



## QUARTERLY REPORT

**REPORT IN TERMS OF s52d OF THE MFMA FOR THE  
QUARTER ENDED 30 JUNE 2023**

## Table of Contents

Part 1 – in-year report .....	1
1. Executive Summary .....	1
1.1 The Political Oversight .....	1
1.2 Budget and Treasury Political Oversight Structure .....	1
2. Administration .....	1
3. Staff turnover .....	2
4. Implementation of mSCOA .....	2
5. Implementation of the Municipal Cost containment regulations .....	4
a. Supply and Delivery of Municipal Vehicles .....	5
b. Provision of vehicle fleet management services for the period 1 April 2021 to 31 March 2026.....	7
6. Year -end processes .....	8
a. Stock count.....	8
b. Irrecoverable debtors identified .....	9
c. Compilation of the immovable asset register.....	10
d. Compilation of the movable asset register.....	11
7. Grants Re-allocation and adjustment budget .....	12
8. Strategic Objectives .....	17
9. In-year budget statement tables.....	19
10. Capital programme performance .....	32
11. Maintenance of municipal assets .....	35
12. Supply chain management .....	37
a. Acquisition management.....	37
b. Handling of tenders during and Post COVID-19.....	37
c. Procurement requests below R2000.00.....	39
d. Procurement requests above R2, 000.00 but below R30, 000.00.....	41
e. Procurement above R30 000 but below R200 000.....	45
13. Status of Tenders.....	47
14. Database rotation .....	60
15. Contract Management .....	61
16. Regulation 17(1) c Procurement .....	64
Part 2 – supporting documentation .....	68
1. Implementation of the Finance Management Internship Programme.....	68
2. Debtors' analysis.....	69
3. Creditors' analysis .....	70
4. Investment portfolio analysis .....	70
5. Allocation and grant receipts and expenditure.....	71
6. Cash flow Statement .....	76
7. Statement of Financial Position .....	77
8. Municipal Manager's quality certification.....	78

## **PART 1 – IN-YEAR REPORT**

### **1. Executive Summary**

The Budget and Treasury Office has a legislative responsibility of reporting on the performance of the municipality against its approved budget in terms of the MFMA. This must also consider the service delivery performance of the municipality, indicating remedial actions where variances have been identified.

Section 52(d) of the Municipal Finance Management Act No 56 of 2003 requires that a quarterly report be prepared and tabled to council within 30 days of the end of the quarter. The information as contained in this report responds specifically to that, but also provides the council with sufficient information to play the oversight role, whilst providing the required direction where it is needed.

This is the 4<sup>th</sup> and last report of the 2022/23 financial year which comes after the municipality's third adjustment budget process of reprioritising its budget in response to the assessments done for the first six months of the financial year, the approval of the final budget after engagements with the municipal stakeholders on the adopted draft budget as well as the approval of the 3rd adjustment budget necessitated by the stopping on MIG funds as well as progress on the disaster grant implementation. This is generally a period where activities and programs should generally be reaching their planned completion as procurement processes for the year are completed and implementation ideally at the final stages. The performance this year is expected to be better compared to the same period last year where there may have been challenges making it impossible to operate fully in the past two financial years. These results have been used together with the budget consultation outcomes to revise the baseline used for the final budget and hopefully the contents of this report will help council and its structures to understand fully the status of the municipality's financial performance and decisions that need to be taken to ensure sustainability of the institution.

All departments have prepared their quarterly performance reports relating to service delivery and other items. This has then been submitted to the Internal Audit Unit for verification and assessment of attached portfolio of evidence. This gives the information reported more credibility, and where inadequate evidence is provided, it is corrected.

## **1.1 The Political Oversight**

The municipality's Executive Committee is composed of the honourable councillors indicated below with their respective responsibilities within the municipality as follows: -

- |                       |   |
|-----------------------|---|
| • Cllr T.D Mafumbatha | Mayor – (Chairperson)                                       |
| • Cllr L. Makholosa   | Development Planning Portfolio Head                         |
| • Cllr. Y. Govana     | Good Governance and Public Participation Portfolio Head     |
| • Cllr. N. Dlamini    | Engineering Services Portfolio Head                         |
| • Cllr N. Madikizela  | Budget and Treasury Portfolio Head                          |
| • Cllr L.G Mcambalala | Corporate Services Portfolio Head                           |
| • Cllr N.M Njomi      | Community Services Portfolio Head                           |
| • Cllr. N.E Cengimbo  | Committee member(Acting Budget and Treasury Portfolio Head) |
| • Cllr. P.B Majavu    | Committee member  |
| • Cllr. N. Langasiki  | Committee member  |

## **1.2 Budget and Treasury Political Oversight Structure**

The municipality' Budget and Treasury is tasked with the municipality's financial management responsibilities with its own political oversight structure constituted as follows:

- |                       |  |
|-----------------------|--|
| • Cllr N. Madikizela  | Chairperson  |
| • Cllr A. Diya        | Committee Whip   |
| • Cllr. N Cengimbo    | Committee Member – Asset Management (Acting Chairperson) |
| • Cllr. X. Bhabhazela | Committee Member – Supply Chain Management               |
| • Cllr S. Nomvalo     | Committee Member - Reporting                             |
| • Cllr S. Jayiya      | Committee Member - Budgeting                             |
| • Cllr L. Silangwe    | Committee Member - Expenditure Management                |
| • Cllr. P. Siramza    | Committee Member - Revenue Management                    |

## **2. Administration**

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

### **3. Staff turnover**

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

### **4. Implementation of mSCOA**

The municipality, like any other municipality in the country has been implementing mSCOA from 1 July 2017 as required. Following are some of the challenges that the implementation has posed to the municipality over the years:

#### **a) Challenges Identified**

##### **i. Version Changes**

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.7 is released with MFMA circular 122.

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

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

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

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

##### **ii. IDP Budgeting**

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

##### **iii. Production of in-year reports**

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

iv. Budget and reporting module functionality

The budget module of the system that the municipality uses has in the past been discovered to only work well with income and expenditure, other modules like balance sheet and cashflow budgeting still continue to produce aligning reports even though some principles may not fully align with GRAP. This challenge seems however, to have been addressed and we continue to analyse the reasonability of the principles these modules are using to check consistency with the financial management and reporting standards.

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

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

**b) mSCOA Governance Structures**

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

- Project steering committee
  - This was made of the following prescribed persons:
    - Project sponsor – Accounting Officer
    - Chief Financial Officer
    - Senior Manager – Corporate Services
    - Senior Manager – Engineering Services

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

All these structures were initially appointed in 2015 before full implementation of mSCOA. There has been a number of changes in the municipality's personnel which has resulted in the need for these structures to be re-established to include new members of management and replace those who are no longer with the municipality.

## **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 first months of this current year. The table below indicate savings recorded up to the third quarter in the targeted areas compared to the same period last year.

QUARTER 4			
ITEM DESCRIPTION	2022	2023	SAVING
Travel and accommodation	2,886,573.17	2,610,829.67	275,743.50
Catering	1,205,726.75	542,229.08	663,497.67
Sponsorship (Sport development)	-	-	-
Sport Activities (SAIMSA)	-	-	-
Consulting fees	5,557,768.94	3,244,689.71	2,313,079.23
<b>Total</b>	<b>9,650,068.86</b>	<b>6,397,748.46</b>	<b>3,252,320.40</b>

The table shows a decrease of over R275 thousand on travel and accommodation, over R542 thousand on catering compared to the same period last year. The table also shows a significant increase of over R2.3 million on consulting fees compared to the same time last year.

#### **a. Supply and Delivery of Municipal Vehicles**

As part of the cost containment regulations municipalities were directed to utilise the transversal contracts entered into 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 to participate in the transversal contract (RT-57 2019) for procurement of municipal vehicles with National Treasury and approval 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 18<sup>th</sup> of November as promised and were registered in the name of the municipality on the 30<sup>th</sup> of November 2022 with full delivery being on the 3<sup>rd</sup> 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 27<sup>th</sup> 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 will then monitor the performance of the contract after these and provide more guidance on ways to improve our maintenance work.

## **6. Year -end processes**

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

### b. Irrecoverable debtors identified

The municipality contracted an external debt collector to assist with debt collection. As part of the debt collection process a continuous assessment of collectability of each debt is made to ensure that there are no changes in the status of debtors and or ownership of the debt. Regular meetings are held with the debt collectors as part of the municipality's contract management processes where it has become clear that some accounts may not be collectable and therefore a write-off is recommended. Below is a table showing the details of then amounts and affected accounts which is then followed by and explanation of the findings that have resulted in the recommendation:

## Summary of Write-offs

Account	Account Holder	Status	90 Days Plus	90 Days Plus To	Total Outstanding	Writeoff amount	Reason	Recommendation by Kumyolz/ Mt Service/ Charge
6346	BIZANA FUNERAL	Working on	546,198.66	1,366,635.72	1,392,743.62	588,000.00	Bizan account is accumulating interest every month	Ref R588,000 and municipality will recommend write off. This
50236	Mrs. M.R. Lingard	Transido	16,376.82	48,208.52	48,969.00	48,969.00	Transido	There is no possible collection on this site
50332	MR JMDLULI	Transido	16,376.82	48,208.52	48,969.00	48,969.00	Transido	There is no possible collection on this site
50163	Mr M. Bitane	Transido	16,174.07	47,732.85	48,485.98	48,485.98	Transido	There is no possible collection on this site
50445	MR S. XHALABILE	Transido	16,174.07	47,732.85	48,485.98	48,485.98	Transido	There is no possible collection on this site
50325	MR L.M. MDING	Transido	15,588.34	46,352.06	47,083.75	47,083.75	Transido	There is no possible collection on this site
50212	MRS S.C.JALI	Transido	15,374.27	45,844.53	46,568.28	46,568.28	Transido	There is no possible collection on this site
50251	MR P.J. LINGANI	Transido	14,146.13	42,894.50	43,574.09	43,574.09	Transido	There is no possible collection on this site
50340	MR T.M. MPILA	Transido	13,983.27	42,460.32	43,133.44	43,133.44	Transido	There is no possible collection on this site
7357	NUBA T	Transido	11,813.44	36,593.26	37,186.75	37,186.75	Transido	There is no possible collection on this site
8488	MAMPSHIKA(RO)	Transido	1,069.29	3,828.02	3,894.07	3,894.07	Transido	There is no possible collection on this site
5159	TRANSIDO	Transido	2,369.25	2,446.14	2,448.21	2,448.21	Transido	There is no possible collection on this site
64					1,811,542.17	1,006,798.55		

### Account 6346

A billing from prior years of R588 000 that was identified during the engagement with the customer and is uncollectable, this was identified to have happened in 2016/02 for electricity billing in which the customer is disputing, reasonable assessment of consumption in this account point that this is a billing error.

### Account 50236; 50332; 50163; 50445; 50325; 50212; 50251; 50340; 3757; 8488 & 5159

During the recovery of these accounts an amount of R467 767.55 relating to refuse collection billing and interest was identified to be uncollectable as all reasonable steps to identify and trace these customers were impossible. These are accounts opened in the names of tenants with untraceable data account opened in Transido Property (Erf 111).

It is therefore recommended for council to consider the write off of these amounts as these are irrecoverable. Based on the background work done to trace these accounts it has proven that the exercise may be too costly and the books of the municipality may be overstated.

### c. Compilation of the immovable asset 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 2 additional meetings with the service provider where the submission of information is facilitated and outstanding information as well as challenges are circumvented. The service provider is now on site and has, after gathering the relevant information, mapped all the places for verification on the GIS maps. On site verifications have commenced from the weekend of the 8th July 2023.

#### **d. Compilation of the movable asset register**

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 recommends that a disposal of assets with a carrying amount of R 799 237,12 through auction (where applicable) be approved by the standing committee as per the summary below:

ASSET CATEGORY	COST/DR C	ACCUM. DEPREC OPENING 1	2022/23 CURRENT YEAR	CLOSING ACCUM DEPREC 31	NET BOOK VALUE 30 JUNE 2023
----------------	-----------	-------------------------	----------------------	-------------------------	-----------------------------

		JULY 2022	DEPRECIATION	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
<b>TOTAL</b>	<b>3 329 946.42</b>	<b>2 206 044.84</b>	<b>188 710.57</b>	<b>2 322 429.93</b>	<b>799 237.12</b>

It is noteworthy that the biggest contributor in terms of value for the proposed disposal above is the singular disposal of a municipal vehicle allocated to the office of the mayor which got involved in an accident on the 18th May 2023 and was subsequently declared a total loss by the municipality. The municipality opted to take the option of getting a replacement vehicle from the insurance rather than accepting the cash pay-out and such replacement vehicle was delivered to the municipality on the 21st June 2023.

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
- a) The committee to recommend the disposal of assets as proposed in the report in line with the requirements of the asset management policy to the executive committee and further reporting to council.

## 7. Grants Re-allocation and adjustment budget

The stopping and re-allocation of conditional grants is done in terms of sections 18 and 19 of the 2022 DoRAA against municipalities that reported significant underperformance, and non-compliance against conditional grants frameworks and the provisions of the Act against the 2022/23 allocations.

The purpose of sections 18 and 19 of the 2022 DoRAA is to avoid transferring more funds to municipalities that are sitting with unspent transferred funds, avoid fiscal dumping, addresses possibilities of funds misused and support fast moving projects in year.

The stopping however does not imply that projects should stop, rather municipalities should reprioritise to accelerate against their committed ready projects. Only projects that are not ready for implementation in the current year are affected by the stopping process as transferring more funds could lead to the misusing of the conditional grants.

The stopping and re-allocation process provides that municipalities that are showing improved performance could be considered for additional funding and the ones that are under performing could have their funds stopped in the current year. These municipalities will be supported in future when their performance improves.

Eleven capital grants are being affected by the stopping and re-allocation process namely; the Water Services Infrastructure Grant (WSIG 5B), Regional Bulk Infrastructure Grant (RBIG 5B), Public Transport Networks Grant (PTNG), Urban Settlements Development Grant (USDG), Informal Settlements Upgrading Partnership Grant (ISUPG), Neighborhood Development Partnership Grant (NDPG 5B and 6B), Integrated National Electrification Programme (INEP 5B and 6B), ***Municipal Infrastructure Grant (MIG)***, Rural Road Assets Management Systems Grant (RRAMS) and the Integrated Urban Development Grant (IUDG).

Reconciliation of Winnie Madikizela-Mandela Local Municipality allocations for 22/23 MTREF									
	Revised 2021/22	Change	2022/23	Additional Allocation July 2022	Additional Allocation October 2022	Stopping and Re-allocation March 2023	Revised 2022/23	2023/24	2024/25
<b>National Allocations</b>									
<i>Operational</i>	<b>317,560,650</b>	<b>33,892,750</b>	<b>351,453,400</b>	<b>12,790,000</b>	-	-217,800	<b>364,025,600</b>	<b>344,768,650</b>	<b>366,424,200</b>
Equitable Share	289,620,000	30,475,000	320,095,000	-		320,095,000	339,797,000	361,325,000	
Financial Management Grant	2,000,000	100,000	2,100,000	-		2,100,000	2,100,000	2,100,000	
Expanded Public Works Programme	3,570,000	117,000	3,687,000	-		3,687,000	-	-	
Municipal Infrastructure Grant 5%	2,551,150	200,750	2,751,900	-		-217,800	2,534,100	2,871,650	2,999,200
Disaster Management Grant	-	-	-	12,790,000	-	12,790,000	-	-	
Government Support Grant	19,819,500	3,000,000	22,819,500			22,819,500	-	-	
<i>Capital</i>	<b>76,924,850</b>	<b>-8,238,750</b>	<b>68,686,100</b>	-	<b>33,806,000</b>	<b>-4,138,200</b>	<b>98,353,900</b>	<b>82,561,350</b>	<b>86,241,800</b>
Municipal Infrastructure Grant	48,471,850	3,814,250	52,286,100			-4,138,200	48,147,900	54,561,350	56,984,800
Integrated National Electrification	28,453,000	-12,053,000	16,400,000				16,400,000	28,000,000	29,257,000
Disaster Recovery Grant	-	-	-		<b>33,806,000</b>		<b>33,806,000</b>		
<b>Provincial Allocations</b>									
<i>Operational</i>	<b>500,000</b>	-	<b>500,000</b>	-	-	-	<b>500,000</b>	<b>500,000</b>	<b>522,000</b>
Library Grant	500,000	-	500,000	-			500,000	500,000	522,000
<b>TOTAL ALLOCATIONS</b>	<b>394,985,500</b>	<b>25,654,000</b>	<b>420,639,500</b>	<b>12,790,000</b>	<b>33,806,000</b>	<b>-4,356,000</b>	<b>462,879,500</b>	<b>427,830,000</b>	<b>453,188,000</b>

The table above shows an amount of R4.3 million has been re-allocated away from the municipality due to under-performance on the Grant as at the end of December 2022. This is the main reason for this budget to reduce the municipality's planned expenditure on the program.

## 1. SUMMARY OF THE BUDGET BY REVENUE SOURCE AND EXPENDITURE TYPE

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY					
	ADJUSTED OPERATING BUDGET BY REVENUE SOURCE AND EXPENDITURE ITEM				
	CURRENT YEAR 2022/23				
	Latest Adjusted 2022/23		Adjustment		Adjusted Budget 2022/23
<b>Revenue by Source</b>					
Agency Services	-R	1,520,874.00	R	-	-R
Fines; Penalties and Forfeits	-R	592,627.00	R	-	-R
Interest- Investments	-R	18,319,390.00	-R	4,000,000.00	-R
Interest- Outstanding debts	-R	2,148,781.00	R	-	-R
Licences or Permits	-R	2,403,886.00	R	-	-R
Other revenue	-R	811,971.00	-R	56,396.00	-R
Property Rates	-R	21,468,489.00	R	-	-R
Rental from Fixed Assets	-R	4,498,452.00	R	-	-R
Service Charges- Electricity	-R	30,845,308.00	-R	6,000,000.00	-R
Service Charges- Waste	-R	4,501,966.00	R	-	-R
Transfers and Subsidies	-R	467,235,458.00	R	9,096,391.91	-R
<b>Total Revenue</b>	<b>-R</b>	<b>554,347,202.00</b>	<b>-R</b>	<b>960,004.09</b>	<b>-R</b>
<b>Expenditure by Type</b>					
Bulk Purchases	R	40,005,406.00	R	-	R
Contracted Services	R	99,503,653.00	R	-	R
Depreciation and Amortisation	R	49,735,160.00	R	-	R
Disposal of Fixed and Intangible Assets	R	26,336,122.00	R	10,000,000.00	R
Employee Related Cost	R	122,283,544.00	-R	231,868.00	R
Interest; Dividends and Rent on Land	R	100,000.00	R	-	R
Inventory Consumed	R	6,888,942.00	R	-	R
Other expenditure	R	87,334,513.00	R	14,068.00	R
Provision for bad debt	R	9,600,000.00	R	-	R
Remuneration of Councillors	R	27,047,160.00	R	-	R
Transfers and Subsidies	R	3,349,200.00	R	-	R
<b>Total Expenditure</b>	<b>R</b>	<b>472,183,700.00</b>	<b>R</b>	<b>9,782,200.00</b>	<b>R</b>
Surplus/Deficit	R	82,163,502.00	-R	8,822,195.91	R
Non-cash items	R	79,420,482.00	R	10,000,000.00	R
<b>Available to fund Capital Budget</b>	<b>R</b>	<b>161,583,984.00</b>	<b>R</b>	<b>1,177,804.09</b>	<b>R</b>

#### a. Revenue adjustments

##### i. Transfers and Subsidies

A decrease of R9 million is as a result of the R4.3 million re-allocated from the municipal Infrastructure Grant coupled with a R4.7 million from the Disaster recovery grant of R33 million that is allocated to projects that are anticipated to be completed at the start of the following year.

#### b. Operating Expenditure

##### i. Employee related costs

This has seen a net decrease of R231 thousand from the 5% allocation that is part of the MIG framework that has been caused by the re-allocation of funds.

##### ii. Other expenditure

The adjustment made relates to a re-allocation from employee costs funded from FMG to accommodation for trainings funded from the same fund.

##### iii. Disposal of Fixed and Intangible Assets

The additional R10 million is allocated to roads and engineering in preparation for the write-offs that may need to be processed at the end of the year as a result of the refurbished and rehabilitated roads during the year.

## 2. CAPITAL BUDGET BY VOTE

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY			
2022/23 ADJUSTED BUDGET			
ADJUSTED CAPITAL EXPENDITURE BY MUNICIPAL VOTE			
	LATEST ADJUSTED BUDGET	ADJUSTMENT	ADJUSTED BUDGET
<b>MUNICIPAL VOTE</b>			
Executive and Council	R -		R -
Corporate Services	R 9,402,608.00		R 9,402,608.00
Budget and Treasury			
Development Planning	R 15,295,307.00		R 15,295,307.00
Community Services	R 5,262,049.00		R 5,262,049.00
Roads and Engineering	R 151,604,336.41	-R 8,878,591.91	R 142,725,744.50
<b>TOTAL</b>	<b>R 181,564,300.41</b>	<b>-R 8,878,591.91</b>	<b>R 172,685,708.50</b>
<b>FUNDING SOURCE</b>			
National Government	R 116,093,957.12	-R 8,878,591.91	R 107,215,365.21
Provincial Government	R -		R -
District Municipality	R -		R -
Other transfers and Grants	R -		R -
Borrowings	R -		R -
Internally Generated Funds	R 65,470,343.29		R 65,470,343.29
<b>TOTAL FUNDING</b>	<b>R 181,564,300.41</b>	<b>-R 8,878,591.91</b>	<b>R 172,685,708.50</b>

#### Roads and Engineering

The adjustment relates to the projects that were allocated budgets from the MIG allocation that have not started and those where the allocation available is projected that it may not be utilised in full, these were made due to the funding cut earlier indicated.

There are also projects that are expected to be completed in the first two months of the next financial year and the amounts in question have since been moved to the final budget for 2023/24 with their funding sources to ensure that no delays are caused before the adjustment budget processes.

AFFECTED PROJECTS	LATEST ALLOCATION	ADJUSTEMENT	ADJUSTED ALLOCATION
Construction of Mbizana Town Hall	R 5,595,763.60	-R 1,388,442.51	R 4,207,321.09
Construction of Bhukuveni to Ntshikintshane Concrete Slab	R 700,000.35	-R 500,949.88	R 199,050.47
Construction of Mngomazi AR	R 848,806.91	-R 848,806.91	R 0.00
Construction of Mhlwazini AR	R 700,000.35	-R 700,000.35	-R 0.00
Rehabilitation of Mgomazi AR	R 4,492,338.13	-R 808,620.87	R 3,683,717.27
Rehabilitation of Bazana AR	R 1,622,981.20	-R 292,136.62	R 1,330,844.58
Rehabilitation of Dumasi AR(Disaster)	R 3,173,664.16	-R 571,259.56	R 2,602,404.61
Rehabilitation of Matshezini AR	R 2,988,896.07	-R 538,001.28	R 2,450,894.79
Rehabilitation of Lumphondweni AR	R 3,720,997.56	-R 669,779.55	R 3,051,218.01
Rehabilittaion of Zamilive AR	R 4,250,296.45	-R 765,053.37	R 3,485,243.08
Maintenance of Ntlozelo Access Road	R 2,046,372.14	-R 368,346.98	R 1,678,025.16
Maintenance of Umhlambi SSS Langalethu-Dotye Access Road	R 2,285,932.10	-R 411,467.77	R 1,874,464.33

Maintenance of Monti Access Road	R 1,754,032.97	-R 315,725.92	R 1,438,307.05
Total	R 34,180,081.99	-R 8,178,591.56	R 26,001,490.43

### 3. CAPITAL BUDGET BY ASSET CLASS

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY				
2022/23 ADJUSTED BUDGET				
ADJUSTED CAPITAL EXPENDITURE BY ASSET CLASS AND FUNDING SOURCE				
	2023 ADJUSTED BUDGET			
	LATEST ADJUSTED BUDGET	ADJUSTMENT	ADJUSTED BUDGET	
<b>ASSET CLASS</b>				
Community Assets	R 44,744,415.95	-R 1,207,341.31	R 43,537,074.63	
Computer Equipment	R 4,439,565.00	R -	R 4,439,565.00	
Electrical Infrastructure	R 15,565,218.00	R -	R 15,565,218.00	
Furniture and Office Equipment	R 3,307,917.00	R -	R 3,307,917.00	
Machinery and Equipment	R 217,392.00	R -	R 217,392.00	
Other Assets - Buildings	R 173,043.00	R -	R 173,043.00	
Roads Infrastructure	R 83,629,920.00	-R 6,513,173.51	R 77,116,746.49	
Solid waste infrastructure	R 1,389,783.00	R -	R 1,389,783.00	
Transport Assets	R 5,076,957.00	R -	R 5,076,957.00	
VAT Receivable	R 23,020,089.47	-R 1,158,077.08	R 21,862,012.38	
<b>TOTAL</b>	<b>R 181,564,300.41</b>	<b>-R 8,878,591.91</b>	<b>R 172,685,708.50</b>	
<b>FUNDING SOURCE</b>				
National Government	R 116,093,957.12	-R 8,878,591.91	R 107,215,365.21	
Provincial Government	R -		R -	
District Municipality	R -		R -	
Other transfers and Grants	R -		R -	
Borrowings	R -		R -	
Internally Generated Funds	R 65,470,343.29		R 65,470,343.29	
<b>TOTAL FUNDING</b>	<b>R 181,564,300.41</b>	<b>-R 8,878,591.91</b>	<b>R 172,685,708.50</b>	

#### c. Capital Expenditure

##### i. Community Assets

The adjustments relate mainly to the adjustments made for the completion of the Civic Center funded through MIG exclusive of VAT.

##### ii. Road infrastructure

The adjustments relate to roads allocated for disaster recovery that are expected to be completed after 30 June 2023 as well as MIG funded projects that have not started for which funding has been re-allocated away from the municipality.

## 8. Strategic Objectives

The municipality developed strategies for the next five years from which short-term operational plans and targets talking to at least a period of one financial year are developed and reviewed annually. 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 a summary of the SDBIP with the targets that the departments have been working to achieve on a quarterly basis. The table shows the municipality's performance for the period ended to ensure they are monitored and achieved at the end of the financial year:

DEPARTMENTS	TOTAL NUMBER OF TARGETS	TARGETS REPORTED	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	ACHIEVEMENT PERCENTAGE	COLOUR CODING FOR OVERALL PERFORMANCE
ENGINEERING SERVICES DEPARTMENT	31	31	23	8	74%	
COMMUNITY SERVICES DEPARTMENT	43	43	40	3	93%	
DEVELOPMENT PLANNING DEPARTMENT	28	28	16	12	57%	
CORPORATE SERVICES DEPARTMENT	18	18	17	1	94%	
BUDGET & TREASURY OFFICE	41	41	39	2	95%	
MUNICIPAL MANAGER'S OFFICE	29	29	26	3	90%	
OVERALL PERFORMANCE	190	190	161	29	85%	

101+%	Performing above the target
96-100%	No deviation in plans – targets achieved
67-95%	Minor deviation – targets not achieved

	0-66%	Major deviation – targets not achieved
---	-------	--

The table above paints a very bleak picture of the most unacceptable performance standards by any stretch of imagination for our service delivery department in the form of engineering services even though it is an improvement from the picture looked like in the previous year at the same time. A detailed report will be presented separately with the reasons and proposed remedial actions to remedy the situation.

## 9. In-year budget statement tables

### a) Budget Statement Summary

EC443 Winnie Madikizela Mandela - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2021/22 Audited Outcome	Budget Year 2022/23							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	21,163	21,468	21,468	581	20,749	21,468	(719)	-3%	21,468
Service charges	42,139	36,680	41,347	4,307	45,290	41,347	3,943	10%	41,347
Investment revenue	10,784	9,760	19,090	2,467	21,970	19,090	2,879	15%	19,090
Transfers and subsidies	295,672	338,352	350,924	205	340,989	350,924	(9,934)	-3%	350,924
Other own revenue	19,284	14,189	15,262	2,190	16,326	15,262	1,064	7%	15,262
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>389,042</b>	<b>420,449</b>	<b>448,092</b>	<b>9,749</b>	<b>445,324</b>	<b>448,092</b>	<b>(2,768)</b>	<b>-1%</b>	<b>448,092</b>
Employee costs	107,129	124,799	122,052	15,314	112,949	122,052	(9,103)	-7%	122,052
Remuneration of Councillors	24,782	27,047	27,047	1,872	25,261	27,047	(1,786)	-7%	27,047
Depreciation & asset impairment	52,653	49,735	49,735	3,248	40,417	49,735	(9,318)	-19%	49,735
Finance charges	—	100	100	—	—	100	(100)	-100%	100
Inventory consumed and bulk purchases	45,684	47,632	46,915	4,071	42,979	46,915	(3,937)	-8%	46,915
Transfers and subsidies	1,251	3,200	3,349	1,231	2,593	3,349	(756)	-23%	3,349
Other expenditure	176,312	178,804	232,767	15,893	161,846	232,767	(70,921)	-30%	232,767
<b>Total Expenditure</b>	<b>407,811</b>	<b>431,318</b>	<b>481,966</b>	<b>41,629</b>	<b>386,045</b>	<b>481,966</b>	<b>(95,921)</b>	<b>-20%</b>	<b>481,966</b>
<b>Surplus/(Deficit)</b>	<b>(18,769)</b>	<b>(10,870)</b>	<b>(33,874)</b>	<b>(31,879)</b>	<b>59,280</b>	<b>(33,874)</b>	<b>93,154</b>	<b>-275%</b>	<b>(33,874)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	80,162	82,288	107,215	20,236	91,134	107,215	###	-15%	107,215
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	79	—	—	—	479	—	479	#DIV/0!	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>(11,644)</b>	<b>150,893</b>	<b>73,341</b>	<b>77,551</b>	<b>106%</b>	<b>73,341</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>(11,644)</b>	<b>150,893</b>	<b>73,341</b>	<b>77,551</b>	<b>106%</b>	<b>73,341</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>165,301</b>	<b>108,048</b>	<b>149,799</b>	<b>24,869</b>	<b>112,872</b>	<b>147,552</b>	<b>(34,680)</b>	<b>-24%</b>	<b>149,799</b>
Capital transfers recognised	64,059	69,945	93,055	17,237	81,000	93,055	(12,055)	-13%	93,055
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	101,241	38,103	57,769	7,632	31,872	57,769	(25,897)	-45%	57,769
<b>Total sources of capital funds</b>	<b>165,301</b>	<b>108,048</b>	<b>150,824</b>	<b>24,869</b>	<b>112,872</b>	<b>150,824</b>	<b>(37,952)</b>	<b>-25%</b>	<b>150,824</b>
<b>Financial position</b>									
Total current assets	381,881	438,634	425,331	—	495,859	—	—	—	425,331
Total non current assets	806,463	797,697	871,215	—	853,038	—	—	—	871,215
Total current liabilities	75,515	64,901	102,931	—	86,364	—	—	—	102,931
Total non current liabilities	22,484	5,246	22,484	—	22,484	—	—	—	22,484
Community wealth/Equity	1,090,344	1,166,184	1,171,131	—	1,240,049	—	—	—	1,171,131
<b>Cash flows</b>									
Net cash from (used) operating	178,760	178,444	237,449	(24,666)	207,843	237,449	29,606	12%	237,449
Net cash from (used) investing	(159,813)	(129,968)	(171,246)	(24,607)	(124,887)	(156,976)	(32,089)	20%	(129,968)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the month/year end</b>	<b>277,109</b>	<b>385,302</b>	<b>343,311</b>	<b>—</b>	<b>360,065</b>	<b>357,582</b>	<b>(2,483)</b>	<b>-1%</b>	<b>444,308</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Ds</b>	<b>151-180 Ds</b>	<b>181 Ds-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	5,116	3,042	3,040	2,515	2,520	2,508	68,664	2,290	89,695
<b>Creditors Age Analysis</b>									
Total Creditors	3,002	—	—	—	—	—	—	—	3,002

The table above shows a summary of the municipality's financial performance for the period ended 30 June 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 reporting period 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 as well as creditors age analysis.

b) Financial Performance by functional classification

EC443 Winnie Madikizela Mandela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth Quarter

Description	Ref	2021/22		Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
<b>Revenue - Functional</b>									
<i>Governance and administration</i>		339,259	362,794	385,917	4,021	404,025	385,917	18,108	5%
Executive and council		—	—	—	—	—	—	—	—
Finance and administration		339,259	362,794	385,917	4,021	404,025	385,917	18,108	5%
Internal audit		—	—	—	—	—	—	—	—
<i>Community and public safety</i>		3,960	4,966	5,086	1,623	5,332	5,086	246	5%
Community and social services		193	623	623	86	509	623	(114)	-18%
Sport and recreation		—	—	—	—	—	—	—	—
Public safety		3,768	4,344	4,464	1,536	4,823	4,464	360	8%
Housing		—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		51,861	78,100	102,760	12,366	62,292	102,127	(39,834)	-39%
Planning and development		838	23,062	25,547	(212)	6,694	24,913	(18,219)	-73%
Road transport		51,023	55,038	77,214	12,577	55,598	77,214	(21,616)	-28%
Environmental protection		—	—	—	—	—	—	—	—
<i>Trading services</i>		74,203	56,876	61,543	11,976	64,808	61,543	3,264	5%
Energy sources		66,431	47,325	53,325	11,622	56,693	53,325	3,367	6%
Water management		—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—
Waste management		7,772	9,550	8,218	354	8,115	8,218	(103)	-1%
<i>Other</i>	4	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	2	469,283	502,737	555,307	29,985	536,458	554,674	(18,216)	-3%
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>		150,782	201,620	202,945	18,850	161,410	202,945	(41,535)	-20%
Executive and council		54,350	64,094	64,639	5,042	56,536	64,639	(8,104)	-13%
Finance and administration		92,856	132,844	134,124	12,990	101,168	134,124	(32,955)	-25%
Internal audit		3,577	4,682	4,182	819	3,706	4,182	(475)	-11%
<i>Community and public safety</i>		26,754	32,667	31,778	4,566	25,702	31,778	(6,076)	-19%
Community and social services		9,955	12,936	12,826	1,640	8,861	12,826	(3,965)	-31%
Sport and recreation		2,363	2,729	2,269	317	1,753	2,269	(515)	-23%
Public safety		13,617	15,956	15,619	2,310	14,052	15,619	(1,567)	-10%
Housing		818	1,046	1,064	299	1,036	1,064	(28)	-3%
Health		—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		115,864	102,588	129,513	8,152	93,850	129,513	(35,663)	-28%
Planning and development		24,701	37,697	37,762	4,163	21,874	37,762	(15,888)	-42%
Road transport		89,005	62,240	89,333	3,698	69,792	89,333	(19,541)	-22%
Environmental protection		2,159	2,651	2,418	291	2,184	2,418	(235)	-10%
<i>Trading services</i>		111,390	90,304	113,604	7,692	74,671	113,604	(38,934)	-34%
Energy sources		96,817	63,408	87,433	4,672	52,336	87,433	(35,097)	-40%
Water management		—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—
Waste management		14,573	26,896	26,171	3,020	22,335	26,171	(3,836)	-15%
<i>Other</i>		3,021	4,139	4,126	522	3,283	3,782	(499)	-13%
<b>Total Expenditure - Functional</b>	3	407,811	431,318	481,966	39,781	358,916	481,622	(122,706)	-25%
<b>Surplus/ (Deficit) for the year</b>		61,472	71,418	73,341	(9,796)	177,542	73,052	104,491	143%
									73,341

The table above shows the municipality's financial performance for the period ended 30 June 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) - Q4 Fourth Quarter

Description R thousands	Ref	2021/22		Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>									
Property rates		21,163	21,468	21,468	581	20,749	21,468	(719)	-3%
Service charges - electricity revenue		37,937	30,845	36,845	3,953	40,862	36,845	4,017	11%
Service charges - water revenue		-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,202	5,834	4,502	354	4,428	4,502	(74)	-2%
Rental of facilities and equipment		-	-	-	-	-	-	-	-
Interest earned - external investments		7,511	3,893	4,498	362	4,425	4,498	(73)	-2%
Interest earned - outstanding debtors		10,784	9,760	19,090	2,467	21,970	19,090	2,879	15%
Dividends received		4,691	5,378	5,378	607	6,607	5,378	1,229	23%
Fines, penalties and forfeits		386	593	593	11	70	593	(523)	-88%
Licences and permits		2,141	2,404	2,404	179	2,169	2,404	(235)	-10%
Agency services		1,202	1,401	1,521	85	1,361	1,521	(160)	-11%
Transfers and subsidies		295,672	338,352	350,924	205	340,889	350,924	(9,934)	-3%
Other revenue		891	520	868	946	1,695	868	826	95%
Gains		2,461	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>389,042</b>	<b>420,449</b>	<b>448,092</b>	<b>9,748</b>	<b>445,324</b>	<b>446,092</b>	<b>(2,768)</b>	<b>-1%</b>
									<b>448,092</b>

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

- **PROPERTY RATES:** The municipality being a local municipality levies property rates on all rateable properties within the Mbizana area in terms of the Municipal Property Rates Act No.6 of 2004. The categories of rate payers include government departments which own properties, like the Department of Public Works which are levied once at the beginning of the financial year which lead to the revenue generated for the month to be R14.7 million in the 1<sup>st</sup> month and a decrease to an average of R584 thousand as expected for the following months to the end June 2023. The revenue recognised on this stream for the year is below the projected revenue by 3% with R581 being recorded for the month of June 2023. This is made up of the R584 thousand a month for the past 10 months added to the once-off billing of R14.7 as well as the R581 for the month.
- **ELECTRICITY REVENUE:** The municipality distributes electricity in the town area as per its distribution licence. This is one of the major sources of revenue for the municipality as households now depend on electricity for their day to day living. This is a trading service where the municipality gives electricity equivalent to the amount provided by the consumer. Municipalities are therefore expected to at least recover the cost of providing the service. The approval of tariffs by NERSA is set up such that the municipality can make some form of surpluses from sale of

electricity so that it may be able to maintain the infrastructure used to render the service and defray all other operating expenses related to the service provision. The municipality has generated over R3.9 million for the month and a year to date actual of just over R40.8 million for the twelve months of the financial year. This is above the projection by about 11% which may add up to R4 million by the end of the year as attempts to better the situation continue to yield positive results. This upward trend may be attributable to the new customers having been connected and adding to the revenue base that were not there at the start of the financial year like the Bizana Walk mall. As previously reported, the municipality has installed an automated meter reading system to assist in reducing losses and detect areas where there might be tampering with the municipal infrastructure. There are however challenges that the municipality has faced with the system:

- Modems damaged by water
- Modems being stolen or damaged

The municipality's electricity section is working on a solution to have lockable boxes where these modems are installed. Continued load shedding continues to pose a threat on the municipality's revenue generating capacity.

- **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 R354 thousand which has continued to be less than the revised projection by 2%. An investigation 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. There has been a growing trend of people running small business coming to the municipality requesting their billing for refuse removal to be halted until electricity supply returns to normal because they end up not being able to operate and therefore not generating any revenue and no refuse to be collected, especially those that are service driven.
- **Interest on Investments:** The municipality invests surplus cash and unspent grants to generate interest that would be utilised to fund other municipal programmes, this interest includes interest on the municipality's positive balance in the municipality's main account. The table above shows that the municipality generated over R2.4 million worth of interest on investments with a year to date

actual that is above the revised projection by 15% which we hope will be maintained as the new year progresses to supplement the municipality's funding capacity during the implementation of the 2024 budget.

- **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 R607 thousand for the period ended 30 June 2023 which has gone above the amount projected for the period by 23%. 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 recorded just over R11 thousand worth of revenue generated on fines during the month of June 2023. It is worth noting though that this does not represent cash collected (if related to traffic fines) 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 R362 thousand for the month which has left the actual performance to continue being just below the revised projection by 2% which is a result of other revised contracts that have been concluded as well as the new lease agreement with Cybromax which has also started generating rentals.
- **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 R179 thousand worth of revenue for the period. The municipality has collected below the projected collection by 10% which we hope will be improved as winter school holidays are approaching.
- **Transfers and subsidies:** The municipality receives grants, both conditional and those without conditions. The report shows that an amount of about R205 thousand has been transferred to revenue

for the period ended 30 June 2023 from the operating grants whose conditions have been met. This has resulted in a recorded year to date performance of R340.9 million for the eleven months of the financial. 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 the equitable share that was received during the months of July, December 2022 and March 2023.

#### d) Debt Collection

The table below shows a 109% overall collection rate for the month ended 30 June 2023. However, we note a 92% collection rate on leasehold fees, 128% on electricity, 66% on property rates and 105% on refuse removal for the period.

WINNIE MADIKIZELA LM : MONTHLY BILLING & RECEIPTS (including VAT)

YEAR ENDING: 30 June 2023

INCOME TYPE	JULY	AUGUST	SEPTEMBER	1st QUARTER	OCTOBER	NOVEMBER	DECEMBER	2nd QUARTER	JANUARY	FEBRUARY	MARCH	3rd QUARTER	APRIL	MAY	JUNE	4th QUARTER	TOTAL
<b>RATES</b>																	
billed	14,903,796	949,866	942,279	16,795,941	936,601	969,190	911,227	2,757,018	918,558	918,830	932,362	2,769,750	932,872	932,428	947,562	2,812,862	25,135,571
payment received	1,707,959	1,869,106	1,209,613	4,786,678	1,667,066	9,370,318	374,978	11,412,362	684,385	661,635	750,539	2,096,559	510,041	726,542	629,650	1,866,233	20,161,832
% of billing received	11%	19%	128%	28%	178%	103%	41%	414%	75%	72%	80%	76%	55%	78%	66%	66%	80%
<b>ELECTRICITY</b>																	
billed	2,524,531	2,657,915	3,522,753	8,705,199	2,454,814	2,652,689	2,604,130	7,711,633	2,767,434	2,567,509	2,450,882	5,218,317	6,994,289	2,479,497	2,765,438	12,239,225	22,705,772
payment received	3,629,058	1,469,515	2,638,870	7,737,443	7,363,234	2,221,948	1,529,542	11,114,714	2,214,798	2,792,518	1,686,327	3,901,125	4,206,449	3,528,659	9,231,029	31,984,322	
% of billing received	144%	55%	75%	89%	300%	84%	59%	144%	80%	109%	69%	75%	21%	170%	128%	75%	141%
<b>LEASEHOLD FEES</b>																	
billed	331,596	342,039	336,678	1,010,313	336,678	336,678	538,816	1,212,172	347,338	347,338	367,462	1,062,137	367,462	356,802	346,359	1,070,623	4,355,245
payment received	264,563	285,972	270,054	821,389	264,984	307,843	332,688	905,514	325,881	516,956	305,132	1,147,969	324,762	358,087	317,580	1,000,429	3,875,301
% of billing received	80%	84%	80%	81%	79%	91%	62%	75%	94%	149%	83%	108%	88%	100%	92%	93%	89%
<b>VAT</b>																	
billed	484,888	505,807	635,955	1,626,650	475,120	504,658	527,694	1,507,472	523,468	493,807	479,260	1,496,535	1,160,771	480,553	521,634	3,258,982	7,889,638
payment received	590,594	269,882	508,655	1,369,131	1,186,268	419,079	298,788	1,904,136	420,004	552,284	344,411	1,316,699	295,151	739,799	582,707	1,617,658	6,207,624
% of billing received	122%	53%	80%	84%	250%	83%	57%	126%	80%	112%	72%	88%	25%	154%	112%	50%	79%
<b>INTEREST</b>																	
billed	198,178	235,923	227,127	661,228	194,383	224,883	283,064	702,330	248,625	248,688	288,495	785,808	281,419	281,837	279,511	842,766	2,992,133
payment received	364,758	467,486	197,935	1,030,179	780,693	517,237	67,332	1,355,262	124,843	146,022	109,642	380,507	110,552	120,033	265,153	495,737	3,271,686
% of billing received	184%	198%	87%	156%	402%	230%	24%	194%	50%	59%	38%	48%	39%	43%	95%	59%	109%
<b>REFUSE REMOVAL</b>																	
billed	376,459	372,092	375,273	1,124,825	375,572	375,016	375,016	1,126,005	375,016	377,196	376,718	1,128,931	376,718	376,718	375,762	1,129,199	4,508,961
payment received	310,608	288,447	496,197	1,095,252	350,816	342,395	217,781	910,992	305,749	326,711	316,523	948,984	152,588	389,095	395,204	936,887	3,892,114
% of billing received	83%	78%	132%	97%	93%	91%	58%	81%	82%	87%	84%	84%	41%	103%	105%	83%	86%
<b>TOTAL INCOME</b>																	
billed	18,819,449	5,063,643	6,041,065	29,924,156	4,773,567	5,003,114	5,239,948	15,016,630	5,180,440	4,953,368	4,895,180	12,461,478	10,113,531	4,907,836	5,236,267	21,353,657	67,587,319
payment received	6,887,539	4,650,408	5,322,125	16,840,071	11,613,060	13,178,821	2,821,109	27,612,990	4,075,660	4,996,127	3,512,575	9,791,844	2,889,016	6,540,004	5,718,953	15,147,974	69,392,878
% of billing received	36%	92%	88%	56%	243%	263%	54%	184%	79%	101%	72%	79%	29%	133%	109%	71%	103%

#### e) Accounts with dispute and in litigation processes

As part of the debt collection process in line with the municipality's credit control policy a number of accounts with long outstanding amounts get into disputes over issues that in some cases cannot be proven or instances where the consumers claim to have fulfilled a condition that was agreed on with the municipality but there is no documentary proof. Some of these accounts end up undergoing court processes which we later find the consumers have abandoned the case once requested to submit proof of their dispute basis. Below are the accounts referred to:

A number of accounts that were identified during debt collection, however these accounts are part of the ongoing dispute engagements and litigation processes.

- 1.1.1.Account 680 - R401,411.92 and Acc. 1259 – R513,802.54 dispute on refuse billing.
- 1.1.2.Account 923 R1 748,071.31 dispute on electricity billing during the implementation of bulk electricity meters.
- 1.1.3.Account 755 - R2,044,886.53 refuse billing is disputed
- 1.1.4.Account 766; 859; 842; 916 & 909 dispute linked to municipal transformer

**f) Accounts identified as Indigent**

During the verification of the indigent register for ward 01, a total of 108 accounts were identified to be billed with property rates, refuse and interest. 65 accounts were verified as indigent through the applicants Identity Number. These accounts were then corrected as per indigent policy of 100% rates billed for the period 2022/2023 and refuse billed of 100%

		<b>Count of MUNICIPAL ACCOUNTS</b>
<b>Description</b>		<b>2</b>
Duplicate		2
Meets Criteria		2
<b>No</b>		<b>41</b>
CIPC Director		23
Deceased		6
Employed by State		3
Exceed Income Threshold		9
<b>Yes</b>		<b>65</b>
Meets Criteria		65
<b>Grand Total</b>		<b>108</b>

Out of 108 accounts taken for review from the external source, 65 accounts were confirmed to meet the indigent criteria as per municipal indigent policy. On the 65 accounts 20 accounts had a total balance outstanding to date of R41 999 relating to interest and property rates.

It is recommendation that a write-off of the previous years' balances on these accounts with regards to property rates and interest billed as well as refuse billed to the indigent verified accounts be recommended to council for approval.

g) Expenditure by Type

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description R thousands	Ref	2021/22 Audited Outcome	Budget Year 2022/23							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Expenditure By Type</b>										
Employee related costs		107,129	124,799	122,052	15,314	112,949	122,052	(9,103)	-7%	122,052
Remuneration of councillors		24,782	27,047	27,047	1,872	25,261	27,047	(1,786)	-7%	27,047
Debt impairment		822	9,600	9,600	-	-	9,600	(9,600)	-100%	9,600
Depreciation & asset impairment		52,653	49,735	49,735	3,248	40,417	49,735	(9,318)	-19%	49,735
Finance charges			100	100	-	-	100	(100)	-100%	100
Bulk purchases - electricity		40,211	40,005	40,005	3,204	38,679	40,005	(1,327)	-3%	40,005
Inventory consumed		5,473	7,627	6,910	868	4,300	6,910	(2,610)	-38%	6,910
Contracted services		63,499	86,644	99,475	6,423	74,797	99,475	(24,677)	-25%	99,475
Transfers and subsidies		1,251	3,200	3,349	1,231	2,593	3,349	(756)	-23%	3,349
Other expenditure		65,440	82,560	87,357	7,622	59,920	87,357	(27,436)	-31%	87,357
Losses		46,551	-	36,336	1,847	27,129	36,336	(9,207)	-25%	36,336
<b>Total Expenditure</b>		<b>407,811</b>	<b>431,318</b>	<b>481,966</b>	<b>41,629</b>	<b>386,045</b>	<b>481,966</b>	<b>(95,921)</b>	<b>-20%</b>	<b>481,966</b>

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

- Employee costs and Remuneration of councillors:** The municipality has remunerated employees who are remunerated as per the prevailing Bargaining Council agreements. The expenditure for the period ended 30 June 2023 reflects an amount of R15 million for employee costs and R1.8 million for the remuneration of councillors. The remuneration of councillors continues to show a 7% saving compared to what is expected at the same period. Employee costs have also continued to record a 7% 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 recorded expenditure of R3.2 million on electricity purchases for the month due to a change in billing dates from Eskom from mid-month to the start of the new month, with a year to date actual which just below the projected expenditure by 3%. This amount only relates to 23 days of May and 07 days of June as billing by Eskom only took place a few days into the following month.
- Depreciation and asset impairment:** The depreciation run has previously been performed after the end of each quarter which has since been changed to monthly, resulting in the depreciation for June 2023 being R3.2 million as the asset register has been audited to confirm the reasonability of the figures disclosed and ensure that the assets are correctly accounted for in the municipality's records. This has resulted in the depreciation recorded being below the projection for the period by about 19%.

- Contracted Services:** This relates to the municipality's general expenses that have been incurred during the month where external service providers were used to render the service or procure goods. This shows that the municipality incurred R6.4 million worth of expenditure during the month. Despite this level of spending the actual performance against the projected spending is still below by over 25% which is in line with the 25% that was recorded last month which may be attributable to the impact of slow activity during the first months of each financial year which the municipality may not have recovered from as always experienced and requires better planning in the years to come to ensure spending patterns are improved.
- Other Expenditure:** This also shows a saving of about 31% which might be as a result of the slow spending during the first months of each financial year which is always experienced. This requires though that departments that are currently underspending be sensitised of the matter.

#### h) Revenue by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter

Vote Description R thousands	Ref	Budget Year 2022/23									
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>Revenue by Vote</b>	1	-	-	-	-	-	-	-	-	-	
Vote 1 - Executive and Council		483	137	509	60	622	509	113	22.1%	164	
Vote 2 - Corporate Services		317,613	341,189	363,940	3,380	382,654	363,940	18,714	5.1%	363,940	
Vote 3 - Budget and Treasury Office		11,732	14,517	13,304	1,977	13,447	13,304	143	1.1%	13,304	
Vote 4 - Community Services		22,001	44,531	44,481	587	22,219	44,481	(22,261)	-50.0%	44,481	
Vote 5 - Development Planning		117,454	102,363	130,539	24,199	112,291	130,539	(18,248)	-14.0%	130,539	
<b>Total Revenue by Vote</b>	2	<b>469,283</b>	<b>502,737</b>	<b>552,773</b>	<b>30,203</b>	<b>531,234</b>	<b>552,773</b>	<b>(21,539)</b>	<b>-3.9%</b>	<b>552,428</b>	

The table above shows revenue generated per municipal vote as defined in s1 of the MFMA. The table shows that Engineering services has generated over R24.1 million for the month with Budget and Treasury showing generation of over R3.3 million which may be attributable to the grants received, interest received on investments and debtors as well as Development Planning at R587 thousand.

i) Expenditure by Municipal Vote

EC443 Winnie Madikizela Mandela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter

Vote Description R thousands	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Expenditure by Vote</u>	1									
Vote 1 - Executive and Council		71,138	84,391	84,188	6,969	74,745	84,186	(9,441)	-11.2%	84,186
Vote 2 - Corporate Services		40,512	59,772	57,986	5,963	43,061	57,986	(14,925)	-25.7%	57,986
Vote 3 - Budget and Treasury Office		24,251	41,521	43,771	3,370	26,820	43,771	(16,951)	-38.7%	43,771
Vote 4 - Community Services		59,268	79,012	78,098	10,292	67,751	78,098	(10,347)	-13.2%	78,098
Vote 5 - Development Planning		17,008	36,131	36,533	3,955	19,444	36,189	(16,744)	-46.3%	36,533
Vote 6 - Engineering Services		195,635	130,491	181,392	9,232	127,094	181,392	(54,297)	-29.9%	181,392
<b>Total Expenditure by Vote</b>	2	<b>407,811</b>	<b>431,318</b>	<b>481,968</b>	<b>39,781</b>	<b>358,916</b>	<b>481,522</b>	<b>(122,706)</b>	<b>-25.5%</b>	<b>481,966</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>61,472</b>	<b>71,418</b>	<b>70,807</b>	<b>(9,579)</b>	<b>172,318</b>	<b>71,151</b>	<b>101,167</b>	<b>142.2%</b>	<b>70,462</b>

The table above shows the expenditure by municipal vote. The total expenditure for the month of June 2023 amounted to above R39.7 million with a year to date of R358 million.

j) Municipality's financial performance

EC443 Winnie Madikizela Mandela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	2021/22		Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates		21,163	21,468	21,468	581	20,749	21,468	(719)	-3%
Service charges - electricity revenue		37,937	30,845	36,845	3,953	40,862	36,845	4,017	11%
Service charges - water revenue		-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-
Service charges - refuse revenue		4,202	5,834	4,502	354	4,428	4,502	(74)	-2%
Rental of facilities and equipment		7,511	3,893	4,498	362	4,425	4,498	(73)	-2%
Interest earned - external investments		10,784	9,760	19,090	2,467	21,970	19,090	2,879	15%
Interest earned - outstanding debtors		4,691	5,378	5,378	607	6,607	5,378	1,229	23%
Dividends received		-	-	-	-	-	-	-	-
Fines, penalties and forfeits		386	593	593	11	70	593	(523)	-88%
Licences and permits		2,141	2,404	2,404	179	2,169	2,404	(235)	-10%
Agency services		1,202	1,401	1,521	85	1,381	1,521	(160)	-11%
Transfers and subsidies		295,672	338,352	350,924	205	340,989	350,924	(9,934)	-3%
Other revenue		891	520	868	946	1,695	868	826	95%
Gains		2,461	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>389,042</b>	<b>420,449</b>	<b>448,092</b>	<b>9,749</b>	<b>445,324</b>	<b>448,092</b>	<b>(2,768)</b>	<b>-1%</b>
<b>Expenditure By Type</b>									
Employee related costs		107,129	124,799	122,052	15,314	112,949	122,052	(9,103)	-7%
Remuneration of councillors		24,782	27,047	27,047	1,872	25,261	27,047	(1,786)	-7%
Debt impairment		822	9,600	9,600	-	-	9,600	(9,600)	-100%
Depreciation & asset impairment		52,653	49,735	49,735	3,248	40,417	49,735	(9,318)	-19%
Finance charges		-	100	100	-	-	100	(100)	-100%
Bulk purchases - electricity		40,211	40,005	40,005	3,204	38,679	40,005	(1,327)	-3%
Inventory consumed		5,473	7,627	6,910	868	4,300	6,910	(2,610)	-38%
Contracted services		63,499	86,644	99,475	6,423	74,797	99,475	(24,677)	-25%
Transfers and subsidies		1,251	3,200	3,349	1,231	2,593	3,349	(756)	-23%
Other expenditure		65,440	82,560	87,357	7,622	59,920	87,357	(27,436)	-31%
Losses		46,551	-	36,336	1,847	27,128	36,336	(9,207)	-25%
<b>Total Expenditure</b>		<b>407,811</b>	<b>431,318</b>	<b>481,966</b>	<b>41,629</b>	<b>386,045</b>	<b>481,966</b>	<b>(95,921)</b>	<b>-20%</b>
<b>Surplus/(Deficit)</b>		<b>(18,769)</b>	<b>(10,870)</b>	<b>(33,874)</b>	<b>(31,879)</b>	<b>59,280</b>	<b>(33,874)</b>	<b>93,154</b>	<b>(0)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		80,162	82,288	107,215	20,236	91,134	107,215	(16,082)	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		79	-	-	-	479	-	479	#DIV/0!
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>(11,644)</b>	<b>150,893</b>	<b>73,341</b>		<b>73,341</b>
Taxation		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>(11,644)</b>	<b>150,893</b>	<b>73,341</b>		<b>73,341</b>
Attributable to minorities		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>(11,644)</b>	<b>150,893</b>	<b>73,341</b>		<b>73,341</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>61,472</b>	<b>71,418</b>	<b>73,341</b>	<b>(11,644)</b>	<b>150,893</b>	<b>73,341</b>		<b>73,341</b>

The municipality has so far recorded a surplus of over R150 million for the period ended 30 June 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 and possible savings from non-cash items. Measures still need to be put in place to move the municipality towards self-sustainability.

## 10. Capital programme performance

### a) Capital expenditure by asset class and sub-class

EC443 Winnie Madikizela Mandela - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q4 Fourth Quarter

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		61,748	61,890	54,968	14,986	55,876	54,968	(908)	-1.7%	54,968
Roads Infrastructure		35,302	36,090	38,013	7,207	39,789	38,013	(1,776)	-4.7%	38,013
Roads		35,302	36,090	37,144	7,207	39,789	37,144	(2,645)	-7.1%	37,144
Road Structures		–	–	869	–	–	869	869	100.0%	869
Electrical Infrastructure		26,289	15,725	15,565	6,747	15,055	15,565	510	3.3%	15,565
MV Networks		25,565	13,940	14,261	6,747	13,878	14,261	383	2.7%	14,261
LV Networks		724	1,785	1,304	–	1,178	1,304	127	9.7%	1,304
Solid Waste Infrastructure		158	8,075	1,390	1,032	1,032	1,390	358	25.8%	1,390
Landfill Sites		–	8,075	1,390	1,032	1,032	1,390	358	25.8%	1,390
Waste Drop-off Points		158	–	–	–	–	–	–	–	–
<u>Community Assets</u>		9,910	5,950	5,248	890	4,632	5,248	616	11.7%	5,248
Community Facilities		9,910	5,355	4,640	890	4,632	4,640	7	0.2%	4,640
Halls		6,168	1,020	846	89	693	846	153	18.1%	846
Crèches		3,743	2,975	935	349	1,890	935	(955)	-102.2%	935
Markets		–	1,360	2,859	451	2,050	2,859	809	28.3%	2,859
Sport and Recreation Facilities		–	595	609	–	–	609	609	100.0%	609
Outdoor Facilities		–	595	609	–	–	609	609	100.0%	609
<u>Heritage assets</u>		30	–	–	–	–	–	–	–	–
Other Heritage		30	–	–	–	–	–	–	–	–
<u>Other assets</u>		660	11,562	11,828	–	997	11,828	10,831	91.6%	11,828
Operational Buildings		660	11,562	11,828	–	997	11,828	10,831	91.6%	11,828
Yards		63	–	–	–	–	–	–	–	–
Manufacturing Plant		597	11,562	11,828	–	997	11,828	10,831	91.6%	11,828
<u>Computer Equipment</u>		1,834	2,125	4,440	388	626	4,440	3,813	85.9%	4,440
Computer Equipment		1,834	2,125	4,440	388	626	4,440	3,813	85.9%	4,440
<u>Furniture and Office Equipment</u>		84	7,140	3,308	(648)	1,147	3,308	2,161	65.3%	3,308
Furniture and Office Equipment		84	7,140	3,308	(648)	1,147	3,308	2,161	65.3%	3,308
<u>Machinery and Equipment</u>		119	128	217	79	79	217	138	63.6%	217
Machinery and Equipment		119	128	217	79	79	217	138	63.6%	217
<u>Transport Assets</u>		–	6,500	5,077	2,551	4,542	5,077	534	10.5%	5,077
Transport Assets		–	6,500	5,077	2,551	4,542	5,077	534	10.5%	5,077
Total Capital Expenditure on new assets	1	74,385	95,294	85,086	18,246	67,901	85,086	17,185	20.2%	85,086

EC443 Winnie Madikizela Mandela - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Q4 Fourth Quarter

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		24,090	3,426	38,405	6,046	35,871	38,405	2,535	6.6%	38,405
Roads Infrastructure		24,090	3,426	38,405	6,046	35,871	38,405	2,535	6.6%	38,405
Roads		24,090	3,426	38,405	6,046	35,871	38,405	2,535	6.6%	38,405
<u>Community Assets</u>		26,700	1,360	5,843	177	4,211	5,843	1,632	27.9%	5,843
Community Facilities		26,700	1,360	5,843	177	4,211	5,843	1,632	27.9%	5,843
Taxi Ranks/Bus Terminals		26,700	1,360	5,843	177	4,211	5,843	1,632	27.9%	5,843
<u>Other assets</u>		(63)	340	350	399	748	350	(399)	-114.1%	350
Operational Buildings		(63)	340	350	399	748	350	(399)	-114.1%	350
Municipal Offices		(63)	340	350	399	748	350	(399)	-114.1%	350
Total Capital Expenditure on renewal of existing assets	1	50,726	5,126	44,598	6,622	40,830	44,598	3,768	8.4%	44,598

EC443 Winnie Madikizela Mandela - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Q4 Fourth Quarter

Description	Ref	2021/22			Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>		652	—	522	—	—	522	522	100.0%	522
<u>Infrastructure</u>		652	—	522	—	—	522	522	100.0%	522
Roads Infrastructure		652	—	522	—	—	522	522	100.0%	522
Roads		652	—	522	—	—	522	522	100.0%	522
<u>Community Assets</u>		39,537	7,628	20,617	—	4,620	20,617	15,997	77.6%	20,617
Community Facilities		19,960	7,628	11,037	—	4,620	11,037	6,417	58.1%	11,037
Halls		19,960	7,628	11,037	—	4,620	11,037	6,417	58.1%	11,037
Sport and Recreation Facilities		19,577	—	9,580	—	—	9,580	9,580	100.0%	9,580
Outdoor Facilities		19,577	—	9,580	—	—	9,580	9,580	100.0%	9,580
Total Capital Expenditure on upgrading of existing assets	1	40,189	7,628	21,139	—	4,620	21,139	16,519	78.1%	21,139

The above tables indicate that the municipality spent R24.8 million for the month from its capital budget for the period ended 30 June 2023. R13.2 million of this expenditure was made on roads with over R6 million spent on roads that were affected by disasters in April 2022, this is an encouraging picture considering that this was the third month of expenditure since the grant was received about three months ago. It is however worth noting that there are payments of close to 4 million that were received after 30 June 2023 relating to the Civic center that have been recorded as accruals and will be reported in the annual financial statements as current year expenditure.

b) Capital Expenditure by municipal vote functional classification and funding

EC443 Winnie Madikizela Mandela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth Quarter

Vote Description R thousands	Ref 1	2021/22 Audited Outcome	Budget Year 2022/23							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Multi-Year expenditure appropriation</u>	2									
Vote 6 - Engineering Services		66,237	8,988	26,964	—	8,654	24,717	(16,063)	-65%	26,964
Total Capital Multi-year expenditure	4,7	66,237	8,988	26,964	—	8,654	24,717	(16,063)	-65%	26,964
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Executive and Council		30	—	—	—	—	—	—	—	—
Vote 2 - Corporate Services		1,855	12,900	9,403	1,084	4,403	9,403	(5,000)	-53%	9,403
Vote 3 - Budget and Treasury Office		—	—	—	—	—	—	—	—	—
Vote 4 - Community Services		306	11,388	4,237	2,585	3,415	4,237	(822)	-19%	4,237
Vote 5 - Development Planning		597	13,517	15,295	451	3,047	15,295	(12,249)	-80%	15,295
Vote 6 - Engineering Services		96,277	61,256	93,900	20,748	93,353	93,900	(547)	-1%	93,900
Total Capital single-year expenditure	4	99,064	99,060	122,835	24,869	104,218	122,835	(18,617)	-15%	122,835
<b>Total Capital Expenditure</b>		<b>165,301</b>	<b>108,048</b>	<b>149,799</b>	<b>24,869</b>	<b>112,872</b>	<b>147,552</b>	<b>(34,680)</b>	<b>-24%</b>	<b>149,799</b>
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		1,885	13,240	9,778	999	4,489	9,778	(5,289)	-54%	9,778
Executive and council		30	—	—	—	—	—	—	—	—
Finance and administration		1,855	13,240	9,778	998	4,488	9,778	(5,289)	-54%	9,778
<i>Community and public safety</i>		221	1,848	1,895	870	1,528	1,895	(367)	-19%	1,895
Community and social services		221	1,720	1,710	791	1,384	1,710	(316)	-18%	1,710
Sport and recreation		—	128	185	79	134	185	(51)	-28%	185
<i>Economic and environmental services</i>		136,787	67,336	119,894	14,452	89,998	119,894	(29,895)	-25%	119,894
Planning and development		76,744	25,820	42,867	1,199	14,339	42,867	(28,528)	-67%	42,867
Road transport		60,044	41,516	77,027	13,253	75,680	77,027	(1,367)	-2%	77,027
<i>Trading services</i>		26,408	25,625	19,257	8,548	16,856	19,257	(2,400)	-12%	19,257
Energy sources		26,323	16,425	16,265	6,747	15,055	16,265	(1,210)	-7%	16,265
Waste management		85	9,200	2,991	1,801	1,801	2,991	(1,190)	-40%	2,991
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>165,301</b>	<b>108,048</b>	<b>150,824</b>	<b>24,869</b>	<b>112,872</b>	<b>150,824</b>	<b>(37,952)</b>	<b>-25%</b>	<b>150,824</b>
<u>Funded by:</u>										
National Government		64,059	69,945	93,055	17,237	81,000	93,055	(12,055)	-13%	93,055
Provincial Government		—	—	—	—	—	—	—	—	—
Transfers recognised - capital		64,059	69,945	93,055	17,237	81,000	93,055	(12,055)	-13%	93,055
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		101,241	38,103	57,769	7,632	31,872	57,769	(25,887)	-45%	57,769
<b>Total Capital Funding</b>		<b>165,301</b>	<b>108,048</b>	<b>150,824</b>	<b>24,869</b>	<b>112,872</b>	<b>150,824</b>	<b>(37,952)</b>	<b>-25%</b>	<b>150,824</b>

The above table indicates that the municipality spent R24.8 million from its capital budget for the period ended 30 June 2023 which continues to be discouraging considering that we have two major projects that have been continuously allocated the bigger share of the municipality's available resources that have not performed desirably during the past years and continue to do so in the current year as well and into the following financial year.

## 11. Maintenance of municipal assets

### a) Repairs and Maintenance by Asset Class

EC443 Winnie Madikizela Mandela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q4 Fourth Quarter

Description R thousands	Ref 1	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>6,845</b>	<b>21,346</b>	<b>37,132</b>	<b>27</b>	<b>28,284</b>	<b>37,132</b>	<b>8,848</b>	<b>23.8%</b>	<b>37,132</b>
Roads Infrastructure		3,845	17,583	33,368	27	27,891	33,368	5,477	16.4%	33,368
Roads		191	640	640	—	—	640	640	100.0%	640
Road Structures		3,357	16,421	32,283	27	27,647	32,283	4,636	14.4%	32,283
Road Furniture		297	520	445	—	244	445	201	45.1%	445
Electrical Infrastructure		3,000	3,764	3,764	—	393	3,764	3,371	89.6%	3,764
MV Networks		3,000	3,764	3,764	—	393	3,764	3,371	89.6%	3,764
<b>Community Assets</b>		<b>482</b>	<b>619</b>	<b>819</b>	<b>87</b>	<b>668</b>	<b>819</b>	<b>151</b>	<b>18.4%</b>	<b>819</b>
Community Facilities		482	619	819	87	668	819	151	18.4%	819
Halls		—	250	450	—	426	450	24	5.4%	450
Libraries		69	155	155	—	155	155	—	—	155
Cemeteries/Crematoria		—	100	100	87	87	100	13	13.1%	100
Parks		413	114	114	—	—	114	114	100.0%	114
<b>Other assets</b>		<b>3,472</b>	<b>4,274</b>	<b>3,173</b>	<b>210</b>	<b>1,547</b>	<b>3,173</b>	<b>1,626</b>	<b>51.2%</b>	<b>3,173</b>
Operational Buildings		3,472	4,274	3,173	210	1,547	3,173	1,626	51.2%	3,173
Municipal Offices		3,328	4,125	2,984	210	1,391	2,984	1,593	53.4%	2,984
Yards		143	149	189	—	157	189	32	17.2%	189
<b>Computer Equipment</b>		<b>35</b>	<b>50</b>	<b>50</b>	<b>—</b>	<b>23</b>	<b>50</b>	<b>27</b>	<b>54.0%</b>	<b>50</b>
Computer Equipment		35	50	50	—	23	50	27	54.0%	50
<b>Furniture and Office Equipment</b>		<b>—</b>	<b>210</b>	<b>150</b>	<b>31</b>	<b>69</b>	<b>150</b>	<b>81</b>	<b>54.0%</b>	<b>150</b>
Furniture and Office Equipment		—	210	150	31	69	150	81	54.0%	150
<b>Machinery and Equipment</b>		<b>256</b>	<b>500</b>	<b>620</b>	<b>—</b>	<b>—</b>	<b>620</b>	<b>620</b>	<b>100.0%</b>	<b>620</b>
Machinery and Equipment		256	500	620	—	—	620	620	100.0%	620
<b>Transport Assets</b>		<b>2,753</b>	<b>2,976</b>	<b>5,716</b>	<b>331</b>	<b>4,597</b>	<b>5,716</b>	<b>1,119</b>	<b>19.6%</b>	<b>5,716</b>
Transport Assets		2,753	2,976	5,716	331	4,597	5,716	1,119	19.6%	5,716
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>13,841</b>	<b>29,975</b>	<b>47,660</b>	<b>685</b>	<b>35,189</b>	<b>47,660</b>	<b>12,471</b>	<b>26.2%</b>	<b>47,660</b>

The table shows that the municipality spent R685 thousand on the maintenance of its assets and infrastructure during the month of June 2023 with a year to date actual of R35.2 million being below the projected spending by over 26% for the same period.

b) Depreciation by Asset Class

EC443 Winnie Madikizela Mandela - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - Q4 Fourth Quarter

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		30,983	32,624	32,624	2,510	30,624	32,574	1,950	6.0%	32,624
Roads Infrastructure		29,635	31,239	31,239	2,400	29,277	31,239	1,962	6.3%	31,239
Roads		12,902	13,524	13,524	1,027	12,562	13,524	962	7.1%	13,524
Road Structures		16,295	17,251	17,251	1,337	16,277	17,251	974	5.6%	17,251
Road Furniture		438	463	463	36	438	463	26	5.5%	463
Storm water Infrastructure		543	558	558	45	543	558	15	2.8%	558
Drainage Collection		204	210	210	17	204	210	6	2.8%	210
Storm water Conveyance		338	348	348	28	338	348	10	2.8%	348
Electrical Infrastructure		638	656	656	52	638	606	(32)	-5.3%	656
MV Substations		51	53	53	4	51	53	1	2.8%	53
MV Networks		432	444	444	35	432	407	(25)	-6.1%	444
LV Networks		155	160	160	13	155	146	(9)	-6.1%	160
Solid Waste Infrastructure		167	172	172	14	167	172	5	2.8%	172
Landfill Sites		167	172	172	14	167	172	5	2.8%	172
<u>Community Assets</u>		2,881	7,176	6,732	201	2,446	6,732	4,286	63.7%	6,732
Community Facilities		2,110	5,075	5,075	138	1,678	5,075	3,399	67.0%	5,075
Halls		1,618	3,574	3,574	97	1,182	3,574	2,392	66.9%	3,574
Crèches		295	304	304	24	295	304	8	2.8%	304
Cemeteries/Crematoria		13	14	14	1	13	14	0	2.8%	14
Parks		101	1,014	1,014	8	101	1,014	914	90.1%	1,014
Public Abolition Facilities		27	108	108	2	27	108	81	75.2%	108
Stalls		58	61	61	5	58	61	3	5.5%	61
Sport and Recreation Facilities		772	2,101	1,657	63	770	1,657	887	53.5%	1,657
Outdoor Facilities		772	2,101	1,657	63	770	1,657	887	53.5%	1,657
<u>Other assets</u>		674	693	693	55	673	683	10	1.5%	693
Operational Buildings		661	680	680	54	660	670	10	1.5%	680
Municipal Offices		357	368	366	29	356	366	10	2.8%	366
Pay/Enquiry Points		3	3	3	—	3	3	1	27.0%	3
Yards		77	79	79	6	77	79	2	2.8%	79
Stores		115	118	118	9	115	108	(7)	-6.1%	118
Training Centres		110	113	113	9	110	113	3	2.8%	113
Housing		13	13	13	1	13	13	0	2.8%	13
Social Housing		13	13	13	1	13	13	0	2.8%	13
<u>Intangible Assets</u>		26	—	—	—	—	—	—	—	—
Licences and Rights		26	—	—	—	—	—	—	—	—
Computer Software and Applications		26	—	—	—	—	—	—	—	—
<u>Computer Equipment</u>		2,278	2,223	2,667	170	2,346	2,667	321	12.0%	2,667
Computer Equipment		2,278	2,223	2,667	170	2,346	2,667	321	12.0%	2,667
<u>Furniture and Office Equipment</u>		2,174	1,274	1,274	63	933	1,274	341	26.8%	1,274
Furniture and Office Equipment		2,174	1,274	1,274	63	933	1,274	341	26.8%	1,274
<u>Machinery and Equipment</u>		2,894	4,321	4,321	133	2,292	4,321	2,030	47.0%	4,321
Machinery and Equipment		2,894	4,321	4,321	133	2,292	4,321	2,030	47.0%	4,321
<u>Transport Assets</u>		2,187	1,423	1,423	115	1,103	1,423	320	22.5%	1,423
Transport Assets		2,187	1,423	1,423	115	1,103	1,423	320	22.5%	1,423
Total Depreciation	1	44,097	49,735	49,735	3,248	40,416	49,675	9,259	18.6%	49,735

## **12. Supply chain management**

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

### **a. Acquisition management**

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

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

### **b. Handling of tenders during and Post COVID-19**

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

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

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

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

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

- Once the tender closing time passes, a register indication the name of the company, tender amount, email address, date and time is prepared and posted on the municipal website for all bidders to know if their tenders will be considered
- All tenders are evaluated in electronic versions
- The recommended bidders are then requested to make a submission of the hard copies of their submission (originals)

Only the hard copy of the winning bidder is then filed which also addresses issues with filing space and safety of the documents.

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

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

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Tyres & More Kolstad	Solid Waste Removal:Solid Waste Removal	6/28/2020 23	394.99	Request For Patching Of Truck Tyre For Fwk 197 Ec	Disaster Bakkie
Meylife Construction And Projec	Core Function:Mayor And Council	5/18/2020 23	1,425.00	Request For Lunch	Catering Councillors Meetings
Pondoland Times	Non-Core Function:Population Development	6/23/2020 23	1,800.00	Request For Advertisement Of Service Provider For Maintenance Of Sola Wards For 36 Months	Advertising Fees Community Services 2505260540
Pondoland Times	Core Function:Solid Waste Removal	6/20/2020 23	1,800.00	Request For Re-Advert For Panel Of Service Providers For Supply And D Cleaning Resources For 3 Years.	Advertising 5020
Pondoland Times	Core Function:Human Resources	6/5/2020 3	1,800.00	Request For Twoadverts: Admin Clerk Under Community Services Department Capturer Under Engineering Services Department (Permanent)	Advertising Publicity And Marketing: Corporate And Municipal
Pondoland Times	Core Function:Economic Development/Plan	4/17/2020 23	1,800.00	Request For Re-Advert For Disposal Of Municipal Sites/Properties As Pe Attached Specification	Advertising Fees 1505
Laz Investments	Non-Core Function:Libraries And Archives	5/15/2020 23	1,884.00	Payment For Supply And Delivery Of Periodicals, April 2023	Finished Goods: Acquisitions
Pondoland Times	Core Function:Property Services	5/18/2020 23	1,900.00	Request For Re-Advert For Development Of General Valuation Roll For 20 Financial Years As Per The Attached Terms Of Reference	Advertising Fees Property Services 2505260540
Pondoland Times	Core Function:Project Management Unit	5/3/2020 3	1,900.00	Request To Re-Advertise The Electrification Of Zizithaneni Village Two Local News Paper	Advertising Fees Pmu 5505260540
Pondoland Times	Solid Waste Removal:Solid Waste Removal	4/24/2020 23	1,990.00	Request For Re-Advert Of Extension Of Waste Management Services	Advertising 5020
Group Two Media Company	Core Function:Municipal Manager Town Se	6/29/2020 23	1,998.70	Request To Advertise Public Notice For Approved Sdbip 2023/2024 Financi Year On Lease And Usage	Lease And Usage
Group Two Media Company	Core Function:Project Management Unit	6/29/2020 23	1,998.70	Request To Re-Advertise 3 Year Multi Discipline Of Panel Consultants	Advertising Mm
Group Two Media Company	Core Function:Project Management Unit	6/21/2020 23	1,998.70	Payment For The Advertisement Of Mqonjwana To Greenville Consultants, To Matumathia Consultants And Electrification Of Villages	Advertising Fees Pmu 5505260540
Group Two Media Company	Core Function:Municipal Manager Town Se	6/21/2020 23	1,998.70	Request To Advertise Public Notice Of Ordinary Council Meeting On 2 Lo Papers	Advertising Fees Pmu 5505260540
Group Two Media Company	Core Function:Human Resources	6/21/2020 23	1,998.70	Request For Re-Advert For Renewal Of Ict Disaster Recovery	Advertising Mm
Group Two Media Company	Core Function:Municipal Manager Town Se	6/15/2020 23	1,998.70	Request Re-Advert Of Installation Of Wmm Statue And Heritage Reaserch	Advertising Fees Human Resources 1010260540
Group Two Media Company	Core Function:Municipal Manager Town Se	6/8/2020 3	1,998.70	Request To Advertise Adoption Of The Final Up Reviw For 2023/2024 Fy Local News Papers	Advertising Mm
Group Two Media Company	Core Function:Finance	5/30/2020 23	1,998.70	Advertising Of 3rd Adjustment Budget 2022/2023	Advertising Mm
Group Two Media Company	Core Function:Project Management Unit	4/28/2020 23	1,998.70	Request For Re-Advertise The Three Years -Contract Service Provider For Maintenance And Repairs Of 400 Kva Back-Up Generator.	Advertising Finance

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Group Two Media Company	Core Function:Economic Development/Plan	4/21/20 23	1,998.70	Request For Re-Advert For Sourcing Of Qualified Service Provider To De Kuthia/Magusheni Ldft	Advertising Fees Pmu 5505260540
Group Two Media Company	Core Function:Project Management/Unit	4/21/20 23	1,998.70	Request To Re-Advertise The Three Yee Year Panel Of Consultants For 20 Request To Re-Advertise The Traffic Lights	Advertising Fees 1505
Group Two Media Company	Core Function:Finance	4/17/20 23	1,998.70	Request Re-Advertisment For Provision Of Insurance And Gap Fixed Ass Register	Advertising Fees Pmu 5505260540
Group Two Media Company	Core Function:Municipal Manager Town Se	4/17/20 23	1,998.70	Advert: Notice Adopted Oversight Report On The Annual Report	Advertising Finance
Group Two Media Company	Core Function:Municipal Manager Town Se	4/17/20 23	1,998.70	Advert: Public Notice For Idp And Budget Roadshows On Draft Idp	Advertising Fees Annual Report 515260554
Group Two Media Company	Core Function:Municipal Manager Town Se	4/17/20 23	1,998.70	Advert: Draft Idp	Advertising Fees Annual Report 515260554
Pondoland Times	Core Function:Municipal Manager Town Se	4/17/20 23	1,999.00	Advert: Public Notice For Idp And Budget Roadshows On Draft Idp	Advertising Fees Annual Report 515260554
Pondoland Times	Core Function:Municipal Manager Town Se	6/29/20 23	2,000.00	Request To Advertised Public Notice For Approved Sdtip 2023/24 Fy On Two Local Newspaper	Advertising Mm
Pondoland Times	Core Function:Human Resources	6/23/20 23	2,000.00	Request For Advertising Of One Post Pa To Municipal Manager Under M Manager's Office( Fixed Term Contract)	Advertising Fees Human Resources 1010260540
Pondoland Times	Core Function:Municipal Manager Town Se	6/21/20 23	2,000.00	Request To Advertise Public Notice Of Ordinary Council Meeting On 2 Lo Papers	Advertising Mm
Pondoland Times	Core Function:Human Resources	6/8/2023 3	2,000.00	Request For Two Advertising Posts Namely: If Technician And System Administrator Under Corporate Services (Permanent)	Advertising Fees Human Resources 1010260540
Pondoland Times	Core Function:Municipal Manager Town Se	4/17/20 23	2,000.00	Advert: Notice Adopted Oversight Report On The Annual Report	Advertising Fees Annual Report 515260554
Pondoland Times	Core Function:Municipal Manager Town Se	4/17/20 23	2,000.00	Advert: Draft Idp	Advertising Fees Annual Report 515260554

60,673.49

**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
Lusikisiki Spares Cc	Core Function:Fleet Management	45.09 1.00	2,499.99	Request For Supply And Installation Of One Battery Size 669(12v Cla	Vehicle Maintenance Outsourced   010235115
Zizentle Trading Enterprise	Core Function:Mayor And Council	45.10 6.00	3,000.00	Transportation Of 15 Traditional Leaders To Mt Ayliff For District In Prayer On The 30/05/2023 And Return To Bizana On Same Day	Support To Traditional Leaders Transportation 505260196
Likhio Trading Cc	Core Function:Mayor And Council	45.08 3.00	3,675.00	Request Vip Lunch With Soft Drinks For Traditional Leader's Meeting	Support To Traditional Leaders Catering
Cigfarro	Core Function:Human Resources	45.07 8.00	3,938.50	Registration Fee For L.Mahlaka To Cigfarro Conference	Conference And Seminars Registration Fees
Cigfarro	Core Function:Human Resources	45.07 6.00	3,938.50	Request Payment Of Registration Fee To Cigfarro For Conference To Atte Mr Z.A.Zukulu	Conference And Seminars Registration Fees
Lusikisiki Spares Cc	Core Function:Electricity	45.08 5.00	3,999.99	Request For Replacement Of Two (2) Batteries For Electricity Cherry Pi Truck; Reg No. Hff 091 Ec	Electricity- Vehicle Maintenance
African Compass Trading 37cc	Core Function:Human Resources	45.08 2.00	4,200.00	Request Still Water For 20 People On The 31st Of May 2023 To 1st Of	Labour Relations 1010260185
Amangule Trading & Projects	Solid Waste Removal:Solid Waste Removal	45.06 4.00	5,125.00	Request For Supply And Delivery Of 25 Lunch Packs For Marian Hill Land Visit On The 18th May 2023.	Stakeholder Meetings- Refuse Catering
Laz Investments	Non-Core Function:Libraries And Archives	45.08 3.00	5,330.00	Payment For Supply Of Periodicals For May 2023	Finished Goods Acquisitions
Laz Investments	Non-Core Function:Libraries And Archives	45.10 7.00	5,537.00	Payment For Library Periodicals	Newspaper Library 2505
Kwik-Fit Bizana	Core Function:Roads	45.09 1.00	6,319.25	Request For 1 (One) New Tyre Truck; Reg No. Hz 909 Ec; Tyre Size Is 315/80r 22.5	Roads Vehicle Maintenance
Mountzone Pty Ltd	Core Function:Mayor And Council	45.08 3.00	7,300.00	Hiring Of PA System For Community Education On 07/06/23 In Ward 31	Community Education Hiring Costs 505250655
Laz Investments	Non-Core Function:Libraries And Archives	45.03 3.00	8,197.00	Payment For Supply And Delivery Of Periodicals For March 2023	Newspaper Library 2505
Ziko And Lizzy's Trading	Core Function:Economic	45.04	9,000.00	Request For The Provision Of Fruit Packs And Water For 100 People Who Attending Scm Training On The 25/04/2023.Water Should Be Delivered At Event Will Be Held At Reginald & Adeladie Tambo Auditorium.	Led Programme Support Hiring 1505

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Development/Plann	Development/Plann	2.00			
Pondoland Times	Core Function:Finance	45.08 5.00	9,186.88	Request For Advertising Of Annual Budget 2023/2024	Advertising Finance
Pondoland Times	Core Function:Finance	45.08 3.00	9,186.88	Advertising Of Final Budget 2023/2024 And Tariffs	Advertising Finance
Kwik-Fit Bizana	Core Function:Fleet Management	45.08 5.00	9,430.00	Request For Supply And Delivery Of Tyres For Two All Terrain Tyres 265/60r18 For Jrs 370 Ec	Vehicle Maintenance Outsourced 1010235115
Ning I Mkhwanazi Construction	Core Function:Corporate Wide Strategic P	45.03 5.00	9,736.00	Ward 07 Catering For 120 People At Mzambara Community Hall On The 19/04/	Idp Catering 515260555
Kroyson Trading Gees And Bullie's Trading	Core Function:Municipal Manager Town Se	45.03 6.00	9,800.00	Request For Catering For 120 People At Dudumeni Community Hall In Ward	Mayoral Imbizo Roadshows-Hire Charges
Group Two Media Company	Core Function:Economic Development/Plann	45.04 2.00	10,000.00	Request For The Hiring Of A Truck To Collect Some Goods From Mount Ay Mbizana.	Led Programme Support Hiring 1505
Magholo Trading & Projects Removal	Solid Waste Removal	45.06 4.00	10,500.00	Advert For Draft Budget 2023/2024	Advertising Fees Annual Report 515260554
Senzu Civils And Project	Core Function:Corporate Wide Strategic P	45.03 5.00	11,200.00	Request For Transport Hire For 15 People From Ziziyaneni Tribal Autho Marian Hill Landfill Site (Durban) For Site Visit On The 18th May 2023	Transport Hire
Arena Holdings	Core Function:Human Resources	45.10 7.00	11,954.25	Catering For 120 People In Ward 29 On 19/04/23 At Majola Tshusha Comm F For Idp And Budget Roadshow	Mayoral Imbizo Roadshows-Hire Charges
Forward We Go Development	Core Function:Municipal Manager Town Se	45.03 7.00	12,300.00	Re-Advert For Senior Manager Engineering Services On Provincial Newspr	Advertising Fees Human Resources 1010260540
Bongwas Catering And Project	Core Function:Mayor And Council	45.03 3.00	12,500.00	Request For Catering For 120 People At Lundini Community Hall Ward 28	Mayoral Imbizo Roadshows-Hire Charges
Kwik-Fit Bizana	Core Function:Solid Waste Removal	45.08 5.00	12,696.00	Ward 08 - Request Sound System With 3 Cordless Mics And 2 Table Cloth	Finished Goods Acquisitions
Antorecept Trading Enterprise	Core Function:Mayor And Council	45.03 5.00	14,950.00	Request For Replacement Of 2 Tires For Fwkk 197 Ec Size 11r22.5	Refuse- Vehicle Maintenance
Sizisa Ukhanya Trading 1119	Core Function:Mayor And Council	45.07 1.00	15,000.00	The Office Of The Whip Of Council Will Need Transport From 29 May 2022 Travelling To Bistro From Bizana ; Return To Destination On The 2 June	Promotional Items And Tickets Legacy 505260188 Whippers Support Transport Hire

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Xolani Sizwe Construction	Core Function:Mayor And Council	45.08 3.00	15,570.00	Request For 3 Taxis To Flagstaff(Mthontsasi Community Hall)	Transportation Legacy 505260188
Anfcept Trading Enterprise	Core Function:Finance	45.10 6.00	15,674.50	Royal Blue Workuits With Reflector Tape And Branding Top-Large Bottom	Withdrawals:Trade Creditors Accruals
Savage Dynasty	Core Function:Community Parks (Including Core Function:Corporate Wide Strategic P	45.04 4.00	17,100.00	Request For Supply And Delivery Of 25xnylon Cords For Grass Cutting Ac Catering For 170 People Attending Idp Roadshows	Finished Goods:Acquisitions Idp Catering 516260555
Thulani And Mom Trading Enter	Core Function:Mayor And Council	45.03 4.00	17,460.00	Request 4 Taxis (Quantum) For Demarcation Of Outer Boundaries Workshop On The 18 April 2023 At Mzimvubu.	Whippery Support Transport Hire
Magnholo Trading & Projects	Core Function:Fleet Management	45.03 4.00	18,000.00	Request Four All Terrain Tyes For Two Vehicles; Jhx 731 Ec And Jhx 73 Two Each Vehicle	Refuse- Vehicle Maintenance
Kwik-Fit Bizana	Core Function:Fleet Management	45.06 4.00	18,860.00	Request Four All TerrainTyes For Isuzu 823ec Size 265/60/r18	Refuse- Vehicle Maintenance
Kwik-Fit Bizana	Core Function:Population Development	45.04 9.00	18,860.00	Request For Hiring Of 1 X Framed White Tent (9x 20)m For Social Awaren Campaign On The 6 June 2023 @ Marishangase Village	Social Services Awarenesses Hire Charges 2505
Rainbous And Sons Projects (Pt	Non-Core Function:Mayor And Council	45.08 3.00	19,500.00	Request For 5 Taxis For Pondo Revolt Commemoration To Be Held On The 2 At Ngqindili Village(Ward 11)	Transportation Legacy 505260188
Hlongwane Son Trading Enterpr	Core Function:Mayor And Council	45.10 5.00	21,000.00		
Zisimpilo Trading Enterpris Pt	Core Function:Mayor And Council	45.10 5.00	22,500.00	Request Tables Of Pondo Revolt Commemoration To Be Held On The 26 June Ngqindili Village Ward 11	Hire Costs Legacy 505260188
Kwik-Fit Bizana	Core Function:Fleet Management	45.02 9.00	23,000.00	Request For Supply And Delivery Of Four Ytres For Jrs 351 Ec Isuzu K Size 265/60/r8 (All Terrain Tyres)	Refuse- Vehicle Maintenance
Orinova Training (Pty) Ltd	Core Function:Community Parks (Including	45.09 1.00	23,470.00	Request For Supply And Delivery Of 25 Rolls Of (Nylon Cord) For Grass Accessories	Finished Goods:Acquisitions
Zuko And Pinky Trading Enter	Core Function:Mayor And Council	45.10 6.00	23,500.00	Request Transport For Constituency Work Program To Be Held On The 28-3 2023 At Estuary Hotel	Whippery Support Transport Hire
Lusizar Project (Pty) Ltd	Solid Waste Removal:Solid Waste Removal	45.06 4.00	23,850.00	Request For Hiling Of Tbs For 3 Days To Work At Ext 3 Dumpsite	Transport Hire
Kwik-Fit Bizana	Solid Waste Removal:Solid Waste Removal	45.08 5.00	23,920.00	Request For Replacement Of 4 X Tyres (Size 265/65/r17) For Fzj 309 Ec	Refuse- Vehicle Maintenance
Tanati Transport Pty Ltd	Core Function:Mayor And Council	45.04	24,000.00	Request For Transport 4 Taxis From Bizana To Mount Aylif On The 14.04	Transport

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Mie (Pty) Ltd	Core Function:Human Resources	45.09 8.00	24,575.39	Payment To Mie For Qualification Verification	Personnel Recruitment Cost 1010
Magholo Trading & Projects	Solid Waste Removal:Solid Waste Removal	45.08 9.00	25,200.00	Request For Hiring Of Truck For 5 Days For Waste Collection	Transport Hire
Black Butterfly Construction	Core Function:Mayor And Council	45.03 6.00	25,600.00	Request Pads(Always)	Promotional Items Hivards 503260440
Magholo Trading & Projects	Core Function:Solid Waste Removal	45.07 2.00	26,400.00	Request For Hieing Of Truck For 5 Days For Waste Collection	Transport Hire
Likitlo Trading Cc	Core Function:Biodiversity And Landscape	45.06 4.00	27,000.00	Request For Supply & Delivery Of 3 X A4 Coloured Papers For Promotions For World Environmental Day Awareness	Environmental Awareness Promotional Items 2505260485
Masinyane And Son (Pty) Ltd	Solid Waste Removal:Solid Waste Removal	45.08 5.00	28,500.00	Request For Promotional Material 20 Boxes Of Disposable Gloves For Wa Management Awareness On 09th June 2023	Promotional Material Cleaning Campaign
Nkosiyabona Trading	Core Function:Biodiversity And Landscape	45.09 0.00	28,920.00	Request For Supply ;Delivery & Installation Of 6 X Galvanised Poles (4 Mzamba Beach Signboards	Blue Flag Programme Sign Boards 2505260485
Jnw Trading Enterprise Pty Ltd	Core Function:Community Parks (Including	45.10 7.00	29,000.00	Payment For Maintenance Of Garden Tools	Rnm Power Tools

782,448.1

3

### 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
Evetho Trading 820(Pty) Ltd	Core Function:Solid Waste Removal	6/14/20 23	35,000.00	Payment For Supply And Delivery Of Waste Management Awareness Material	Cleaning Material Cleaning Services
Masinyane And Son (Pty) Ltd	Core Function:Economic Development/Plann Customer Relati	6/6/2022 3	36,000.00	Request Payment For Masinyane And Son For The Supply And Delivery Of S And Protective Clothing,Machinery And Promotional Material	Finished Goods;Acquisitions
Evetho Trading 820(Pty) Ltd	Core Function:Marketing	6/30/2022 3	39,425.00	Payment For Newsletter Second Edition	Newsletters Communication Costs 515260565
Evetho Trading 820(Pty) Ltd	Core Function:Mayor And Council	5/8/2022 3	46,200.00	Payment For Traditional Horse Riding Tent	Promotional Items And Tockens Legacy 505260188
Arena Holdings Resources	Core Function:Human Removal	6/30/2020 3	47,182.20	Request For Re-Advert Permanent Post Senior Manager: Engineering Under Engineering Services (National And Provincial)	Operational Cost;External Audit Fees
Laz Investments	Core Function:Solid Waste Removal	6/5/2022 3	48,000.00	Request Payment Of Laz Investments For Supply And Delivery Of Refuse B	Newspaper Library 2505
Hambankuzozonke Council	Core Function:Mayor And Council	6/20/2020 3	52,290.00	Payment For Procurement Of Educational Tools For 3 Early Educ	Promotional Items Childrens Program 505260194
Synergy Business Events	Core Function:Tourism	5/4/2022 3	54,939.80	Payment For Registration For Africa Travel India	Tourism Indaba Registration 1505
Wits School Of Governance	Core Function:Finance	4/17/2020 23	58,000.00	Payment To Wits For Training On Municipal Finance Programme. Sibabini Ziyanda	Fmg Minimum Competency Tuition
Extreme Delighted Events Manag	Core Function:Finance	4/17/2020 23	58,000.00	Payment To Wits For Training On Municipal Finance Programme	Fmg Receipts
Evetho Trading 820(Pty) Ltd	Non-Core Function:Libraries And Archives	6/29/2020 23	73,550.00	Payment For Library Awareness Bags	Library Electricity Purchases
Hiltiscus Panel Beaters Pty Management	Core Function:Fleet	6/2/2020 3	76,778.20	Request Payment Of Status Panel Beaters For The Repairs Of Municipal V With Registration No. Hln 081 Ec	Vehicle Maintenance Outsourced 1010235115
Hambankuzozonke	Core Function:Finance	6/30/2020 23	78,623.00	Payment For Cleaning Material Toilet Papers	Finished Goods;Acquisitions
Extreme Delighted Events Manag	Core Function:Community Parks (including	6/13/2020 23	79,200.00	Payment For Supply And Delivery Of Grass Cutting Machine	Grass Cutting Machine Withdrawals;Trade Creditors
The Mane's Pty Ltd	Core Function:Community Parks (including	6/30/2020 23	86,900.00	Payment For Mizizana Cemetery Maintenance	Accruals
Sebekho Holdings	Core Function:Marketing Customer Relati	4/26/2020 23	91,500.00	Payment For Branding And Marketing Material Street Banners And Poles And Installation	Branding Marketing Customer Relations
Evetho Trading 820(Pty) Ltd	Core Function:Solid Waste Removal	6/12/2020 23	101,700.00	Payment For Supply And Delivery Of Waste Management Campaign Material	Hire Costs Legacy 505260188
Amasogini Construction & Projec	Core Function:Solid Waste Removal	4/13/2020 23	107,446.00	Payment For Rehabilitation Of Dumping Site For 3 Months	Landfill Site Equipment 5020400510
Laz Investments	Core Function:Finance	4/17/2020 23	108,000.00	Payment For Supply And Delivery Of Refuse Bags	Newspaper Library 2505

Creditor Name	Function Name	Order Date	Value	Specifications	Segment
Dosvents Td Pty Ltd	Non-Core Function:Population Development	5/15/20 23	129,640.00	Request Payment For 72 Mops	Finished Goods:Acquisitions
The Mane's Pty Ltd	Core Function:Tourism	6/5/202 3	130,800.00	Request Payment Of The Mane's Pty Ltd For Supply And Delivery Of Brand Marketing Material For Life Guards	Product Owner Involvement Promotional Material 1505
Guardrisk Insurance Company	Core Function:Asset Management	5/30/20 23	139,369.75	Excess For Insurance	Insurance Accident Liability
Zefhi Institute	Core Function:Human Resources	6/13/20 23	148,000.00	Payment For Occupational Health And Safety Committee Training	Facilitator Ohs 1010260397
The Mane's Pty Ltd	Non-Core Function:Electricity	4/17/20 23	148,850.00	Payment For Procurement Of Electricity Protective Clothing	Protective Clothing Electricity 6505
Faith Lwa 01 (Pty) Ltd	Core Function:Solid Waste Removal	6/30/20 23	150,000.00	Payment For Supply And Delivery Of Skip Bins	Withdrawals:Trade Creditors Accruals
Sword Group	Core Function:Solid Waste Removal	6/15/20 23	150,000.00	Supply And Delivery Of Waste Receptacles	Waste Receptacles
Ludwala Investment Services	Core Function:Police Forces Traffic And And	6/12/20 23	155,400.00	Payment Safety Awareness Campaign. Transport	Traffic Awareness Campaign Hiring Charges
Ncararia Trading And Projects	Core Function:Licensing And Control Of A	6/14/20 23	158,000.00	Payment For Supply And Delivery Of Animal Feed	Finished Goods:Acquisitions
Lucky's Sports & Fishing	Core Function:Security Services	6/13/20 23	163,000.00	Request For Procurement Of Fire Arms	Security Equipment 2505
Pray And Prosper Construction	Core Function:Mayor And Council	6/30/20 23	163,830.00	Payment For Youth Month Hire Charges	Catering Youth Programme 510260190
Ukni Extended Learning Pty Ltd	Core Function: Economic Development/Planin	4/6/202 3	164,689.96	Request For Training For 9 Officials For On Ms Projects Basic And Adva Programme	Hubs:Training
Ingcali Agricultural Solutions	Core Function: Economic Development/Planin	6/30/20 23	165,749.99	Payment For Reviewal Agricultural Development Plan	Reviewal Of Agricultural Plans
Sebekho Holdings	Core Function:Biodiversity And Landscape	5/23/20 23	168,420.00	Payment For Environmental Awards Venue 230 People	Environmental Awareness Promotional Items 2505260485
Phapha Zindela Holding	Non-Core Function:Population Development	6/13/20 23	170,000.00	Safety Boots	Social Services- Uniform
Sebekho Holdings	Core Function:Community Halls And Facili	6/13/20 23	177,400.00	Payment For Supply And Delivery; Branding And Registration Of Two Mobi Vip Toilets	Taxi Rank Mobile Toilets
Sword Group	Core Function:Electricity	5/18/20 23	183,000.00	Request Payment Of Sword Group For Procurement Of Christmas Lights	Electrical Stores And Materials
Kervel Group	Core Function:Solid Waste Removal	6/13/20 23	188,570.00	Payment For Supply And Delivery Of Protective Clothing ( Epiwp )	Uniforms Refuse Removal

4,133,463.90

### 13. Status of Tenders

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

#### a) Mini Tender progress for the period ended 30 June 2023

	SUCCESSFUL TENDERER	AMOUNT	PAYMENTS	BALANCE	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
1	EVETHO TRADING 8207	R 46,200.00	R 46,200.00	R 46,200.00	WMM LM 15/03/23 T H R	TRADITIONAL HORSE RACING	Wednesday, April 26, 2023	MUNICIPAL MANAGER
2	KERVEL GROUP	R 188,570.00	R 188,570.00	R 188,570.00	WMM LM 31/03/23 S&D EPWP P/C	SUPPLY AND DELIVERY OF EPWP PROTECTIVE CLOTHING	Wednesday, April 26, 2023	COMMUNITY SERVICES
3	SWORD GROUP	R 150,000.00	R -	R 150,000.00	WMM LM 04/04/23 S&D WR	DELIVERY OF WASTE RECEPACLES	Tuesday, May 2, 2023	COMMUNITY SERVICES
4	SEBEKHO HOLDINGS	R 168,420.00	R 168,420.00	R 168,420.00	WMM LM 12/04/23 ENV A	ENVIRONMENTAL AWARDS	Wednesday, May 3, 2023	COMMUNITY SERVICES
5	PHAPHA ZINDELA HOLDINGS	R 170,000.00	R -	R 170,000.00	WMM LM 04/04/23 S&D P:RF	DELIVERY OF PROTECTIVE CLOTHING FACILITIES	Monday, May 15, 2023	COMMUNITY SERVICES
6	FAITH LWA	R 150,000.00	R -	R 150,000.00	WMM LM 28/01/23/01 5KB	SUPPLY AND DELIVERY OF 5 SKIP BINS	Friday, May 5, 2023	COMMUNITY SERVICES
7	SEBEKHO HOLDINGS	R 177,400.00	R -	R 177,400.00	WMM LM 04/04/23 S&D 2 VIP MT	DELIVERY OF TWO MOBILE TOILETS	Monday, May 15, 2023	COMMUNITY SERVICES
8	NCAIANA TRADING AND PROJECTS	R 153,000.00	R -	R 153,000.00	WMM-LM 25/04/23/01 DAF	SUPPLY AND DELIVERY OF ANIMAL FEED	Tuesday, May 23, 2023	COMMUNITY SERVICES
9	INGCALI AGRICULTURAL SOLUTIONS	R 195,500.00	R -	R 195,500.00	WMM LM 04/08/22 R ADP	REVIEW OF AGRICULTURAL DEVELOPMENT PLAN	Tuesday, May 23, 2023	COMMUNITY SERVICES
10	HAMBANI KUZOZONKE	R 52,290.00	R -	R 52,290.00	WMM LM 15/03/23 P ET ECDC	EDUCATIONAL TOOLS FOR 3 EARLY EDCC	Tuesday, May 23, 2023	MUNICIPAL MANAGER
11	LUDWALA	R -	R -	R -	WMM LM 07/11/22	SAFETY AWARENESS	Monday, May 29, 2023	COMMUNITY

	<b>SUCCESSFUL TENDERER</b>	<b>AMOUNT</b>	<b>PAYMENTS</b>	<b>BALANCE</b>	<b>TENDER NO</b>	<b>DESCRIPTION</b>	<b>DATE AWARDED</b>	<b>END USER DEPARTMENT</b>
	INVESTMENTS	155,400.00	-	155,400.00	CSAC&PS	CAMPAGN AND PRAYER		SERVICES
	JNW TRADING ENTERPRISE	R 158,500.00		R 158,500.00	WMM LM 29/08/22 R&M GPT	Maintenance of Garden Power Tools	Thursday, June 1, 2023	COMMUNITY SERVICES
12	THE MANES	R 137,800.00	R -	R 137,800.00	WMM LM 12/05/23/011 LGT	Supply and delivery of life guards tower	Thursday, June 15, 2023	LED
13	NDUKUDEZN	R 67,850.00	R -	R 67,850.00	WMM LM 25/05/23 CLMD 2023	Candle light Memorial Day	Tuesday, June 20, 2023	MUNICIPAL MANAGERS OFFICE
14	TRADING DOSVENTS TD	R 139,250.00	R -	R 139,250.00	WMM LM 25/05/23 P LAP CCSW	Procurement of laptops	Tuesday, June 20, 2023	CORPORATE SERVICES
15	THE MANES	R 31,800.00	R -	R 31,800.00	WMM LM 29/05/23 STRATEGIC WORKSHOP	Climate change strategic workshop	Tuesday, June 20, 2023	COMMUNITY SERVICES
16	SEBEKHO HOLDINGS	R 79,000.00	R -	R 79,000.00	WMM LM 26/05/23 S&DT	Supply and delivery of a trailer	Tuesday, June 20, 2023	COMMUNITY SERVICES
17	THE MANES	R 86,900.00	R -	R 86,900.00	WMM LM 04/04/23 MMMC	Maintenance material for Mbizana Cemetery	Tuesday, June 20, 2023	COMMUNITY SERVICES
18	HAMBANKUZOZONKE	R 78,623.00	R -	R 78,623.00	WMM LM 26/05/23 S&D	Supply and delivery of cleaning material	Thursday, June 22, 2023	CO-OPERATE SERVICES
19	JONGOWARE PTY LTD	R 179,400.00	R -	R 179,400.00	WMM LM 22/03/23	Development of a bankable business plan	Wednesday, June 21, 2023	LED
<b>TOTAL</b>		<b>R 2,570,903.00</b>	<b>R 403,190.00</b>	<b>R 2,570,903.00</b>				

b) Tenders awarded for the period ended 30 June 2023

Competitive Bidding

N O	SUCCESSFUL TENDERER	AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT	
1	Mavile Solutions	Rates	WMM LM 06/10/22/03 IAS	PROVISION OF INTERNAL AUDIT SERVICES	Monday, April 24, 2023	Municipal Manager's Office	
2	ZML Africa Group	R	7,836,167.58	WMM LM 00058E	ELECTRIFICATION OF ZIZIYANENENI VILLAGE	Friday, April 28, 2023	Engineering Services
3	Masinyane and Son Pty Ltd	R	453,510.00	WMM LM 00101 S&D FEE & M	SUPPLY AND DELIVERY OF FISHING MATERIAL AND EQUIPMENT	Friday, April 28, 2023	Development Planning
4	Masinyane and Son Pty Ltd	R	1,194,655.00	WMM LM 06/10/22/02 AGR	SUPPLY AND DELIVERY OF AGRICULTURAL INPUTS	Friday, April 28, 2023	Development Planning
5	Ezamavovo Trading Pty Ltd	R	542,376.67	WMM LM 02/06/22/01 PST	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING FOR 12 MONTHS	Monday, June 5, 2023	Community Services
6	NanoChip Technologies	R	1,524,520.00	WMM LM 16/03/23/01 SLD	SUPPLY AND DELIVERY OF LAPTOPS AND DESKTOPS	Thursday, June 8, 2023	Corporate Services
7	Manyobo Group	Rates	WMM LM 04/08/22/02 RMD	REHABILITATION OF DUMPING SITE FOR 18 MONTHS	Thursday, June 8, 2023	Community Services	
8	Littira Project Managers	R	1,722,106.00	WMM LM 14/06/22 FAR	PREPARATION OF GRAP COMPLIANT IMMOVABLE ASSET REGISTER FOR 2022/23FY	Thursday, June 8, 2023	BTO
9	Wandile and Son Trading Pty Ltd	Rates	WMM LM 03/11/22/05 EMT	MULTI THREE YEAR CONTRACT FOR SUPPLY AND DELIVERY OF ELECTRICITY MATERIAL	Thursday, June 8, 2023	Engineering Services	
10	Zintzame Consulting	Rates	WMM LM 25/03/22/01 MDP	MULTI DISCIPLINE PANEL OF CONSULTANTS FOR PERIOD OF 3 YEARS	Friday, June 23, 2023	Engineering Services	
11	Nikhwe Group	Rates	WMM LM 25/03/22/01 MDP	MULTI DISCIPLINE PANEL OF CONSULTANTS FOR PERIOD OF 3 YEARS	Friday, June 23, 2023	Engineering Services	
12	Masiilo 85 Logistics	R	3,491,945.22	WMM LM 00081 RLV	REFURBISHMENT OF LOW VOLTAGE LINES IN EXTENSION 4	Friday, June 23, 2023	Engineering Services
<b>Total</b>		<b>R</b>	<b>16,765,310.47</b>				

c) Status of current tenders

Name Of The Project	Bid Number	Chaperson	Closing Date	Validity	Validity Period	Status	Department
Maintenance of Traffic Lights for 3 years	WMM LM 09/06/22 MTL	Not Yet Appointed	Monday, May 22, 2023	90	Sunday, August 20, 2023	To be Adjudicated	Engineering Services
Multi Discipline Panel of Consultants	WMM LM 31/05/22/06 MDP	Not Yet Appointed	Monday, May 22, 2023	90	Sunday, August 20, 2023	On Advert	Engineering Services
Electrification of Ziziyaneni Village	WMM LM 00058EW	Ms. N. Jokweni	Monday, April 10, 2023	90	Sunday, July 9, 2023	Awarded	Engineering Services

Name Of The Project	Bid Number	Chairperson	Closing Date	Validity	Validity Period	Status	Department
Multi Utility Online Pre-paid Electricity Vending Management System	WMM-LM 000888 PVMS	Ms. Z. Ndzelu	Saturday, May 13, 2023	90	Friday, August 11, 2023	Awarded	Engineering Services
Re-validation of Township Establishment	WMM-LM 24/08/22/RTE	Ms. Z. Ndzelu	Tuesday, May 23, 2023	90	Monday, August 21, 2023	On Advert	Development Planning
Development of Kubha /Magusheni LSDF	WMM-LM 24/08/22/KM LSDF	Ms. Z. Ndzelu	Thursday, May 4, 2023	90	Wednesday, August 2, 2023	Awarded	Development Planning
Land Surveying Services	WMM-LM 24/08/22 LSS	Ms. Z. Ndzelu	Monday, April 24, 2023	90	Sunday, July 23, 2023	On Advert	Planning
Refurbishment LV lines in Extension 4	WMM-LM 000881 R LV	Ms. N. Jokweni	Wednesday, April 5, 2023	90	Tuesday, July 4, 2023	Awarded	Engineering Services
Supply and delivery of cleaning resources	WMM-LM 04/08/22/01 SDC	Ms. N. Jokweni	Monday, April 24, 2023	90	Sunday, July 23, 2023	On Advert	Community Services
Rehabilitation and maintenance of dumping site	WMM-LM 04/08/22/02 RMD	Ms. N. Xoko	Monday, April 24, 2023	90	Sunday, July 23, 2023	Awarded	Community Services
Service provider for Extension of waste management services	WMM-LM 04/08/22/01/EWM	Ms. N. Xoko	Monday, May 22, 2023	90	Sunday, August 20, 2023	To be Adjudicated	Community Services
Mbizana heritage research	WMM-LM 11/08/22/02 MHR	Ms. N. Jokweni	Wednesday, June 7, 2023	90	Tuesday, September 5, 2023	On Advert	Municipal Manager
Contract for Service and Maintenance of a Back-up Generator	WMM-LM 000881 R LV	Ms. N. Jokweni	Monday, May 15, 2023	90	Sunday, August 13, 2023	To be Adjudicated	Engineering Services
Provision of Insurance Services (36 Months)	WMM-LM 27/10/21/01 PIS	Mr. V. Nonianda	Monday, May 15, 2023	90	Sunday, August 13, 2023	To be Adjudicated	B.T.O
GRAP of Insurance	WMM-LM 14/06/22 FAR	Mr. V. Nonianda	Monday, May 15, 2023	90	Sunday, August 13, 2023	Awarded	B.T.O
General Valuation Roll	WMM-LM 00013 GVR	Ms. Z. Ndzelu	Monday, April 3, 2023	90	Sunday, July 2, 2023	To be Adjudicated	Development Planning
Electrification of Nomlou Phase 2	WMM-LM 04/05/23/01 ENP	Mr. V. Mgina	Thursday, May 25, 2023	90	Wednesday, August 23, 2023	To be Adjudicated	Engineering Services
Electrification of Msarhweni Phase 2	WMM-LM 04/05/23/02 EMP	Mr. V. Mgina	Thursday, May 25, 2023	90	Wednesday, August 23, 2023	To be Adjudicated	Engineering Services
Electrification of Lower Etheridge Phase 2	WMM-LM 04/05/23/03 ELE	Mr. V. Mgina	Thursday, May 25, 2023	90	Wednesday, August 23, 2023	To be Adjudicated	Engineering Services
Professional Services for Mphuthumi Matumbatha Sports Field (Performance	WMM-LM 04/05/23/04 PSM	Mr. L. Gwala	Thursday, May 25, 2023	90	Wednesday, August 23, 2023	To be Adjudicated	Engineering Services
Professional Services for Mphuthumi Matumbatha Sports Field (Performance	WMM-LM 04/05/23/05 SFP	Mr. V. Nonianda	Thursday, May 25, 2023	90	Wednesday, August 23, 2023	To be Adjudicated	Engineering Services
Fencing of Mphuthumi Matumbatha Sports Field	WMM-LM 04/05/23/06 FMM	Mr. V. Nonianda	Thursday, May 25, 2023	90	Wednesday, August 23, 2023	To be Adjudicated	Engineering Services
Professional Services for Mqonjwana to Green Access Road	WMM-LM 04/05/23/07 MGA	Mr. V. Nonianda	Thursday, May 25, 2023	90	Wednesday, August 23, 2023	To be Adjudicated	Engineering Services
Fencing of Majazi Landfill Site	WMM-LM 00015 FMLS	Ms. N. Xoko	Monday, April 24, 2023	90	Sunday, July 23, 2023	To be Adjudicated	Community Services
Supply and Delivery of Protective Clothing for Protection Services for 3 Years	WMM-LM 09/06/22 PCPS	Mr. V. Nonianda	Monday, April 24, 2023	90	Sunday, July 23, 2023	Awarded	Community Services
Service Provider to Conduct Mbizana Heritage Research	WMM-LM 11/06/22/02 MHR	Ms. N. Jokweni	Wednesday, June 7, 2023	90	Tuesday, September 5, 2023	On Advert	Municipal Manager

Name Of The Project	Bid Number	Chairperson	Closing Date	Validity	Validity Period	Status	Department
Maintenance of Solar for 36 Months in WMM-LM Wards	WMM-LM 000900 MS	Not Yet Appointed	Monday, July 24, 2023	90	Sunday, October 22, 2023	On Advert	Community Services
Multi 3 Year Contract for Supply and Delivery of Electricity Material and Tools	WMM-LM 03/11/22/05 EMT	Mr. V. Nontanda	Tuesday, May 2, 2023	90	Monday, July 31, 2023	Awarded	Engineering Services
Reviewal of ICT Disaster Recovery	WMM-LM 03/11/22/02	Not Yet Appointed	Thursday, April 6, 2023	90	Wednesday, July 5, 2023	On Advert	Corporate Service
Supply and Delivery of Laptops and Desktops	WMM-LM 16/03/23/01 SLD	Ms. L. Mhlelembana	Thursday, April 6, 2023	90	Wednesday, July 5, 2023	Awarded	Corporate Service
Banking Services for Five Years	WMM-LM 00012 BS	Ms. Z. Ndzelu	Friday, April 28, 2023	90	Thursday, July 27, 2023	To be Adjudicated	B.T.O

**d) Deviations**

The table below shows details of the deviations that were approved by the municipal during the reporting period. As summary of the reasons is as follows:

Date Reported to Council	TRANSACTION DETAILS						PROCUREMENT PROCESS			
	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Deviation
20/12/2022	EF007944-0007	MBS CONSULTING	R198,500.00	FRAUD AWARENESS WORKSHOP	MUNICIPAL MANAGER	02/12/2022	MUNICIPAL MANAGER	7 DAY ADVERT	7 DAYS ADVERT	NO RESPONSIVE BIDDER AFTER ADVERTISING EIGHT TIMES FROM 16 NOVEMBER 2021
22/06/2023	EF008144-0001	LUCK'S SPORTS FISHING	R 163,000.00	PROCUREMENT OF FIRE ARMS	MUNICIPAL MANAGER	04/04/2023	COMMUNITY SERVICES	7 DAY ADVERT	THREE QUOTATIONS	PROCUREMENT OF FIREARMS IS A SECURITY ISSUE AND HAS A PRESCRIBED PROCESS IN TERMS OF THE SOUTH AFRICAN LAWS
17/04/2023	00016402	REDINGTON SOUTH AFRICA	R 11,899.32	REPAIRS OF A CRASHED LAPTOP	MUNICIPAL MANAGER	23/03/2023	CORPORATE SERVICES	THREE QUOTATIONS	ONE QUOTATION	THE COMPANY UTILISED IS THE APPROVED REPAIRER OF HP LAPTOPS AND THE REPAIR WORK WAS CRITICAL BECAUSE THE INFORMATION CONTAINED IN THE LAPTOP COULD NOT BE FOUND ON THE MUNICIPAL BACKUP SYSTEMS
31/05/2023	EF008120-0001	HIBISCUS PANEL BEATERS	R 76,778.20	REPAIRS OF ENGINEERING BAKSIE	MUNICIPAL MANAGER	25/05/2023	CORPORATE SERVICES	7 DAY ADVERT	DIRECT PROCUREMENT	VEHICLE WAS DECLINED BY INSURANCE IN 2020 AND HAS BEEN WITH THE PANEL BEATERS FOR OVER THREE YEARS AND THE MUNICIPALITY WOULD HAVE HAD TO PAY FOR STORAGE THAN PAY TO FIX THE VEHICLE
31/05/2023	EF008116-0001	GUARDRISK INSURANCE COMPANY	R 139,169.75	SHORTFALL ON THE REPLACEMENT VEHICLE FOR THE MAYOR'S OFFICE	MUNICIPAL MANAGER	25/05/2023	CORPORATE SERVICES	7 DAY ADVERT	DIRECT PAYMENT	IT WAS IMPOSSIBLE TO FOLLOW A PROCUREMENT PROCESS AS THIS WAS A TOPUP AMOUNT ON A PURCHASE ALREADY MADE BY THE INSURANCE TO REPLACE THE VEHICLES
TOTAL		TOTAL	R 589,517.27							

i. MBS Consulting

The municipality's internal audit function had been trying to secure the services of a qualified service provider to conduct a Fraud Awareness workshop for councillors and municipal management from November 2021. This was advertised 8 times with no bidder meeting the minimum requirements. On the last attempt a bidder meeting the minimum requirements was found, however, the bidder had shortfalls on the filling of forms required for procurement purposes from which the Manager SCM together with the Manager Internal Audit recommended that the bidder be appointed and on the basis of their price and expertise to conduct the workshop taking into account that the date of the workshop had also been confirmed and would have been impossible to go back to tender.

ii. Lucky's Sports & Fishing

The deviation relates to procurement of firearms which is considered a security risk should this be done through a normal tender process as these can result in the firearms being hijacked and causing serious dangers to the communities. These also require a registration process that only authorised sellers are allowed to undertake. The process involved getting quotations from approved firearm sellers from which a comparison was made considering turnaround times as well for the municipality.

iii. Redington South Africa

The laptop used by the Manager: Budgeting and Reporting started showing signs of failure on the 7<sup>th</sup> of March 2023 which was then reported to the municipality's ICT Office. The municipality's ICT Office did not have a compatible laptop to perform the duties and run software utilised by the manager in her day to day duties as she was preparing the Mid-year financial statements as well as the draft budget that was due to go to council for adoption before the end of March 2023. This made the repair work on the computer an emergency. The laptop was taken to Redington as the approved HP repair center for assessment on 14 March 2023 but the center required an upfront payment to assess the laptop which made it impossible for the municipality to make the payment and therefore the manager was authorised to make the payments herself after which the municipality would then make a refund

iv. Hibiscus Panel Beaters

A municipal vehicle Toyota Hilux 2.5D 4X4 with registration number HNL 081 EC was reported to the insurance for repairs which had to be done on the vehicle. The vehicle was towed to Status Panelbeaters in Port Shepstone on the 27 January 2020 where the vehicle was meant to be fixed. Per the incident report that the insurance received, they expressed to the municipality and the Panelbeaters that the damage to the vehicle was within the access amount to be paid by the municipality and therefore the repairs were going to be for the municipality's account. Status Panelbeaters did an assessment on the vehicle and the damages to be fixed came to an amount of R 68 000 per their quotation. There was then a lot of back and forth correspondence between the municipality, insurance and panel beaters which did not lead to any resolution. In June 2021 after more than a year had lapsed, the municipality tried to get the vehicle back from the panel beaters which is when the panel beaters refused to release the vehicle due to storage of R46 832,54 for storage of 485 days and an invoice of R 1 923,95 for towing services.

Upon investigating and obtaining the background, it became apparent that no further actions or negotiations were done with the panel beaters to find a common ground. The Panelbeaters were contacted and they expressed that the municipal vehicle has been on their premises for more than 3 years which has accumulated a significant storage bill which the Panelbeaters are planning to recover through the attachment and sale of the municipal vehicle to cover some of the accumulated costs. Upon proposing whether the panel beaters are willing to waive their storage costs and cease the legal action against the municipality if the municipality repairs the vehicle with the panel beaters, there was an affirmative response that shows willingness to resolve the matter in this manner. Therefore, to avoid losing the municipal vehicle, the municipality will have to repair the vehicle with Status panel beaters.

The panel beaters were asked for an updated invoice to fix the car to a roadworthy condition and an invoice of R 76 778,20 was received, being the amount that the municipality must pay in order to avoid losing the vehicle through legal attachment to recover storage costs at the panel beaters. All the relevant documentation has been attached with the memo. Please see pictures of the municipal vehicle in its current condition below.







It is against the above background that the municipal manager approved the payment for the repairs of the municipal vehicle through a deviation to avoid losing the municipal vehicle through legal action taken against the municipality to recover the storage costs for a period more than 3 year.

v. Guardrisk Insurance Company

The Mayors vehicle was involved in an accident which resulted in the vehicle being declared as a write-off by the municipality's insurance. As compensation for the vehicle the insurance company sourced a vehicle meeting the specification of the vehicle written-off which then had a shortfall for which the municipality was given an opportunity to settle or be paid the amount the insurance had approved which would then have required the municipality to procure a replacement vehicle. The approach to procure a replacement vehicle for the municipality would have attracted more costs in terms of hiring charges as the process normally takes longer. A request was made to the municipal manager to approve the payment of the excess amount to the insurance to secure the vehicle that was readily available. This ensured that the municipality has a new

vehicle before 30 June 2023 while saving on hiring costs for the Mayor due to delays in the delivery of vehicles which would not have cost R200 thousand.

It is recommended that the committee recommends these deviations to the council as required of the accounting officer.

**e) Possible Fruitless and Wasteful Expenditure**

The South African Revenue Services conducts audit of VAT claims every five years which fell on the current year for the municipality. During the year we received requested for information from 2017 to 2021 which were all responded to VAT audit a communication of findings revealed that the municipality received refunds that were not due in the periods in which they were claimed. This resulted in an amount of over R19 million being disallowed. The reasons for this related to timing differences between when the amount is claimed and when the amount cleared in the municipality's bank account. It was agreed that the amounts should have been claimed by the municipality at a later stage than they were claimed which then allowed the municipality to reclaim the disallowed amount.

During this process, however, SARS revealed that the amounts disallowed have attracted a penalty of and amount confirmed at the time to be in the region of R3.5 million.

Attempts to get the breakdown of the penalty fee have not yielded any results to this point, however, an analysis of the municipality's VAT statement has revealed that an amount of R 8,404,998.21 has been deducted from the municipality's VAT refunds.

It is recommended that the amount be reported to the executive committee for further reporting to council for a possible investigation of the facts and a recommendation to council of possible treatment of the amount

**f) Irregular Expenditure**

No irregular expenditure was identified during the quarter.

## 14. Database rotation

The following table indicates the service providers that have been utilised during the period ended 30 June 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	CSDRENumber	Ward Number
MEYIFE CONSTRUCTION AND PROJEC	P O BOX 210168 WARD 9 BIZANA 4800	Core Function:Mayor and Council	MAAA0108394	Ward 9
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Non-core Function:Population Development	MAAA0570424	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Solid Waste Removal	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Human Resources	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Economic Development/Piann	MAAA0570434	Ward 17
LAZ INVESTMENTS	IMIZIZI A/A MINYAKA LOCATION 4800	Non-core Function:Libraries and Archives	MAAA1232148	Ward 18
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Property Services	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Project Management Unit	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Solid Waste Removal:Solid Waste Removal	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Municipal Manager Town Se	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Municipal Manager Town Se	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Human Resources	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Municipal Manager Town Se	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Human Resources	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Municipal Manager Town Se	MAAA0570434	Ward 17
PONDOLAND TIMES	P.O BOX 127 BIZANA WARD 17 4800	Core Function:Municipal Manager Town Se	MAAA0570434	Ward 17
ZIENTLE TRADING ENTERPRISE	AVADIBA A/A CINGWENI LOCATION BIZANA WARD 24 4800	Core Function:Municipal Manager Town Se	MAAA0570434	Ward 17
UKHO TRADING CC	P O BOX 229 BIZANA WARD 17 4800	Core Function:Mayor and Council	MAAA07066853	Ward 24
AFRICAN COMPASS TRADING 37CC	BOX 555 BIZANA WARD 31 4800	Core Function:Human Resources	MAAA0022525	Ward 17
AMANGUTE TRADING & PROJECTS	P.O BOX 10 WARD 1 BIZANA 4800	Solid Waste Removal:Solid Waste Removal	MAAA0121475	Ward 31
LAZ INVESTMENTS	IMIZIZI A/A MINYAKA LOCATION 4800	Non-core Function:Libraries and Archives	MAAA0415895	Ward 01
LAZ INVESTMENTS	IMIZIZI A/A MINYAKA LOCATION 4800	Non-core Function:Libraries and Archives	MAAA1232148	Ward 17
MOUNTZONE PTY LTD	P O BOX 159 FLAGSTAFF WARD 24 4810	Non-core Function:Libraries and Archives	MAAA1232148	Ward 17
CONLOG	P.O BOX 2332 DURBAN	Core Function:Mayor and Council	MAAA0540808	Ward 24
LAZ INVESTMENTS	IMIZIZI A/A MINYAKA LOCATION 4800	Non-core Function:Libraries and Archives	MAAA0233537	Ward 18
ZUKO AND LIZZY'S TRADING	P O BOX 12 BIZANA WARD 1 4800	Core Function:Economic Development/Piann	MAAA0425061	Ward 01
KWIK-FIT BIZANA	SHOP 221 45 MAIN STREET BIZANA 4800	Core Function:Fleet Management	MAAA04068288	Ward 01
NINGI MIKHWAZI CONSTRUCTION	P.O BOX 277 BIZANA 4800	Core Function:Corporate Wide Strategic P	MAAA0087665	Ward 08
KHOYSON TRADING	P O BOX 424 FLAGSTAFF WARD 8 4800	Core Function:Municipal Manager Town Se	MAAA0421737	Ward 04
GEEFES AND BULLIES TRADING	P.O BOX 134 BIZANA WARD 04 4800	Core Function:Economic Development/Piann	MAAA0421577	Ward 04
GROUP TWO MEDIA COMPANY	SHOP NO 16 TIAGOS KOKSTAD 4700	Core Function:Finance	MAAA0943404	Kokstad

Creditor Name	Creditor Address	Function Name	CSDRefNumber	Ward Number
MAGHOLO TRADING & PROJECTS	PO BOX 698 BIZANA WARD 13 4800	Solid Waste Removal;Solid Waste Removal	MAAA00150080	Ward 13
SENZWA CIVILS AND PROJECT	P.O BOX 475 PORT EDWARD WARD 29 4800	Core Function:Corporate Wide Strategic P	MAAA0105361	Ward 29
FORWARD WE GO DEVELOPMENT	AMADIBA A/A ELITIENI LOCATION BIZANA 4800	Core Function:Municipal Manager Town Se	MAAA1126417	Ward 24
BONGWA'S CATERING AND PROJECT	P.O BOX 512 BIZANA WARD 25 4800	Core Function:Mayor and Council	MAAA0365674	Ward 25
KWK-FIT BIZANA	SHOP 221:45 MAIN STREET BIZANA 4800	Core Function:Solid Waste Removal	MAAA0408288	Ward 01
ANFORCEFT TRADING ENTERPRISE	P.O BOX 14 WARD 1 BIZANA 4800	Core Function:Mayor and Council	MAAA0202852	Ward 01
SIZUSA URHANYO TRADING 1119	P O BOX 12 BIZANA WARD 16 4800	Core Function:Mayor and Council	MAAA0167545	Ward 16
XOLANI SIZWE CONSTRUCTION	P O BOX 656 WARD 23 PORT EDWARD 4295	Core Function:Mayor and Council	MAAA0106007	Ward 23
SAVAGE DYNASTY	P O Box 996 Bizana WARD 25 4800	Core Function:Community Parks (including	MAAA1134208	Ward 25
THULANI AND MODM TRADING ENTER	P O BOX 12 BIZANA 4800	Core Function:Corporate Wide Strategic P	MAAA1135544	Ward 01
MAGHOLO TRADING & PROJECTS	PO BOX 698 BIZANA WARD 13 4800	Core Function:Mayor and Council	MAAA0015080	Ward 13
KWK-FIT BIZANA	SHOP 221:45 MAIN STREET BIZANA 4800	Core Function:Fleet Management	MAAA0408288	Ward 01

## 15. Contract Management

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

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

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

TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Apr	23-May	23-Jun	Current year Expenditure	Closing Balance
MBIZLM27/02/18/02ENG	R 74,861,072.75	R 31,984,133.12	R 31,984,133.12	R -	R -	R 1,173,000.00	R 3,988,504.39	R 7,114,920.32
None Provided	R -	R 283,395.82	R 283,395.82	R -	R -	R 5,984.99	R 303,686.76	R 851,144.95

TENDER NO	Contract Amount	Balance Brought down	Opening Balance 21	23-Apr	23-May	23-Jun	Current year Expenditure	Closing Balance
MBIZ LM ICT DUE DELIGENTS	R 5,318,113.79	R 5,318,113.79	R 26,8463.47	R 25,9917.25	R 54,8238.50	R 4,730,698.77	R 14,904,825.95	-R
MBIZ LM 02/05/18/INS/BTO	R 876,543.75	R -	R -	R 905,682.10	R -	R 2,239,202.98	R 4,806,877.51	-R
MBIZ LM 06/03/18/LT/BTO	R 7,524,870.94	R 7,524,870.94	R -	R 612,591.50	R 1,473,761.45	R 6,538,379.46	R 16,245,864.06	-R
Fet6/1/1/5	R 6,727,453.16	R 6,727,453.16	R 16,5206.56	R 225,047.18	R 97,590.29	R 1,440,256.07	R 8,789,825.27	-R
MBIZ LM 06/03/18/LT/BTO	R -	R -	R -	R -	R -	R 454,375.70	R 5,975,851.29	-R
MBIZ LM 00022 DCS	R 0.13	R 0.13	R 0.13	R -	R -	R 841,298.20	R 2,224,282.98	-R
MBIZ LM 0035 JFRA	R 5,300,000.00	R 455,292.19	R 455,292.19	R -	R -	R -	R 334,499.41	R
MBIZ LM 0041 IP-PBX	R 3,292,404.50	R 909,349.82	R 909,349.82	R -	R -	R 720,488.18	R 188,861.64	-R
MBIZ LM 0040 PMC	R -	R 5,602,000.00	R 5,602,000.00	R 42,983.11	R 18,326.48	R 416,768.48	R 4,246,451.91	13,575,722.50
MBIZ LM 002 ICTC&FM	R 1,180,000.00	R 10,000.01	R 10,000.01	R -	R -	R -	R -	R 10,000.01
MBIZ LM 0058 WEB	R 805,000.00	R 168,500.00	R 168,500.00	R -	R -	R -	R -	R 168,500.00
MBIZ LM 0055 CON	R 345,000.00	R 345,000.00	R 345,000.00	R -	R 240,637.50	R 104,362.50	R 345,000.00	-R
MBIZ LM 0055 CON	R -	R -	R -	R -	R -	R -	R -	R -
MBIZ LM 0085 AMRS	R 2,129,902.23	R 1,800,336.15	R 1,800,336.15	R 38,378.94	R 108,686.45	R 131,995.97	R 985,628.55	884,219.02
MBIZ LM 0055 CON	R 956,705.82	R 287,011.75	R 287,011.75	R -	R -	R -	R -	R 287,011.75
WMM LM 0091 MBM&C	R 756,551.68	R 756,551.68	R 756,551.68	R -	R -	R -	R -	R 75,655.16
WMM-LM(Panel of Consultants)	R 3,850,372.50	R 3,850,372.50	R 3,850,372.50	R -	R -	R -	R 1,146,544.25	2,017,822.13
MBIZ LM 0055 CON	R 838,341.08	R 838,341.08	R 838,341.08	R -	R 112,979.59	R 449,108.71	R 705,17	-R
MBIZ LM 0055 CON	R 1,138,312.20	R 1,138,312.20	R 1,138,312.20	R -	R 33,974.05	R 365,388.95	R 0.02	R
WMM LM 08/12/20/03 PSC	R 27,820,800.00	R 27,820,800.00	R 27,820,800.00	R 872,400.00	R 869,400.00	R 10,785,100.00	R 10,441,500.00	R
WMM LM 17/09/21/02 RDL	R 860,741.50	R 860,741.50	R 860,741.50	R -	R -	R -	R -	R 164,991.50
MBIZ LM 0055 CON	R 1,232,705.70	R 1,232,705.70	R 1,232,705.70	R -	R -	R -	R -	R 205,357.73
WMM LM 29/09/20 DRMP	R 480,000.00	R 480,000.00	R 480,000.00	R -	R -	R 334,180.00	R 49,820.00	-R
WMM LM 16/09/20/01	R -	R -	R -	R -	R -	R 276,879.09	R 276,879.09	R
WMM LM 25/08/21	R -	R -	R -	R 275,800.79	R 70,623.08	R 67,063.80	R 2,311,758.66	2,768,179.44
WMM LM 25/08/21	R -	R -	R -	R 232,323.18	R 340,932.19	R 105,612.06	R 2,964,578.50	5,207,718.76
WMM LM 21/12/21/01 PRI	R -	R -	R -	R -	R -	R -	R -	R

Lender No	Contract Amount	Balance Brought down	Opening Balance 21	23-Apr	23-May	23-Jun	Current year Expenditure	Closing Balance
MBIZ LM 0055 CON	6,581,971.41	6,581,971.41	-	-	-	-	684,803.38	5,897,168.03
WMM LM 31/05/2022	R 3,256,364.38	R 3,256,364.38	R 3,256,364.38	R -	R -	R 639,321.57	R 102,651.34	R -
WMM LM 31/05/2023	R 5,594,999.70	R 5,594,999.70	R 5,594,999.70	R 528,114.87	R 518,427.51	R 559,238.77	R 4,951,427.46	R 643,522.34
WMM LM 000059E MV	R 8,255,733.77	R 8,255,733.77	R 8,255,733.77	R -	R -	R -	R 7,842,772.39	R 412,961.68
WMM LM 31/05/22/01	R 5,485,723.24	R 5,485,723.24	R 5,485,723.24	R 12,7544.09	R -	R -	R 1,834,422.92	R 3,551,300.32
WMM LM 001/N/S-21	R 646,225.25	R 646,225.25	R 646,225.25	R -	R -	R -	R 452,174.73	R 194,050.52
WMM LM 00083 PLM&T	R 2,404,750.80	R 2,404,750.80	R 2,404,750.80	R -	R 919,445.51	R -	R 1,838,402.08	R 566,348.72
Transversal Contracts(RT-46)	R -	R -	R -	R -	R 554,800.00	R -	R 1,280,200.00	R 7,600.00
WMM LM 00097	R 7,534,851.06	R 7,534,851.06	R 7,534,851.06	R 904,934.64	R 1,873,965.90	R 1,395,164.10	R 6,729,159.47	R 805,691.59
WMM LM 0060E	R 8,162,989.79	R 8,162,989.79	R 8,162,989.79	R -	R -	R 2,410,827.32	R 5,558,709.66	R 2,664,280.13
WMM LM 30/06/22/01 TRA	R -	R -	R -	R -	R -	R -	R 173,973.28	R 173,973.28
WMM LM 30/06/22/01 TRA	R -	R -	R -	R -	R -	R -	R 486,002.26	R 486,002.26
WMM LM 18/09/09/1/01	R -	R -	R -	R -	R -	R -	R -	R 283,206.73
WMM LM 00098	R 19,990,389.66	R 19,990,389.66	R 19,990,389.66	R 2,077,272.60	R 5,149,904.44	R 4,388,243.39	R 15,992,279.52	R 3,998,110.14
WMM LM 00057EMV	R 4,845,112.10	R 4,845,112.10	R 4,845,112.10	R 455,393.58	R 741,057.04	R 1,293,755.84	R 2,490,204.46	R 2,354,907.64
WMM LM 08/12/22/01 CGH	R 860,706.00	R 860,706.00	R 860,706.00	R -	R 341,233.75	R 476,456.95	R 817,670.70	R 43,035.30
WMM LM 00099 R&M MB	R 1,557,620.17	R 1,557,620.17	R 1,557,620.17	R -	R -	R 235,639.72	R 1,147,522.59	R 410,097.58
WMM LM 25/05/22/05 ECDC	R 3,494,043.85	R 3,494,043.85	R 3,494,043.85	R 822,823.16	R 594,412.00	R 321,279.64	R 1,738,514.80	R 1,755,529.05
WMM LM 08/12/22/02 HPC	R 5,884,206.38	R 5,884,206.38	R 5,884,206.38	R 1,523,431.77	R 1,02,655.32	R -	R 2,636,087.09	R 3,248,119.29
WMM LM 08/12/22/02 HPC	R 7,894,646.45	R 7,894,646.45	R 7,894,646.45	R 3,582,935.40	R 683,744.00	R 1,657,814.99	R 5,924,494.39	R 1,970,152.06
WMM LM 08/12/22/02 HPC	R 5,660,152.80	R 5,660,152.80	R 5,660,152.80	R 1,786,177.94	R 2,496,510.56	R 1,029,002.49	R 5,311,690.99	R 348,461.81
WMM LM 08/12/22/02 HPC	R 3,283,800.85	R 3,283,800.85	R 3,283,800.85	R -	R 479,063.40	R 1,180,001.20	R 1,659,063.60	R 1,624,737.25
WMM LM 08/12/22/02 HPC	R 5,232,704.10	R 5,232,704.10	R 5,232,704.10	R 1,470,565.40	R 694,834.60	R 1,657,117.80	R 3,822,521.80	R 1,410,182.30
WMM LM 06/10/22/01 CBD	R 1,200,000.00	R 1,200,000.00	R 1,200,000.00	R -	R -	R -	R 995,824.03	R 204,175.97
WMM LM 03/11/22/01	R 1,864,626.65	R 1,864,626.65	R 1,864,626.65	R -	R 430,540.45	R -	R 1,700,094.22	R 164,532.43
MBIZ LM 0055 CON	R 607,200.00	R 607,200.00	R 607,200.00	R 102,009.60	R -	R -	R 405,609.60	R 201,590.40

Tender No	Contract Amount	Balance Brought down	Opening Balance 21	23-Apr	23-May	23-Jun	Current year Expenditure	Closing Balance
WMM LM 08/12/22/02 HPC	R 1,632,704.82	R 1,632,704.82	R 1,632,704.82	R 570,112.16	R 765,429.18	R 196,775.25	R 1,533,316.59	R 100,388.25
WMM LM 06/10/22/03 IAS	-	R -	R -	R -	R -	R 650,578.00	R 650,578.00	-R -
WMM LM 00101 S&D	R 453,510.00	R 453,510.00	R 453,510.00	R -	R -	R -	R -	R 453,510.00
WMM LM 06/10/22/02 AGR	R 1,194,685.00	R 1,194,685.00	R 1,194,685.00	R -	R -	R 1,194,685.00	R 1,194,685.00	-R -
WMM LM 00058E	R 7,836,167.58	R 7,836,167.58	R 7,836,167.58	R -	R 2,562,738.94	R 659,608.25	R 3,262,347.09	R 4,573,320.49
WMM LM 02/06/22/01 PST	R 542,376.67	R 542,376.67	R 542,376.67	R -	R -	R 362,850.00	R 362,850.00	R 179,526.67
WMM LM 16/03/23/01 SLD	R 1,524,520.00	R 1,524,520.00	R 1,524,520.00	R -	R -	R -	R -	R 1,524,520.00
WMM LM 04/08/22/02 RMD	-	R -	R -	R -	R -	R 254,400.00	R 254,400.00	R 254,400.00
WMM LM 14/06/22 FAR	R 1,722,106.00	R 1,722,106.00	R 1,722,106.00	R -	R -	R -	R -	R 1,722,106.00
WMM LM 03/11/22/05 EMT	-	R -	R -	R -	R -	R -	R -	R -
WMM LM 25/05/22/01 MDP	R -	R -	R -	R -	R -	R -	R -	R -
MB12LM27/02/18/02ENG	R 3,811,832.48	R 3,811,832.48	R 3,811,832.48	R -	R -	R 381,183.24	R 381,183.24	R 3,430,649.24
WMM LM 08/12/22/02 HPC	-	R -	R -	R -	R -	R -	R -	R -
WMM LM 08/12/22/02 HPC	R 1,302,481.25	R 1,302,481.25	R 1,302,481.25	R 667,445.02	R -	R 269,282.22	R 876,727.24	R 425,754.01
WMM LM 00081 RVL	R 3,491,945.22	R 3,491,945.22	R 3,491,945.22	R -	R -	R -	R -	R 3,491,945.22
	R 261,823,301.27	R 182,580,461.55	R 182,580,461.55	R 16,957,326.28	R 23,360,605.23	R 26,371,933.20	R 133,199,502.39	-R 8,768,628.61

## 16. Regulation 17(1) c Procurement

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

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

**SECTION 17 TRANSACTION DETAILS**

Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	PROCUREMENT PROCESS	
									Process Followed	Reason for Section 17
1/8/2022	EF007822-000	South African Cemeteries Association	R 9,000.00	Co-ordination of developmental cemeteries and crematoria services	Chief Financial Officer	Friday, July 29, 2022	Mayor and Council	No	One quotation requested	Sole Provider
2/8/2022	EF007804-001	Leadership Academy	R 23,692.00	Training for Auditors	Chief Financial Officer	Tuesday, August 2, 2022	Corporate Services	No	One quotation requested	Sole Provider
27/07/2022	EF007794-000	The Institute of Directors South Africa	R 3,289.88	Training programmes on corporate governance	Chief Financial Officer	Tuesday, July 26, 2022	Corporate Services	No	One quotation requested	Sole Provider
16/08/22	EF007804-008	Wits School of Governance	R 58,000.00	Study Fees	Chief Financial Officer	Monday, August 15, 2022	Corporate Services	No	One quotation requested	Sole Provider
30/08/2022	EF007804-000	UNISA	R 19,490.00	Study Fees	Chief Financial Officer	Monday, August 15, 2022	Corporate Services	No	One quotation requested	Sole Provider
16/08/2022	EF007797-000	DUT	R 25,000.00	Study Fees	Chief Financial Officer	Monday, August 15, 2022	Corporate Services	No	One quotation requested	Sole Provider
N/A	N/A	UKZN	R 25,000.00	Study Fees	Chief Financial Officer	Monday, August 15, 2022	Corporate Services	No	One quotation requested	Sole Provider
30/08/22	EF007822-000	SBS	R 18,500.00	Study Fees	Chief Financial Officer	Monday, August 15, 2022	Corporate Services	No	One quotation requested	Sole Provider
16/08/2022	EF007804-000	WSU	R 10,558.25	Study Fees	Chief Financial Officer	Monday, August 15, 2022	Corporate Services	No	One quotation requested	Sole Provider
11/29/2022	EF007919-000	MIE	R 5,084.64	Verification and collection of educational qualifications	Chief Financial Officer	Monday, August 29, 2022	Corporate Services	No	One quotation requested	Sole Provider
30/09/2022	EF007871-000	The Assessment Toolbox	R 14,574.73	Assessment of Municipal Managers and Managers	Chief Financial Officer	Monday, November 7, 2022	Corporate Services	No	One quotation requested	Sole Provider
2/11/2022	EF007914-000	Hv Test Academy PTY LTD	R 13,662.00	Training of electricity employees	Chief Financial Officer	Thursday, October 27, 2022	Corporate Services	No	One quotation requested	Sole Provider

SECTION 17 TRANSACTION DETAILS							PROCUREMENT PROCESS			
Payment Date	Payment Number	Supplier Name	Supplier Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
11/12/2022	MANY	Institute of Directors South Africa NPC	R 3,500.00	Training programmes on corporate governance regulated by NERSA	Chief Financial Officer	Monday, December 11, 2023	Corporate Services	No	One quotation requested	Sole Provider
12/12/2022	EF007941-000	Hv Test Academy PTY LTD	R 13,662.00	Training of electricity employees regulated by NERSA	Chief Financial Officer	Thursday, December 8, 2022	Corporate Services	No	One quotation requested	Sole Provider
12/12/2022	MANY	The Institute of Internal Auditors	R 17,296.00	Training of Auditors	Chief Financial Officer	Friday, December 9, 2022	Corporate Services	No	One quotation requested	Sole Provider
12/12/2022	EF007944-000	Esri South Africa	R 26,846.98	Geographic information system/Annual licence renewal	Chief Financial Officer	Saturday, December 10, 2022	Corporate Services	No	One quotation requested	Sole Provider
2023/02/22	EF008040-023	University of Pretoria	R 44,520.00	Study Fees	Chief Financial Officer	Tuesday, February 21, 2023	Corporate Services	No	One quotation requested	Sole Provider
3/3/2023	EF008015-000	WSU	R 14,320.00	Study Fees	Chief Financial Officer	Tuesday, February 28, 2023	Corporate Services	No	One quotation requested	Sole Provider
3/3/2023	EF008015-000	Milpark Education	R 10,720.00	Study Fees	Chief Financial Officer	Wednesday, March 1, 2023	Corporate Services	No	One quotation requested	Sole Provider
3/6/2023	EF008015-000	UNISA	R 85,125.00	Study Fees	Chief Financial Officer	Thursday, March 2, 2023	Corporate Services	No	One quotation requested	Sole Provider
3/27/2023	EF008048-000	UNISA	R 21,180.00	Study fees	Chief Financial Officer	Monday, March 27, 2023	Corporate Services	No	One quotation requested	Sole Provider
4/4/2023	EF008061-000	UKZN	R 164,700.00	Study fees	Chief Financial Officer	Tuesday, April 4, 2023	Corporate Services	No	One quotation requested	Sole Provider
03/05/2023	EF008086-000	Synergy	R 54,939.80	SA Tourism	Chief Financial Officer	Wednesday, May 3, 2023	LED	No	One quotation requested	Sole Provider
08/05/2023	EF008092-000	Umgeni Water	R 11,109.00	Laboratory Services	Chief Financial Officer	Thursday, May 4, 2023	Community Services	No	One quotation requested	Sole Provider
31/05/2023	EF008111	Cigfaro	R 3,928.50	Professional	Chief	Wednesday	Municipal	No	One	Sole Provider

SECTION 17 TRANSACTION DETAILS					PROCUREMENT PROCESS					
Payment Date	Payment Number	Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
023	7-000			body for government	Financial Officer	, May 31, 2023	Managers		quotation requested	
30/05/2023	EF00811	R 3,938.50	Cigfaro	Professional body for government	Chief Financial Officer	Wednesday, May 31, 2023	CFO Office	No	One quotation requested	Sole Provider

TOTAL

R  
701,747.28

## **PART 2 – SUPPORTING DOCUMENTATION**

### **1. Implementation of the Finance Management Internship Programme**

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

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

The municipality currently has two interns enrolled in the programme with the four currently being recruited.

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

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

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

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

## 2. Debtors' analysis

### Summary of all Debtors

EC443 Winnie Madikizela Mandela - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

R thousands	Description	Budget Year 2022/23						Budget Year 2023/24					
		NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Ds-1 Yr	Total	Total over 90 days	Actual Bad Debt Written Off against Debtors	Impairment - Bad Debts it.o Council Policy
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,147	1,803	1,881	1,380	1,401	1,448	9,973	1,162	22,164	15,363	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	905	328	302	283	305	258	33,216	255	35,853	34,317	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	2	2	2	2	2	2	2,417	2	2,432	2,425	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	644	629	620	605	571	564	15,130	519	19,282	17,389	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	419	279	285	245	241	236	7,523	352	9,359	8,597	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>5,116</b>	<b>3,042</b>	<b>3,040</b>	<b>2,515</b>	<b>2,520</b>	<b>2,506</b>	<b>68,684</b>	<b>2,280</b>	<b>89,635</b>	<b>78,497</b>	<b>-</b>	<b>-</b>
<b>2021/22 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	430	380	911	352	346	350	34,142	340	37,253	35,533	-	-
Commercial	2300	4,369	2,368	1,845	1,883	1,886	1,889	20,730	1,708	36,678	28,096	-	-
Households	2400	317	294	284	280	286	269	13,791	242	15,764	14,868	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>5,116</b>	<b>3,042</b>	<b>3,040</b>	<b>2,515</b>	<b>2,520</b>	<b>2,506</b>	<b>68,684</b>	<b>2,280</b>	<b>89,635</b>	<b>78,497</b>	<b>-</b>	<b>-</b>

The table above shows municipal debtors for the quarter ended 30 June 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.

### 3. Creditors' analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Description R thousands	NT Code	Budget Year 2022/23									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	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0500	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3,002	-	-	-	-	-	-	-	3,002	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>3,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,002</b>	<b>-</b>

The above table shows the municipality's creditors and their ageing. The report shows that the municipality has managed to settle all creditors within 30 days of receipt of a valid invoice. The municipality continues to find ways to ensure that all creditors are settled within the stipulated times.

### 4. Investment portfolio analysis

EC443 Winnie Madikizela Mandela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q4 Fourth Quarter

Investments by maturity Name of institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>R thousands</b>														
Municipality														
FNB CALL DEPOSIT ACCOUNT(62550717767)		Not fixed	Call Deposit	No	Variable	0.011669777	0	n/a	not fixed	23,591	275	(23,866)	-	-
FNB CALL DEPOSIT ACCOUNT(62459758078)		Not fixed	Call Deposit	No	Variable	0.015424236	0	n/a	not fixed	10,374	160	(10,534)	-	-
FNB CALL DEPOSIT ACCOUNT(62028477992)		Not fixed	Call Deposit	No	Variable	0.01617928	0	n/a	not fixed	396,390	6,413	(72,113)	21,000	351,680
FNB CALL DEPOSIT ACCOUNT(62816769220)		Not fixed	Call Deposit	No	Variable	0.016871663	0	n/a	not fixed	359	6	(16)	-	349
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0.00760526	0	n/a	not fixed	2,806	21	(2,828)	-	0
FNB CALL DEPOSIT ACCOUNT(62816773073)		Not fixed	Call Deposit	No	Variable	0.017387655	0	n/a	not fixed	2,601	45	(451)	-	2,195
FNB CALL DEPOSIT ACCOUNT(62896110170)		Not fixed	Call Deposit	No	Variable	0.011153306	0	n/a	not fixed	36,198	404	(31,778)	-	4,824
FNB CALL DEPOSIT ACCOUNT(62852108531)		Not fixed	Call Deposit	No	Variable	0.015947774	0	n/a	not fixed	929	15	(944)	-	0
Municipality sub-total										473,248	7,340	(142,529)	21,000	359,058
Entities														
Entities sub-total										-	-	-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>									<b>473,248</b>	<b>7,340</b>	<b>(142,529)</b>	<b>21,000</b>	<b>359,058</b>

The table above shows the municipality's investments performance. The table shows that the municipality's cash and cash equivalents decreased during the period by over R114 million which lead to a decrease in its investments for the period ended 30 June 2023. It should however be noted that this only reflects the difference between what was received and what was spent.

## 5. Allocation and grant receipts and expenditure

### a) Transfers & Grants Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter

Description	Ref	2021/22		Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>									
<b>RECEIPTS:</b>	1,2								
<b>Operating Transfers and Grants</b>									
National Government:		295,190	337,852	350,424	-	341,206	371,541	-	350,424
Local Government Equitable Share		289,620	320,095	320,095	-	320,095	320,095	-	320,095
Expanded Public Works Programme Integrated Grant		3,570	3,687	3,687	-	3,687	3,687	-	3,687
Local Government Financial Management Grant		2,000	2,100	2,100	-	2,100	2,100	-	2,100
Municipal Infrastructure Grant		2,752	2,534	2,534	-	2,534	23,652	-	2,534
Neighbourhood Development Partnership Grant		-	9,218	9,218	-	-	9,218	-	9,218
Disaster Relief Grant		-	-	12,790	-	12,790	12,790	-	12,790
Provincial Government:		500	500	500	-	500	500	-	500
Capacity Building and Other		500	500	500	-	500	500	-	500
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	<b>295,690</b>	<b>338,352</b>	<b>350,924</b>	-	<b>341,706</b>	<b>372,041</b>	-	<b>350,924</b>
<b>Capital Transfers and Grants</b>									
National Government:		86,447	82,288	111,956	-	94,568	111,956	(17,388)	-15.5%
Municipal Infrastructure Grant (MIG)		51,023	52,286	48,148	-	50,682	48,148	2,534	5.3%
Neighbourhood Development Partnership Grant		6,971	13,602	13,602	-	-	13,602	(13,602)	-100.0%
Integrated National Electrification Programme Grant		28,453	16,400	16,400	-	10,080	16,400	(6,320)	-38.5%
Disaster Recovery Grant		-	-	33,806	-	33,806	33,806	-	33,806
Provincial Government:		-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	<b>86,447</b>	<b>82,288</b>	<b>111,956</b>	-	<b>94,568</b>	<b>111,956</b>	<b>(17,388)</b>	<b>-15.5%</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>382,137</b>	<b>420,639</b>	<b>462,879</b>	-	<b>436,274</b>	<b>483,997</b>	<b>(17,388)</b>	<b>-3.6%</b>

The above table shows grants received for the period ended 30 June 2023.

b) Transfers & Grants Expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4 Fourth Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		220,113	337,852	350,424	22,953	232,951	350,424	(117,473)	-33.5%	350,424
Local Government Equitable Share		214,543	320,095	320,095	22,686	211,819	320,095	(108,276)	-33.8%	320,095
Expanded Public Works Programme Integrated Grant		3,570	3,687	3,687	—	3,687	3,687	—	—	3,687
Local Government Financial Management Grant		2,000	2,100	2,100	743	2,027	2,100	(73)	-3.5%	2,100
Municipal Infrastructure Grant		—	2,752	2,534	307	2,651	2,534	117	4.6%	2,534
Neighbourhood Development Partnership Grant		—	9,218	9,218	—	—	9,218	(9,218)	-100.0%	9,218
—		—	—	—	—	—	—	—	—	—
Disaster Relief Grant		—	—	12,790	(783)	12,767	12,790	(23)	-0.2%	12,790
Provincial Government:		144	500	500	58	461	500	(39)	-7.8%	500
Capacity Building and Other		144	500	500	58	461	500	(39)	-7.8%	500
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
<b>Total operating expenditure of Transfers and Grants:</b>		<b>220,257</b>	<b>338,352</b>	<b>350,924</b>	<b>23,011</b>	<b>233,412</b>	<b>350,924</b>	<b>(117,512)</b>	<b>-33.5%</b>	<b>350,924</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		80,162	82,288	107,215	19,071	90,592	98,281	(7,688)	-7.8%	107,215
Municipal Infrastructure Grant (MIG)		51,023	52,286	48,148	6,479	47,581	44,136	3,445	7.8%	48,148
Neighbourhood Development Partnership Grant		686	13,602	13,602	—	—	12,468	(12,468)	-100.0%	13,602
Integrated National Electrification Programme Grant		28,453	16,400	16,400	7,567	15,511	15,033	478	3.2%	16,400
Disaster Recovery Grant		—	—	29,066	5,025	27,501	26,643	858	3.2%	29,066
Provincial Government:		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
<b>Total capital expenditure of Transfers and Grants</b>		<b>80,162</b>	<b>82,288</b>	<b>107,215</b>	<b>19,071</b>	<b>90,592</b>	<b>98,281</b>	<b>(7,688)</b>	<b>-7.8%</b>	<b>107,215</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>300,419</b>	<b>420,639</b>	<b>458,139</b>	<b>42,083</b>	<b>324,004</b>	<b>449,204</b>	<b>(125,200)</b>	<b>-27.9%</b>	<b>458,139</b>

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 - Q4 F

Description	Ref	Budget Year 2022/23					
		Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD varlance	YTD variance %	
<b>R thousands</b>							
<b>EXPENDITURE</b>							
<b>Operating expenditure of Approved Roll-overs</b>		-	-	-	-	-	
National Government:							
Local Government Equitable Share							
Expanded Public Works Programme Integrated Grant							
Local Government Financial Management Grant							
Municipal Infrastructure Grant							
Neighbourhood Development Partnership Grant							
Disaster Relief Grant							
Provincial Government:		-	-	-	-	-	
Capacity Building and Other							
Other transfers and grants [insert description]							
District Municipality:		-	-	-	-	-	
[insert description]							
Other grant providers:		-	-	-	-	-	
[insert description]							
<b>Total operating expenditure of Approved Roll-overs</b>		-	-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>							
National Government:		3,569	-	1,351	2,218	62.2%	
Municipal Infrastructure Grant (MIG)							
Neighbourhood Development Partnership Grant		3,569	-	1,351	2,218	62.2%	
Disaster Recovery Grant							
Provincial Government:		-	-	-	-	-	
District Municipality:		-	-	-	-	-	
Other grant providers:		-	-	-	-	-	
<b>Total capital expenditure of Approved Roll-overs</b>		3,569	-	1,351	2,218	62.2%	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		3,569	-	1,351	2,218	62.2%	

The table above shows spending progress on the approved rollovers for the year being implemented.

d) Compliance with DORA requirements

The municipality has the following main conditional grants allocated to it for the year:

- **Municipal Infrastructure Grant:** The grant is mainly for constructions of municipal infrastructure such as Access roads, Community facilities (Halls, Sport fields, ECDCs and more). 5% of the allocation is allocated for the operations of the Project management unit. The grant is disbursed in tranches informed by the projections submitted by the municipality before the start of the financial year. This was normally disbursed in three trenches a year 60% in July, 20% in December and 20% in March. From the 2020/21 financial year a new system introduced where 30% is transferred in July and requiring that at least 60% of that must be spent by the end of September to qualify for the next trench. It is with great disappointment to report that the municipality did not qualify for the send trench until the end of November this year because the amount spent did not meet the minimum spending requirements. The fund also has a spending requirement of 40% of the allocation by December to qualify for consideration of additional funds during the adjustments period with anything less than that qualifying for a reduction in the amount allocated to other municipalities that have spent as required.
- **Integrated National Electrification Program:** The grant is mainly used to supplement the work being done by Eskom to address electrification backlogs in rural communities. The grant's conditions do not include any operating portion like the Municipal Infrastructure grant even though they are both capital in nature. The table above shows that the municipality has already spent over 100% of the allocation for the year.
- **Municipal Finance Management Grant:** The grant was introduced and is allocated to assist municipalities build and sustain financial management capacity. The grant is mainly for Budget and Treasury operations and focuses on the following areas:
  - Recruitment and training of five tertiary institution graduates within the accounting field including audit and risk management at a time
  - Strengthen capacity and upskill officials in the Budget and Treasury Office (BTO), Internal Audit and Audit Committees
  - Acquisition, upgrade and maintenance of financial management systems to produce multi- year budgets, in-year reports, Service Delivery and Budget Implementation Plans, Annual Financial Statements, annual reports and automated financial management practices including mSCOA
  - Support the training of municipal officials in financial management towards attaining the minimum competencies
  - Support the preparation and timely submission of quality annual financial statements for audits. Technical support to municipalities must include the transfer of skills to municipal officials

- Support implementation of corrective actions to address root causes/audit findings in municipalities
- Implementation of financial management reforms and address shortcomings identified in the Financial Management Capability Maturity Model (FMCMM) Assessment report
- Support the implementation of the financial misconduct regulations and promote consequence management to reduce UIF&W incurred by municipalities
- Support to strengthen financial governance and oversight, as well as functioning of Municipal Public Accounts Committees
- Support the training of municipal officials that are members of the BID committees

## 6. Cash flow Statement

EC443 Winnie Madikizela Mandela - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description R thousands	Ref 1	2021/22		Original Budget	Adjusted Budget	Monthly actual	Budget Year 2022/23				Full Year Forecast
		Audited Outcome	YearTD actual				YearTD budget	YTD variance	YTD variance %		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
Receipts											
Property rates		21,235	34,817	34,817	484	20,224	34,817	(14,593)	-42%	34,817	
Service charges		43,512	54,588	54,588	5,308	54,103	54,588	(485)	-1%	54,588	
Other revenue		7,350	26,570	57,012	817	11,312	57,012	(45,700)	-80%	57,012	
Transfers and Subsidies - Operational		298,059	338,352	350,924	-	339,172	350,924	(11,752)	-3%	350,924	
Transfers and Subsidies - Capital		80,162	82,288	111,956	-	100,888	111,956	(11,068)	-10%	111,956	
Interest		15,474	9,760	19,090	2,467	21,731	19,090	2,640	14%	19,090	
Dividends		-	-	-	-	-	-	-	-	-	
Payments											
Suppliers and employees		(287,032)	(367,632)	(390,838)	(33,741)	(339,586)	(390,838)	(51,251)	13%	(390,838)	
Finance charges		-	(100)	(100)	-	-	(100)	(100)	100%	(100)	
Transfers and Grants		-	-	-	-	-	-	-	-	-	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>178,760</b>	<b>178,444</b>	<b>237,449</b>	<b>(24,666)</b>	<b>207,843</b>	<b>237,449</b>	<b>29,606</b>	<b>12%</b>	<b>237,449</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Receipts											
Proceeds on disposal of PPE		9	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments		(30)	-	-	-	-	-	-	-	-	
Payments											
Capital assets		(159,792)	(129,968)	(171,246)	(24,607)	(124,887)	(156,976)	(32,089)	20%	(129,968)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(159,813)</b>	<b>(129,968)</b>	<b>(171,246)</b>	<b>(24,607)</b>	<b>(124,887)</b>	<b>(156,976)</b>	<b>(32,089)</b>	<b>20%</b>	<b>(129,968)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>18,947</b>	<b>48,476</b>	<b>66,203</b>	<b>(49,272)</b>	<b>82,956</b>	<b>80,473</b>				<b>107,481</b>
Cash/cash equivalents at beginning:		258,162	336,827	277,109	409,337	277,109	277,109				336,827
Cash/cash equivalents at month/year end:		277,109	385,302	343,311		360,065	357,582				444,308

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.

## 7. Statement of Financial Position

EC443 Winnie Madikizela Mandela - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		2,951	19,720	39,543	1,006	39,543
Call investment deposits		274,157	365,583	303,868	359,058	303,868
Consumer debtors		63,657	19,654	37,739	66,781	37,739
Other debtors		40,665	31,799	43,014	67,630	43,014
Current portion of long-term receivables		—	—	—	—	—
Inventory		450	1,878	1,167	1,384	1,167
<b>Total current assets</b>		<b>381,881</b>	<b>438,634</b>	<b>425,331</b>	<b>495,859</b>	<b>425,331</b>
<b>Non current assets</b>						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		39,090	36,655	39,090	39,090	39,090
Investments in Associate		—	—	—	—	—
Property, plant and equipment		766,069	759,811	830,821	812,644	830,821
Biological		—	—	—	—	—
Intangible		43	—	43	43	43
Other non-current assets		1,261	1,231	1,261	1,261	1,261
<b>Total non current assets</b>		<b>806,463</b>	<b>797,697</b>	<b>871,215</b>	<b>853,038</b>	<b>871,215</b>
<b>TOTAL ASSETS</b>		<b>1,188,344</b>	<b>1,236,331</b>	<b>1,296,546</b>	<b>1,348,897</b>	<b>1,296,546</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		506	505	506	449	506
Trade and other payables		54,702	44,406	82,118	67,509	82,118
Provisions		20,308	19,990	20,308	18,405	20,308
<b>Total current liabilities</b>		<b>75,515</b>	<b>64,901</b>	<b>102,931</b>	<b>86,364</b>	<b>102,931</b>
<b>Non current liabilities</b>						
Borrowing		—	—	—	—	—
Provisions		22,484	5,246	22,484	22,484	22,484
<b>Total non current liabilities</b>		<b>22,484</b>	<b>5,246</b>	<b>22,484</b>	<b>22,484</b>	<b>22,484</b>
<b>TOTAL LIABILITIES</b>		<b>97,999</b>	<b>70,147</b>	<b>125,415</b>	<b>108,848</b>	<b>125,415</b>
<b>NET ASSETS</b>	2	<b>1,090,344</b>	<b>1,166,184</b>	<b>1,171,131</b>	<b>1,240,049</b>	<b>1,171,131</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1,090,344	1,166,184	1,171,131	1,240,049	1,171,131
Reserves		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1,090,344</b>	<b>1,166,184</b>	<b>1,171,131</b>	<b>1,240,049</b>	<b>1,171,131</b>

## **8. Municipal Manager's quality certification**

### **Quality Certificate**

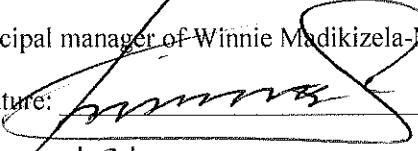
I, Luvuyo Mahlaka, the municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that –

Quarterly budget statement

for the quarter ended 30 June 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: 31/07/2023