	-	-
2022/23 - totals only												-	
Debtors Age Analysis By Customer Group													
Organs of State	2200	644	15,027	409	379	910	351	358	34,638	52,718	36,637		
Commercial	2300	4,893	2,343	2,050	1,871	1,800	1,874	1,808	20,754	37,392	28,106		
Households	2400	329	305	285	279	254	248	255	13,902	15,857	14,938		
Other	2500	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	5,866	17,675	2,744	2,529	2,964	2,473	2,420	69,294	105,967	79,681	-	-

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

19. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

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	1,176								1,176	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	1,176	-	-	-	-	-	-	-	1,176	-

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.

20. Investment portfolio analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & Investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rand)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance	
Municipality															
FNB CALL DEPOSIT ACCOUNT(62550717767)			Not fixed	Call Deposit	No	Variable	0.006157534	0	n/a	not fixed	15,926	98	(98)	-	15,926
FNB CALL DEPOSIT ACCOUNT(62459758078)			Not fixed	Call Deposit	No	Variable	0.283418692	0	n/a	not fixed	6	2	-	-	8
FNB CALL DEPOSIT ACCOUNT(62028477992)			Not fixed	Call Deposit	No	Variable	0.006287227	0	n/a	not fixed	459,158	2,887	(22,387)	-	439,658
FNB CALL DEPOSIT ACCOUNT(62816769220)			Not fixed	Call Deposit	No	Variable	0.006157539	0	n/a	not fixed	351	2	-	-	353
FNB CALL DEPOSIT ACCOUNT(62816773073)			Not fixed	Call Deposit	No	Variable	24429,33958	0	n/a	not fixed	0	808	-	-	808
FNB CALL DEPOSIT ACCOUNT(6289610170)			Not fixed	Call Deposit	No	Variable	0.005960117	0	n/a	not fixed	2,209	13	(2,196)	-	27
FNB CALL DEPOSIT ACCOUNT(62852108531)			Not fixed	Call Deposit	No	Variable	0.005482908	0	n/a	not fixed	5,756	32	(1,289)	-	4,498
FNB CALL DEPOSIT ACCOUNT(62550715828)			Not fixed	Call Deposit	No	Variable	#DN/0!	0	n/a	not fixed	-	0	(0)	2,100	2,100
Entities											483,406	3,842	(25,970)	2,100	463,378
Entities sub-total											-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2										483,406		(25,970)	2,100	463,378

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents decreased during the month by over R22 million which lead to an decrease in its investments for the month of August 2023. It should however be noted that this only reflects the difference between what was received and what was spent.

21. Allocation and grant receipts and expenditure

a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		–	349,397	–	2,905	145,073	58,233	84,822	145.7%	349,397
Finance Management		–	341,204	–	–	142,168	56,867	85,301	150.0%	341,204
Integrated National Electrification Programme		–	2,100	–	2,100	2,100	350	–	2,100	–
EPWP Incentive		–	–	–	–	–	537	–	–	3,222
Neighbourhood Development Partnership Grant		–	3,222	–	805	805	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	479	(479)	-100.0%	2,871
Other transfers and grants [insert description]		–	2,871	–	–	–	–	–	–	–
Provincial Government:		–	500	–	–	–	83	(83)	-100.0%	500
Health subsidy		–	–	–	–	–	–	–	–	–
Capacity Building and Other		–	500	–	–	–	83	–	–	500
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	–	349,897	–	2,905	145,073	58,316	84,739	145.3%	349,897
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		–	71,555	–	–	18,726	11,926	6,834	57.3%	71,555
Neighbourhood Development Partnership		–	54,555	–	–	15,926	9,092	6,834	75.2%	54,555
Municipal Disaster Recovery Grant		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Gran		–	17,000	–	–	2,800	2,833	–	–	17,000
Other capital transfers [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	–	71,555	–	–	18,726	11,926	6,834	57.3%	71,555
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	421,452	–	2,905	163,799	70,242	91,572	130.4%	421,452

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

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
EXPENDITURE										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		–	349,397	–	14,566	30,039	58,233	(28,194)	-48.4%	
Local Government Equitable Share		–	341,204	–	12,576	27,607	56,867	(29,260)	-51.5%	
Finance Management		–	2,100	–	125	130	350	(220)	-62.9%	
Integrated National Electrification Programme		–	–	–	–	–	–	–	–	
EPWP Incentive		–	3,222	–	1,458	1,458	537	921	171.6%	
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	
Municipal Infrastructure Grant		–	2,871	–	406	843	479	365	76.2%	
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	
Provincial Government:		–	500	–	29	29	83	(54)	-65.0%	
Health subsidy		–	–	–	–	–	–	–	–	
Capacity Building and Other		–	500	–	29	29	83	(54)	-65.0%	
		–	–	–	–	–	–	–	–	
		–	–	–	–	–	–	–	–	
		–	–	–	–	–	–	–	–	
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	
District Municipality:		–	–	–	–	–	–	–	–	
Other grant providers:		–	–	–	–	–	–	–	–	
Total operating expenditure of Transfers and Grants:		–	349,897	–	14,595	30,068	58,316	(28,248)	-48.4%	
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		–	76,295	–	3,536	7,222	12,716	(5,494)	-43.2%	
Municipal Infrastructure Grant (MIG)		–	54,555	–	–	–	9,092	(9,092)	-100.0%	
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	
Integrated National Electrification Programme Gran		–	17,000	–	2,062	5,311	2,833	2,477	87.4%	
Disaster Recovery Grant		–	4,740	–	1,474	1,911	790	1,121	141.9%	
		–	–	–	–	–	–	–	–	
		–	–	–	–	–	–	–	–	
		–	–	–	–	–	–	–	–	
Other capital transfers [insert description]		–	–	–	–	–	–	–	–	
Provincial Government:		–	–	–	–	–	–	–	–	
District Municipality:		–	–	–	–	–	–	–	–	
Other grant providers:		–	–	–	–	–	–	–	–	
Total capital expenditure of Transfers and Grants		–	76,295	–	3,536	7,222	12,716	(5,494)	-43.2%	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	426,192	–	18,131	37,290	71,032	(33,742)	-47.5%	
									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 - M02

Description	Ref	Budget Year 2023/24					
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance %	
R thousands							
EXPENDITURE							
<u>Operating expenditure of Approved Roll-overs</u>							
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		-	-	-	-	-	
						-	
						-	
						-	
Other transfers and grants [insert description]						-	
District Municipality:							
		-	-	-	-	-	
						-	
						-	
						-	
[insert description]						-	
Other grant providers:							
		-	-	-	-	-	
						-	
						-	
[insert description]						-	
Total operating expenditure of Approved Roll-overs							
<u>Capital expenditure of Approved Roll-overs</u>							
National Government:							
Municipal Infrastructure Grant (MIG)		-	-	-	-	-	
Municipal Disaster Recovery Grant		-	-	-	-	-	
						-	
						-	
						-	
Other capital transfers [insert description]						-	
Provincial Government:							
		-	-	-	-	-	
						-	
						-	
District Municipality:							
		-	-	-	-	-	
						-	
						-	
Other grant providers:							
		-	-	-	-	-	
						-	
						-	
Total capital expenditure of Approved Roll-overs							
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS							

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

22. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - M02 August

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
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	29,982	–	670	1,283	4,997	(3,714)	-74%	29,982
Service charges		–	32,606	–	3,696	6,640	5,434	1,205	22%	32,606
Other revenue		–	51,616	–	1,030	1,826	8,603	(6,777)	-79%	51,616
Transfers and Subsidies - Operational		–	349,897	–	2,905	145,073	58,316	86,757	149%	349,897
Transfers and Subsidies - Capital		–	71,555	–	–	21,526	11,926	9,600	80%	71,555
Interest		–	15,890	–	3,071	5,351	2,648	2,703	102%	15,890
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		–	(380,618)	–	(23,663)	(63,180)	(63,436)	(256)	0%	(380,618)
Interest		–	(100)	–	–	–	(17)	(17)	100%	(100)
Transfers and Subsidies		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	170,828	–	(12,292)	118,518	28,471	(90,047)	-316%	170,828
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		–	(141,376)	–	(9,492)	(15,398)	(23,563)	(8,165)	35%	(141,376)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(141,376)	–	(9,492)	(15,398)	(23,563)	(8,165)	35%	(141,376)
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		–	29,451	–	(21,783)	103,120	4,909			29,451
Cash/cash equivalents at beginning:		–	277,109	–	484,968	360,015	277,109			360,015
Cash/cash equivalents at month/year end:		–	306,560	–	463,135	282,017				389,467

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.

23. Statement of Financial Position

EC443 Winnie Madikizela Mandela - Table C6 Monthly Budget Statement - Financial Position - M02 August

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	—	463,135	306,560
Trade and other receivables from exchange transactions		—	46,746	—	29,236	46,746
Receivables from non-exchange transactions		—	25,809	—	60,205	25,809
Current portion of non-current receivables		—	—	—	—	—
Inventory		—	450	—	1,863	450
VAT		—	18,042	—	32,509	18,042
Other current assets		—	15,763	—	16,023	15,763
Total current assets		—	413,370	—	602,971	413,370
Non current assets						
Investments		—	—	—	(1,395)	—
Investment property		—	39,090	—	40,828	39,090
Property, plant and equipment		—	834,980	—	838,462	834,980
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	1,261	—	1,261	1,261
Intangible assets		—	43	—	611	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	—	879,767	875,374
TOTAL ASSETS		—	1,288,744	—	1,482,738	1,288,744
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	—	—	—	—
Consumer deposits		—	506	—	451	506
Trade and other payables from exchange transactions		—	74,019	—	24,403	74,019
Trade and other payables from non-exchange transactions		—	—	—	17,607	—
Provision		—	20,308	—	17,593	20,308
VAT		—	4,947	—	20,180	4,947
Other current liabilities		—	—	—	—	—
Total current liabilities		—	99,779	—	80,234	99,779
Non current liabilities						
Financial liabilities		—	—	—	—	—
Provision		—	22,484	—	11,485	22,484
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		—	22,484	—	11,485	22,484
TOTAL LIABILITIES		—	122,263	—	91,719	122,263
NET ASSETS	2	—	1,166,481	—	1,391,019	1,166,481
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		—	1,166,481	—	1,391,019	1,166,481
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	—	1,166,481	—	1,391,019	1,166,481

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

24. Municipal Manager's quality certification

Quality Certificate

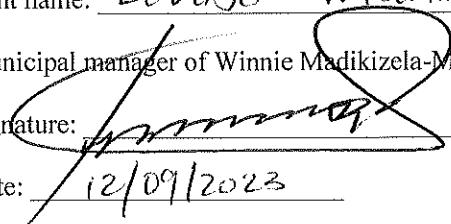
I, Luvuyo Mahlaka, the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

The monthly budget statement

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

Print name: Luvuyo Mahlaka

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

Signature: 

Date: 12/09/2023