# BUDGET AND TREASURY (S52d) REPORT FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2021



Prepared by: N. NOKWE

Position: Chief Financial Officer

Reviewed by: M. Nako

Position: Municipal Manager

Recommended by: Cllr X.O Willie

Position: Portfolio Head: Budget & Treasury Office

Approved by: Hon Cllr S. Janda

Position: Executive Mayor

#### 1.1 BACKGROUND, FACTS AND PROPOSALS

## 1.1.1 Treasury Reports

## 1. Successes

- The municipality complied with submitting the financial information to National Treasury on the monthly basis in the prescribed format for the quarter under review as illustrated in the below tables.
- The municipality received an unqualified audit opinion from the Auditor-General in the year 2019/2020
- The municipality has received all the anticipated transfers for the 1<sup>st</sup> quarter in terms of the DORA allocation for 2021/2022 FY.
- Final IDP and Budget for 2021/22 was adopted on the 26 May 2021 by Council and is currently being implemented.
- The municipality prepared Annually Financial Statements for 2020/2021 inhouse and its supporting schedules which were then submitted to Auditor General – South Africa and Treasury on the 31 August 2021.

The followings reports were submitted to Treasury:

- Section 71 Report for the months (July 2021, August 2021 and September 2021)
  - Monthly Budget Statement Summary
  - Financial Performance (functional classification)
  - Financial Performance (revenue and expenditure)
- > mSCOA data strings

### **1.2 EXPENDITURE REPORT**

## **Analysis of Spending Patterns**

The expenditure per department excludes the non-cash items (Depreciation & Provision for Bad Debts) and is attached as an Annexure to this report and it outlines all expenditure for performance indicators as per SDBIP.

## 1.2.1 PERSONNEL EXPENDITURE (S66)

In terms of Section 66 of the MFMA, The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely—

- (a) Salaries and wages;
- (b) Contributions for pensions and medical aid;
- (c) Travel, motor car, accommodation, subsistence and other allowances;
- (d) Housing benefits and allowances;
- (e) Overtime payments;
- (f) Loans and advances; and
- (g) Any other type of benefit or allowance related to staff.

The following table depicts the actual expenditure for the 3 months period ended 30 September 2021

	SECTION 66 R	EPORT FOR 20	20/21											
				EARNINGS										
Months	Salaries	Unpaid Leave		Allowance (Ward Comm)	Horse Allowance	Housing Allowance	Long Service Award	Subsistence Local	Reimbursive KM Exempt	Sitting Allowance Ward Comm	Weekend Time	Overtime	Acting Allowance	Leave Pay
Jul-21	7 432 834.29	- 12 026.30	28 189.76	313 000.00	-	38 045.28	187 173.61	-	85 315.93	-	20 974.94	4 344.64	15 581.98	-
Aug-21	7 516 048.09	- 13 726.98	31 119.66	313 000.00	-	38 045.28	24 669.12	-	62 000.00	-	130 428.13	29 913.06	6 857.72	130 302.65
Sep-21	7 520 718.30	- 11 461.12	27 081.95	312 000.00	-	38 045.28	7 948.57	3 267.00	96 638.45	117 000.00	179 850.84	36 880.06	-	51 649.64
Oct-21														
Nov-21														
Dec-21														
Jan-22														
Feb-22														
Mar-22														
Apr-22														
May-22														
Jun-22														
				Residential		Housing	Sitting		Medical Aid	Solidarity	Cellphone			
Months	Backpay	Shift Allowand	Travel Allowa	Allowance	Bonus	Subsidy	Allowance	<b>EPWP Salary</b>	Refund	Fund	Allowance	TOTALS		
Jul-21		21 548.14	491 495.34	241 358.31	462 078.27	2 723.34	13 757.92	865 630.00	1 217.20	-	13 600.00	10 226 842.65		
Aug-21	569 106.76	43 866.79	503 060.98	240 450.53	357 284.92	2 723.34	44 713.26	541 000.00	-	106 562.43	13 600.00	10 691 025.74		
Sep-21	28 100.38	68 371.04	497 385.36	241 358.31	177 392.71	2 723.34	20 636.88	587 350.00	-	-	6 800.00	10 009 736.99		
Oct-21														
Nov-21														
Dec-21														
Jan-22														
Feb-22														
Mar-22														
Apr-22														
May-22														
Jun-22														

Months	Jul-21	Aug-21	Sep-21	Totals
Total Earnings	10 226 842.65	10 691 025.74	10 009 736.99	30 927 605.38
Total Deductions	2 834 095.86	3 222 834.71	2 788 991.03	8 845 921.60
Net Salaries	7 392 746.79	7 468 191.03	7 220 745.96	22 081 683.78
Total Company Contributions	1 991 951.15	1 997 192.75	1 660 676.13	5 649 820.03
Total Cost to Company	12 218 793.80	12 688 218.49	11 670 413.12	36 577 425.41

# Budget vs Actual for the year under review:

Budget	R 144 028 168.00
Actual Remuneration for the year under review	R 36 577 425.41
Percentage spent to date	25%

# BUDGET VS ACTUAL PERFORMANCE FROM 01 JULY 2021 TO 30 SEPTEMBER 2021

QUARTERLY	ACTUAL	%
BUDGET	EXPENDITURE	SPENT
R 36 007 042	R 36 577 425.41	102%

		2020/21 Budget Year 2021/22								
S ummary of Employee and Councillor remuneration  R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
K thousands	1	Α	В	С					76	D
Councillors (Political Office Bearers plus Other)	+ '	^	В	C						D
Basic Salaries and Wages		7 436	21 996	_	_	233	5 499	(5 266)	-96%	21 99
Pension and UIF Contributions			21330	_	_	_	5 455	(3 200)	3070	2133
Medical Aid Contributions		_	_	_	_			_		
Motor Vehicle Allowance		_	_	_	_	_	_	_		
Cellphone Allowance		_	2 866	_	_		716	(716)	-100%	2 86
Housing Allowances		_	2 000	_	_		710	(/10)	- 100%	200
Other benefits and allowances		13	_	_	_	_	_	_		_
		7 449	24 861		<u>–</u>	233	6 215	(5 982)	-96%	24 86
Sub Total - Councillors		7 449	24 801 233.7%	_	-	233	0 215	(5 982)	-90%	24 80
% increase	4		200.170							200.176
Senior Managers of the Municipality	3									
Basic Salaries and Wages		-	5 467	_	-	-	846	(846)	- 100%	5 46
Pension and UIF Contributions		-	2 056	-	-	-	24	(24)	- 100%	2 0 5
Medical Aid Contributions		51	1 260	_	-	-	315	(315)	- 100%	1 26
Overtime		_	_	_	-	-	_	_		-
Performance Bonus		55	1 251	_	-	_	287	(287)	- 100%	1 25
Motor Vehicle Allowance		_	2 221	_	_	-	456	(456)	- 100%	2 22
Cellphone Allowance		_	534	_	_	_	126	(126)	- 100%	53
Housing Allowances		_	_	_	_	_	_	_		_
Other benefits and allowances		0	4	_	_	_	1	(1)	- 100%	
Payments in lieu of leave		_	_	_	_	_	_	_		_
Long service awards		_	_	_	_	_	_	_		_
Post-retirement benefit obligations	2	_	_	_	_	_	_	_		_
Sub Total - Senior Managers of Municipality		106	12 793	_	_	_	2 055	(2 055)	-100%	12 79
% increase	4		11931.3%					` ′		11931.3%
Other Municipal Staff										
•		91 396	71 932		6 580	27 240	17 197	10 043	58%	71 93
Basic Salaries and Wages			9 860					643	26%	
Pension and UIF Contributions		11 390		_	961	3 108	2 465			986
Medical Aid Contributions		6 488	13 839	_	553	1 658	3 460	(1 802)	-52%	13 83
Overtime		253	155	-	-	-	39	(39)	-100%	15
Performance Bonus		8 835	4 687	-	-	-	1 172	(1 172)	-100%	4 68
Motor Vehicle Allowance		- 0.400	315	-	-	-	79	(79)	-100%	31
Cellphone Allowance		6 109	916	-	-	871	167	703	420%	91
Housing Allowances		3 202	3 078	_	241	241	770	(528)	-69%	3 07
Other benefits and allowances		11 977	1 592	-	89	884	398	486	122%	1 59
Payments in lieu of leave		907	-	_	-	-	_	-		-
Long service awards		536	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	_	_	_	_	_	_			_
Sub Total - Other Municipal Staff		141 092	106 373	-	8 424	34 003	25 746	8 257	32%	106 37
% increase	4		-24.6%							-24.6%
Total Parent Municipality		148 647	144 028	_	8 424	34 236	34 016	220	1%	144 02

#### 1.2.2 EXPENDITURE PER DEPARTMENT

DEPARTMENT	BUDGET	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
<b>BUDGET &amp; TREASURY</b>	22 690 000.00	4 473 173.11	293 259.90	4 766 433.01	17 403 566.99	21%
OPERATIONS	25 468 000.00	1 420 981.85	405 360.63	1 826 342.48	23 641 657.52	7%
COMMUNITY SERVICES	16 332 000.00	1 478 878.72	2 067 844.07	3 546 722.79	12 785 277.21	22%
CORPORATE SERVICES	17 898 581.00	1 710 510.96	903 677.72	2 614 188.68	15 284 392.32	15%
DEVELOPMENT PLANNING	20 450 000.00	1 715 850.69	2 648 111.35	4 363 962.04	16 086 037.96	21%
INFRASTRUCTURE SERVICES	100 855 001.93	12 439 760.28	1 132 334.17	13 572 094.45	87 282 907.48	13%
PERSONNEL COSTS	141 646 250.53	36 577 425.41	-	36 577 425.41	105 068 825.12	26%
	345 339 833.46	59 816 581.02	7 450 587.84	67 267 168.86	277 552 664.60	19%

- ❖ At the end of 1st Quarter, the municipality had only spent 19% of its approved budget in relation to operational projects and capital projects. Although the municipality spent below the targeted 25% it is safe to say that the municipality is still on track, there were just few delays on awarding projects that were anticipated to start in the first month of the 1st Quarter.
- The municipality is currently implementing cash flow management practices and this has assisted in terms of managing and monitoring expenditure patterns.
- ❖ Covid 19 lockdown has also contributed to the spending which is below the target of 25% for the Quarter.

The tables below provide a breakdown of expenditure per department and per project, this allow departments to closely monitor their projects and budget performance per quarter.

#### 1.2.2.1 BUDGET & TREASURY OFFICE

PROJECT NAME	BUDGET	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
AFS Preparation	2 400 000.00	846 251.54	75 000.00	921 251.54	1 478 748.46	38%
Data Validation	315 000.00	172 280.00		172 280.00	142 720.00	55%
Debt Collection	880 000.00	62 664.17		62 664.17	817 335.83	7%
Debt Impairment	1 200 000.00			-	1 200 000.00	0%
Expenditure and payroll management	910 000.00	169 320.40	27 496.00	196 816.40	713 183.60	22%
Financial Management Support	200 000.00			-	200 000.00	0%
Fleet Management	5 720 000.00	2 534 156.64	177 753.04	2 711 909.68	3 008 090.32	47%
Full Implementation of SCM system	450 000.00		13 010.86	13 010.86	436 989.14	3%
General Valuation Roll	520 000.00			-	520 000.00	0%
GRAP Compliant Asset Register	8 110 000.00	462 966.75		462 966.75	7 647 033.25	6%
mSCOA Implementation	1 465 000.00	225 533.61		225 533.61	1 239 466.39	15%
GRAND TOTAL	22 170 000.00	4 473 173.11	293 259.90	4 766 433.01	17 403 566.99	21%

Included in the AFS preparation is provision for licensing of the *Report writer software* used to prepare GRAP compliant AFS, relevant capacity building programs, CIGFARO membership, trainings, seminars etc and Municipal Finance Improvement program (MFIP or CPMD as per the gazette on Minimum competency levels.

R5,3m is allocation to purchase refuse trucks as they are part of fleet which is unit within SCM in the BTO department. Included in the GRAP compliant Asset register vote there is an amount of R5m to fund Depreciation (Non Cash Item).

Overall percentage spending as at 30 September for BTO is 21%.

### 1.2.2.2 OPERATIONS

PROJECT NAME	BUDGET	ACTUAL	COMMITMENT	TOTAL EXPENDITU	BALANCE	%
Co- ordination of Audit and Risk Committee meetings	245 000.00	68 025.00		68 025.00	176 975.00	28%
Legal cases	4 040 000.00	575 605.71	227 576.18	803 181.89	3 236 818.11	20%
PUBLIC PARTICIPATION PROGRAMS/MEETINGS	1 200 000.00	60 350.00		60 350.00	1 139 650.00	5%
Annual Regularity Audit	4 000 000.00	210 901.56		210 901.56	3 789 098.44	5%
Annual report development	120 000.00	35 622.00		35 622.00	84 378.00	30%
Branding of the Municipality	50 000.00			-	50 000.00	0%
Customer care update	198 000.00			-	198 000.00	0%
Development of Newsletters	300 000.00		23 821.42	23 821.42	276 178.58	8%
Engagement meetings	505 000.00		2 177.04	2 177.04	502 822.96	0%
Fraud Awareness	100 000.00	24 244.35	39 500.00	63 744.35	36 255.65	64%
IDP Development	1 112 000.00	75 289.53		75 289.53	1 036 710.47	7%
IGR meetings	50 000.00			-	50 000.00	0%
implementation of Communication Strategy and media Plan	1 368 000.00	18 056.69	19 307.35	37 364.04	1 330 635.96	3%
Implementation of IDP, SDBIP and Budget integration	810 000.00	50 050.73	5 980.00	56 030.73	753 969.27	7%
Internal Audits and ad-hoc assignments	703 000.00	103 129.74	18 726.88	121 856.62	581 143.38	17%
Mayoral Incidental Expenses	500 000.00	22 261.64	16 200.00	38 461.64	461 538.36	8%
MPAC	565 000.00	139 929.30	2 200.00	142 129.30	422 870.70	25%
Policy Review	950 000.00			-	950 000.00	0%
Programmes as per HIV/Aids, STI & TB Strategy Implementation Plan	75 000.00	5 000.00		5 000.00	70 000.00	7%
Programmes for Designated groups as per SPU Strategy	920 000.00	10 665.60	39 468.70	50 134.30	869 865.70	5%
Risk Management	60 000.00	10 350.00		10 350.00	49 650.00	17%
SALGA	1 815 000.00		3 503.06	3 503.06	1 811 496.94	0%
Ward Committee Administration	5 352 000.00			-	5 352 000.00	0%
Whippery Programme	100 000.00	11 500.00	6 900.00	18 400.00	81 600.00	18%
Women caucus	330 000.00			-	330 000.00	0%
GRAND TOTAL	25 468 000.00	1 420 981.85	405 360.63	1 826 342.48	23 641 657.52	7%

Operations department only managed to spend 7% percent of its allocated budget. One of the contributors to that is the R4m set budgeted for Auditor General and the audit is in its initial stages.R5m for ward committees which is in the process of being integrated as well R1,8m for SALGA which is normally paid before end of June to take advantage of the discount.

# 1.2.2.3 CORPORATE SERVICES

PROJECT NAME	BUDGET	ACTUAL	COMMITMENT	TOTAL EXPENDITU	BALANCE	%
Bereavement support	75 000.00			-	75 000.00	0%
Cleaning of offices	100 000.00	99 353.10		99 353.10	646.90	99%
Compliance with Legislation	1 280 000.00			-	1 280 000.00	0%
Computers	732 745.00		724 687.45	724 687.45	8 057.55	99%
Convening of oversight structures meetings	760 000.00	192 983.00	4 140.00	197 123.00	562 877.00	26%
Disaster Recovery site establishment	2 500 000.00			-	2 500 000.00	0%
Employee wellness programs	250 000.00	6 015.00	1 725.00	7 740.00	242 260.00	3%
ICT License Renewal	2 000 000.00	390 500.90	7 173.91	397 674.81	1 602 325.19	20%
Maintenance of ICT Equipment	100 000.00	99 480.00		99 480.00	520.00	99%
MTI_2.2 Recruitment & Selection	800 000.00	12 133.62	6 994.78	19 128.40	780 871.60	2%
Municipal Clocking System	450 000.00			-	450 000.00	0%
Network Infrastructure on Municipal offices	350 000.00			-	350 000.00	0%
Occupational Health & Safety	120 000.00	8 347.88		8 347.88	111 652.12	7%
PERFORMANCE MANAGEMENT	100 000.00			-	100 000.00	0%
Personal Protective Equipment	100 000.00		99 999.00	99 999.00	1.00	100%
Printers	1 500 000.00	282 920.10		282 920.10	1 217 079.90	19%
Registry Management	610 000.00	19 200.00		19 200.00	590 800.00	3%
Study Assistance	370 000.00	331 462.05		331 462.05	38 537.95	90%
Training and Development for Councillors	704 500.00		15 169.32	15 169.32	689 330.68	2%
Training and Development for Employees	626 336.00	55 441.49	43 788.26	99 229.75	527 106.25	16%
Unemployed Community Programs (youth, women and other groups)	1 500 000.00			-	1 500 000.00	0%
VPN (Virtual Private Network), WiFi (Wireless Fedility) and VoIP (Voice Over Internet Protocal)	2 500 000.00	212 673.82		212 673.82	2 287 326.18	9%
Ward Committee Training	170 000.00			-	170 000.00	0%
Website management	200 000.00			-	200 000.00	0%
GRAND TOTAL	17 898 581.00	1 710 510.96	903 677.72	2 614 188.68	15 284 392.32	15%

Allocated to the above department is amongst others IT budget which had no movement as at end of 1 <sup>st</sup> quarter due to the majority of their project still within the bid committees. The section's budget is approximately 45% of the departmental allocation and they are all have little or no movement which then contributes to the 15% spending as at end of 1 <sup>st</sup> quarter.
SEC 52D REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

# 1.2.2.4 PLANNING & DEVELOPMENT

PROJECT NAME	BUDGET	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
Agricultural Information Days	200 000.00	26 450.00	1 456.64	27 906.64	172 093.36	14%
Air Conditioners	450 000.00		171 765.43	171 765.43	278 234.57	38%
CONVEYANCING	345 000.00			-	345 000.00	0%
CO-OPERATIVES DEVELOPMENT	2 000 000.00			-	2 000 000.00	0%
Craft development	500 000.00		145 430.00	145 430.00	354 570.00	29%
Crop Production	2 500 000.00			-	2 500 000.00	0%
Customer Care building	100 000.00			-	100 000.00	0%
Drawing plans for all municipal buildings	250 000.00			-	250 000.00	0%
Dutywa main Building	300 000.00		129 310.00	129 310.00	170 690.00	43%
Dutywa Town Hall Offices	400 000.00			-	400 000.00	0%
Dutywa TRC Offices	100 000.00			-	100 000.00	0%
Executive House	75 000.00			-	75 000.00	0%
External Events	420 000.00	190 253.15	8 718.40	198 971.55	221 028.45	47%
Gatyana Municipal Offices	350 000.00		53 700.00	53 700.00	296 300.00	15%
Generator (New and Maintenance)	500 000.00			-	500 000.00	0%
Housing Sector Plans	300 000.00			-	300 000.00	0%
Informal Trading/Hawker's Support	150 000.00			-	150 000.00	0%
Internal Events(Tourism)	410 000.00	46 375.00	40 550.23	86 925.23	323 074.77	21%
INVESTMENT BROCHURE	200 000.00			-	200 000.00	0%
Land Audit	650 000.00	3 450.00	14 080.15	17 530.15	632 469.85	3%
Life Rescue Services	350 000.00			-	350 000.00	0%
Ligwa Moringa	500 000.00		151 052.50	151 052.50	348 947.50	30%
Live Stock Improvement	1 500 000.00		294 945.00	294 945.00	1 205 055.00	20%
Maintenance of the lift	220 000.00			-	220 000.00	0%
Marine Economic Initiative support (Mncwasa Fishery , Mpame& Tenza)	150 000.00			-	150 000.00	0%
Mazizi maqhekeza resource centre	150 000.00			-	150 000.00	0%
Municipal Staff Accomodation	200 000.00			-	200 000.00	0%
Provision of electricity	1 000 000.00	372 084.90		372 084.90	627 915.10	37%
Provision Office Furniture	230 000.00			-	230 000.00	0%
Public Ablution maintanance	400 000.00		432 520.00	432 520.00	(32 520.00)	108%
Reviewal of Strategies & Plans	500 000.00	5 836.95		5 836.95	494 163.05	1%
SDF and LSDF	450 000.00	17 099.69	90 388.80	107 488.49	342 511.51	24%
SMMEs Roadshows	300 000.00	14 600.00	5 000.00	19 600.00	280 400.00	7%
Spluma Implementation	200 000.00			-	200 000.00	0%
Supporting of Tour Guides	150 000.00		38 000.00	38 000.00	112 000.00	25%
Surveying	700 000.00	547 640.00		547 640.00	152 360.00	78%
TESKO BUILDING	100 000.00			-	100 000.00	0%
Township Establishment (Layout Plans)	600 000.00	40 000.00	208 408.70	248 408.70	351 591.30	41%
Upgrading of informal settlements	650 000.00	161 300.00	230 370.00	391 670.00	258 330.00	60%
Upgrading of White house	100 000.00			-	100 000.00	0%
Water consumption	1 400 000.00	290 761.00	491 883.00	782 644.00	617 356.00	56%
Workshop Office	150 000.00		140 532.50	140 532.50	9 467.50	94%
Xhora Municipal Offices	250 000.00			-	250 000.00	0%
GRAND TOTAL	20 450 000.00	1 715 850.69	2 648 111.35	4 363 962.04	16 086 037.96	21%

Included in the budget allocated to the above department is an amount of about R6m to support farmers that had no movement as at end of 1<sup>st</sup> quarter. This makes up 30% percent of the total departmental budget hence the low overall percentage among other contributing factors.

## 1.2.2.5 COMMUNITY SERVICES

PROJECT NAME	BUDGET	ACTUAL	COMMITMENT	TOTAL EXPENDIT	BALANCE	%
Alien Vegetation Control	400 000.00	124 627.04		124 627.04	275 372.96	31%
Animal Pound Management	300 000.00		57 518.00	57 518.00	242 482.00	19%
Blue Flag Beach Awareness and Water Testing	130 000.00			-	130 000.00	0%
Environmental awareness and Signage	50 000.00			-	50 000.00	0%
Environmental Forums	50 000.00	2 300.00		2 300.00	47 700.00	5%
EPWP	1 100 000.00	41 533.50	36 034.58	77 568.08	1 022 431.92	7%
Free Basic Services	3 000 000.00	65 920.43	87 988.28	153 908.71	2 846 091.29	5%
Land Rehabilitation	200 000.00			-	200 000.00	0%
Law Enforcement/ Traffic support	880 000.00	346 751.08	346 922.46	693 673.54	186 326.46	79%
LIBRARY COSTS	-	39 976.00	3 300.00	43 276.00	(43 276.00)	
Renewable Energy Initiatives	200 000.00			-	200 000.00	0%
Security Services	7 122 000.00	784 040.67	491 482.60	1 275 523.27	5 846 476.73	18%
Supply of chairs	200 000.00			-	200 000.00	0%
Tree Planting	-	73 730.00		73 730.00	(73 730.00)	
Waste Management Services	2 700 000.00		1 044 598.15	1 044 598.15	1 655 401.85	39%
GRAND TOTAL	16 332 000.00	1 478 878.72	2 067 844.07	3 546 722.79	12 785 277.21	22%

Allocated to the department is budget for EPWP, FBS and Security services totaling to R11,1m these have little movement as at end of 1<sup>st</sup> quarter (30 September 2021).

# 1.2.2.6 INFRASTRUCTURE SERVICES

PROJECT NAME	BUDGET	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
BAM TO ZENZELE ACCESS ROAD	2 651 034.20	752 544.80		752 544.80	1 898 489.40	28%
Bikane	591 575.81			-	591 575.81	0%
Construction Municipal Offices	4 000 000.00	2 102 970.58		2 102 970.58	1 897 029.42	53%
Construction of Dutywa sports facility	2 000 000.00			-	2 000 000.00	0%
Construction of Gatyana sport facility	4 704 446.87	341 235.92		341 235.92	4 363 210.95	7%
Construction of Xhorha sportfields	11 772 623.60			-	11 772 623.60	0%
FUMBATHA ACCESS ROAD	2 626 879.39	216 180.00		216 180.00	2 410 699.39	8%
Gravel Road maintanance	13 032 224.64	2 126 504.01	216 435.47	2 342 939.48	10 689 285.16	18%
Installation of High masts	300 000.00			-	300 000.00	0%
Lower Falakahla to Singeni	510 287.21			-	510 287.21	0%
Lusizini - Zimpuku A/R	522 704.19	440 959.32		440 959.32	81 744.87	84%
MAINTANANCE OF SOLLAR PANELS	500 000.00		442 291.48	442 291.48	57 708.52	88%
maintanance of street lights	2 000 000.00	506 073.57		506 073.57	1 493 926.43	25%
Manganyela community hall	515 688.95	439 467.51		439 467.51	76 221.44	85%
Matolweni to Kulozulu	4 060 396.00	368 306.61		368 306.61	3 692 089.39	9%
Mhlahlane to Macibini access	4 304 953.00	580 642.35		580 642.35	3 724 310.65	13%
Mpume to Gate	2 404 110.25	256 860.00		256 860.00	2 147 250.25	11%
Mqhele to Mrhabe	352 193.20			-	352 193.20	0%
Munyu - Gxarha A/R	597 924.12	160 440.16		160 440.16	437 483.96	27%
OTP_MSIKITHI A/R	1 250 000.00			-	1 250 000.00	0%
OTP_SIYIBANE ACCESS ROAD	1 250 000.00	1 080 986.27		1 080 986.27	169 013.73	86%
OTP_Upgrading of small towns	2 500 000.00	1 581 859.38		1 581 859.38	918 140.62	63%
Paving of sidewalks	4 200 000.00			-	4 200 000.00	0%
Phelandaba to Macirheni access road	10 693 563.00	548 115.71		548 115.71	10 145 447.29	5%
PMU	224 127.32		5 541.57	5 541.57	218 585.75	2%
Riverview to Langeni Access road	11 690 270.18	184 324.44		184 324.44	11 505 945.74	2%
Surface of Roads Maintenance	2 000 000.00		87 198.00	87 198.00	1 912 802.00	4%
Upgrade of Ngumbela Sport Facility	7 000 000.00			-	7 000 000.00	0%
Upgrading of stormwater	600 000.00	254 800.00		254 800.00	345 200.00	42%
Upgrading of street lights	2 000 000.00			-	2 000 000.00	0%
Xhorha mouth to Ndalatha A/R	-	497 489.65	380 867.65	878 357.30	(878 357.30)	
GRAND TOTAL	100 855 001.93	12 439 760.28	1 132 334.17	13 572 094.45	87 282 907.48	13%

Overall departmental expenditure is quiet low, this is attributed to contracts for professionals which came to an end at the end of the year and it took longer to engage new professionals. The municipality has taken a decision to build in house capacity work to do designs for various projects, work that is currently outsourced to consultants. The above mentioned delay has resulted in a delay in development of designs as well appointment of contractors thereby resulting to little or no movement in the majority of the budgeted projects. The department is currently sitting at 13% of the total allocated budget which is not a good picture considering that 70% of the budget is funded by grants.

## 1.3.1 BUDGET IMPLEMENTATION (REVENUE)

### CONSOLIDATED OWN REVENUE PERFORMANCE 30 SEPTEMBER 2021

EC121 Mbhashe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September													
		2020/21				Budget Year 2	021/22						
Description	Ref	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD	Full Year			
		Outcome	Budget	Budget	actual	real ID actual	budget	variance	variance	Forecast			
R thousands									%				
Revenue By Source													
Property rates		11 637	7 500	-	590	10 369	1 926	8 443	438%	7 500			
Service charges - electricity revenue		_	_	-	-	-	_	-		-			
Service charges - water revenue		_	_	-	-	-	_	-		_			
Service charges - sanitation revenue		_	_	-	_	-	_	-		_			
Service charges - refuse revenue		3 491	500	-	301	890	125	765	612%	500			
Rental of facilities and equipment		1 654	1 850	-	199	463	463	0	0%	1 850			
Interest earned - external investments		5 717	1 500	-	37	555	375	180	48%	1 500			
Interest earned - outstanding debtors		3 031	_	-	11	109	_	109	#DIV/0!	-			
Dividends received		-	_	-	-	-	_	-		-			
Fines, penalties and forfeits		1 083	650	-	94	129	125	4	3%	650			
Licences and permits		831	200	-	1 305	3 198	50	3 148	6295%	200			
Agency services		1 859	400	-	-	-	100	(100)	-100%	400			
Transfers and subsidies		332 729	278 277	-	498	113 331	69 569	43 762	63%	278 277			
Other revenue		2 096	16 170	-	5 176	7 137	3 943	3 195	81%	16 170			
Gains		-	_	-	_	_	_	_		_			
Total Revenue (excluding capital transfers and contributions)		364 129	307 047	-	8 211	136 181	76 675	59 506	78%	307 047			

Collection of own revenue as at end of quarter 1 amounted to R 7.71m, this constitute 2.51% of the annual budget. The municipality's revenue collection has improved when compared to the previous quarters. This is attributable to strong performance on collection from Property Rates, Registering Authority, Interest on Investments and VAT refunds which have been timeously paid back to the municipality by SARS. There is a refund of R3m which was due last financial year (June 2021) but only paid this financial year which resulted to an increase in the actual revenue received amongst other factors.

### OWN REVENUE PERFORMANCE PER DEPARTMENT AS AT 30 SEPTEMBER 2021

Vote Description		2020/21				Budget Year 20	021/22			
·	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	- 1	-	-		-
Vote 2 - Finance and Admin		337 645	298 175	-	5 858	131 392	74 495	56 897	76.4%	298 17
Vote 3 - Internal Audit		-	-	_	-	- 1	_	-		-
Vote 4 - Community and Social Services		5 236	5 022	_	27	76	1 256	(1 179)	-93.9%	5 02
Vote 5 - Sport & Recreation		-	-	_	-	_	_	-		_
Vote 6 - Public Safety		948	650	_	-	_	125	(125)	-100.0%	65
Vote 7 - Housing		-	-	_	-	- 1	-	-		-
Vote 8 - Health		-	-	_	_	- 1	_	-		-
Vote 9 - Planning & Development		2 215	2 100	_	223	625	525	100	19.1%	2 10
Vote 10 - Road Transport		60 754	72 967	_	1 305	3 703	18 242	(14 539)	-79.7%	72 96
Vote 11 - Environmental Protection		-	- 1	_	_	- 1	_	-		_
Vote 12 - Energy Sources		11 904	-	_	_	- 1	_	-		_
Vote 13 - Water Management		3 491	500	_	301	890	125	765	612.1%	50
Vote 14 - Waste Management		-	-	-	-	- 1	-	-		-
Vote 15 - 0		_	_	_	_		_	_		_
Total Revenue by Vote	2	422 194	379 414	_	7 713	136 687	94 767	41 920	44.2%	379 414

OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Jul-21	Aug-21	Sep-21	YEAR TO DATE	BALANCE	%
POS-BUILDING PLANS	DEVELOPMENT PLANNING	250 000.00	80 150.00	7 800.00	1 850.00	89 800.00	160 200.00	36%
POS-BILLBOARD RENTAL	DEVELOPMENT PLANNING	150 000.00	912.00	-	912.00	1 824.00	148 176.00	1%
POS-HALL HIRE	COMMUNITY SERVICES	200 000.00	1 650.00	3 257.77	4 261.90	9 169.67	190 830.33	5%
POS-LEARNER AND DRIV	COMMUNITY SERVICES	200 000.00	114 099.00	-	66 902.00	181 001.00	18 999.00	91%
REGISTERING AUTHORITY	COMMUNITY SERVICES	400 000.00	568 584.10	869 495.10	1 098 140.80	2 536 220.00	(2 136 220.00)	634%
POS-POUND FEES	COMMUNITY SERVICES	150 000.00	10 718.74	24 865.00	93 737.88	129 321.62	20 678.38	86%
POS-PUBLIC TOILETS	COMMUNITY SERVICES	200 000.00	21 490.13	23 319.00	21 909.00	66 718.13	133 281.87	33%
POS-RENTAL OF COMMON	DEVELOPMENT PLANNING	1 500 000.00	143 169.59	114 384.94	194 038.16	451 592.69	1 048 407.31	30%
POS-SALE OF LAND	DEVELOPMENT PLANNING	200 000.00	-	56 000.00	26 000.00	82 000.00	118 000.00	41%
POS-TENDER DOCUMNTS	BUDGET & TREASURY OFFICE	400 000.00	37 919.10	86 533.68	19 023.00	143 475.78	256 524.22	36%
POS-TRAFFIC FINES	COMMUNITY SERVICES	500 000.00	98 900.00	78 150.00	139 470.00	316 520.00	183 480.00	63%
VAT RECOVERY	BUDGET & TREASURY OFFICE	15 000 000.00	1 286 907.63	-	5 117 853.66	6 404 761.29	8 595 238.71	43%
LGSETA	CORPORTATE SERVICES	120 000.00	-	-	-	-	120 000.00	0%
INTEREST ON INVESTMENTS	BUDGET & TREASURY OFFICE	1 500 000.00	466 188.72	234 044.04	1 496 582.54	2 196 815.30	(696 815.30)	146%
NON-BILLABLE REVENUE		20 770 000.00	2 830 689.01	1 497 849.53	8 280 680.94	12 609 219.48	8 160 780.52	61%
GRANTS								
EQUITABLE SHARE			113 306 000.00			113 306 000.00	(113 306 000.00)	
FMG				1 720 000.00		1 720 000.00	(1 720 000.00)	
MIG			19 160 000.00			19 160 000.00	(19 160 000.00)	
EPWP						-	-	
TETA				379 625.23				
INEP						-	-	
OTP						-	-	
Grants Total		-	132 466 000.00	2 099 625.23	-	134 186 000.00	(134 186 000.00)	
PROPERTY RATES	BUDGET & TREASURY OFFICE	7 500 000.00	368 325.16	480 338.96	148 218.34	996 882.46	6 503 117.54	13%
REFUSE REMOVAL	COMMUNITY SERVICES	500 000.00	-	71 203.85	41 102.02	112 305.87	387 694.13	22%
BILLABLE REVENUE		8 000 000.00	368 325.16	551 542.81	189 320.36	1 109 188.33	6 890 811.67	14%
GRAND TOTAL		28 770 000.00	268 131 014.17	6 248 642.80	8 470 001.30	13 718 407.81	15 051 592.19	48%

The municipality managed to collect 13% on rates and services compared to annual projections. Other own revenue sources are performing exceedingly well with a few that are below 30% such as Billboard Rental @1%, Hall hire 5% and LGSETA 0%.

## **Narrative summary**

## **Budget & Treasury**

- ➤ Billable revenue collection was only sitting at 14% in terms of collection during the 1<sup>th</sup> quarter when measured against the annual budget. Government departments have not yet paid. An initiative to select top 20 debtors per category and per town had been done and we are now following up on those debtors some are responding positively and some have not responded positively. A debt collector has been appointed to assist the municipality
- ➤ There has been a great response from SARS in terms of releasing our VAT refunds. The municipality has received its refunds up to May 2021, only June refund was received in the new financial year due to a technical error with SARS system.
- Improved cash flow management has resulted in over performance on interest from investment as the municipality is able to invest large amounts of unused funds for longer period after requesting banks to compete for the best interest rate in an effort to maximize revenue.

## **Community Services**

- ❖ There has been exceptional performance from Registering Authority collecting more than 100% of the 1<sup>th</sup> quarter budget, however a certain portion (81%) of the funds collected will be paid over to the Department of Transport on a monthly basis as the municipality is a collecting agent.
- ❖ Traffic fines also did quite well in terms collection during the 1<sup>st</sup> quarter by collecting more than 63% of the annual target.

## **Developmental Planning**

❖ The overall collection rate for the department was 37%. One area that needs to be improved is the Lease agreements for all municipal leased properties updated and reviewed for market related rates. Amounts paid should be 100% traced back to valid lease agreements.

## 1.3.2 GRANTS & SUBSIDIES

EC121 Mbhashe - Supporting Table SC6 Monthly Bu	dget	Statement -	transfers a	nd grant re	ceipts - M0	3 Septembe	r			
		2020/21			-	Budget Year 2	021/22			
Description	Ref	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD	Full Year
R thousands		Outcome	Budget	Budget	actual		budget	variance	variance %	Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		326 340	278 277	-	1 156	2 876	69 569	(67 984)	-97.7%	278 277
Local Government Equitable Share	_	314 001	271 935	-	-	-	67 984	(67 984)	-100.0%	271 935
Finance Management	_	1 700	1 720	-	-	1 720	430			1 720
EPWP Incentive		4 147	4 622		1 156	1 156	1 156			4 622
Integrated National Electrification Programme		6 492	_							_
Total Operating Transfers and Grants	5	326 340	278 277		1 156	2 876	69 569	(67 984)	-97.7%	278 277
Capital Transfers and Grants										
National Government:		58 884	67 367	-	-	19 160	16 842	2 318	13.8%	67 367
Municipal Infrastructure Grant (MIG)	_	58 884	67 367			19 160	16 842	2 318	13.8%	67 367
Other capital transfers [insert description]								-		
Provincial Government		-	5 000	-	-	-	-	-		5 000
ОТР		_	5 000	_	_	_	_			5 000
Total Capital Transfers and Grants	5	58 884	72 367	-	-	19 160	16 842	2 318	13.8%	72 367
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	385 224	350 644	-	1 156	22 036	86 411	(65 666)	-76.0%	350 644

All grants and subsidies gazette were received during the 1<sup>st</sup> quarter as per various payment schedules. MIG NT and PT have not made the municipality aware of any intentions to withhold

## 1. Unconditional Grants & Subsidies

• The first tranche of Equitable Share has been received and there is no correspondence received from NT and PT that they intend to withhold. The second tranche is expected in the gazetted date. Implementation of cash flow management has assisted the municipality in overcoming liquidity challenges that were previously experienced.

EC121 Mbhashe - Supporting Table SC7(1) Monthly	1 Mbhashe - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September												
		2020/21 Budget Year 2021/22											
Description	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast			
R thousands			ŭ	ŭ					%				
EXPENDITURE													
Operating expenditure of Transfers and Grants													
National Government:		326 340	278 277	-	15 768	48 969	69 569	(20 601)	-29.6%	278 277			
Local Government Equitable Share		314 001	271 935	-	15 270	47 968	67 984	(20 015)	-29.4%	271 935			
Finance Management		1 700	1 720	-	-	25	430	(405)	-94.1%	1 720			
EPWP Incentive		4 147	4 622		498	975	1 156	(181)	-15.6%	4 622			
Integrated National Electrification Programme		6 492	-					-		-			
Total operating expenditure of Transfers and Grants:		326 340	278 277	_	15 768	48 969	69 569	(20 001)		278 277			
Capital expenditure of Transfers and Grants								(== ===,					
National Government:		58 884	67 367	-	5 107	5 612	16 842	(11 230)	-66.7%	67 367			
Municipal Infrastructure Grant (MIG)		58 884	67 367		5 107	5 612	16 842	(11 230)	-66.7%	67 367			
Provincial Government		-	5 000	-	3 062	3 062	1 250	1 812	145.0%	5 000			
OTP			5 000		3 062	3 062	1 250	1 812	145.0%	5 000			
Total capital expenditure of Transfers and Grants		58 884	72 367	_	8 169	8 674	18 092	(9 417)	-52.1%	72 367			
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		385 224	350 644	_	23 937	57 643	87 661	(9 417)	-10.7%	350 644			

### 2. Conditional Grants & Subsidies

GRANTS STATUS FOR TH	IE QUARTER ENDI	ED 30 SEPTEMBE	R 2021		
GRANT DETAILS	PERIOD	ANNUAL	RECEIVED AS AT 30 SEPTEMBER 2021	ACTUAL	% SPENT based on Receipt
MIG	July 21 – Sept 21	R67 367 000.00	R19 160 000.00	5 612 216.33	29.29%
INEP	July 21 – Sept 21	R1 676 260.00	R0.00	506 073.57	
EPWP	July 21 – Sept 21	R4 622 000.00	R1 156 000.00	974 796.00	84.32%
ОТР	July 21 – Sept 21	R5 000 000.00	R3 062 272.50	3 062 272.50	100.00%
FMG	July 21 – Sept 21	R1 720 000.00	R1 720 000.00	25 484.00	1.48%
DSRAC	July 21 – Sept 21	R4 000 000.00	R0.00	-	0.00%
GRAND TOTAL		R84 385 260.00	R25 098 272.50	10 180 842.40	40.56%

## 2.1 INEP Grant

- The municipality failed to spend 100% of its INEP grant allocation in 2019/20 and 2020/21 and therefore had to apply for rollover of R1 676 260 relating to the two financial years. About half of that amount relates to 2019/20 allocation that remained unspent as the service provider has not performed to the municipal expectations. The municipality still waiting for written confirmation for the approval of the rollover relating to 2020/21 financial year. Expenditure incurred in the 1<sup>st</sup> Quarter relating to projects that were funded by INEP have been paid using municipal funding. The municipality has spent R506 073.57 on those projects in the 1<sup>st</sup> Quarter.
- There is no INEP grant allocation as per DORA for the 2020/21 financial year for the municipality.

## 2.2 MIG Grant

• The MIG expenditure as at 30 September 2021 was sitting at 29% of the first tranche amounting to R19 160 000 which was received on the 16 July 2021. This is 8% of the annual allocation which is not a good picture. The municipality had unfortunately contracts of consultants (professionals) that came into an end. The delay was mainly caused by awards that couldn't not be done at the expected time due to delays in the process.

## 2.3 EPWP Grant

- EPWP grant is used to fund the expanded public works programs, and this is a National Department of Public Works program.
- The municipality has received R1 156 000.00 of this Grant so far in the first quarter. The current expenditure was sitting at 84% of the total allocation received at the end of quarter 1 and this translates to 21% of the annual allocation

## 2.4 FMG Grant

- FMG is the grant to support BTO Interns funded by National Treasury and to build capacity building of the office. A gazetted of R1 720 000 has been received to date and only 1.5% was spent as at end of 1st Quarter and this is due to the late appointment of Interns.
- The municipality has appointed 5 interns which started in the month of September 2021.

## 2.5 Libraries

• The allocation for the current year is not yet received; however, DESRAC has requested information in preparation to transfer current year's allocation. Grants for the previous year and 2019/2020 financial year have not been spent yet.

## 3.1 <u>DEBTORS MANAGEMENT</u>

EC121 Mbhashe - Supporting Table SC3 Monthly Budget	Statement -	aged debtor	's - M 03 Sep	otember	•	•		•		•			
Description			,				Budge	t Year 2021/22			<b>_</b>		
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands												Debtoio	
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 112	(200)	9 029	440	495	478	2 627	17 594	31 574	21 633	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	674	(1)	327	318	322	320	2 152	2 532	6 643	5 643	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	(120)	-	(41)	275	222	209	2 219	7 190	9 954	10 115	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	_	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	(0)	(2)	(108)	(110)	(110)	-	-
Total By Income Source	2000	1 666	(201)	9 315	1 033	1 039	1 006	6 995	27 208	48 062	37 282	_	_
2020/21 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	636	(1)	3 958	361	382	381	2 324	6 229	14 269	9 677	-	_
Commercial	2300	443	(63)	159	252	247	169	1 482	7 874	10 563	10 024	-	-
Households	2400	555	(137)	324	400	392	439	3 059	12 306	17 339	16 597	-	-
Other	2500	33	(0)	4 875	19	18	17	129	799	5 891	983	-	-
Total By Customer Group	2600	1 666	(201)	9 315	1 033	1 039	1 006	6 995	27 208	48 062	37 282	_	_

The balance as at 30 September 2021 was R48 062 106 and a substantial portion of this debt relates to residential, government and businesses. Historical debt is taking longer to collect and the municipality has appointed a debt collector to assist in the implementation of debt collection and credit control policy. The billing has been done up to September 2021. An initiative has been taken by the municipality to select top 20 debtors by category in each town follow up on this debtors by hand delivering their accounts and engaging for payment. There has been little progress but more efforts will be applied. In addition we are currently following up.

# Rates owed by Municipal Officials & Councillors as at 30 SEPTEMBER 2021

Account Number	Councillors Name	Amount Outstanding
10001533	L. MATITI	R17 739.38
10001855	S. SIBINGIBINGI	R787.64
10001714	C. GENYANE	R205.06

The municipality have entered into a payment arrangement with Cllr Matiti to bring his account up to date. The other two councilors have been contacted and agreed to settle by the 15<sup>th</sup> October and they have been up to date in the past financial year.

### **4.1 BANK ACCOUNTS**

The bank balances as at 30 September 2021 amounted to:

BHASHE MUN	NICIPALIT	Υ					
VESTMENT	S AS AT	30 September 2021					
							Closing Balance as a
	Bank	Account Type	Vote Number	Acc name	Status	Acc number	30/09/2021
1	FNB	Call Account		Mbhashe Municipality - Elliotdale	Active	62015966099	4 006.92
2	FNB	Call Account		Mbhashe Equity Share Account	Active	62231177769	10 352 294.32
3	FNB	Call Account		Elliotdale Special Housing Developme	Active	62232870487	247 749.97
4	FNB	7 Day Interest Plus		Mbhashe Municipality	Active	74321424942	41 904 520.40
5	FNB	Money Market Account		Mbhashe Municipality - MIG	Active	62231195323	94 844.29
6	FNB	Call Account		EPWP Call Account	Active	62562355373	107 174.83
7	FNB	Call Account		FMG Call Account	Active	62562352410	12 477.85
8	FNB	Call Account		INEP Call Account	Active	62562829188	223 739.90
9	FNB	Call Account		MIG Call Account	Active	62562827364	41 399.35
10	FNB	Call Account		MSIG Call Account	Active	62562354002	99 883.37
11	FNB	Call Account		Depreciation Account	Active	74813155287	15 763 650.52
12	FNB	Call Account		Covid-19 Fund	Active	62857917010	357 590.87
13	ABSA	Call Account		Mbhashe Fixed Deposit Account	Active	2079943211	151 180 602.73
14	Nedbank	Call Account		Fixed Deposit	Active	169370/000001	30 128 441.92
							250 518 377.24

During the 1st quarter the municipality invited banks to submit quotation for a fixed term deposit of 6 months and ABSA bank had the best rate and we invested the funds into a high interest bearing account yield great interest for a considerable number of days. We have also done the same for the Nedbank investment. This has assisted the municipality to earn interest that will be ploughed back to pay for other municipal obligations.

Included in the balances above is an amount of R 20 000 000 has been set aside for cash backed depreciation. R 15 000 000 is sitting under the Depreciation call account and R 5 000 000 is sitting under the Equitable Share call account. The R5m has since be transferred.	_
Therefore a combined amount of <b>R69 209 332.59</b> was held in the FNB investment accounts as at 30 September 2021 and the remainder of the investments are held in the <b>ABSA (R151 180 602.73)</b> and <b>Nedbank (R30 128 441.92)</b> respectively. The total investments as at 30 September 2021 amounted to <b>R250 518 377.24</b>	

### **5.1 OUTSTANDING CREDITORS & COMMITMENTS**

### **CREDITORS AGE ANALYSIS AS AT 30 SEPTEMBER 2021**

	Acco	unts Payabl	e Age	Analy	sis			
		Mbhashe Local	Municipa	lity				
Exclude Zero Balances						Report Date:		30-Sep-21
Accounts Payable Age Analysis								Page 1 of 1
Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
MAAA1083869 (BITS AND BOOKS)					1 449.90			1 449.90
G4S001 (G4S CASH SOLUTIONS (SA))							72 063.79	72 063.79
MAAA0579178 (LIKAMVA GEOMATICS)							301 202.00	301 202.00
MEDI002 (MEDIA MAESTRO)							2 995.00	2 995.00
SIY001 (SIYATHEMBA SOKUTU ATTORNEYS)							219 408.53	219 408.53
SMIT001 (SMITH TABATA)							104 323.18	104 323.18
MAAA0147476 (SOLAR NERTWORKS)				-0.01				-0.01
SOSO001 (SOSOTOYANA TRADING ENTERPRISE)						2 400.00		2 400.00
ZOLA003 (ZOLANI TOURS)							28 000.00	28 000.00
	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Totals:				-0.01	1 449.90	2 400.00	727 992.50	731 842.39

- The municipality ensured that all the payments that were submitted for payment during the first quarter were all paid by the 30 September 2021.
- Therefore only R731 842.39 was outstanding as at 30 September 2021, however there
  were commitments in the form of orders.

A total amount of **R32 100 335.60** orders were issued during the quarter for both capital and operational projects. The majority of orders (53%) were executed and paid by the end of the quarter only an amount of **R15 048 231.47** remained outstanding, and **R154 942.50** (0.48%) of issued orders were cancelled.

ANALYSIS OF THE ORDER ISSUED	AMOUNTS	PECENTAGE
TOTAL ORDERS ISSUED	R32 100 335.60	100%
OUTSTANDING ORDERS	15 048 231.47	47%
PAID ORDERS	16 897 161.63	53%
CANCELLED ORDERS	154 942.50	0.48%

# 6.1 MFMA- SCM REGULATION REPORTING OF MBHASHE LOCAL MUNICIPALITY FOR THE 1<sup>ST</sup> QUARTER OF 2021/22 FINANCIAL YEAR

# QUARTELY REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 1<sup>ST</sup> QUARTER ENDING ON 30 SEPTEMBER 2021

## **PURPOSE**

To report on the implementation of the Supply Chain Management Policy as required by the Municipal Supply Chain Regulations for the quarter ending 30 September 2021 of the 2021/22 financial year.

### RECOMMENDATION

That the report on the implementation of the Supply Chain Management Policy as required by the Municipal Supply Chain Regulations for the quarter ending 30 September 2021 of the 2021/22 financial year, be noted by the council.

### **REPORT**

The Local Government: Municipal Finance Management Act, No 56 of 2003, (the 'MFMA") requires the municipality to have and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

On the 30th May 2005 the Municipal Supply Chain Management Regulations were issued. As a Medium Capacity Municipality, Mbhashe Local Municipality had to comply with the provisions of the Regulations.

The Municipal Supply Chain Management Regulations published under General Notice 868 in Government Gazette 27636 of 30 May 2005, inter alia, contains the following reporting requirements:

### Oversight role of council of municipality or board of directors of municipal entity

The council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.

For the purpose of such Oversight the accounting officer must:

MFMA requires that, within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy of the municipality and of any municipality

entity under its sole or shared control, to the council of the municipality. in the case of a municipal entity; within 20 days of the end of each financial year, submit a report on the implementation of the municipal entity's supply chain management policy to the board of directors, who must then submit the report to the accounting officer of the parent municipality for submission to the council in terms of subparagraph (i); and whenever there are serious and material problems in the implementation of the supply chain management policy, immediately submit a report to the council of the municipality or in the case of a municipal entity, to the board of directors, who must then submit the report to the accounting officer of the parent municipality for submission to the council.

The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.

The reports of a municipality must be made public in accordance with section 21A of the Municipal Systems Act. The reports of a municipal entity must be made public in a similar way.

### 1. IMPLEMENTATION OF THE SCM POLICY

Mbhashe LM's SCM Policy was adopted by the council on the 26 May 2021 for the implementation with effect from the 1<sup>st</sup> July 2021.

## 2. THE BID COMMITTEE SYSTEM

The following committees have been established

- 2.1. The Bid Specification Committee
- 2.2. The Bid Evaluation Committee
- 2.3. The Bid Adjudication Committee

The bid committee system for competitive bids has been actively applied within the municipality over the past financial year. Members of the committees are required to declare any possible conflict of interests at the meetings and recuse themselves in the event of a possible conflict.

(a) The Bid specification committee complies the specification of goods and services for the procurement of goods and services by the municipality. The committee is appointed by the Accounting officer and must compose of one or more officials of the Municipality, preferable Supply Chain Management Practitioner and the Project Manager responsible for the function involved. The Accounting officer appointed the following members of the BSC for the 2021/22 financial year.

NAME OF MEMBERS	DEPARTMENT	MEMBERSHIP ROLE	CONTACT NO
1. Mr.S. Gobingca	Corporate Services	Chairperson	082 564 9340
2. Mr M. Sibaca	Planning & Development	Member	083 689 0667
3. Ms. T.Mafanya	Operations	Member	072 606 9031
4. Mr. C.L Makonza	Infrastructure Services	Member	082 564 8939
5. Ms S. Mboxo	Community services	Member	083 689 7134
6. Ms. A. Mbebe	BTO (SCM)	Member	072 399 8951

# (b) The bid evaluation Committee

The bid evaluation committee is appointed by the Accounting officer and must as far as possible be composed of:

- Officials from departments requesting the goods or services and
- At least one supply chain practitioner of the municipality

The Accounting officer appointed the following members of the BEC for 2021/22 financial year.

NAME OF MEMBERS	DEPARTMENT	MEMBERSHIP ROLE	CONTACT NO
1. Mr.S. Baliso	Corporate Service	Chairperson	082 564 8516
2. Mr S. Cobokana	Planning & Development	Member	082 510 4982
3. Mr. S. Masholologu	Corporate Services	Member	064 756 0614
4. Mr. T. Masangwana	Infrastructure Services	Member	082 564 9340
5. Ms . L. J. Bongo	Community services	Member	082 564 9374
6. Mr . Z. Nkumanda	BTO ( SCM)	Member	082 300 0816

## (c.) The bid Adjudication committee

The bid adjudication committee must be composed of at least four senior managers of the municipality which must also include:

- The Chief Financial Officer or if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officers and designated by the chief financial officer.
- At least one senior supply chain management practitioner who is an official of the municipality and
- A technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.

The Accounting officer appointed the following members of the BAC for the 2021/22 financial year.

NAME OF MEMBERS	DEPARTMENT	MEMBERSHIP ROLE	CONTACT NO
1. Mr. N. Nokwe	ВТО	Chairperson	064 768 9635
2. Ms Bacela	S.M. Operations	Member	
3. Mr A. Mashaba	S.M. Planning & Development	Member	066 287 7410
4. Ms N. Nkuhlu	S.M. Corporate Services	Member	078 340 2793
5. Mr Z. Msipha	S.M. Infrastructure Services	Member	060 937 3605
6. Ms N. Mlungu	S.M. Community services	Member	073 079 1122
7. Mrs N. Mbedla	BTO ( SCM)	Member	072 129 9615

## 3. <u>MUNICIPAL SUPPLY CHAIN MANAGEMENT UNIT ORGANISATIONAL STRUCTURE</u> & PERSONNEL

In terms of Paragraph 7 of the Municipal Supply Chain Management Regulations, the municipality must establish a Supply Chain Management Unit (SCMU) to implement supply chain management policy. The Unit must operate under the direct supervision of

the Chief Financial officer or may be delegated to an official in terms of section 82 of the MFMA

The Municipality's Supply Chain Management unit has 4 officials who perform various duties and functions in terms of the SCM policy which are as follows:

SCM Manager	
Mrs N. Mbedla	Oversee the overall implementation of SCM policy within the Supply Chain Management Unit
	Co-ordinates and controls the implementation of SCM Policy
	Advises the Chief Financial Officer on Supply Chain Management process and procedures
	<ul> <li>Responsible for the bid processes including the review of adverts, development of tender documents, bid closing Evaluation and adjudication of Purchases between R30 000 and above.</li> </ul>
	Co-ordinate the sitting of Bid Adjudication Committees.
	<ul> <li>Responsible for the monitoring of Supplier database, Contract management, Asset Management and Fleet management.</li> </ul>
	Approves Purchase orders for all transactions.
	<ul> <li>Monitors the reporting within the SCM unit on a weekly, Monthly and quarterly bases.</li> </ul>
SCM Officer:	is responsible for the following Duties:
Ms Z.Nkumanda	Co-ordinate the sitting of Bid Evaluation Committee.
	<ul> <li>Assist and co-ordinate the implementation of the SCM policy for the purchases between R30 000 and up to R200 000.</li> </ul>
	Review the implementation of SCM policy for the purchases between R2 000 to R 30 000.

- Monitors and review the capturing Suppliers on a Municipal Database.
- Responsible for the bid processes including the placing of adverts, development of RFQ's/ Tender documents, bid closing and evaluation of Purchases between R30 000 to R200 000.
- Responsible for reviewing of weekly, monthly and quarterly reports.
- Supervising the SCM Clerk and SCM buyer on a day to day activities.
- Responsible for updating of contract register for RFQ's
- Responsible for monitoring the progress on the implementation of procurement plans
- Approves requisitions from end user departments.

### Is responsible for the following Duties:

- Assist and co-ordinate the implementation of the SCM policy for the purchases between R200 000 and above.
- Review the implementation of SCM policy for the purchases between R2 000 to R 30 000.
- Monitors and review the capturing Suppliers on a Municipal Database.
- Responsible for the bid processes including the placing of adverts, development of tender documents, bid closing and adjudication of Purchases between R200 000 and above.
- Responsible for reviewing of weekly, monthly and quarterly reports.
- Supervising the SCM Clerk and SCM buyer on a day to day activities.

	<ul> <li>Responsible for updating of contract register for tenders.</li> </ul>
	Responsible for monitoring the progress on the implementation of procurement plans.
	Approves requisitions from end user departments
SCM Clerk Ms. A.Mbebe	Co-ordinate the sitting of Bid Specification Committee.
	<ul> <li>Assist and co-ordinate the implementation of the SCM policy for the purchases between R2 000 and R30 000.</li> </ul>
	Generate orders for transactions within the SCM Unit
	Assist as a secretariat on Bid Adjudication Committee
	Capturing of Suppliers in the Municipal Database
	Responsible for the bid processes including bid closing and development of adverts.
	Responsible for requesting quotation for purchases between R2 000 up to R 30 000.
	<ul> <li>Responsible for the reporting on a weekly, Monthly and quarterly bases.</li> </ul>
	<ul> <li>Assist and co-ordinate the implementation of the SCM policy for the purchases between R30 000 and R200 000.</li> </ul>
	Generate orders for transactions within the SCM Unit
	Assist as a secretariat on Bid Specification     Committee
	Capturing of Suppliers in the Municipal Database
	Responsible for the bid processes including bid closing and development of adverts.

	<ul> <li>Responsible for requesting quotation for purchases between R2 000 up to R 30 000.</li> <li>Responsible for the reporting on a weekly, Monthly and quarterly bases.</li> </ul>
SCM Clerk Miss N. Sichwe	Assist and co-ordinate the implementation of the SCM policy for the purchases between R2 000 and R30 000.
	Generate orders for transactions within the SCM Unit
	Assist as a secretariat on Bid Evaluation Committee
	Capturing of Suppliers in the Municipal Database
	<ul> <li>Responsible for the bid processes including bid closing and development of adverts.</li> </ul>
	•
	<ul> <li>Assist and co-ordinate the implementation of the SCM policy for the purchases between R30 000 and R200 000.</li> </ul>
	Generate orders for transactions within the SCM Unit
	Assist as a secretariat on Bid Specification Committee
	Capturing of Suppliers in the Municipal Database
	<ul> <li>Responsible for the bid processes including bid closing and development of adverts.</li> </ul>
	<ul> <li>Responsible for requesting quotation for purchases between R2 000 up to R 30 000.</li> </ul>
	<ul> <li>Responsible for the reporting on a weekly, Monthly and quarterly bases.</li> </ul>

# 4. COMPETENCY LEVELS OF OFFICIALS IN THE SUPPLY CHAIN MANAGEMENT UNIT

All officials within the SCM unit have achieved the minimum competency level as required by Circular 60 of the MFMA.

## 5. DEMAND MANAGEMENT

Suppliers are continuously encouraged to register on the Municipal database as well as on Central Supplier Database as required by regulation 14 of the MFMA and Circular 81 of the MFMA respectively and service providers can register on the database and update their details at any time.

# 6. <u>IMPLEMENTATION OF THE NEW PREFERENTIAL PROCUREMENT REGULATIONS</u> OF 2017

The new PPPFA regulations became effective on the 01<sup>st</sup> April 2017. These regulations are implemented on a continuous basis by awarding the bids to the highest scoring bidder.

# 7. <u>IMPLEMENTATION OF THE STANDARD FOR INFRASTRURE PROCUREMENT AND DELIVERY MANAGEMENT (SIPDM)</u>

In terms of the SIPDM there are seven actions required to be complied with which are as follows.

- Action 1: Establish a suitable SCM Policy for Infrastructure Procurement and Delivery Management;
- Action 2: Establish agency agreements between organs of state if projects are implemented on behalf of another organ of state;
- Action 3: Apply the prescribed control frameworks and record approval/acceptance at the relevant gates;
- Action 4: Establish implementation plans
- Action 5: Develop procurement documents in accordance with the provisions of the SIPDM;
- Action 6: Ensure that built environment professionals perform designated functions as provided for in the SIPDM and
- Action 7: Prepare an annual performance report and issue to relevant treasury within two months after year end.

### 8. <u>IMPLEMENTATION OF THE PROCUREMENT PLAN</u>

The municipality has a procurement plan in place, this procurement was adopted together with the annual budget and details all procurement to be done during the 2021/22 financial year. There are some challenges faced in the implementation of this plan and amongst other it's the issue of specifications not always submitted timeously thus delaying the procurement process.

## 9. SUPPLY CHAIN MANAGEMENT ACQUISITION PROCESSES

The following thresholds are currently being implemented in order to support the strategic and operational commitments of the municipality.

Petty Cash purchases

Good are purchased by way of petty cash up to a transaction value of R2 000.00 Written Quotation

### (a) Written Quotations

Goods and services are procured by way of written quotations for a transaction value of R2 000.00 up to R30 000 inclusive of vat, quotations are sourced from suppliers registered on CSD and the Municipal Supplier database.

# (b) Formal written Quotation (7 day bidding) process

Goods and services must be procured by way of 7 day bidding process for procurements of a transaction value of over R30 000.00 up to R200 000 inclusive of vat. These adverts are place on the notice boards in all three units and the website.

# THE FOLLOWING ARE THE BIDS AWARDED BY WAY OF FORMAL WRITTEN PRICE QUOTATION FOR THE QUARTER ENDING ON THE 30 SEPTEMBER 2021

					I						
			All communications to be directed to the	1 .	pe mean						
			Municipal Manger	Municipality		Umasipalathi	Zonke linkcukacha mazibhekis we ku Manejala				
				of Mbhashe		wase Mbhashe					
			File Ref. No.				File Ref. No.				
					MUNICIPAL OFFICES						
					I-OFISI ZIKA MASIPALATHI						
			RFQ'S AWARDED(30 000.00-R200 0	inn nn)	1-OFISI ZIKA MASIFALATHI						
			FOR THE QUARTER ENDED 30 SEPTEM								
NΩ	AWARD	ORDER NO	PROJECT NAME	BID NUMBER	BIDDER'S NAME	CONTRACT AMOUNT	BIDDER'S LOCATION	ADVERT DATE	CLOSING DATE	D DDCC	SMME STATUS
"	DATE	OKDEK NO	TROJECT WANTE	DID NOWIDER	DIDDER STANIE	CONTRACT AWOUNT	DIDDER'S LOCATION	ADVERTIDATE		LEVEL	SIVIIVIE STATOS
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-			TRepairs of 7 Municipal HP lapto	d0057/CS/2020-21		IR 41 548.00		26-May-21	U2-JUN-21	1 1	
ı 2	30-Jul-21		Repairs of 7 Municipal HP lapto Provision for Landfill site Rehab					26-May-21 22-Jul-21	02-Jun-21 28-Jul-21		-
3		PO06879	Provision for Landfill site Rehab	0006/COM/2020-21	ENZOKUHLE ENTERPRISE  COPY WORLD	R 75 000.00	NON-MBHASHE LOCAL MUNICIPALITY  NON-MBHASHE LOCAL MUNICIPALITY  NON-MBHASHE LOCAL MUNICIPALITY	26-May-21 22-Jul-21 22-Jul-21	28-Jul-21	1	SMME SMME
3	13-Aug-21	P006879 P006894	Provision for Landfill site Rehab Printing of reviewed IDP docum	0006/COM/2020-21 0001/OP/2021-22	ENZOKUHLE ENTERPRISE	R 75 000.00 R 67 516.50	NON- MBHASHE LOCAL MUNICIPALITY	22-Jul-21		1 2	SMME
3 4 5		P006879 P006894 P006925	Provision for Landfill site Rehab Printing of reviewed IDP docum	0006/COM/2020-21 0001/OP/2021-22 0002/BTO/2021-22	ENZOKUHLE ENTERPRISE COPY WORLD	R 75 000.00 R 67 516.50 R 200 000.00	NON- MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21	28-Jul-21 29-Jul-21	1 2 1	SMME SMME
3 4 5	13-Aug-21 17-Aug-21	PO06879 PO06894 PO06925 PO06958	Provision for Landfill site Rehab Printing of reviewed IDP docum Car wash services	0006/COM/2020-21 0001/OP/2021-22 0002/BTO/2021-22 0004/CS/2021-22	ENZOKUHLE ENTERPRISE COPY WORLD ZOLANI TOURS	R 75 000.00 R 67 516.50 R 200 000.00 R 199 867.61	NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21 22-Jul-21	28-Jul-21 29-Jul-21 29-Jul-21	1 2 1 4	SMME SMME SMME
3 4 5 6	13-Aug-21 17-Aug-21 25-Aug-21 30-Aug-21	PO06879 PO06894 PO06925 PO06958	Provision for Landfill site Rehab Printing of reviewed IDP docum Car wash services Renewal of firewall licenses, upg	0006/COM/2020-21 0001/OP/2021-22 0002/BTO/2021-22 0004/CS/2021-22 0057/CS/2020-21	ENZOKUHLE ENTERPRISE  COPY WORLD  ZOLANI TOURS  RESILIENT SERVERS AND NERTWORKS	R 75 000.00 R 67 516.50 R 200 000.00 R 199 867.61	NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21 22-Jul-21 22-Jul-21	28-Jul-21 29-Jul-21 29-Jul-21 29-Jul-21	1 2 1 4	SMME SMME SMME SMME
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3 4 5 6 7 8	13-Aug-21 17-Aug-21 25-Aug-21 30-Aug-21 02-Sep-21 03-Sep-21	PO06879 PO06894 PO06925 PO06958 PO06868 PO06987	Provision for Landfill site Rehab Printing of reviewed IDP docum Car wash services Renewal of firewall licenses, upg Repairs of 7 Municipal HP lapto Drilling of a borehole at Dutywa	0006/COM/2020-21 0001/OP/2021-22 0002/BTO/2021-22 0004/CS/2021-22 0057/CS/2020-21 0009/P&D/2021-22 0008/OP/2021-22	ENZOKUHLE ENTERPRISE  COPY WORLD  ZOLANI TOURS  RESILIENT SERVERS AND NERTWORKS  DYNAMIC SERVICES  EPIGNOSIS INVESTMENTS	R 75 000.00 R 67 516.50 R 200 000.00 R 199 867.61 R 45 485.00 R 186 400.00 R 39 500.00	NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21 22-Jul-21 22-Jul-21 26-May-21 19-Aug-21	28-Jul-21 29-Jul-21 29-Jul-21 29-Jul-21 02-Jun-21 26-Aug-21	1 2 1 4 1 1	SMME SMME SMME SMME SMME SMME
3 4 5 6 7 8 9	13-Aug-21 17-Aug-21 25-Aug-21 30-Aug-21 02-Sep-21 03-Sep-21	P006879 P006894 P006925 P006958 P006868 P006987 P006989	Provision for Landfill site Rehab Printing of reviewed IDP docum Car wash services Renewal of firewall licenses, upg Repairs of 7 Municipal HP lapto Drilling of a borehole at Dutywa Anti-fraud and corruption awar	0006/C0M/2020-21 0001/0P/2021-22 0002/BT0/2021-22 0004/CS/2021-22 0057/CS/2020-21 0009/P&D/2021-22 0008/0P/2021-22	ENZOKUHLE ENTERPRISE  COPY WORLD  ZOLANI TOURS  RESILIENT SERVERS AND NERTWORKS  DYNAMIC SERVICES  EPIGNOSIS INVESTMENTS  HLUNGULU TRADING CENTRE	R 75 000.00 R 67 516.50 R 200 000.00 R 199 867.61 R 45 485.00 R 186 400.00 R 39 500.00 R 43 700.00	NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21 22-Jul-21 22-Jul-21 26-May-21 19-Aug-21 19-Aug-21	28-Jul-21 29-Jul-21 29-Jul-21 29-Jul-21 02-Jun-21 26-Aug-21 26-Aug-21	1 2 1 4 1 1 1	SMME SMME SMME SMME SMME SMME SMME SMME
3 4 5 6 7 8 9 10	13-Aug-21 17-Aug-21 25-Aug-21 30-Aug-21 02-Sep-21 03-Sep-21 03-Sep-21	P006879 P006894 P006925 P006958 P006987 P006989 P0006990	Provision for Landfill site Rehab Printing of reviewed IDP docum Car wash services Renewal of firewall licenses, upg Repairs of 7 Municipal HP lapto Drilling of a borehole at Dutywa Anti-fraud and corruption awar Proposal for training of 10 touri	0006/C0M/2020-21 0001/0P/2021-22 0002/8T0/2021-22 0002/8T0/2021-22 0057/CS/2020-21 0009/P&D/2021-22 0009/P&D/2021-22 0007/P&D/2021-22 001/P&D/2021-22	ENZOKUHLE ENTERPRISE  COPY WORLD  ZOLANI TOURS  RESILIENT SERVERS AND NERTWORKS  DYNAMIC SERVICES  EPIGNOSIS INVESTMENTS  HLUNGULU TRADING CENTRE  LUNIKA INVESTMENTS	R 75 000.00 R 67 516.50 R 200 000.00 R 199 867.61 R 45 485.00 R 186 400.00 R 39 500.00 R 43 700.00 R 199 520.00	NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21 22-Jul-21 22-Jul-21 26-May-21 19-Aug-21 19-Aug-21	28-Jul-21 29-Jul-21 29-Jul-21 29-Jul-21 02-Jun-21 26-Aug-21 26-Aug-21	1 2 1 4 1 1 1 1	SMME SMME SMME SMME SMME SMME SMME SMME
_	13-Aug-21 17-Aug-21 25-Aug-21 30-Aug-21 02-Sep-21 03-Sep-21 03-Sep-21 09-Sep-21	P006879 P006894 P006925 P006958 P006968 P006987 P006989 P0006990 P007022	Provision for Landfill site Rehab Printing of reviewed IDP docum Car wash services Renewal of firewall licenses, upp Repairs of 7 Municipal HP lapto Drilling of a borehole at Dutywa Anti-fraud and corruption awar Proposal for training of 10 touri Demolish , Re-Built and transpo	0006/C0M/2020-21 0001/0P/2021-22 0002/8T0/2021-22 0002/8T0/2021-22 0005/CS/2020-21 0009/P8/D/2021-22 0008/0P/2021-22 0001/P8/D/2021-22 0011/P8/D/2021-22 0010/P8/D/2021-22	ENZOKUHLE ENTERPRISE  COPY WORLD  ZOLANI TOURS  RESILIENT SERVERS AND NERTWORKS  DYNAMIC SERVICES  EPIGNOSIS INVESTMENTS  HLUNGULU TRADING CENTRE  LUNIKA INVESTMENTS  NATHISITHIZIZIPHO MULTI TRADERS	R 75 000.00 R 67 516.50 R 200 000.00 R 199 867.61 R 45 485.00 R 186 400.00 R 39 500.00 R 43 700.00 R 199 520.00	NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21 22-Jul-21 22-Jul-21 26-May-21 19-Aug-21 19-Aug-21 27-Aug-21	28-Jul-21 29-Jul-21 29-Jul-21 29-Jul-21 02-Jun-21 26-Aug-21 26-Aug-21 03-Sep-21	1 2 1 4 1 1 1 1 1	SMME SMME SMME SMME SMME SMME SMME SMME
11	13-Aug-21 17-Aug-21 25-Aug-21 30-Aug-21 02-Sep-21 03-Sep-21 03-Sep-21 09-Sep-21	P006879 P006894 P006925 P006958 P006987 P006987 P006989 P0006990 P007022 P007021 P007045	Provision for Landfill site Rehab Printing of reviewed IDP docum Car wash services Renewal of firewall licenses, upg Repairs of 7 Municipal HP lapto Drilling of a borehole at Dutywa Anti-fraud and corruption awar Proposal for training of 10 touri Demolish , Re-Built and transpo Supply , Delivery and installatio	0006/C0M/2020-21 0001/0P/2021-22 0002/8T0/2021-22 0002/8T0/2021-22 0005/CS/2020-21 0009/P&D/2021-22 0007/P&D/2021-22 001/P&D/2021-22 001/P&D/2021-22 0010/P&D/2021-22 0010/P&D/2021-22	ENZOKUHLE ENTERPRISE  COPY WORLD  ZOLANI TOURS  RESILIENT SERVERS AND NERTWORKS  DYNAMIC SERVICES  EPIGNOSIS INVESTMENTS  HUNGILU TRADING CENTRE  LUNIKA INVESTMENTS  NATHISITHIZIZIPHO MULTI TRADERS  RIO RIDGE 1111	R 75 000.00 R 67 516.50 R 200 000.00 R 199 867.61 R 45 485.00 R 39 500.00 R 39 500.00 R 199 520.00 R 199 520.00 R 126 754.3 R 127 924.00	NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY NON-MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY MBHASHE LOCAL MUNICIPALITY	22-Jul-21 22-Jul-21 22-Jul-21 22-Jul-21 26-May-21 19-Aug-21 19-Aug-21 27-Aug-21 20-Aug-21	28-Jul-21 29-Jul-21 29-Jul-21 29-Jul-21 02-Jun-21 26-Aug-21 26-Aug-21 26-Aug-21 27-Aug-21	1 2 1 4 1 1 1 1 1 1 1	SMME SMME SMME SMME SMME SMME SMME SMME

## (c) Competitive bidding process

Goods and Service must be procured by way of a competitive bidding process for

- Procurement above a transaction value of R200 000 inclusive of vat.
- The procurement of long term contracts
- The adverts in respect of competitive bids are place on e-tender, website, notice boards in all three units, local newspaper and CIDB where applicable.

# THE FOLLOWING ARE THE BIDS AWARDED BY WAY OF COMPETITIVE BIDDING PROCES FOR THE QUARTER ENDED 30 SEPTEMBER 2021

			R OF BIDS AWARDED (+200 R ENDED 30 SEPTEMBER :					
NO	APP DATE	PROJECT NAME	1	AWARDED BIDDERS NAME	CONTRACT AMOUNT/BUDGET	BBBEE LEVEL	LOCALITY	ADVERT DATE
1	06/07/2021	INCUBATION PROGRAM FOR THE MAINTENANCE OF MUNICIPAL F.	MBH/P&D/0003/2020-21/RE	SEBENZISANA NATHI ENTERPRISE (PTY) LTD	RATES		1 MBHASHE LM	15/05/2021
2	07/07/2021	INCUBATION PROGRAM FOR THE MAINTENANCE OF MUNICIPAL F.	MBH/P&D/0003/2020-21/RE	MACETHENI 56 TRADING AND PROJECTS	RATES		1 MBHASHE LM	15/05/2021
3	07/07/2021	PROPOSAL FOR DEBTORS COLLECTION AND RECOVERY SERVIC	MBH/BTO/0028/2019-20	T2 INNOVATION BUSINESS CONSULTING AND PROJ	RATES		1 NON-MBHASHE LM	25/03/2021
4	07/07/2021	TURNKET PROPOSALS FOR UPGRADE OF STREET LIGHTS	MBH/INFRA/0005/2020-21	SNR ELECTRICAL CC	R4 588 830		1 NON-MBHASHE LM	17/03/2021
5	13/07/2021	INCUBATION PROGRAM FOR THE MAINTENANCE OF MUNICIPAL F.	MBH/P&D/0003/2020-21/RE	NOROTONE (PTY) LTD	RATES		1 MBHASHE LM	15/05/2021
6	10/08/2021	CONSTRUCTION OF PHELANDABA TO MACIRHENI ACCESS ROAD	MBH/MIG/0028/2020-21	DEVOMIX CONSTRUCTION PTY LTD	R 9 475 659.6	0 1	NON-MBHASHE LM	21/05/2021
7	12/08/2021	CONSTRUCTION OF FUMBATHA ACCESS ROAD	MBH/MIG/0030/2020-21	ZKS AND NAM GENERAL TRADING CC t/a ZKS PROJI	R 2 331 593.6	7 1	NON-MBHASHE LM	21/05/2021
8	18/08/2021	CONSTRUCTION OF MHLAHLANE TO CHIBINI ACCESS ROAD	MBH/MIG/0029/2020-21	BLAZINGO'S TRADING ENTERPRISE	R 2776 909.0	3 1	MBHASHE LM	21/05/2021
9	24/08/2021	PANEL OF PROFFESIONAL SERVICES FOR A PERIOD OF 3 YEARS(	MBH/PSP/0025/2020-21	LEKO CONSULTING CONULTANTS	9,5%	1	NON-MBHASHE LM	30/05/2021
10	25/08/2021	PANEL OF PROFFESIONAL SERVICES FOR A PERIOD OF 3 YEARS(	MBH/PSP/0025/2020-21	KUKHO CONSULTING ENGINEERS	8%	1	NON-MBHASHE LM	30/05/2021
11	26/08/2021	CONSTRUCTION OF MPUME TO GATE ACCESS ROAD	MBH/MIG/0031/2020-21	AMLO TRADING CC	R 2 179 729.0	9 1	NON-MBHASHE LM	21/05/2021
12	01/09/2021	PANEL OF PROFFESIONAL SERVICES FOR A PERIOD OF 3 YEARS	MBH/PSP/0025/2020-21	HUMBLE AFRICANS CONSULTING JV ZAYNE ENGINE	10%	1	NON-MBHASHE LM	30/05/2021
13	02/09/2021	PANEL OF PROFFESIONAL SERVICES FOR A PERIOD OF 3 YEARS	MBH/PSP/0025/2020-22	BM INRASTRUCTURE DEVELOPMENT (PTY) LTD	10%	1	NON-MBHASHE LM	30/05/2021
14	07/09/2021	PANEL OF PROFFESIONAL SERVICES FOR A PERIOD OF 3 YEARS	MBH/PSP/0025/2020-21	USIBA LWE AFRICA CONSULTING ENGINEERS	10%	1	NON-MBHASHE LM	30/05/2021
15	07/09/2021	PANEL OF PROFFESIONAL SERVICES FOR A PERIOD OF 3 YEARS	MBH/PSP/0025/2020-22	IMBAWULA CIVIL PROJECT (PTY) LTD	10%	1	NON-MBHASHE LM	30/05/2021
16	07/09/2021	CONSTRUCTION OF BAM TO ZENZELE ACCESS RAD	MBH/MIG/0032/2020-21	KOPANONG INVESTMENTS PROJECTS (PTY) LTD	R 2 098 988.5	7 1	MBHASHE LM	21/05/2021
			Prepared by	Nkumanda Z	Recommended by	Mbedia N		
				SCM Officer	/ <b>/</b>	SCM Manager		
				Date		Date		
			Approved by	Nokwe N				
				CFO				
				Date				

# 10. <u>SUPPLY CHAIN MANAGEMENT DEVIATIONS FOR THE QUARTER ENDED 30 SEPTEMBER 2021</u>

There were no deviation made this quarter



# 11. FRUIUTLESS AND WASTEFUL EXPENDITURE FOR THE QUARTER ENDED 30 SEPTEMBER 2021

					Rea	ister of	Unautho		she Local egular. F			asteful E	xpenditu	ire		
	of ery	Date Reported to Accounting Officer	Transaction details			Person Liable Type of	Type of	Fruitless and Wasteful Expenditure  Status								
No	Date of discovery		Date of Paymen t	Paymen	t Number	Amount	Description of Incident	(Official or Political Office Bearer)	Prohibited Expenditure	UI	DP	СС	TR	Р	wo	General comments
1		23-Jul-21	23-Jul-21				Interest on overdue account of Eskom (Including FBE)		Interest penalties	х				x		Interest has been incurred on an account outstanding
2		23-Aug-21	23-Aug-21			R119.47	Interest on overdue account of Eskom	l .	Interest penalties	х				x		Interest has been incurred on an account outstanding
3		03-Sep-21	03-Sep-21			R51.72	Interest on overdue account of Eskom		Interest penalties	х				х		Interest has been incurred on an account outstanding
				<u>R50</u>	)5.54											
-		Abbreviation	ons:													
	UI:	Irregular e	expenditure	e Und	der In	vestigatio	n									
	DP: Disciplinary process initiated against responsible						sponsible p	person								
	CC:		charges lai													
	TR:		ed to recei													
	P:		process o		_		ents									
	WO:	Written-of	ff by cound	cil as	irrec	overable										

Fruitless expenditure incurred due to late payment of Eskom invoice which is under investigation

## 12. IRREGULAR EXPENDITURE FOR THE QUARTER ENDED 30 SEPTEMBER 2021

The SCM unit strives to comply with all applicable regulations thus reducing irregular expenditure. During the quarter there were no new irregular expenditure that was incurred.

Below is the report on recurring irregular expenditure

MBHASHE LOCAL MUNICIPALITY IRREGULAR EXPENDITURE FOR THE QUARTER ENDED 30 SEPTEMBER 2021												
Order date	Order Number	Supplier				State Description	Comments					
						NO IRREGULAR FOR	THE QUARTER JULY-SEPTEMBER					
Prepared by	Nkumanda Z											
	SCM Officer											
Recommended by	Mbedla N											
	SCM Manager											
Approved by	Nokwe N											
	CFO											

## 13. <u>SUMMARY REPORT ON ORDERS ISSUED FOR THE QUARTER ENDED 30 SEPTEMBER 2021</u>

A total amount of **R32 100 335.60** orders were issued during the quarter for both capital and operational projects. The majority of orders (53%) were executed and paid by the end of the quarter only an amount of **R15 048 231.47** remained outstanding, and **R154 942.50** (0.48%) of issued orders were cancelled.

ANALYSIS OF THE ORDER ISSUED	AMOUNTS	PECENTAGE
TOTAL ORDERS ISSUED	R32 100 335.60	100%
OUTSTANDING ORDERS	15 048 231.47	47%
PAID ORDERS	16 897 161.63	53%
CANCELLED ORDERS	154 942.50	0.48%

## 14. <u>DATABASE OF RESTRICTED SUPPLIERS AND AWARDS TO PERSONS IN THE SERVICE OF THE STATE</u>

Accounting officers are required, prior to the award of any contract, to verify whether the recommended bidder or any of its directors are prohibited from doing business with the public sector by forwarding an email for such verification to <a href="mailto:restrictions@treasury.gov.za">restrictions@treasury.gov.za</a>.

Through the introduction of the Central Supplier Database the information forms part of the CSD report which is printed prior to each award. The central supplier database is able to verify such companies and directors.

This also applies to the directors of companies who are in the service of the state. CSD flags company directors who are in the service of the state and report accordingly.

The Central Supplier Database maintains a database of organizations, institutions and individuals who can provide goods and services to government. Prospective suppliers interested in pursuing opportunities within the South African government they self-register on the Central Supplier Database portal (<a href="www.csd.gov.za">www.csd.gov.za</a>) which was introduced by National treasury on 01 April 2016.

## 15. SCM INFORMATION ON WEBSITE

The following reports are placed on the Mbhashe Local Municipality's website

- Adverts for competitive bidding
- Request for formal written price quotation (7 day bidding process)
- Bid closing registers
- Awards made by the Municipality for the quarter
- Other SCM documents

## 16. Training

Treasury has held more than 1 trainings of Bid committees and the municipal official attended an SCM forum was held virtual during the month of June 2021.

## 17. Conclusion

Supply Chain Management Unit is continuously improving its procedures in order to ensure that council receive value for money in terms of demand and acquisition management.

Goods and Services are procured through the implementation of procurement plan however more work should be done in order to improve strategic sourcing to enhance value that the municipality can derive in improved sourcing and supplier development. This can be achieved through collaboration with project managers and Local Economic development unit by having continuous supplier development programmes in order to empower and capacitate particularly the local suppliers.

### 18. Annexures

- > RFQ's awarded for the guarter ending 30 September 2021
- Tenders awarded register for the quarter 30 September 2021
- Deviations report for the quarter ending 30 September 2021
- Report on orders for the quarter ending 30 September 2021
- Report on irregular Expenditure for the quarter ending 30 September 2021
- Progress report on implementation of Procurement Plan for the quarter ending 30 September 2021

## REPORT ON FLEET MANAGEMENT FOR THE 1<sup>st</sup> QUARTER OF THE 2021/22 FINANCIAL YEAR

## PURPOSE OR OBJECTIVE OF THE REPORT

The report aims to update the Council on the Fleet verification that was undertaken in the 1st quarter of the 2021/22 financial year.

## <u>AUTHORITY/MANDATE OR LEGISLATIVE REQUIREMENT</u>

Section 63 of the Municipal Finance Management Act, (Act 56 of 2003)

## **BACKGROUND / REASONING**

In terms of the Municipal Finance Management Act, the Accounting Officer is responsible for the management of the assets of the municipality, including the safeguarding and maintenance of those assets.

Furthermore the Accounting Officer must take all reasonable steps to ensure

- That the municipality has and maintains a management accounting and information system that accounts for assets and liabilities of the municipality.
- That the municipality's assets and liabilities are valued in accordance with the standards of general recognised accounting practices and
- That the municipality has and maintains a system of internal control of assets and liabilities as may be prescribed.

The report therefore updates council on the implementation of the steps as per above.

## STAFF IMPLICATIONS

None

## **FINANCIAL IMPLICATIONS**

None

## **LEGAL IMPLICATIONS**

None

## ASSET ADDITIONS REPORT FOR THE QUARTER ENDING 30 SEPTEMBER 2021

## **PURPOSE**

To keep record of Assets both tangible and intangible (movable and immovable) which are acquired

## LEGAL/STATUTORY REQUIREMENT

Municipal Finance Management Act.

**Asset Management Policy** 

## **BACKGROUND**

The Municipal Finance Management Act No.56 of 2003 Chapter 63 (2) (a) states that the accounting officer must ensure that the municipality has and maintains a management, accounting and information system that accounts for assets and liabilities of the municipality. (b) That the municipality's assets and liabilities are valued in accordance with Generally Recognized Accounting Practice and (c) that the municipality has and maintains a system of internal control of assets and liabilities register, as may be prescribed.

# ASSETS AND CAPITAL WORK IN PROGRESS FOR THE QUARTER ENDING 30 SEPTEMBER 2021

## **JULY 2021**

MIG FUND JULY				
SUPPLIER	PROJECT	AMOUNT	VAT	AMOUNT (VAT INCL)
	NO ADDITIO	NS FOR TH	IE MONTH OF J	ULY
<b>EQUITABLE SHA</b>	RE FUND JULY			
SUPPLIER	PROJECT	AMOUNT	VAT	AMOUNT (VAT INCL)
	NO ADDITIO	NS FOR TH	IE MONTH OF J	ULY
OTP FUND JULY				
SUPPLIER	PROJECT	AMOUNT	VAT	AMOUNT (VAT INCL)
	NO ADDITIO	NS FOR TH	IE MONTH OF J	ULY

## **AUGUST 2021**

MAIC FUNDED ALICHET				
MIG FUNDED AUGUST				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
	THERE WHERE NO ADDITION	NS FOR THE MONTH O	OF AUGUST	
<b>EQUITABLE SHARE FUN</b>	DED AUGUST			
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
	THERE WHERE NO ADDITION	NS FOR THE MONTH O	OF AUGUST	
OTP FUNDED AUGUST				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
	THERE WHERE NO ADDITION	NS FOR THE MONTH (	OF AUGUST	

## SEPTEMBER 2021

MIG FUNDED				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
MALISWANA TRADING ENTERPRISE	Munyu - Gxarha A/R	47 723.33	7 158.50	54 881.83
MKOKO TRANSPORT	Munyu - Gxarha A/R	112 716.83	-	112 716.83
BLAZINGO'S TRADING ENTERPRISE	Mhlahlane to Macibini A/R	393 917.85	59 087.68	453 005.53
AMLO TRADING	Mpume to Gate A/R	256 860.00	38 529.00	295 389.00
SONTSELE PROJECT MANAGEMENT	Riverview to Langeni A/R	184 324.44	27 648.67	211 973.11
SONTSELE PROJECT MANAGEMENT	Phelandaba to Macirheni A/R	187 924.50	28 188.68	216 113.18
SONTSELE PROJECT MANAGEMENT	Mhlahlane to Macibini A/R	186 724.50	28 008.68	214 733.18
KOPANONG INVESTMENTS PROJECTS	Bam to Zenzele A/R	752 544.80	112 881.72	865 426.52
FOR THE COMMUNITY TRADING ENTERPRISE	Lusizini - Zimpuku A/R	101 787.83	15 268.17	117 056.00
FOR THE COMMUNITY TRADING ENTERPRISE	Lusizini - Zimpuku A/R	339 171.32		339 171.32
KUKHO CONSULTING ENGINEERS	Matolweni to Kulozulu A/R	368 306.61	55 245.99	423 552.60
ZKS AND NAM GENERAL	Fumbatha A/R	216 180.00	32 427.00	248 607.00
ZKS AND NAM GENERAL	Manganyela community hall	439 467.52	65 920.13	505 387.65
COUNTERPOINT TRADING 420	Construction for ward 25 sport facility	341 235.92	51 185.39	392 421.31
DEVOMIX (PTY) LTD	Construction of Phelandaba-Macirheni A/R	360 191.21	54 028.68	414 219.89
GEO PILE AFRICA	Construction of Ndalatha - Xhora Mouth Bridge	497 489.65	74 623.45	572 113.10
Z3 CONSULTING ENGINEERS	Consultation for Municipal offices	134 940.87	20 241.13	155 182.00
COUNTERPOINT TRADING 420	Construction of Municipal offices	1 968 029.71	295 204.46	2 263 234.17
		6 889 536.90	965 647.32	7 855 184.22
OTP(PREMIER GRANT) FUNDED				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
KUKHO CONSULTING ENGINEERS	Consultation of Sibiyane A/R	501 267.62	75 190.94	576 458.56
KUKHO CONSULTING ENGINEERS	Consultation of Msikithi A/R	579 718.65	86 957.80	666 676.45
LEKO CONSULTING ENGINEERS	Consultant for Upgrade of Small Town	1 581 859.38	237 278.91	1 819 138.29
	·	2 662 845.65	399 427.65	3 062 273.30
TOTAL FOR THE MONTH		9 552 382.55	1 365 074.97	10 917 457.52

## **TOTAL FOR THE QUARTER**

MONTH	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT
July	0.00	0.00	0.00
August	0.00	0.00	0.00
September	9 552 382.55	1 365 074.97	10 917 457.52
TOTAL FOR THE MONTH	9 552 382.55	1 365 074.97	10 917 457.52

## REPORT ON FLEET MANAGEMENT FOR THE 1<sup>st</sup> QUARTER OF THE 2021/22 FINANCIAL YEAR

## PURPOSE OR OBJECTIVE OF THE REPORT

The report aims to update the Council on the Fleet that was undertaken in the 1st quarter of the 2021/22 financial year.

## **AUTHORITY/MANDATE OR LEGISLATIVE REQUIREMENT**

Section 63 of the Municipal Finance Management Act, (Act 56 of 2003)

## BACKGROUND / REASONING

In terms of the Municipal Finance Management Act, the Accounting Officer is responsible for the management of the assets of the municipality, including the safeguarding and maintenance of those assets.

Furthermore the Accounting Officer must take all reasonable steps to ensure

- That the municipality has and maintains a management accounting and information system that accounts for assets and liabilities of the municipality.
- That the municipality's assets and liabilities are valued in accordance with the standards of general recognized accounting practices and
- That the municipality has and maintains a system of internal control of assets and liabilities including an asset and liabilities register as may be prescribed.

The report therefore updates council on the implementation of the steps as per above.

## STAFF IMPLICATIONS

None

## **FINANCIAL IMPLICATIONS**

None

## **LEGAL IMPLICATIONS**

None

## **RECOMMENDATION**

It is recommended that the report on Fleet Management for the quarter ending 30 September 2021 be noted as a

## REPAIRS AND MAINTENANCE REPORT ON MUNICIPAL FLEET FOR THE QUARTER ENDED 30 SEPTEMBER 2021

REPAIRS A	AND MAINTENANCE REPORT FOR THE	E QUARTER ENDED SE	PTEMBER 2021				
Unit	Vehicle Make	Vehicle Model	Vehicle Vin No	Vehicle Registration No	Vehicle Fault	Status as at 30 September	Amount
Dutywa	Toyota Hilux	2.8GD	AHTHA3CD603416992	HXW 920 EC	Full Service	Runner	R12 876.23
Willowva	Toyota Hilux	2.8GD	AHTHA8CB003590701	HXW 883 EC	Full Service	Runner	R13 323.97
Dutywa	UD Trucks	UD460 QUON	ADDE1500000002212	HJK 976 EC	Clutch Booster	Runner	R11 764.00
Dutywa	Nissan	NP200	ADNUSN1D5U0049593	FXR 057 EC	Tyre and Wheel balance	Runner	R1 239.79
Elliotdale	Toyota Hilux	2.8GD	AHTHA3CD703416841	HXW 890 EC	Full Service	Runner	R4 984.41
Elliotdale	Toyota Hilux	2.8GD	AHTHA8CB403590460	HXW 873 EC	Full Service	Runner	R1 882.60
Elliotdale	Toyota Hilux	2.8GD	AHTHA3CD703416256	HXW 906 EC	Full Service	Runner	R7 344.05
Dutywa	Toyota Hilux	2.5D	AHTFR22G906074118	FZZ 969 EC	Full Service & Maintenance	Runner	R15 246.30
Dutywa	Toyota Hilux	2.8GD	AHTHA3CD503416594	HXW 919 EC	Full Service	Runner	R8 352.25
Dutywa	Toyota Hilux	2.8GD	AHTHA3CD903416601	HXW 898 EC	Full Service	Runner	R4 778.37
Dutywa	Toyota Hilux	2.8GD	AHTHA3CD303416898	HXY 388 EC	Changing Tyres & wheel balancing	Runner	R8 129.70
Dutywa	Nissan Dropside	UD40	ADDM0200000055875	HKX 088 EC	Full Services & Maintenance	Runner	R35 610.72
Elliotdale	Toyota Hilux	2.8GD	AHTHA8CB903590566	HXW 902 EC	Full Service	Runner	R2 494.68
Dutywa	Toyota Fortuner	2.8GD	AHTKA3FS400613869	HVX 609 EC	Prophshaft & Actuator	Runner	R23 181.13
Dutywa	Toyota Quantum	2,5D 4D	JTFRS13P800046540	HXY 393 EC	Changing Tyres & wheel balancing	Runner	R3 904.90
Dutywa	Toyota Hilux	2.8GD	AHTHA3CD703416175	HXW 917 EC	Full Service	Runner	R6 437.02
Dutywa	Toyota Fortuner	2.8GD	AHTKA3FS600613047	HVT 361 EC	Full Service & Maintenance	Runner	R4 657.20
Total July	y,August and September						R166 207.32

# VEHICLE INCIDENT / ACCIDENT REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

INCIDENTS FOR TH	HE QUARTER ENDE 30 SEPTE	MBER 2021						
UNIT	VEHICLE MAKE	VEHICLE REG NUMBER	MODEL	INCIDENT DATE	DRIVER	DEPARTMENT	INCIDENT DETAILS	STATUS
Dutywa	Nissan NP200	FXR 057 EC	2012	20 / 08 /2021	L W Clock	Infrastructure Serv	Someone broke the window while the driver was	Excess fee to
							inside the shop to buy some food and took	be paid
							sparewheel, jack & spanner CASE NO. 341/08/2021	awaiting petty
								cash
							He knocked the stone when he was patrolling at	
Dutywa	Toyota Hilux	HXW 914 EC	2017	04 / 09 / 2021	T Ndabeni	Community Services	night near Ngubethole JSS from Tip-site to testing	The tyre went
	·						ground	for repairs
Prepared by	Nkumanda Z							
	SCM Officer							
	Date							
Recommended by	Mbedla N							
	SCM Manager							
	Date							
Approved by	Nokwe N							
	CFO							
	Date							

## DIESEL DISPENSED REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

FUEL CONSUMPT	ION REPORT FOR T	HE MONTH OF JUL	Y 2021					
DATE	TIME	VEHICLE REG NO	KMs	VEHICLE DESCRIP	DRIVERS NAME	LITRES DISPENSEI	DEPT	ISSUED BY
01 / 07 / 2021	09H07	FZZ 969 EC	242687	D/Cab Toyota Hilu	X Molosi	62	Community Services	Z Menziwa
09 / 07 / 2021	09H36 - 09H39	FZZ 969 EC	293231	D/Cab Toyota Hilu	E Ndamase	55.5	Community Services	Z Menziwa
15 / 07 / 2021	08H36 - 08H39	FZZ 969 EC	293921	D/Cab Toyota Hilu	E Ndamase	66.13	Community Services	Z Menziwa
22 / 07 / 2021	09H26 - 09H30	FZZ 969 EC	294588	D/Cab Toyota Hilu	E Ndamase	58.41	Community Services	Z Menziwa
01 / 07 / 2021	07H56	HXW 902 EC	-	S/ Cab Toyota Hilu	T Lulwana	47.75	Community Services	S Tyali
01 / 07 / 2021	08H05	JLD 991 EC	-	Fuel Trailer	A Duma	300.43	Infrastructure	S Tyali
01 / 07 / 2021	08H14	HXW 890 EC	-	D/ Cab Toyota Hilu	S Tinga	27.59	Infrastructure	S Tyali
06 / 07 / 2021	08H10	HXW 873 EC	-	S/ Cab Toyota Hilu	X. W. Lupuzi	301.15	Infrastructure	S Tyali
06 / 07 / 2021	08H16	HXW 890 EC	141297	D/ Cab Toyota Hilu	L Qekeleshe	59.22	Community Services	S Tyali
06 / 07 / 2021	16H58	JBR 619 EC	-	Merc Benz Truck	L M Maphosa	175.18	Infrastructure	S Tyali
07 / 07 / 2021	08H25	JLD 991 EC	-	Fuel Trailer	A Duma	400.5	Infrastructure	S Tyali
07 / 07 / 2021	08H43	HXW 906 EC	141288	D/ Cab Toyota Hilu	S Tinga	46.92	Infrastructure	S Tyali
07 / 07 / 2021	12H57	HXW 873 EC	110255	S/ Cab Toyota Hilu	L Qekeleshe	47.95	Community Services	S Tyali
09 / 07 / 2021	-	JLD 991 EC	-	Fuel Trailer	X. W. Lupuzi	100	Infrastructure	S Tyali
12 / 07 / 2021	07H45	JLD 991 EC	-	Fuel Trailer	X. W. Lupuzi	300.01	Infrastructure	S Tyali
12 / 07 / 2021	07H55	JBR 619 EC	-	Merc Benz Truck	L M Maphosa	115.91	Infrastructure	S Tyali
12 / 07 / 2021	09H33	HXW 906 EC	141789	D/ Cab Toyota Hilu	S Tinga	47.8	Infrastructure	Nompawu
13 / 07 / 2021	07H45	JLD 991 EC	-	Fuel Trailer	X. W. Lupuzi	500	Infrastructure	Nompawu
13 / 07 / 2021	08H30	JBR 619 EC	-	Merc Benz Truck	L M Maphosa	121.32	Infrastructure	S Tyali
13 / 07 / 2021	08H41	HXW 890 EC	141758	D/ Cab Toyota Hilu	L Danisa	47.23	Community Services	S Tyali
13 / 07 / 2021	08H43	JBR 612 EC	828601	CAT Backhoe Load	M Matshabane	102.12	Infrastructure	S Tyali
15 / 07 / 2021	11H18	HXW 902 EC	86125	S/ Cab Toyota Hilu	L Qekeleshe	58.03	Community Services	Nompawu
15 / 07 / 2021	11H30	HXW 873 EC	-	Fuel Trailer	S Tinga	500	Infrastructure	Nompawu
19 / 07 / 2021	08H33	JBR 619 EC	52403.8	Merc Benz Truck	L M Maphosa	169.26	Infrastructure	Nompawu
19 / 07 / 2021	08H48	HXW 873 EC	11125	S/ Cab Toyota Hilu	X. W. Lupuzi	32.29	Infrastructure	Nompawu
19 / 07 / 2021	08H49	HXW 873 EC	-	Fuel Trailer	X. W. Lupuzi	300	Infrastructure	Nompawu
19 / 07 / 2021	09H00	JBR 612 EC	8288.5	CAT Backhoe Load	M Matshabane	73.57	Infrastructure	Nompawu
19 / 07 / 2021	09H08	HXW 906 EC	142310	D/ Cab Toyota Hilu	L Dyasi	54.25	Community Services	Nompawu
20 / 07 / 2021	-	HXW 890 EC	142355	D/ Cab Toyota Hili	X. W. Lupuzi	58.31	Infrastructure	Nompawu
21 / 07 / 2021	07H23	HXW 890 EC	142507	D/ Cab Toyota Hilu	Isaac	18.37	Infrastructure	Nompawu
21 / 07 / 2021	07H39	JBR 619 EC	3292.2	CAT Backhoe Load	M Matshabane	123.63	Infrastructure	Nompawu
21 / 07 / 2021	08H08	HXW 873 EC	111269	S/ Cab Toyota Hilu	X. W. Lupuzi	25.47	Infrastructure	Nompawu
21 / 07 / 2021	08H15	HXW 906 EC	142693	D/ Cab Toyota Hilu	A Duma	36.65	Infrastructure	Nompawu
22 / 07 / 2021	09H35	HXW 890 EC	142998	D/ Cab Toyota Hilu	Isaac	49.59	Infrastructure	Nompawu
23 / 07 / 2021	08H19	HXW 873 EC	-	Fuel Trailer	A Duma	173.06	Infrastructure	Nompawu
PRICE PER LITRE						20.45		
	ISPENSED FOR T	HE MONTH				4676.05		
TOTAL LITRES EXP		III MONTH				R95 625.22		
IOIAL LIIRLS EAP	LINDITORL	1		1		N33 023.22		1

FUEL CONSUMPTION REPOR	T FOR THE MONTH	OF AUGUST 2021						
DATE	TIME	VEHICLE REG NO	KMs	VEHICLE DESCRIPT	DRIVERS NAME	LITRES DISPENSED	DEPT	ISSUED BY
02 / 08 / 2021	08H35 - 08H40	JBR 625 EC	58295	Mercedes Benz Tr	7	135.84	Community Service	
02 / 08 / 2021	10H22 - 10H25	HXW 873 EC	112546	S/Cab Toyota Hilux		45.48	Infrastructure	L C Mdleleni
02 / 08 / 2021	10H27 - 10H47	HXW 873 EC	-	Dumper Truck, Gra		788.22	Infrastructure	L C Mdleleni
03 / 08 / 2021	09H01 - 09H09	JBC 391 EC	3384.5	CAT Grader	T Jakeni	191.88	Infrastructure	L C Mdleleni
03 / 08 / 2021	14H14 - 14H16	HXY 393 EC	141513	Toyota Quantum	H Mhenye	59.32	Community Service	
03 / 08 / 2021	14H49 - 14H52	JBR 617 EC	53862.3	Mercedes Benz Tr	<u> </u>	85.03	Infrastructure	L C Mdleleni
04 / 08 / 2021	08H05 - 08H11	JBR 628 EC	51494.3	Mercedes Benz Tr	· · · · · · · · · · · · · · · · · · ·	192.63	Infrastructure	Z Menziwa
04 / 08 / 2021	08H14 - 08H15	HXW 898 EC	168341	D/Cab Toyota Hilu	-	35.61	Corporate Services	
04 / 08 / 2021	08H17 - 08H19	HKX 088 EC	101889	Dyna Truck	T Ndarana	56.25	Infrastructure	Z Menziwa
04 / 08 / 2021	08H22 - 08H31	730 C	1836.8	Dumper Truck	S Ngxidilili	317.11	Infrastructure	Z Menziwa
04 / 08 / 2021	09H03 - 09H09	D6R	916.3	CAT Dozer	F Komanisi	220.83	Infrastructure	L C Mdleleni
04 / 08 / 2021	11H49 - 11H52	HXW 914 EC	155755	D/Cab Toyota Hilu:		47.56	Infrastructure	L C Mdleleni
04 / 08 / 2021			155755	•		780		
	15H11 - 15H32	HXW 873 EC		Excavator, Dumper	_		Infrastructure	L C Mdleleni
06 / 08 / 2021	08H10 - 08H15	JBR 625 EC	58425	Mercedes Benz Tr		136.46	Community Service	
06 / 08 / 2021	08H18 - 08H20	HKX 088 EC	101684.5	Dyna Truck	T Ndarana	48.56	Infrastructure	Z Menziwa
06 / 08 / 2021	08H21 - 08H38	HKX 088 EC	-	Excavator, Waterc		620.33	Infrastructure	Z Menziwa
06 / 08 / 2021	09H49 - 09H51	HXW 910 EC	162438	D/Cab Toyota Hilu:		60.51	Community Service	
06 / 08 / 2021	12H41 - 12H43	HXW 914 EC	156124	D/Cab Toyota Hilu		40.16	Corporate Services	
11 / 08 / 2021	08H41 - 08H43	HXY 393 EC	143015	Toyota Quantum	B Mabiya	66	Development Plann	
11 / 08 / 2021	08H46 - 08H55	730C	1855.9	Dumper Truck	S Ngxidilili	285.3	Infrastructure	Z Menziwa
11 / 08 / 2021	09H01 - 09H04	HXW 914 EC	156537	D/Cab Toyota Hilu	L W Clock	46.39	Infrastructure	Z Menziwa
11 / 08 / 2021	09H20 - 09H27	JBR 628 EC	51810.9	Mercedes Benz Tr	K Tshofuti	110.5	Infrastructure	L C Mdleleni
11 / 08 / 2021	15H00 - 15H19	HXW 910 EC	-	Grader, Excavator,	S Tikayo	646.6	Infrastructure	L C Mdleleni
12 / 08 / 2021	07H19 - 07H22	JBR 622 EC	5191.0	Case Tractor	B Maqondo	55.65	Community Service	L C Mdleleni
12 / 08 / 2021	08H17 - 08H23	JBR 625 EC	58568	Mercedes Benz Tr	T Mbasa	151.42	Community Service	L C Mdleleni
12 / 08 / 2021	08H31 - 08H40	HXW 910 EC	-	Front End Loader	T Jakeni	292.3	Infrastructure	L C Mdleleni
12 / 08 / 2021	08H40 - 08H42	HXW 910 EC	162956	D/Cab Toyota Hilu	T Jakeni	58.7	Infrastructure	L C Mdleleni
13 / 08 / 2021	11H22 - 11H25	HXW 914 EC	156961	D/Cab Toyota Hilu:	L Mnene	44.78	Infrastructure	L C Mdleleni
16 / 08 / 2021	13H18 - 13H20	HXW 902 EC	87397	S/Cab Toyota Hilux	A Duma	30.3	Infrastructure	L C Mdleleni
16 / 08 / 2021	13H21 - 13H40	HXW 902 EC	-	Grader, Dumper Ti	A Duma	715.87	Infrastructure	L C Mdleleni
16 / 08 / 2021	13H44 - 13H50	HLK 529 EC	50781.4	MAN Tipper Truck	K Jadezweni	154.21	Infrastructure	L C Mdleleni
17 / 08 / 2021	09H17 - 09H23	JBR 628 EC	52127.8	Mercedes Benz Tr	K Tshofuti	154.08	Infrastructure	L C Mdleleni
17 / 08 / 2021	09H25 - 09H29	HXW 873 EC	114728	S/Cab Toyota Hilux		61.46	Infrastructure	L C Mdleleni
18 / 08 / 2021	09H25 - 09H36	730C	1873.8	Dumper Truck	S Ngxidilili	262.57	Infrastructure	L C Mdleleni
18 / 08 / 2021	12H38 - 12H41	HXW 917 EC	157265	D/Cab Toyota Hilu:	_	53.32	Infrastructure	L C Mdleleni
19 / 08 / 2021	10H14 - 10H29	HXW 914 EC	-	Excavator, Tipper	· ·	488.8	Infrastructure	L C Mdleleni
19 / 08 / 2021	15H04 - 15H23	HXW 914 EC	-	Grader, P Roller, S		645.1	Infrastructure	L C Mdleleni
23 / 08 / 2021	08H03	HXW 873 EC	115354	S/ Cab Toyota Hilu		904.67	Infrastructure	Nompawu
24 / 08 / 2021	07H51	JBR 612 EC	33010	CAT Backhoe Load		89.27	Infrastructure	Nompawu
24 / 08 / 2021	09H23	HXW 890 EC	146323	D/ Cab Toyota Hilu		40.41	Infrastructure	Nompawu
24 / 08 / 2021	09H24	HXW 906 EC	145580	D/ Cab Toyota Hilu D/ Cab Toyota Hilu		36.38	Operations	Nompawu
24 / 08 / 2021	10H49	HXW 914 EC	157848	D/ Cab Toyota Hilu D/ Cab Toyota Hilu		45.67	Infrastructure	Nompawu
24 / 08 / 2021	15H23	HXW 914 EC	-	Fuel Containers	L C Mdleleni	653.19	Infrastructure	
	15H23 15H43	HXW 910 EC	-			36.89		Nompawu
24 / 08 / 2021			54214.7	D/ Cab Toyota Hilu More Ronz Truck			Infrastructure	Nompawu
25 / 08 / 2021	07H47	JBR 619 EC	54214./	Merc Benz Truck	L M Maphosa	179.03	Infrastructure	Nompawu
25 / 08 / 2021	08H00	HXW 873 EC		S/ Cab Toyota Hilu		61.02	Infrastructure	Nompawu
25 / 08 / 2021	08H00	HXW 873 EC	- 445725	Fuel Trailer	A Duma	600.17	Infrastructure	Nompawu
25 / 08 / 2021	15H52	HXW 906 EC	145735	D/ Cab Toyota Hilu	· ·	15.42	Infrastructure	Nompawu
26 / 08 / 2021	08H07	HXW 902 EC	88377	S/ Cab Toyota Hilu		58.64	Operations	Nompawu
26 / 08 / 2021	08H28	HXW 890 EC	146748	D/ Cab Toyota Hilu	<u> </u>	41.61	Community Service	
27 / 08 / 2021	08H06	HXW 890 EC	147177	D/ Cab Toyota Hilu	N Gwebindlala	38.37	Operations	Nompawu
30 / 08 / 2021	08H26	HXW 873 EC	-	Fuel Trailer	A Duma	500.3	Infrastructure	Nompawu
30 / 08 / 2021	10H57	HXW 920 EC	-	Fuel Containers	L C Mdleleni	668.63	Infrastructure	Nompawu
30 / 08 / 2021	10H59	HXW 920 EC	165144	D/ Cab Toyota Hilu		53.71	Infrastructure	Nompawu
31 / 08 / 2021	07H48	HXW 873 EC		S/ Cab Toyota Hilu		55.19	Infrastructure	Nompawu
31 / 08 / 2021	07H53	JBR 612 EC		CAT Backhoe Load		137.49	Infrastructure	Nompawu
31 / 08 / 2021	07H59	HXW 873 EC	-	Fuel Containers	X. W. Lupuzi	343.62	Infrastructure	Nompawu
						20.45		
TOTAL LITRES DISPENSED	FOR THE MONTH	<u> </u>				11758.81		
TOTAL EXPENDITURE						R240 467.66		

	TIME	VEHICLE REG NO	KMs	VEHICLE DESCRIPTION	DRIVERS NAME	LITRES DISPENSED	DEPT	ISSUED BY
01 / 09 / 2021	07H36	HXW 873 EC	-	1 * Fuel Container	X W Lupuzi	200	Infrastructure	Nompawu
01 / 09 / 2021	07H51	CLL 291 EC	143127	Isuzu Truck	L Qekeleshe	111.74	Community Services	Nompawu
01 / 09 / 2021	08H49	HXW 906 EC	146240	D/Cab Toyota Hilux	S Tyali	52.05	Community Services	Nompawu
01 / 09 / 2021	08H51	HXW 920 EC	-	3 * Fuel Containers	L C Mdleleni	662.84	Infrastructure	Nompawu
01 / 09 / 2021	09H18	HXW 920 EC	165528	D/Cab Toyota Hilux	L C Mdleleni	38.88	Infrastructure	Nompawu
01 / 09 / 2021	09H36	HXW 890 EC	147641	D/Cab Toyota Hilux	A Mashece	45.17	Community Services	Nompawu
01 / 09 / 2021	15H11	JBR 629 EC	72278.5	Merc Benz Truck	M Malingatshoni	455.47	Infrastructure	Nompawu
01 / 09 / 2021	15H54	JBR 619 EC	54579.4	Merc Benz Truck	L Maposa	149.05	Infrastructure	Nompawu
03 / 09 / 2021	15H58	HXW 920 EC	-	3 * Fuel Containers	L C Mdleleni	656.72	Infrastructure	Nompawu
03 / 09 / 2021	16H18	HXW 920 EC	165925	D/Cab Toyota Hilux	L C Mdleleni	45.89	Infrastructure	Nompawu
06 / 09 / 2021	10H12	HXW 902 EC	88843	S/Cab Toyota Hilux	K Macota	58.52	Infrastructure	Nompawu
06 / 09 / 2021	15H08	HXW 906 EC	146770	D/Cab Toyota Hilux	S Tyali	45.76	Community Services	Nompawu
07 / 09 / 2021	09H12	HXW 890 EC	148270	D/Cab Toyota Hilux	S Tinga	62.81	Infrastructure	Nompawu
08 / 09 / 2021	09H18	HXW 873 EC	116840	S/Cab Toyota Hilux	K Macota	66.48	Infrastructure	Nompawu
09 / 09 / 2021	07H41	JBR 619 EC	54911.1	Merc Benz Truck	L Maposa	120.08	Infrastructure	Nompawu
09 / 09 / 2021	08H36	HXW 902 EC	34311.1	Fuel Trailer	A Duma	600.01	Infrastructure	Nompawu
10 / 09 / 2021	08H10	HXW 890 EC	-	D/Cab Toyota Hilux		65.73	Infrastructure	S Tyali
10 / 09 / 2021	08H21	_	-		S Tinga			
	08H21 08H41	HXW 906 EC HXW 873 EC	-	D/Cab Toyota Hilux	L Danisa N Gwebindlala	46.74 20.05	Community Services	S Tyali
10 / 09 / 2021		_		S/Cab Toyota Hilux			Infrastructure	S Tyali
10 / 09 / 2021	09H45	HKX 088 EC	-	Containers & Dyna Truck		551.02	Infrastructure	S Tyali
13 / 09 / 2021	08H15	HXW 873 EC		Fuel Trailer	X W Lupuzi	500.12	Infrastructure	Nompawu
13 / 09 / 2021	10H59	HXW 906 EC	147413	D/Cab Toyota Hilux	S Tyali	13.12	Community Services	Nompawu
14 / 09 / 2021	07H56	JBR 619 EC	55175	Merc Benz Truck	L Maposa	153.26	Infrastructure	Nompawu
14 / 09 / 2021	08H59	HXW 902 EC	89125	S/Cab Toyota Hilux	L Qekeleshe	43.39	Community Services	Nompawu
15 / 09 / 2021	08H04	HXW 906 EC	147891	D/Cab Toyota Hilux	N Gwebindlala	47.63	Infrastructure	Nompawu
15 / 09 / 2021	08H15	HXW 873 EC	117536	S/Cab Toyota Hilux	L Qekeleshe	61.7	Community Services	Nompawu
15 / 09 / 2021	08H20	HXW 890 EC	149384	D/Cab Toyota Hilux	K Macota	61.9	Community Services	Nompawu
15 / 09 / 2021	08H29	HXW 873 EC	-	Fuel Trailer	L Qekeleshe	700.2	Community Services	Nompawu
15 / 09 / 2021	11H58	HKX 088 EC	-	3 * Fuel Containers	S Gangatha	467.14	Infrastructure	Nompawu
15 / 09 / 2021	12H21	HKX 088 EC	-	Dyna Truck	S Gangatha	33.51	Infrastructure	Nompawu
16 / 09 / 2021	08H31	JBR 612 EC	3322.8	CAT Backhoe loader	A Duma	63.45	Infrastructure	Nompawu
16 / 09 / 2021	08H32	HXW 873 EC	-	2 * 20 Litres	L Ncwina	49.13	Infrastructure	Nompawu
16 / 09 / 2021	08H43	JBR 619 EC	55384.1	Merc Benz Truck	L Maposa	137.26	Infrastructure	Nompawu
20 / 09 / 2021	10H15	HKX 088 EC	-	Containers & Dyna Truck	M Majola	511.9	Infrastructure	Nompawu
20 / 09 / 2021	10H42	HKX 088 EC	-	Dyna Truck	M Majola	58.75	Infrastructure	Nompawu
20 / 09 / 2021	15H23	HXW 906 EC	148405	D/Cab Toyota Hilux	S Tinga	55.36	Infrastructure	Nompawu
21 / 09 / 2021	07H30	HXW 902 EC	-	S/Cab Toyota Hilux	T Lulwana	54.75	Community Services	Nompawu
21 / 09 / 2021	08H34	HXW 873 EC	_	Fuel Trailer	A Duma	300.06	Infrastructure	Nompawu
21 / 09 / 2021	08H36	HXW 873 EC	117828	S/Cab Toyota Hilux	A Duma	37.58	Infrastructure	Nompawu
22 / 09 / 2021	08H01	HXW 890 EC	149682	D/Cab Toyota Hilux	T Lulwana	35.21	Community Services	Nompawu
22 / 09 / 2021	08H17	JBR 619 EC	55675.5	Merc Benz Truck	L Maposa	164.66	Infrastructure	Nompawu
23 / 09 / 2021	09H37	HXW 906 EC	148759	D/Cab Toyota Hilux	S Tinga	37.08	Infrastructure	Nompawu
23 / 09 / 2021	12H44	HXW 890 EC	150066	D/Cab Toyota Hilux	K Macota	40.07	Community Services	Nompawu
27 / 09 / 2021	08H16	HXW 902 EC			L Qekeleshe	60.53		
27 / 09 / 2021 30 / 09 / 2021	08H16 09H30	HXW 902 EC	89742	S/Cab Toyota Hilux			Community Services	Nompawu
			-	D/Cab Toyota Hilux	X W Lupuzi	48.25	Infrastructure	Nompawu
30 / 09 / 2021	09H41	HXW 902 EC	-	S/Cab Toyota Hilux	A Duma	32.51	Infrastructure	Nompawu
30 / 09 / 2021	10H20	HXW 906 EC	-	D/Cab Toyota Hilux	L Qekeleshe	51.62	Community Services	Nompawu
28 / 09 / 2021	08:28-08:37	HLK 499 EC	41811	Man Watercart	X Simanga	185.25	Infrastructure	L C Mdleleni
28 / 09 / 2021	08:44-08:48	JBR 699 EC-	2284.1	CAT Backhoe	S Gangatha	101.9	Infrastructure	L C Mdleleni
28 / 09 / 2021	08:59-09:13	HKX 088 EC		Excavator, Watercart	S Ngxidilili	478.05	Infrastructure	L C Mdleleni
28 / 09 / 2021	09:13-0:15	HKX 088 EC		Dyna Truck	S Ngxidilili	35.35	Infrastructure	L C Mdleleni
28 / 09 / 2021	09:19-09:24	JBR 617 EC	54261	Merc Benz Truck	X Simanga	150.2	Infrastructure	L C Mdleleni
28 / 09 / 2021	12:31 - 12:36	JBR 625 EC	53311.7	Merc Benz Truck	M J Gqolana	174.3	Infrastructure	L C Mdleleni
29 / 09 / 2021	09:22 - 09:25	HXW 914 EC	163296	Toyota Hilux	L C Mdleleni	53.95	Infrastructure	L C Mdleleni
9 / 09 / 2021	09:27 - 09:29	HDX 828 EC	346713	Toyota Fortuner	X Simanga	45.8	Infrastructure	L C Mdleleni
29 / 09 / 2021	09:50 - 10:03	HLK 519 EC	26047.3	Man Truck	K Jadezweni	306.12	Infrastructure	Z Menziwa
29 / 09 / 2021	10:05 - 10:06	HXW 898 EC	176369	Toyota Hilux	Z Menziwa	33.11	Budget & Treasury	Z Menziwa
Total Litres						9439.18	J,	
					+			
al Expenditure						R193 031.23		

# CHIEF FINANCIAL OFFICER (CFO) OVERALL OVERVIEW ON FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 SEPTEMBER 2021

The purpose of this analysis is to analyze the uniform financial ratios and norms using the guideline as set in the MFMA Circular 71. This will also enable the municipality to assess its financial health and performance for the period under consideration.

## **FINANCIAL POSITION**

### A. ASSET MANAGEMENT

- ❖ The Capital expenditure to total expenditure for the quarter was at 20%, which is within the norm of 10% 20%. This means that the municipalityis investing and spending a significant amount towards its capital requirements. A percentage less than 10% signifies inadequate capital investment and it is a recipe for disaster. The municipality is on the right track in terms of its spending priorities.
- ❖ The municipality has a ratio of 4% (R 25m) on repairs & maintenance expenditure over Property, Plant and Equipment balance of R 629m. This signifies a challenge on availability of financial resources to comply with the norm of 8%. This ratio is still below the norm when taking into consideration the total value of PPE, and indicates that the municipality is not spending enough money on Repairs and Maintenance, however, when considering the total current year budget over repairs and maintenance budget is at 8%. This component reported 100% spending in the past financial year.

## **B. DEBTORS MANAGEMENT**

- Collection rate The norm is 95% and it seeks to reduce the debtors balance. The municipal performance is at 26%, this collection rate is significantly lower than the norm and this could be attributable to non-payment by the ratepayers for various reasons. The municipality's debt is increasing instead of decreasing and more strides are being taken in terms of implementing the Credit Control and Debt Collection policy.
- ❖ Net debtor's day The norm is 30 days. This reflects the collection period. This refers to the average number of days required for the municipality to receive payment from its billed customers/consumers for rates and services. The current performance is 441 days, this clearly shows that the municipality need to strengthen its credit control procedures.

#### LIQUIDITY MANAGEMENT

- ❖ The municipal cash/cost coverage is 4 months, which is within the norm of 1 to 3 months. The current municipal liquidity position has improved by the receipt of all the allocations of grants and subsidies for the 1<sup>st</sup> Quarter. There is generally underspending of equitable share funded projects as well grant funded projects due to a slow start, which has contributed to the positive cash balance and also the fact that the municipality has huge cash backed reserves sitting in short term deposits as well as fixed term (6 months) which contributed favorable to the strong cash position. The cash flow management practices within the municipality is starting to yield positive results, even though more still needs to be done.
- The municipality's current ratio was sitting around 4.5:1 as at end of the 1st quarter and this shows a healthy financial status for the municipality.

### C. SUSTAINABILITY

❖ The municipality is sustainable, there are no other factors that we have evidenced which points to existence of a risk that if its occurrence would bring the municipality to unsustainability. On a monthly basis we do prepare realistic cash based Cash flow focus/projections which help us monitor cash flows and implementation of projects. So far, also our legal department monitors drafting and implementation of new contracts as far as the risk legality is concern.