

BUDGET AND TREASURY (S52d) REPORT FOR THE 2nd QUARTER ENDED 31 DECEMBER 2022



Prepared by:

Position:

Reviewed by:

Position: **Municipal Manager**

Recommended by: **Cllr Apleni**

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

- Final IDP and Budget for 2022/23 was adopted on the 31 May 2022 by Council and is currently being implemented.
- The municipality has successfully submitted financial information to Provincial and National Treasury on a monthly basis in the prescribed format for the quarter under review as illustrated in the below tables.
- The municipality prepared Annual Financial Statements for 2021/2022 in-house and its supporting schedules which were then submitted to Auditor General – South Africa for auditing, Provincial and National Treasury on the 31st August 2022.
- The municipality has received all the anticipated transfers for the 1st and 2nd quarter in terms of the DORA allocation for 2022/2023 FY. Further to that a grant has been received to respond to Disaster (MDRG).
- The municipality received an Unqualified Audit Opinion from the Auditor-General of South Africa in the year 2021/2022

The followings reports were submitted to Treasury:

- Section 71 Report for the months (July, August and September, October, November and December 2022)
 - Monthly Budget Statement Summary
 - Financial Performance (functional classification)
 - Financial Performance (revenue and expenditure)
- mSCOA data strings

EXPENDITURE REPORT

Analysis of Spending Patterns

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

1.2.1 PERSONNEL EXPENDITURE (\$66)

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, namely—

- Salaries and wages;
- Contributions for pensions and medical aid;
- Travel, motor car, accommodation, subsistence and other allowances;
- Housing benefits and allowances;
- Overtime payments;
- Loans and advances; and
- Any other type of benefit or allowance related to staff.

The following table depicts the actual expenditure for the period ended 31 December 2022

SECTION 66 REPORT FOR 2022-23													
EARNINGS													
Months	Salaries	Unpaid Leave	Standby Allowance	Allowance (Ward Comm)	Bonus	Once-Off	Long Service Award	Subsistence Local	Reimbursable KM Exempt	Sitting Allowance Ward Comm	Overtime	Acting Allowance	Leave Pay
Jul-22	7 831 210.89	(24 436.18)	5 678.13	307 000.00	505 617.82	-	-	10 842.00	103 306.09	146 500.00	-	4 819.34	127 179.32
Aug-22	7 852 233.05	2 880.52	29 229.25	318 000.00	385 704.11	150 000.00	-	3 386.90	109 710.42	-	202 237.12	10 111.10	71 963.93
Sep-22	7 929 464.81	(9 699.41)	24 355.78	317 000.00	187 015.87	-	46 143.75	7 051.00	111 620.97	150 000.00	190 714.97	10 111.10	70 032.48
Oct-22	7 886 385.57	(21 706.81)	26 188.98	317 000.00	587 990.28	-	-	1 867.00	143 469.15	-	108 415.10	8 272.72	18 053.08
Nov-22	7 930 934.83	(33 043.70)	20 276.11	317 000.00	272 137.77	-	-	9 335.00	134 873.54	-	109 840.60	-	-
Dec-22	7 895 321.08	(26 484.99)	14 497.47	318 500.00	542 831.33	-	-	2 900.00	101 269.30	295 000.00	76 689.19	-	221 586.41
Jan-23													
Feb-23													
Mar-23													
Apr-23													
May-23													
Jun-23													
Totals	47 325 550.03	-	112 490.57	1 890 500.00	2 481 397.18	150 000.00	46 143.75	35 381.90	704 249.47	591 500.00	687 896.98	33 314.26	508 815.22

Months	Backpay	Shift Allowance	Travel Allowance	Residential Allowance	Housing Subsidy	Sitting Allowance	EPWP Salary	Medical Aid Refund	Housing Allowance	Cellphone Allowance	TOTALS
Jul-22	193 773.07	37 782.34	362 799.20	231 483.90	2 023.54	1 719.74	612 650.00	4 197.00	38 045.26	11 100.00	10 513 291.48
Aug-22	1 003 187.15	34 956.94	373 819.37	230 576.12	2 023.54	3 439.48	511 135.00	-	39 186.64	11 100.00	11 342 880.64
Sep-22	38 949.00	9 611.49	379 665.27	231 483.90	2 023.54	8 598.70	537 192.00	-	39 186.64	11 100.00	10 291 621.66
Oct-22	1 500.00	-	373 819.38	229 668.34	2 023.54	3 439.48	613 600.00	-	39 186.64	7 400.00	10 346 572.45
Nov-22	43 705.38	9 824.38	373 819.38	230 576.12	2 023.54	3 439.48	574 516.00	-	39 186.64	7 400.00	10 045 845.07
Dec-22	16 926.90	-	365 309.00	232 391.68	2 023.54	-	584 628.00	-	39 186.64	7 400.00	10 688 073.55
Jan-23											
Feb-23											
Mar-23											
Apr-23											
May-23											
Jun-23											
Totals	1 298 041.50	92 175.15	2 229 231.60	1 386 180.06	12 141.24	20 636.88	3 433 719.00	4 197.00	233 978.48	55 500.00	63 228 284.85

SECTION 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

SECTION 66 REPORT FOR 2022-23							
Description	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Total Earnings	10 513 291.48	11 342 880.64	10 291 621.66	10 346 572.45	10 045 845.07	10 688 073.55	63 228 284.85
Total Deductions	(2 808 723.33)	(3 223 652.19)	(2 867 132.03)	(2 806 280.09)	(2 769 796.75)	(2 859 152.17)	(17 334 736.56)
Net Salaries	7 704 568.15	8 119 228.45	7 424 489.63	7 540 292.36	7 276 048.32	7 828 921.38	45 893 548.29
Total Company Contributions	1 687 807.63	1 678 597.73	1 693 073.59	1 680 136.61	1 675 354.12	1 688 443.64	10 103 413.32
Total Cost to Company	12 201 099.11	13 021 478.37	11 984 695.25	12 026 709.06	11 721 199.19	12 376 517.19	73 331 698.17

Budget vs Actual for the year under review:

Budget	R 152 741 965
Actual Remuneration for the period under review	R 73 331 698
Percentage spent to date	48 %

Budget vs Actual performance from 01 July 2022 to 31 December 2022

QUARTERLY BUDGET	ACTUAL EXPENDITURE	% SPENT
R 38 185 491	R 36 124 425	95%

The above tables depict that the municipality is on the right track as the spending to date is within its projected budget for the quarter as well as for the year. And so far, the municipality managed to save 2% out of the total budget and 6% based on the quarterly spending target. This should be viewed as the positive move although overtime for December has not been paid yet.

EC121 Mbashe - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10 986	23 315	23 315	5 163	12 714	11 658	1 056	9%	23 315
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		316	3 038	3 038	–	30	1 519	(1 489)	-98%	3 038
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		1 893	–	–	42	97	–	97	#DIV/0!	–
Sub Total - Councillors		13 195	26 353	26 353	5 204	12 840	13 177	(336)	-3%	26 353
% increase	4		99.7%	99.7%						99.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 324	5 796	5 796	1 092	3 642	2 898	745	26%	5 796
Pension and UIF Contributions		15	2 179	2 179	233	713	1 090	(376)	-35%	2 179
Medical Aid Contributions		–	1 336	1 336	93	273	668	(395)	-59%	1 336
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		1 256	1 326	1 326	144	412	663	(252)	-38%	1 326
Motor Vehicle Allowance		2 395	2 354	2 354	640	1 927	1 177	750	64%	2 354
Cellphone Allowance		–	566	566	–	–	283	(283)	-100%	566
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		9	4	4	2	7	2	5	238%	4
Payments in lieu of leave		–	–	–	170	170	–	170	#DIV/0!	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		10 999	13 561	13 561	2 374	7 144	6 781	363	5%	13 561
% increase	4		23.3%	23.3%						23.3%
Other Municipal Staff										
Basic Salaries and Wages		82 606	74 686	74 686	12 751	38 329	37 343	986	3%	74 686
Pension and UIF Contributions		11 839	10 878	10 878	1 797	5 346	5 439	(93)	-2%	10 878
Medical Aid Contributions		6 622	14 669	14 669	1 014	3 078	7 335	(4 257)	-58%	14 669
Overtime		1 356	752	752	185	641	376	265	70%	752
Performance Bonus		5 344	4 968	4 968	707	2 150	2 484	(334)	-13%	4 968
Motor Vehicle Allowance		1 397	333	333	53	121	167	(46)	-27%	333
Cellphone Allowance		4 299	971	971	893	2 672	485	2 187	451%	971
Housing Allowances		2 873	3 263	3 263	467	1 396	1 631	(235)	-14%	3 263
Other benefits and allowances		3 003	1 688	1 688	144	404	844	(440)	-52%	1 688
Payments in lieu of leave		451	–	–	70	267	–	267	#DIV/0!	–
Long service awards		436	–	–	–	46	–	46	#DIV/0!	–
Post-retirement benefit obligations		–	–	–	–	18	–	18	#DIV/0!	–
Sub Total - Other Municipal Staff		120 227	112 208	112 208	18 080	54 468	56 104	(1 636)	-3%	112 208
% increase	4		-6.7%	-6.7%						-6.7%
Total Parent Municipality		144 421	152 122	152 122	25 659	74 452	76 061	(1 609)	-2%	152 122

Commented [NN1]: Good progress towards the right direction as there is only a difference of about R2m which still needs to be worked on between Payroll and mscoa system

Commented [NN2]: This should be backed by figures and the issue of Discovery to be followed up as it was cancelled a while back so It cannot be written in a report format

1.2.2 EXPENDITURE PER DEPARTMENT

31 December 2022						
DEPARTMENT	BUDGET	ACTUAL	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT
BUDGET AND TREASURY OFFICE	31 678 596.00	16 700 197.49	1 014 822.37	17 715 019.86	13 963 576.14	56%
OPERATIONS	27 073 250.00	6 727 082.29	1 691 572.30	8 418 654.59	18 654 595.41	31%
CORPORATE SERVICES	21 247 000.00	8 867 272.87	965 728.46	9 833 001.33	11 413 998.67	46%
COMMUNITY SERVICES	14 681 557.00	3 958 307.75	1 570 807.81	5 529 115.56	9 152 441.44	38%
DEVELOPMENTAL PLANNING	21 685 000.00	7 457 748.71	5 987 471.62	13 445 220.33	8 239 779.67	62%
INFRASTRUCTURE	157 812 383.00	54 745 618.78	4 928 909.61	59 674 528.39	98 137 854.61	38%
	274 177 786.00	98 456 227.89	16 159 312.17	114 615 540.06	159 562 245.94	42%

- ❖ At the end of 2nd quarter, the municipality had spent 42% of its approved operational and capital budget. four departments spent below 50% and two are above 50% as at 31 December 2022 (end of 2nd Quarter), BTO has allocated budget for Non-cash items which have no movements as yet and are not included as part of this analysis
- ❖ The municipality is currently implementing cash flow management practices, and this has assisted in terms of managing and monitoring expenditure patterns. Cost containment measures policy was tabled to Council for approval in line with circular 83 provisions.

Commented [NN3]: I had advised that these items should be removed for analysis purposes or an be apportioned and the movements be effected which ever is more realistic

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

The tables below provides a breakdown of expenditure per department and per project, this allows departments to closely monitor their projects and budget performance in line with the approved SDBIP.

1.2.2.1 BUDGET & TREASURY OFFICE

PROJECT NAME	BUDGET	ACTUAL	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT
AFS Preparation	1 700 000.00	603 168.15	12 620.00	615 788.15	1 084 211.85	36%
Annual Regularity Audit	4 500 000.00	4 299 630.38	-	4 299 630.38	200 369.62	96%
Debt Collection	890 000.00	70 297.53	35 283.31	105 580.84	784 419.16	12%
Expenditure and payroll management	1 520 000.00	269 132.54	88 726.40	357 858.94	1 162 141.06	24%
Financial Management Grant	1 720 000.00	524 438.28	97 275.78	621 714.06	1 098 285.94	36%
Fleet Management	14 600 000.00	5 895 895.86	605 305.96	6 501 201.82	8 098 798.18	45%
Full Implementation of SCM system	450 000.00	212 784.71	-	212 784.71	237 215.29	47%
General Valuation Roll	835 000.00	258 894.61	-	258 894.61	576 105.39	31%
GRAP Compliant Asset Register	3 060 000.00	2 705 174.26	1 385.39	2 706 559.65	353 440.35	88%
mSCOA Implementation	2 403 596.00	1 860 781.17	174 225.53	2 035 006.70	368 589.30	85%
	31 678 596.00	16 700 197.49	1 014 822.37	17 715 019.86	13 963 576.14	56%

Overall percentage spending as at 31 December 2022 for BTO is 56%. AG fees will be fully spent as they have an invoice of about R600 000 still being processed. Debt collection is moving a bit slow and as such plans are afoot to implement some of the strategies in-house.

1.2.2.2 OPERATIONS

PROJECT NAME	BUDGET	ACTUAL	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT
Annual report development	195 000.00	10 608.14	-	10 608.14	184 391.86	5%
Branding of the Municipality	400 000.00	29 782.61	233 139.19	262 921.80	137 078.20	66%
Co-ordination of Audit and Risk Committee r	360 000.00	172 423.12	-	172 423.12	187 576.88	48%
Customer care update	970 000.00	7 075.40	-	7 075.40	962 924.60	1%
Development of Newsletters	400 000.00	25 300.00	291 273.99	316 573.99	83 426.01	79%
Engagement meetings	415 000.00	113 105.36	16 027.46	129 132.82	285 867.18	31%
Fraud Awareness	350 000.00	87 695.27	17 391.30	105 086.57	244 913.43	30%
IDP Development	1 035 000.00	134 932.90	22 077.00	157 009.90	877 990.10	15%
IGR meetings	25 000.00	13 800.00	-	13 800.00	11 200.00	55%
implementation of Communication Strategy	1 445 000.00	343 715.45	220 295.16	564 010.61	880 989.39	39%
Implementation of IDP, SDBIP and Budget in	910 000.00	71 608.12	-	71 608.12	838 391.88	8%
Internal Audits and ad-hoc assignments	1 300 000.00	196 341.54	8 708.17	205 049.71	1 094 950.29	16%
Legal cases	4 140 000.00	1 138 367.61	597 017.53	1 735 385.14	2 404 614.86	42%
MPAC	545 000.00	208 308.55	34 079.78	242 388.33	302 611.67	44%
Policy Review	1 065 000.00	37 801.39	-	37 801.39	1 027 198.61	4%
Programmes as per HIV/Aids, STI & TB Strate	95 000.00	11 500.00	11 500.00	23 000.00	72 000.00	24%
Programmes for Designated groups as per S	2 230 000.00	837 460.23	117 008.00	954 468.23	1 275 531.77	43%
Public Participation Programmes/Meetings	1 920 000.00	439 637.22	46 494.91	486 132.13	1 433 867.87	25%
Risk Management	70 000.00	3 400.00	11 500.00	14 900.00	55 100.00	21%
SALGA	1 948 250.00	111 988.38	-	111 988.38	1 836 261.62	6%
Ward Committee Administration	6 855 000.00	2 647 000.00	-	2 647 000.00	4 208 000.00	39%
Whippery Programme	70 000.00	24 700.00	30 349.97	55 049.97	14 950.03	79%
Women caucus	330 000.00	60 531.00	15 850.00	76 381.00	253 619.00	23%
	27 073 250.00	6 727 082.29	1 672 712.46	8 399 794.75	18 673 455.25	31%

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

Operations department managed to spend 31% percent of its allocated budget as at the end of 2nd Quarter

1.2.2.3 CORPORATE SERVICES

PROJECT NAME	BUDGET	ACTUAL	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT
Bereavement support	100 000.00	10 500.00	-	10 500.00	89 500.00	11%
Cleaning of offices	400 000.00	107 073.45	107 774.32	214 847.77	185 152.23	54%
Compliance with Legislation	1 280 000.00	1 280 000.00	-	1 280 000.00	-	100%
Computers	500 000.00	369 574.80	94 742.17	464 316.97	35 683.03	93%
Convening of oversight structures meetings	750 000.00	172 198.59	52 173.39	224 371.98	525 628.02	30%
Council Chamber Recording System	750 000.00	652 173.91	-	652 173.91	97 826.09	87%
Disaster Recovery site establishment	2 500 000.00	-	210 622.26	210 622.26	2 289 377.74	8%
Employee wellness programs	1 200 000.00	165 159.77	4 521.74	169 681.51	1 030 318.49	14%
ICT License Renewal	1 900 000.00	1 842 368.19	61 263.00	1 903 631.19	- 3 631.19	100%
IT Master Plan-IT Strategic Plan	70 000.00	17 975.34	-	17 975.34	52 024.66	26%
Maintenance of ICT Equipment	300 000.00	32 329.80	7 197.39	39 527.19	260 472.81	13%
Municipal Clocking System	450 000.00	236 623.82	-	236 623.82	213 376.18	53%
Network Infrastructure on Municipal offices	-	267 862.66	-	267 862.66	- 267 862.66	
Occupational Health & Safety	205 000.00	64 024.59	-	64 024.59	140 975.41	31%
Personal Protective Equipment	150 000.00	-	63 701.78	63 701.78	86 298.22	42%
Performance Management	120 000.00	63 711.97	-	63 711.97	56 288.03	53%
Printers	2 000 000.00	948 451.18	-	948 451.18	1 051 548.82	47%
Recruitment & Selection	1 225 000.00	345 299.87	156 591.87	501 891.74	723 108.26	41%
Registry Management	802 000.00	478 495.67	8 880.09	487 375.76	314 624.24	61%
Study Assistance	1 550 000.00	264 891.30	75 384.78	340 276.08	1 209 723.92	22%
Training and Development for Councillors	900 000.00	357 117.57	21 274.94	378 392.51	521 607.49	42%
Training and Development for Employees	945 000.00	603 741.45	101 600.73	705 342.18	239 657.82	75%
VPN , WiFi and VoIP	2 500 000.00	584 928.16	-	584 928.16	1 915 071.84	23%
Ward Committee Training	500 000.00	2 770.78	-	2 770.78	497 229.22	1%
Website management	150 000.00	-	-	-	150 000.00	0%
	21 247 000.00	8 867 272.87	965 728.46	9 833 001.33	11 413 998.67	46%

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

This department has managed to reach 46% spending as at the end of the 2nd quarter. The unbudgeted amount of R267 862.66 was spent out of the 30 June 2022 committed order.

Commented [NN4]: A comment or reporting the Network movement in the relevant vote as it is a bad reflection now and doesn't look good

1.2.2.4 PLANNING & DEVELOPMENT

PROJECT NAME	BUDGET	ACTUAL	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT	
Agricultural Information Days	180 000.00	55 960.00	20 191.30	76 151.30	103 848.70	42%	
Air Conditioners	450 000.00	-	-	-	450 000.00	0%	
Conveyancing	350 000.00	199 800.00	-	199 800.00	150 200.00	57%	
Co-Operatives Development	1 000 000.00	564 049.68	1 160 451.41	1 724 501.09	-	724 501.09	172%
Craft development	240 000.00	12 075.00	48 460.00	60 535.00	179 465.00	25%	
Crop Production	2 500 000.00	2 173 900.00	160 750.00	2 334 650.00	165 350.00	93%	
Customer Care building	50 000.00	-	64 894.30	64 894.30	-	14 894.30	130%
Drawing plans for all municipal buildings	150 000.00	-	-	-	150 000.00	0%	
Dutywa main Building	300 000.00	289 500.00	-	289 500.00	10 500.00	97%	
Dutywa Town Hall Offices	400 000.00	15 747.25	-	15 747.25	384 252.75	4%	
Dutywa TRC Offices	100 000.00	23 516.00	14 618.65	38 134.65	61 865.35	38%	
Enterprise (SMME) Development Support	160 000.00	32 583.92	14 319.56	46 903.48	113 096.52	29%	
Executive House	100 000.00	50 917.60	11 198.50	62 116.10	37 883.90	62%	
External Events	775 000.00	342 998.63	-	342 998.63	432 001.37	44%	
Gatyana Municipal Offices	250 000.00	224 448.86	11 280.00	235 728.86	14 271.14	94%	
Generator (New and Maintenance)	500 000.00	-	647 534.31	647 534.31	-	147 534.31	130%
Heritage Development Strategy	555 000.00	5 213.04	-	5 213.04	549 786.96	1%	
High Value Crop (HVC) Sorghum Production	600 000.00	429 049.90	148 652.17	577 702.07	22 297.93	96%	
Housing Sector Plans	400 000.00	-	320 199.57	320 199.57	79 800.43	80%	
Informal Trader Support	140 000.00	-	-	-	140 000.00	0%	
Internal Events(Tourism)	1 000 000.00	255 949.33	36 329.57	292 278.90	707 721.10	29%	
Investment Brochure	250 000.00	-	-	-	250 000.00	0%	
Land Audit	560 000.00	269 219.39	-	269 219.39	290 780.61	48%	
Land Use Scheme	500 000.00	-	15 545.28	15 545.28	484 454.72	3%	

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

Life Rescue Services	650 000.00	8 050.00	569 036.02	577 086.02	72 913.98	89%
Live Stock Improvement	1 010 000.00	387 321.12	463 129.68	850 450.80	159 549.20	84%
Maintenance of the lift	150 000.00	88 608.64	70 804.12	159 412.76	- 9 412.76	106%
Marine Economic Initiative support (Mncwasa Fishery , Mpame& Tenza)	150 000.00	-	-	-	150 000.00	0%
Marine Talapia Incubator Project	150 000.00	-	-	-	150 000.00	0%
Municipal Staff Accomodation	300 000.00	55 818.00	-	55 818.00	244 182.00	19%
Provision of electricity	1 175 000.00	682 504.16	559 145.92	1 241 650.08	- 66 650.08	106%
Provision of Office Furniture	110 000.00	-	-	-	110 000.00	0%
Public Ablution maintainance	500 000.00	-	430 294.00	430 294.00	69 706.00	86%
Reviewal of Strategies & Plans	650 000.00	4 139.52	4 435.20	8 574.72	641 425.28	1%
SDF	510 000.00	-	-	-	510 000.00	0%
SMME Capacity Building Programmes	150 000.00	-	-	-	150 000.00	0%
SMMEs Roadshows	200 000.00	6 900.00	38 660.44	45 560.44	154 439.56	23%
Spluma Implementation	100 000.00	19 797.33	3 548.16	23 345.49	76 654.51	23%
Supporting of Tour Guides	115 000.00	-	-	-	115 000.00	0%
Surveying	1 000 000.00	232 475.00	386 721.00	619 196.00	380 804.00	62%
Tesko Building	50 000.00	36 525.14	-	36 525.14	13 474.86	73%
Township Establishment (Layout Plans)	405 000.00	181 833.60	5 000.00	186 833.60	218 166.40	46%
Upgrading of informal settlements	600 000.00	198 350.00	75 928.00	274 278.00	325 722.00	46%
Water consumption	1 500 000.00	412 000.00	363 735.50	775 735.50	724 264.50	52%
Wool Processing Plant	450 000.00	-	-	-	450 000.00	0%
Workshop Office	50 000.00	47 397.60	180 815.00	228 212.60	- 178 212.60	456%
Xhora Municipal Offices	200 000.00	151 100.00	161 793.96	312 893.96	- 112 893.96	156%
	21 685 000.00	7 457 748.71	5 987 471.62	13 445 220.33	8 239 779.67	62%

The overall expenditure for this department as at the end of the 2nd quarter is 62%.

1.2.2.5 COMMUNITY SERVICES

PROJECT NAME	BUDGET	ACTUAL	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT
Alien Vegetation Control	300 000.00	-	124 438.00	124 438.00	175 562.00	41%
Animal Pound Management	150 000.00	21 814.00	77 612.21	99 426.21	50 573.79	66%
Blue Flag Beach Awareness and Water Testing	230 000.00	35 586.37	10 905.20	46 491.57	183 508.43	20%
Environmental awareness and Signage	20 000.00	-	13 070.00	13 070.00	6 930.00	65%
Environmental Forums	50 000.00	25 854.55	11 555.61	37 410.16	12 589.84	75%
EPWP	900 000.00	171 725.65	92 320.04	264 045.69	635 954.31	29%
Free Basic Services	3 130 000.00	239 248.21	48 850.00	288 098.21	2 841 901.79	9%
Land Rehabilitation	150 000.00	145 629.08	-	145 629.08	4 370.92	97%
Law Enforcement/ Traffic support	900 000.00	671 316.10	277 024.68	948 340.78	- 48 340.78	105%
Library Costs	500 000.00	165 506.60	41 310.00	206 816.60	293 183.40	41%
Renewable Energy Initiatives	50 000.00	-	-	-	50 000.00	0%
Sand Mining	300 000.00	-	284 692.00	284 692.00	15 308.00	95%
Security Services	5 021 557.00	1 505 855.89	306 128.14	1 811 984.03	3 209 572.97	36%
Waste Management Services	2 980 000.00	975 771.30	282 901.93	1 258 673.23	1 721 326.77	42%
	14 681 557.00	3 958 307.75	1 570 807.81	5 529 115.56	9 152 441.44	38%

Overall percentage spending for Community Services as at 31 December 2022 is at 38%.

1.2.2.6 INFRASTRUCTURE SERVICES

PROJECT NAME	BUDGET	ACTUAL	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT
Cizama to Singeni access road	8 275 907.00	2 621 962.05	-	2 621 962.05	5 653 944.95	32%
Construction Municipal Offices	4 000 000.00	534 658.10	-	534 658.10	3 465 341.90	13%
Construction of Dutywa sports facility	9 665 151.00	97 918.00	-	97 918.00	9 567 233.00	1%
Construction of Gatyana sport facility	8 198 444.00	2 117 070.00	-	2 117 070.00	6 081 374.00	26%
Construction of Public Ablution Facility	600 000.00	167 712.00	-	167 712.00	432 288.00	28%
Construction of Xhorha sportfields	19 625 422.00	8 133 449.29	-	8 133 449.29	11 491 972.71	41%
Dutywa Taxi and Bus Rank	500 000.00	-	-	-	500 000.00	0%
Electrification	1 500 000.00	935 833.32	-	935 833.32	564 166.68	62%
Energy Efficiency Program	4 500 000.00	212 478.26	-	212 478.26	4 287 521.74	5%
Gem Community Hall	200 000.00	-	-	-	200 000.00	0%
Gem to Lunweleni Access Road	2 025 000.00	619 117.31	295 652.17	914 769.48	1 110 230.52	45%
Gravel Road maintainance	14 213 121.00	8 212 595.80	2 416 918.55	10 629 514.35	3 583 606.65	75%
Hobeni School to Bhula Access Road	900 000.00	806 539.25	-	806 539.25	93 460.75	90%
Installation of High masts	300 000.00	233 603.99	-	233 603.99	66 396.01	78%
Kwayimane Access Road	1 900 000.00	185 642.89	-	185 642.89	1 714 357.11	10%
Lower Falakahla to Singeni	2 119 585.00	817 435.29	-	817 435.29	1 302 149.71	39%
Machani to Taleni access road	6 099 770.00	3 139 778.67	-	3 139 778.67	2 959 991.33	51%
maintanance of street lights	1 500 000.00	618 190.53	1 286 759.00	1 904 949.53	-	127%
Maintenance of Sollar Panels	300 000.00	442 291.48	259 504.35	701 795.83	-	234%
Mathunzini to Nqileni Access Road	350 000.00	286 403.83	-	286 403.83	63 596.17	82%
Mbozi Access Road	1 550 000.00	1 005 903.25	-	1 005 903.25	544 096.75	65%
Mhlahlane to Macibini access	656 665.00	-	-	-	656 665.00	0%

Mkhathazo to Madwaleni Access Road	2 250 000.00	1 025 915.69	274 905.93	1 300 821.62	949 178.38	58%
Mtonga to Mantlaneni Access Road	4 634 240.00	2 512 102.17	-	2 512 102.17	2 122 137.83	54%
N2 to Nimrod access road	8 595 927.00	2 783 250.35	-	2 783 250.35	5 812 676.65	32%
Nkolweni Access Road	350 000.00	-	-	-	350 000.00	0%
Ntlonyane Bridge	400 000.00	347 266.44	-	347 266.44	52 733.56	87%
Ntsingizi to Mantusini Access Road	350 000.00	137 370.14	-	137 370.14	212 629.86	39%
OTP_Msikithi Access Road	5 000 000.00	423 671.45	-	423 671.45	4 576 328.55	8%
OTP_Siyibane Access Road	5 000 000.00	263 754.15	-	263 754.15	4 736 245.85	5%
OTP_Upgrading of small towns	10 000 000.00	2 171 963.79	-	2 171 963.79	7 828 036.21	22%
Paving of sidewalks	3 000 000.00	2 739 559.13	114 958.10	2 854 517.23	145 482.77	95%
Phelandaba to Macirheni access road	8 211 843.00	2 691 687.73	-	2 691 687.73	5 520 155.27	33%
PMU	516 302.00	214 215.25	150 936.30	365 151.55	151 150.45	71%
Qhakazana Access Road	2 050 000.00	1 317 384.24	-	1 317 384.24	732 615.76	64%
Quku to Mpume Access Road	1 900 000.00	744 717.34	-	744 717.34	1 155 282.66	39%
Riverview to Langeni Access road	8 885 006.00	1 416 923.51	-	1 416 923.51	7 468 082.49	16%
Sikhobeni to Chaba access road	350 000.00	274 815.85	-	274 815.85	75 184.15	79%
Surface of Roads Maintenance	2 000 000.00	1 165 225.92	-	1 165 225.92	834 774.08	58%
Tayi to Qwili / Phungula Bridge	1 840 000.00	544 767.58	-	544 767.58	1 295 232.42	30%
Upgrading of stormwater	500 000.00	573 591.56	-	573 591.56	73 591.56	115%
Upgrading of street lights	2 500 000.00	2 208 853.18	129 275.21	2 338 128.39	161 871.61	94%
Willowvale Taxi Rank	500 000.00	-	-	-	500 000.00	0%
	157 812 383.00	54 745 618.78	4 928 909.61	59 674 528.39	98 137 854.61	38%

Overall departmental expenditure is at 38%, as at the end of the 2nd quarter.

1.3.1 BUDGET IMPLEMENTATION (REVENUE)

CONSOLIDATED OWN REVENUE PERFORMANCE 31 DECEMBER 2022

EC121 Mbashe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		16 242	7 500	7 500	629	15 811	3 750	12 061	322%	7 500
Service charges - electricity revenue		-	-	-	-	-	-	-		-
Service charges - water revenue		-	-	-	-	-	-	-		-
Service charges - sanitation revenue		-	-	-	-	-	-	-		-
Service charges - refuse revenue		2 638	500	500	255	1 962	250	1 712	685%	500
Rental of facilities and equipment		2 001	1 850	1 850	171	2 475	925	1 550	168%	1 850
Interest earned - external investments		11 615	5 000	5 000	450	2 751	2 500	251	10%	5 000
Interest earned - outstanding debtors		3 937	-	-	84	1 417	-	1 417	#DIV/0!	-
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		1 416	650	650	275	1 017	325	692	213%	650
Licences and permits		(371)	200	200	43	493	100	393	393%	200
Agency services		2 555	400	400	847	5 118	200	4 918	2459%	400
Transfers and subsidies		281 001	308 564	322 979	100 318	202 673	161 489	41 184	26%	322 979
Other revenue		2 136	16 050	16 050	115	8 678	8 025	653	8%	16 050
Gains		-	-	-	-	-	-	-		-
		323 171	340 714	355 129	103 188	242 394	177 564	64 829	37%	355 129
Total Revenue (excluding capital transfers and contributions)										

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

OWN REVENUE PERFORMANCE PER DEPARTMENT AS AT 31 DECEMBER 2022

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT AS AT 31 December 2022									
OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Oct-21	Nov-21	Dec-21	YEAR TO DATE	BALANCE	%	
POS-BUILDING PLANS	DEVELOPMENT PLANNING	250 000.00	9 314.20	61 600.00	-	97 839.40	152 160.60	39%	
POS-BILLBOARD RENTAL	DEVELOPMENT PLANNING	150 000.00	11 022.87	3 526.11	1 714.92	32 595.36	117 404.64	22%	
POS-HALL HIRE	COMMUNITY SERVICES	200 000.00	9 469.96	5 525.00	6 650.00	50 640.27	149 359.73	25%	
POS-LEARNER AND DRIV	COMMUNITY SERVICES	200 000.00	83 736.00	115 017.00	-	405 927.00	(205 927.00)	203%	
REGISTERING AUTHORITY	COMMUNITY SERVICES	400 000.00	156 198.11	797 641.60	847 180.80	2 323 965.55	(1 923 965.55)	581%	
POS-POUND FEES	COMMUNITY SERVICES	150 000.00	5 627.70	14 505.00	13 534.80	57 458.30	92 541.70	38%	
POS-PUBLIC TOILETS	COMMUNITY SERVICES	200 000.00	28 556.50	28 886.00	29 106.78	165 188.71	34 811.29	83%	
POS-RENTAL OF COMMON	DEVELOPMENT PLANNING	1 500 000.00	239 105.13	1 470 410.83	162 805.98	2 391 255.03	(891 255.03)	159%	
POS-SALE OF LAND	DEVELOPMENT PLANNING	200 000.00	-	-	-	1 500.00	198 500.00	1%	
POS-TENDER DOCUMNTS	BUDGET & TREASURY OFFICE	400 000.00	29 819.70	69 314.61	73 441.36	233 035.73	166 964.27	58%	
POS-TRAFFIC FINES	COMMUNITY SERVICES	500 000.00	186 525.00	145 150.00	261 700.00	895 906.78	(395 906.78)	179%	
VAT RECOVERY	BUDGET & TREASURY OFFICE	15 000 000.00	-	4 074 969.72	-	8 145 826.82	6 854 173.18	54%	
LGSETA	CORPORTATE SERVICES	210 000.00	33 228.72	-	-	33 228.72	176 771.28	16%	
INTEREST ON INVESTMENTS	BUDGET & TREASURY OFFICE	5 000 000.00	1 328 275.66	1 162 966.21	4 957 026.54	11 465 263.20	(6 465 263.20)	229%	
NON-BILLABLE REVENUE		24 360 000.00	2 120 879.55	7 949 512.08	6 353 161.18	26 299 630.87	(1 939 630.87)	108%	
GRANTS									
EQUITABLE SHARE		294 923 000.00			97 325 000.00	212 345 000.00	82 578 000.00	72%	
FMG		1 720 000.00			-	1 720 000.00	-	100%	
MIG		68 458 000.00			32 971 000.00	56 105 000.00	12 353 000.00	82%	
EPWP		3 498 000.00			1 575 000.00	2 450 000.00	1 048 000.00	70%	
INEP		-			-	-	-		
OTP		20 000 000.00	482 665.52	556 166.91	3 972 686.56	5 802 058.43	14 197 941.57	29%	
TETA		-			-	-	-		
Energy efficiency & Demand-side Management Grant		4 500 000.00			1 500 000.00	3 000 000.00		67%	
DISASTER RESPONSE GRANT		14 415 000.00			-	14 415 000.00		100%	
Library Grant					500 000.00				
Grants Total		388 599 000.00	482 665.52	556 166.91	135 843 686.56	294 337 058.43	110 176 941.57		
PROPERTY RATES	BUDGET & TREASURY OFFICE	7 500 000.00	385 362.70	3 508 232.85	207 636.08	5 016 905.54	2 483 094.46	67%	
REFUSE REMOVAL	COMMUNITY SERVICES	500 000.00	10 460.85	15 996.71	11 761.94	41 753.84	458 246.16	8%	
BILLABLE REVENUE		8 000 000.00	395 823.55	3 524 229.56	219 398.02	5 058 659.38	2 941 340.62	63%	
GRAND TOTAL		32 360 000.00	3 482 034.14	12 586 075.46	280 259 932.32	31 358 290.25	1 001 709.75	97%	

Narrative summary

Budget & Treasury

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT AS AT 31 December 2022								
OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Oct-21	Nov-21	Dec-21	YEAR TO DATE	BALANCE	%
POS-TENDER DOCUMNTS	BUDGET & TREASURY OFFIC	400 000.00	29 819.70	69 314.61	73 441.36	233 035.73	166 964.27	58%
VAT RECOVERY	BUDGET & TREASURY OFFIC	15 000 000.00	-	4 074 969.72	-	8 145 826.82	6 854 173.18	54%
INTEREST ON INVESTMENTS	BUDGET & TREASURY OFFIC	5 000 000.00	1 328 275.66	1 162 966.21	4 957 026.54	11 465 263.20	(6 465 263.20)	229%
PROPERTY RATES	BUDGET & TREASURY OFFIC	7 500 000.00	385 362.70	3 508 232.85	207 636.08	5 016 905.54	2 483 094.46	67%
		27 900 000.00	1 743 458.06	8 815 483.39	5 238 103.98	24 861 031.29	3 038 968.71	89%

- Billed property rates as at the end of the 2nd quarter amounts to R 15 770 808.89, collection amounts to R5 016 905.54, property rate revenue collection is only sitting at 67% when measured against the annual budget. The municipality is also making use of the debt collector. The municipality's budget is collection based, this is done in order to safeguard the municipality against unfunded budget/ not cash backed budget.
- There has been a great response from SARS in terms of paying VAT refunds.
- Interest from investment is also performing well sitting at 229% when measured against annual projected amount.

Community Services

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT AS AT 31 December 2022								
OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Oct-21	Nov-21	Dec-21	YEAR TO DATE	BALANCE	%
POS-HALL HIRE	COMMUNITY SERVICES	200 000.00	9 469.96	5 525.00	6 650.00	50 640.27	149 359.73	25%
POS-LEARNER AND DRIV	COMMUNITY SERVICES	200 000.00	83 736.00	115 017.00	-	405 927.00	(205 927.00)	203%
REGISTERING AUTHORITY	COMMUNITY SERVICES	400 000.00	156 198.11	797 641.60	847 180.80	2 323 965.55	(1 923 965.55)	581%
POS-POUND FEES	COMMUNITY SERVICES	150 000.00	5 627.70	14 505.00	13 534.80	57 458.30	92 541.70	38%
POS-PUBLIC TOILETS	COMMUNITY SERVICES	200 000.00	28 556.50	28 886.00	29 106.78	165 188.71	34 811.29	83%
POS-TRAFFIC FINES	COMMUNITY SERVICES	500 000.00	186 525.00	145 150.00	261 700.00	895 906.78	(395 906.78)	179%
REFUSE REMOVAL	COMMUNITY SERVICES	500 000.00	10 460.85	15 996.71	11 761.94	41 753.84	458 246.16	8%
		2 150 000.00	480 574.12	1 122 721.31	1 169 934.32	3 940 840.45	(1 790 840.45)	183%

- ❖ There has been exceptional performance from Registering Authority collecting 581% as at end of 2nd quarter when measured against budget, however a certain portion (81%) of the funds collected are paid over to the Department of Transport on a monthly basis as the municipality is a collecting agent. Plans are in place to extend the service to Elliotdale unit.
- ❖ Traffic fines also did quite well in terms collections during the 1st and 2nd quarter by collecting 179% of the annual target. Refuse removal is sitting at 8%, Hall hire is sitting at 25% making it these two the least performing revenue streams.

Developmental Planning

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT AS AT 31 December 2022								
OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Oct-21	Nov-21	Dec-21	YEAR TO DATE	BALANCE	%
POS-BUILDING PLANS	DEVELOPMENT PLANNING	250 000.00	9 314.20	61 600.00	-	97 839.40	152 160.60	39%
POS-BILLBOARD RENTAL	DEVELOPMENT PLANNING	150 000.00	11 022.87	3 526.11	1 714.92	32 595.36	117 404.64	22%
POS-RENTAL OF COMMON	DEVELOPMENT PLANNING	1 500 000.00	239 105.13	1 470 410.83	162 805.98	2 391 255.03	(891 255.03)	159%
POS-SALE OF LAND	DEVELOPMENT PLANNING	200 000.00	-	-	-	1 500.00	198 500.00	1%
		2 100 000.00	259 442.20	1 535 536.94	164 520.90	2 523 189.79	(423 189.79)	120%

The overall collection rate for the department is 120%. Areas that need to be improved is the revenue from Sale of Land. Amounts received for rental of municipal properties should be 100% traced back to valid lease agreements. It is worth noting that rental of commonage is doing well as it is sitting at 159% as at the end of 2nd quarter. The department also needs to manage rental of Billboards.

1.3.2 GRANTS & SUBSIDIES

EC121 Mbashe - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December									
Description	Ref	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		276 639	308 064	322 479	100 400	210 796	161 239	(961)	-0.6%
Energy Efficiency and Demand Management	-	-	4 500	4 500	1 500	3 000	2 250	750	33.3%
EPWP Incentive	-	4 622	3 498	3 498	1 575	2 450	1 749		
Finance Management	-	1 720	1 720	1 720	-	1 720	860		
Local Government Equitable Share	-	270 297	294 923	294 923	97 325	189 211	147 462		294 923
Municipal Drought Relief	-	-	-	14 415	-	14 415	7 208		
Municipal Infrastructure Grant	-	-	3 423	3 423	-	-	1 711	(1 711)	-100.0%
Total Operating Transfers and Grants	5	276 639	308 064	322 479	100 400	210 796	161 239	(961)	-0.6%
Capital Transfers and Grants									
National Government:		67 367	-	87 968	32 971	56 105	43 984	-	-
Municipal Infrastructure Grant (MIG)	-	67 367	-	87 968	32 971	56 105	43 984		
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-		
Provincial Government:		6 824	-	20 000	-	-	10 000	(10 000)	-100.0%
Eastern Cape Office of The Premier	-	6 820	-	20 000	-	-	10 000		
Total Capital Transfers and Grants	5	74 191	-	107 968	32 971	56 105	53 984	(10 000)	-18.5%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	350 830	308 064	430 447	133 371	266 901	215 223	(10 961)	-5.1%

Commented [NN5]: In the schedule C lets check the Audited outcome column it appears as if its consolidating the grants since started or 3 years put otgether . The Audited outcome column should be the same as Audited AFS

All grants and subsidies tranches scheduled to be received for the quarter were received accordingly.

1. Unconditional Grants & Subsidies

- The 1st and 2nd trench of Equitable Share has been received and there is no correspondence received. Implementation of cash flow management is done based on the projected revenue to be received as grants form a significant portion of the municipal revenue.

2. Conditional Grants & Subsidies

GRANT DETAILS	PERIOD	ANNUAL BUDGET	CASH FLOW PROJECTIONS	PROJEC TED %	ACTUAL SPENT	% SPENT based on Projected	% SPENT based on Annual Budget
MIG	July 2022 – Dec 2022	R68 458 000.00	R34 229 000.00	50%	25 242 302.99	74%	37%
MIG - Rollover	July 2022 – Dec 2022	R22 932 860.00	R11 466 430.00	50%	8 762 560.32	76%	38%
ENERGY	July 2022 – Dec 2022	R4 500 000.00	R2 250 000.00	50%	244 350.00	11%	5%
DISASTER	July 2022 – Dec 2022	R14 415 000.00	R7 207 500.00	50%	7 889 877.08	109%	55%
EPWP	July 2022 – Dec 2022	R3 498 000.00	R1 749 000.00	50%	3 424 607.68	196%	98%
OTP	July 2022 – Dec 2022	R20 000 000.00	R10 000 000.00	50%	1 829 371.87	18%	9%
FMG	July 2022 – Dec 2022	R1 720 000.00	R860 000.00	50%	934 887.08	109%	54%
GRAND TOTAL		R135 523 860.00	R67 761 930.00		48 327 957.02	71%	36%

2.1 MIG Grant

- The MIG expenditure as at 31 December 2022 was sitting at 37% of the total allocation of R68 458 000 for the year. The 1st and 2nd tranche totaling R56 105 000 have been received and out of that R25 242 302.99 has been spent and that translates to 37% as the end of 2nd quarter. There is a high risk of with-holding in line with DoRa requirements consequently rollover if the situation persists until year end. Management is working around the clock to try and commit 100% of the current year's allocation though there are registration challenges encountered. The municipality's rollover application had been approved off which 38% has been spent as at the end of 2nd quarter. It must further be noted that if no new projects registered to help spend current year's expenditure the municipality is running a risk of not finishing the current years.

2.2 Energy Efficiency

- The municipality is a beneficiary of the above mentioned grant, its primary condition is to reduce the load on the electricity grid through implementation of energy efficiency strategies such as retrofits in streetlights, buildings etc. As at end of 2nd quarter R3 million rands was transferred out of the total allocation of R4.5 million. Expenditure was sitting at 5% as at the end of 2nd Quarter. Good news is

that work on the ground has commenced and this gives comfort that the allocation will be fully spend at year end.

2.3 MDRG (Disaster)

- The municipality has received further received the above Grant for rehabilitating road infrastructure that has been washed away by floods. A total allocation of R14 415 000 was received, 55% of the received allocation had been spent as at the end of the 2nd quarter and this is supposed to be finished within 4 months This allocation is fully committed and work has commenced in all project what is key at this stage is project monitoring and management.

2.4 EPWP Grant

- EPWP grant is used to fund the expanded public works programs, and this is a National Department of Public Works initiative to help deal with high unemployment rate.
- The municipality received the 1st and 2nd tranche of the allocation, the total amount for the two tranches is R2 450 000. The total allocation is R3 498 000, total spending up to the end of 2nd quarter is R 2 450 000 which equates to 100% of the already received amount. Total amount spent on the EPWP vote as at the end of 2nd quarter is R3 424 607.68.

2.5 FMG Grant

- FMG is the grant to support BTO programs projects funded by National Treasury including building in house capacity within the department. A gazetted amount of R1 720 000 has been received to date and 54% has been spent as at end of 2nd Quarter.

- The municipality has consistently fully spent this conditional grant, even in the current financial year this will be achieved as it is fully committed and an Activity plan was developed and approved by NT.

2.6 OTP (STR) Grant

There is a huge risk of not fully spending current year's allocation as one of the projects planned is facing challenges and other two have delayed due to late EIA approval. The municipality should be spending R5 million on this grant per quarter in order to claim the entire amount that has been allocated for this financial year by the Office of The Premier. Also to note is that the grant is on the second year of implementation which means there is still has a 12month period to commit and spend the funding. Good news is that 2 of the three planned projects have been committed. Only one project delayed due to late approval of EIA and the complex nature of this project.

2.7 Libraries

- The allocation for the current year has been received, after submitting a business plan as part of the compliance process. Procurement for the library section is moving very slow, majority of previous years allocations have not been spent completely resulting to unspent monies being reflected in the AFS as those are part of monies that the municipality have kept in the banks. Its worth noting that total amount that are kept by the municipality on behalf of the library includes rolled over amount as reflected in the Audited AFS plus current year receipt.

DEBTORS MANAGEMENT

Debtors Age Analysis by Income Source									
Service	180 Days	150 Days	120 days	90 Days	60 Days	30 Days	Current	Balance	
Interest	11 315 586.30	0.00	0.00	0.00	0.00	0.00	0.00	11 315 586.30	
Property Rates	22 138 471.13	7 534 452.30	545 303.75	547 792.14	581 364.37	584 615.09	615 159.00	32 547 157.78	
OTHER	4 553 525.74	207 264.04	272 634.85	279 732.27	287 395.50	216 585.93	291 075.01	6 108 213.34	
Refuse Removal	6 455 882.32	386 152.69	386 973.09	388 742.07	373 084.63	268 602.64	280 946.04	8 540 383.48	
Grand Total	44 463 465.49	8 127 869.03	1 204 911.69	1 216 266.48	1 241 844.50	1 069 803.66	1 187 180.05	58 511 340.90	

Debtors Age Analysis by Customer Group								
CATEGORY	0-30	31-60	61-90	91-120	121-150	151-180	181+	Balance
Business	311 618.02	301 713.14	248 640.25	225 410.49	224 747.28	234 753.32	8 368 442.68	9 915 325.18
Government	259 792.14	260 835.24	260 686.78	262 162.92	262 050.77	6 844 114.90	9 406 382.35	17 556 053.07
Municipal	11 990.00	11 454.74	47 783.69	44 236.24	43 889.08	71 261.98	489 581.36	720 197.09
Other	39 444.94	39 319.97	131 663.96	147 137.91	145 891.36	313 490.99	2 203 263.46	3 020 212.59
Place of worship	8 013.34	7 963.31	7 913.50	5 635.24	5 607.95	16 045.18	313 332.99	364 511.51
Residential	509 389.18	435 632.22	495 741.31	487 990.45	478 621.74	599 898.14	22 483 297.02	25 490 570.06
Vacant land	46 109.93	45 111.28	50 348.90	45 081.55	44 991.88	45 873.95	1 199 215.64	1 476 733.13
GRAND TOTAL	1 187 180.05	1 069 803.66	1 241 844.50	1 216 266.48	1 204 911.69	8 127 869.03	44 463 465.49	58 511 340.90

The balance of outstanding debtors as at 31 December 2022 is R53 511 340.90 and a substantial portion of this debt relates to residential and government. Government departments are engaged through a session organized by provincial treasury. This has yielded positive results as departments pay their debt. The municipality also started billing schools and clinics in the current financial. Historical debt is taking longer to collect and the municipality is making use of a debt collector to assist in the implementation of debt collection and credit control policy, however movement has been slow. Another challenge it's the deceased estates that are not properly managed and or registered so that relevant information can be updated. Plans are underway to encourage customers to pay through implementation of the approved Incentive scheme. Another challenge is the lack of dedicated office to deal with arrangements when made and follow ups. In the revised organogram proposal has be submitted for an establishment of a debt collection office.

COUNCILLORS

Councillors and staff members of the municipality may not be in arrears to the municipality for property rates and service charges for a period longer than three (3) months. The following councillors owe the municipality for rates and service charges for longer than three months,

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

however they have made arrangements to settle the outstanding amounts and they are indeed honoring their payment arrangements:

- Cllr N. Quvile
- Cllr MS Jafta

These accounts are being monitored to ensure that they are settled within the stipulated period.

4.1 BANK ACCOUNTS

Total bank balances as at 31 December 2022 amounted to: **R399 658 838.45**

MBHASHE MUNICIPALITY INVESTMENTS AS AT 31 December 2022										
Bank	Account Type	Acc name	Status	Acc number	2022/07/01	Interest Total	Deposits Total	Withdrawals Total	Closing Balance as at 31/12/2022	
1 FNB	7 Day Interest Plus	Mbhashe Municipality	Active	74321424942	40 289 328.48	1 384 831.99	150 000 000.00	(81 600 000.00)	110 074 160.47	
2 FNB	Call Account	EPIWP Call Account	Active	62562355373	109 124.50	2 427.63	-	-	111 552.13	
3 FNB	Call Account	FMG Call Account	Active	62562352410	8 594.74	118.64	-	-	8 713.38	
4 FNB	Call Account	Depreciation Account	Active	74813155287	21 382 644.90	644 859.23	-	-	22 027 504.13	
5 ABSA	Call Account	Mbhashe Fixed Deposit Account	Active	2080521361	-	4 504 109.57	40 000 000.00	-	44 504 109.57	
6 Standard	Call Account	Mbhashe Fixed Deposit Account	Active	88629511	-	1 270 356.16	60 000 000.00	-	61 270 356.16	
7 Nedbank	Call Account	Mbhashe Fixed Deposit Account	Active	169370/000003	-	5 126 013.71	150 000 000.00	-	155 126 013.71	
					61 789 692.62	12 932 716.93	400 000 000.00	(81 600 000.00)	393 122 409.55	

Total investments at the end of 2nd quarter amounts to **R393 122 409.55**. The balance of the main account as at 31 December 2022 is **R 6 536 428.90**, total cash and cash equivalents totaling to **R399 658 838.45** that is a very good liquidity position which must be maintained as there is a need to invest in more working capital in order to sustain the municipality in the near future. Interest earned from investments will be directed to a project that will help to sustain growth and economic development. The unreliable supply of Bulk water supply and reticulation remains a challenge and as such stifling economic growth in the area.

5.1 OUTSTANDING CREDITORS & COMMITMENTS

CREDITORS AGE ANALYSIS AS AT 31 DECEMBER 2022

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

Accounts Payable Age Analysis

Mbhashe Local Municipality

Exclude Zero Balances

Report Date:

31-Dec-22

Accounts Payable Age Analysis

Page 1 of 1

Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
KOP001 (KOPANONG INVESTMENTS PROJECTS)								0.00
LITH005 (LITHABA-BASADI INVESTMENTS)								0.00
CAME002 (CCG SYSTEMS)								0.00
	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Totals:	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
% of Balance:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The municipality ensured that all the invoices that were submitted for payment during the 2nd quarter were paid on time.

MFMA- SCM REGULATION REPORTING OF MBHASHE LOCAL MUNICIPALITY FOR THE 2022/23 FINANCIAL YEAR

QUARTELY REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER ENDING ON 31 DECEMBER 2022

PURPOSE

To report on the implementation of the Supply Chain Management Policy as required by the Municipal Supply Chain Regulations for the quarter ending 31 December 2022 of the 2022/23 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 31 December 2022 of the 2022/23 financial year, be noted by the council.

REPORT

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

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:

6. Oversight role of council of municipality or board of directors of municipal entity

- (1) 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.
- (2) For the purposes of such oversight the accounting officer must:
 - (a)(i) in the case of a municipality, 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;
 - (ii) 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
 - (iii) 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.

- (3) 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.
- (4) 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 29 May 2022 for the implementation with effect from the 1st July 2022.

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 2022/23 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. N. Sichwe	BTO (SCM)	Member	076 976 9501

(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 2022/23 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. Ms A. Mbebe	BTO (SCM)	Member	072 399 8951
7. Ms G. Sityata	Operations	Member	0636897418

(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 2022/23 financial year.

NAME OF MEMBERS	DEPARTMENT	MEMBERSHIP ROLE	CONTACT NO
1. Mr. N. Nokwe	BTO	Chairperson	064 768 9635
2. Mr A. Mashaba	Planning & Development	Member	066 287 7410
3. Ms N. Nkuhlu	Corporate Services	Member	078 340 2793
4. Mr Z. Msipha	Infrastructure Services	Member	060 937 3605
5. Ms N. Mlungu	Community services	Member	073 079 1122
6. Mrs N. Mbedla	BTO (SCM)	Member	072 129 9615
7. Ms T. Bacela	Operations	Member	060 961 4040

3. **MUNICIPAL SUPPLY CHAIN MANAGEMENT UNIT ORGANISATIONAL STRUCTURE & 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

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

The Municipality's Supply Chain Management unit has 3 officials who perform various duties and functions in terms of the SCM policy which are as follows:

<p>SCM Manager Mrs N. Mbedla</p>	<ul style="list-style-type: none"> • 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 • 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. • Co-ordinate the sitting of Bid Committees • Responsible for the monitoring of Supplier database, Contract management, Asset Management and Fleet management. • Approves Purchase orders for all transactions. • Monitors the reporting within the SCM unit on a weekly, Monthly and quarterly bases.
<p>SCM Officer: Ms. A.Mbebe</p>	<p>is responsible for the following Duties:</p> <ul style="list-style-type: none"> • Co-ordinate the sitting of Bid Specification Committee • Assist and co-ordinate the implementation of the SCM policy for the purchases between R30 000 and up to R200 000. • Review the implementation of SCM policy for the purchases between R2 000 to R 30 000.

	<ul style="list-style-type: none"> • 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. <p>Is responsible for the following Duties:</p> <ul style="list-style-type: none"> • 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.
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	<ul style="list-style-type: none"> • 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 tenders. • Responsible for monitoring the progress on the implementation of procurement plans. • Approves requisitions from end user departments
SCM Clerk Ms. N. Sichwe	<ul style="list-style-type: none"> • 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 • 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. • Responsible for the reporting on a weekly, Monthly and quarterly bases.
	<ul style="list-style-type: none"> • Assist and co-ordinate the implementation of the SCM policy for the purchases between R30 000 and R200 000. • Generate orders for transactions within the SCM Unit

	<ul style="list-style-type: none"> • 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. • Responsible for requesting quotation for purchases between R2 000 up to R 30 000. • Responsible for the reporting on a weekly, Monthly and quarterly bases.
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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. IMPLEMENTATION OF THE NEW PREFERENTIAL PROCUREMENT REGULATIONS OF 2017

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

There was further a court case by Afri-Business challenging the legitimacy of these regulations and as such They are effective only up to 16th January 2022 after that new way of procuring will kick in. The municipality is at the stage of revising the SCM policy to try and adhere to the new way of procuring goods and services in the public sector. This is risky as its going to be to some extent subjective

7. IMPLEMENTATION OF THE STANDARD FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT (SIPDM)

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. IMPLEMENTATION OF THE PROCUREMENT PLAN

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 2022/23 financial year. There are some challenges faced in the implementation of this plan and amongst other things 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 31 DECEMBER 2022

BID'S AWARDED (R2 000.00 - R200 000.00)											
FOR THE QUARTER ENDING 31 DECEMBER 2022											
NO	AWARD DATE	ORDER NO	PROJECT NAME	BID NUMBER	BIDDER'S NAME	CONTRACT AMOUNT	BIDDER'S LOCATION	ADVERT DATE	CLOSING DATE	B-BBEE LEVEL	SMME STATUS
1	Monday, 17 October 2022	PO08619	REFILL SERVICE DELIVERY AND INSTALLATION OF 40 FIRE EXTINGUISHERS AT BUTYWA WILLOWDALE AND	0004/CORP/2022-23	SIVENATHI CONSTRUCTION AND TRAINING ACADEMY	R 55,700.00	MBHASHE LOCAL MUNICIPALITY	13/07/2022	20/07/2022	1	SMME
2	Monday, 17 October 2022	PO08634	QUOTATION FROM FIRM OF ATTORNEYS FOR AN URGENT APPLICATION TO A SERVICE PROVIDER FOR DELIVERY OF	0002/MM/2022-23	MAGQABI SETH ZITHA	R 67,500.00	NON-MBHASHE LOCAL MUNICIPALITY	12/07/2022	19/07/2022		SMME
3	Tuesday, 18 October 2022	PO08675	MAINTENANCE FOR MANGATHI CATTLE DIP TANK AND WASANA CATTLE DIP TANK	0005/P&D/2022-23	MEN GO CIVILS	R 142,721.68	NON-MBHASHE LOCAL MUNICIPALITY	13/07/2022	20/07/2022		SMME
4	Tuesday, 18 October 2022	PO08676	MAINTENANCE FOR NOPOTO SHEARING SHED AND LUNWELANI CATTLE DIP TANK	0006/P&D/2022-23	MEN GO CIVILS	R 184,403.80	NON-MBHASHE LOCAL MUNICIPALITY	13/07/2022	20/07/2022		SMME
5	Wednesday, 30 November 2022	PO08953	SOIL PREPARATION APPLICATION OF PRE-EMERGENCE CHEMICALS AND PLANTING OF SORGHUM	0010/P&D/2022-23	RIO RIDGE 1111	R 184,862.50	MBHASHE LOCAL MUNICIPALITY	28/10/2022	04/11/2022	1	SMME
6	Wednesday, 30 November 2022	PO08954	MENDU CATTLE DIP AND NGADLA CATTLE DIP TANK	0012/P&D/2022-23	UKUBONISANA TRADING & PROJECTS	R 171,695.00	MBHASHE LOCAL MUNICIPALITY	14/10/2022	21/10/2022		SMME
7	Wednesday, 30 November 2022	PO08955	MHLAHLANE CATTLE DIP TANK AND MAKHAMISO CATTLE DIP TANK	0013/P&D/2022-23	UKUBONISANA TRADING & PROJECTS	R 196,774.20	MBHASHE LOCAL MUNICIPALITY	14/10/2022	21/10/2022		SMME
8	Friday, 09 December 2022	PO08965	SOIL PREPARATION APPLICATION OF PRE-EMERGENCE CHEMICALS AND PLANTING OF SORGHUM	0009/P&D/2022-23	RIO RIDGE 1111	R 184,862.50	MBHASHE LOCAL MUNICIPALITY	28/10/2022	04/11/2022	1	SMME
9	Friday, 09 December 2022	PO08970	PROFICIENCY TRAINING OF 30 SEASONAL LIFE GUARDS FOR A PERIOD OF TWO DAYS	0008/P&D/2022-23	ENTRUST ELECTRICAL	R 194,500.00	MBHASHE LOCAL MUNICIPALITY	28/10/2022	04/11/2022		SMME
TOTAL						R 1,383,019.68					

(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 31 DECEMBER 2022

Bids awarded for this quarter are stated in the following table:

FOR THE MONTH QUARTER ENDED 31 DECEMBER 2022									
NO	ADVERT DATE	CLOSING DATE	AWARD DATE	PROJECT NAME	BID NUMBER	NAME OF BIDDER	CONTRACT AMOUNT	BBBEE LEVEL	LOCALITY
1	14 July 2022	29 July 2022	03 October 2022	Panel of town planners for a period of two(02) years	MBH/P&D/0002/202-21	Umhlaba Consulting Group	RATES BASIS	1	NON-MBHASHE LM
2	14 July 2022	02 August 2022	03 October 2022	Provision of Media , Marketing , Advertising and Printing for a period of Three (03) years	MBH/P&D/0010/2019-20	Copy World (PTY) LTD	RATES BASIS	2	NON-MBHASHE LM
3	15 July 2022	01 August 2022	06 October 2022	Hiring of Back-up construction machinery for a period of three (03) years	MBH/INFRA/0001/2021-22	Thembaesizwe Holdings	RATES BASIS	1	MBHASHE LM
4	22 June 2022	27 July 2022	06 October 2022	Services and Repairs of Municipal Machinery for a period of three (03) years	MBH/INFRA/0008/2021-22	Thembaesizwe Holdings	RATES BASIS	1	MBHASHE LM
5	25 August 2022	09 September 2022	10 October 2022	Supply, Delivery, Installation and Maintenance of Council chamber recording system for a period of three (03) years	MBH/CORP/0011/2022-23	Lee Gold Music CC	R1 044 630.00	4	NON-MBHASHE LM
6	18 August 2022	02 September 2022	10 October 2022	Provision of Travel & Accommodation Management Services by Panel of two service providers for a period of three (03) years	MBH/BTO/0006/2022-23	Lithaba Travel	10%	1	NON-MBHASHE LM
7	18 August 2022	02 September 2022	10 October 2022	Provision of Travel & Accommodation Management Services by Panel of two service providers for a period of three (03) years	MBH/BTO/0006/2022-23	Gcida Travel	10%	1	NON-MBHASHE LM
8	01 September 2022	16 September 2022	10 October 2022	Proposal for Supply, Delivery , Install and Maintain Printers, Document Management Solution for a period of three (03) years	MBH/CORP/0017/2022-23	Genbiz Trading 1001 (PTY) LTD) T/A XEROX EAST CAPE	RATES BASIS	1	NON-MBHASHE LM

	25 August 2022	09 September 2022	10 October 2022	ICT Infrastructure Security Software , Security services and Support for a period of three (03) years	MBH/CORP/0010/2022-23				
9						Resilient Servers and Networks	R1 097 624.40	4	NON-MBHASHE LM
10	05 September 2022	21 September 2022	11 October 2022	Construction of Mtonga to Mantlani Access Road	MBH/MIG/0013/2022-23	Kopanong Investment Projects	R3 775 567.89	1	MBHASHE LM
11	25 August 2022	09 September 2022	31 October 2022	Panel of Professional services (Electrical) for a period of three (03) years	MBH/INFR/0008/2022-23	Akal Genesisi	RATES BASIS	1	NON-MBHASHE LM
12	01 September 2022	20 September 2022	09 November 2022	Panel of town planners for a period of two(02) years	MBH/P&D/0002/202-21	Likamva Geomatics	RATES BASIS	1	NON-MBHASHE LM
13	01 September 2022	20 September 2022	08 November 2022	Community satisfaction survey	MBH/MM/0003/2022-23	Executive Insights	R460 272.00	1	NON-MBHASHE LM
14	08 September 2022	10 October 2022	08 November 2022	Construction of Cizama to Singeni Access road	MBH/MIG/0014/2022-23	Dintwa Trading CC	R9 243 380.13	1	NON-MBHASHE LM
15	08 September 2022	23 September 2022	09 November 2022	Construction of Machani to Taleni Access road	MBH/MIG/0015/2022-23	Sivest Civils and Earthworks	R5 476 185.00	1	NON-MBHASHE LM
16	18 August 2022	02 September 2022	09 November 2022	Panel of Attorneys for a Period of three (03) years	MBH/MM/0007/2022-23	Gray Burneiser Incorporated	RATES BASIS	4	NON-MBHASHE LM
17	18 August 2022	02 September 2022	10 November 2022	Panel of Attorneys for a Period of three (03) years	MBH/MM/0007/2022-23	Noah & Sons Inc.	RATES BASIS	1	NON-MBHASHE LM
18	29 September 2022	17 October 2022	10 November 2022	Panel of Employee Wellness and Counselling services for a period of three (03) years	MBH/CORP/0005/2022-23	Loja Trading	RATES BASIS	1	MBHASHE LM
19	01 October 2022	18 October 2022	10 November 2022	Energy Efficiency and Demand Side Management (EEDSM) for a period of three (03) years	MBH/INFR/0009/2022-23	Xsemble (PTY) LTD	RATES BASIS	1	NON-MBHASHE LM
20	29 September 2022	14 October 2022	10 November 2022	Panel of Professional services (Electrical) for a period of three (03) years	MBH/INFR/0008/2022-23	Igoda Projects (PTY) LTD	RATES BASIS	1	NON-MBHASHE LM
21	29 September 2022	14 October 2022	10 November 2022	Panel of Professional services (Electrical) for a period of three (03) years	MBH/INFR/0008/2022-23	ZLM Project Engineering (PTY) LTD	RATES BASIS	1	NON-MBHASHE LM
22	18 August 2022	02 September 2022	11 November 2022	Panel of Attorneys for a Period of three (03) years	MBH/MM/0007/2022-23	Maggabi Seth Zita incorporated	RATES BASIS	1	NON-MBHASHE LM
23	27 September 2022	14 October 2022	11 November 2022	Construction of N2 to Nimrod Access Road	MBH/INFR/0004/2022-23	Kopanong Investment Projects	R5 400 298.17	1	MBHASHE LM
24	01 September 2022	20 September 2022	15 December 2022	Panel of three environmental consulting for the municipal for a period of three (03) years	MBH/INR/0002/2022-23	SPM Environmental consulting	RATES BASIS	1	NON-MBHASHE LM
25	01 September 2022	20 September 2022	15 December 2022	Panel of three environmental consulting for the municipal for a period of three (03) years	MBH/INR/0002/2022-23	Indalo Greening and Waste Management	RATES BASIS	1	NON-MBHASHE LM
26	01 September 2022	20 September 2022	15 December 2022	Panel of three environmental consulting for the municipal for a period of three (03) years	MBH/INR/0002/2022-23	Delta Built Environmental Consultants	RATES BASIS	1	NON-MBHASHE LM
27	01 September 2022	20 September 2022	15 December 2022	Supply, Delivery and Installation of 03 Boreholes at Dutywa, Willowvale and Elliotdale	MBH/P&D/0004/2022-23	Epignosis Investment	R964 500.00	1	NON-MBHASHE LM
28	27 September 2022	31 October 2022	15 December 2022	Construction of Ward 1 sport facility	MBH/INFR/MIG/011/2021-22	Dintwa Trading CC	R25 760 702.05	1	NON-MBHASHE LM


10. SUPPLY CHAIN MANAGEMENT DEVIATIONS FOR THE QUARTER ENDED 31 DECEMBER 2022

Table below shows deviations that occurred during the 2nd quarter

MBHASHE LOCAL MUNICIPALITY												
SCM DEVIATIONS REGISTER												
FOR THE QUARTER ENDED 31 DECEMBER 2022												
DATE/S OF OCCURRENCE	DESCRIPTION	NAME OF SERVICE PROVIDER	AMOUNT	PERCENTAGE	DEV.NO	ORDER NO.	ORDER DATE	NAME OF DEPARTMENT	RESPONSIBLE OFFICER	EXCEPTIONAL CASES (IMPRACTICAL/IMPOSSIBLE)	RECOMMENDED/ NOT RECOMMENDED (BY) CFO	APPROVED/ NOT APPROVED (BY) MM
05-Oct-22	Legal fees due to Attorney, Who were presenting the applicant in the employee matter as ordered by Mthatha high court.	WB Magroba Attorneys	R 263 718.32	100.00%	1	PO08509	06-Oct-22	OPERATIONS	MRS T GONIWE MAFANYA	YES	RECOMMENDED	APPROVED
05-Oct-22	Legal fees due to Attorney on services rendered in defending the interest of the municipality in matter between employee and municipality	Lutango Sikanyiso Sigcawu	R 139 340.00	100.00%	1	PO08509	06-Oct-22	OPERATIONS	MRS T GONIWE MAFANYA	YES	RECOMMENDED	APPROVED
	TOTAL		R403 058.32	100.00%								

11. IRREGULAR EXPENDITURE FOR THE QUARTER ENDED 31 DECEMBER 2022

The SCM unit strives to comply with all applicable regulations thus reducing irregular expenditure. During the quarter there were no new irregular expenditure was incurred. There is only recurring Irregular Expenditure relating to BAC composition.



MBHASHE LOCAL MUNICIPALITY
RECURRING IRREGULAR EXPENDITURE REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2022

Order Date	Order No	Requisition NO	Supplier Number	Supplier Name	Description	order Amount	Status	Irregular	Category
2022/12/13	PO09019	REQ13026	NOMB003	NOMBILA SECURITY SERVICES	Construction of Municipal offices	R9 700.00	Archived	yes	BAC Composition
2022/12/13	PO09029	REQ13002	COUN001	COUNTERPOINT TRADING 420	Construction of Municipal offices	R478 701.82	Archived	yes	BAC Composition
2022/12/13	PO09037	REQ13025	MAAA0776466	EC AMANZI	Construction of Municipal Offices	R125 000.00	Archived	yes	BAC Composition
TOTAL						R613 401.82			

Description	Number	Amount	Percentage
BAC Composition		R613 401.82	100%
Limitation of scope	0	R -	0%
No Municipal rates statement	0	R -	0%
Total	0	R -	0%
		R613 401.82	

12. SUMMARY REPORT ON ORDERS ISSUED FOR THE QUARTER ENDED 31 DECEMBER 2022

A total amount of **R76,728,123.02** orders were issued during the quarter for both capital and operational projects. The majority of orders (85.44%) were executed and paid by the end of the quarter only an amount of **R7,664,36.91** remained outstanding, and total amount of **R3,506,402.72** generated orders were cancelled for various reasons.

ANALYSIS OF THE ORDER ISSUED	AMOUNTS	PERCENTAGE
TOTAL ORDERS ISSUED	R76 728 123.02	100.00%
OUTSTANDING ORDERS	7 664 356.91	9.99%
PAID ORDERS	65 557 363.39	85.44%
CANCELLED ORDERS	3 506 402.72	4.57%

13. DATABASE OF RESTRICTED SUPPLIERS AND AWARDS TO PERSONS IN THE SERVICE OF THE STATE

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 restrictions@treasury.gov.za.

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 (www.csd.gov.za) which was introduced by National treasury on 01 April 2016.

14. 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

15. Training

No SCM training was conducted during the reporting period as the municipality was caught up in the annual regularity audit.

16. 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.

17. Annexures

- RFQ's awarded for the quarter ending 31 December 2022
- Tenders awarded register for the quarter 31 December 2022
- Deviations report for the quarter ending 31 December 2022
- Report on orders for the quarter ending 31 December 2022
- Report on irregular Expenditure for the quarter ending 31 December 2022

- Progress report on implementation of Procurement Plan for the quarter ending 31 December 2022

ASSET ADDITIONS REPORT FOR THE QUARTER ENDING 31 DECEMBER 2022

Commented [NN6]: Summary of the old projects sitting on WIP must form part of this report and maintained monthly

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 31 DECEMBER
2022**

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

MIG					
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)	
KUNHO CONSULTING ENGINEERS	CONSTRUCTION OF WARD 1 SPORT FIELD	R 97 918.00	R 14 687.70	R	112 605.70
MVI CONSTRUCTION AND MAINTENANCE	CONSTRUCTION OF WARD 13 SPORT FIELD	R 390 038.61	R 58 505.79	R	448 544.40
IQHAYIYA TRADING ENTERPRISE	CONSTRUCTION OF WARD 13 SPORT FIELD	R 163 432.42	R 24 514.86	R	187 947.28
MALISWANA TRADING ENTERPRISE	Upgrade of small town street	R 419 709.15	R 62 956.37	R	482 665.52
KOPANONG INVESTMENTS PROJECTS	Construction of Mtonga to Matlaneni A/R	R 507 716.24	R 76 157.44	R	583 873.68
HUMBLE AFRICANS CONSULTING ENGINEERS	Construction of Mtonga to Mantlaneni A/	R 47 228.63	R 7 084.29	R	54 312.92
HONEY SILK TRADING AND INVESTMENT 1021	CONSTRUCTION OF MACHANI-TALEN A/ROAD	R 122 132.20	R 18 319.83	R	140 452.03
BULK BRICK SUPPLIES	Construction of paving for Dutywa	R 204 832.16	R 30 724.82	R	235 556.98
MAZEMBE HOLDINGS	Construction of paving	R 177 634.51	R 26 645.18	R	204 279.69
MARX CONCRETE PIPES	CONSTRUCTION FOR WARD25	R 280 089.60	R 42 013.44	R	322 103.04
MELOKUHLE MANAGEMENT	CONSTRUCTION FOR WARD25	R 2 117 070.00	R 317 560.50	R	2 434 630.50
BULK BRICK SUPPLIES	Construction Willowvale FOR S&D BULK BRICK	R 151 120.00	R 22 668.00	R	173 788.00
S A U CONTRACTORS	Construction of PAVING FOR W/VALE STREETS	R 186 620.00	R 27 993.00	R	214 613.00
KOPANONG INVESTMENTS PROJECTS	Construction of Lower Falakahla to Singeni AR	R 713 627.03	R 107 044.05	R	820 671.08
MVI CONSTRUCTION AND MAINTENANCE	Construction of Elliotdale sport facility	R 410 675.28	R 61 601.29	R	472 276.57
KOPANONG INVESTMENTS PROJECTS	Construction of Phelandaba to Maciheni AR	R 1 795 744.61	R 269 861.69	R	2 065 106.30
HUMBLE AFRICANS CONSULTING ENGINEERS	Construction of Mtonga to Matlaneni AR	R 106 497.71	R 15 974.66	R	122 472.37
KOPANONG INVESTMENTS PROJECTS	Construction of Mtonga to Matlaneni AR	R 989 824.60	R 148 473.69	R	1 138 298.29
MAZEMBE HOLDINGS	Paving of Dutywa sidewalks	R 592 689.43	R 88 903.41	R	681 592.84
MALISWANA TRADING ENTERPRISE	Construction of Dutywa internal streets	R 483 623.40	R 72 543.51	R	556 166.91
DINTWA TRADING	Construction of Cizama to Singeni	R 756 055.43	R 113 408.31	R	869 463.74
KOPANONG INVESTMENTS PROJECTS	Construction of N2 Nimrod	R 1 184 600.64	R 177 690.10	R	1 362 290.74
VALDSTAR 149	Construction of Lower Falakahla	R 43 478.26	R 6 521.74	R	50 000.00
BM INFRASTRUCTURE DEVELOPMENT	Construction of Cizama to Singeni A/R	R 269 136.22	R 40 370.43	R	309 506.65
MVI CONSTRUCTION AND MAINTENANCE	Construction of Xhosa sports facility	R 276 112.81	R 116 416.92	R	892 529.73
SIVEST CIVILS AND EARTHWORKS	Construction of Machani to Taleni	R 211 119.08	R 31 667.86	R	242 786.94
LEKO ENGINEERING CONSULTANTS	Construction of Falakahla A/R	R 60 330.00	R 9 049.50	R	69 379.50
DINTWA TRADING	Construction of Chizama to Singeni	R 815 958.60	R 122 393.79	R	938 352.39
BM INFRASTRUCTURE DEVELOPMENT	Construction of Chizama to Singeni	R 59 803.97	R 8 970.59	R	68 774.56
DUZI TURF (PTY) LTD	Construction of Xhosa Sports Facility	R 405 874.00	R 60 881.10	R	466 755.10
IQHAYIYA DESIGN WORKSHOP	payment for xhosa sport facility	R 47 940.18	R 7 191.03	R	55 131.21
COUNTERPOINT TRADING 420	Construction of Municipal offices	R 416 262.45	R 62 439.37	R	478 701.82
NOMBILA SECURITY SERVICES	Construction of Municipal offices	R 9 700.00	R -	R	9 700.00
LEKO ENGINEERING CONSULTANTS	consultant for Reviewie to Langeni	R 598 012.19	R 89 701.83	R	687 714.02
ZIMSOPHI TRADING ENTERPRISE	Paving of sidewalks at Elliotdale	R 425 987.03	R 63 898.05	R	489 885.08
S A U CONTRACTORS	Paving of Willowvale sidewalks	R 560 535.20	R 84 080.28	R	644 615.48
LEKO ENGINEERING CONSULTANTS	Construction of Dutywa Internal Streets	R 1 268 631.24	R 190 294.69	R	1 458 925.93
LEKO ENGINEERING CONSULTANTS	Construction of Phelandaba to Maciheni	R 87 408.80	R 13 111.20	R	100 519.20
HONEY SILK TRADING AND INVESTMENT 1021	Construction of Machani-Taleni A/R	R 56 066.10	R 8 409.92	R	64 476.02
SIVEST CIVILS AND EARTHWORKS	Construction of Machani to Taleni A/R	R 1 158 645.57	R 173 796.83	R	1 332 442.40
ELDOFOX (PTY) LTD	Construction of Machani	R 239 130.43	R 35 869.57	R	275 000.00
ELDOFOX (PTY) LTD	Machani to Taleni A/R	R 447 992.89	R 67 198.93	R	515 191.82
WILLSKOSA	Construction of Nkelekethe A/R	R 227 920.43	R 34 188.06	R	262 108.49
BM INFRASTRUCTURE DEVELOPMENT	SKHOBEINI-CABA A/RD	R 274 815.85	R 41 222.38	R	316 038.23
HUMBLE AFRICANS CONSULTING ENGINEERS	MTONGA- MANTLANENI A/RD	R 539 869.91	R 80 980.49	R	620 850.40
IMBAVULA CIVIL PROJECTS	PAYMENT FOR NTSINGIZI-MANTUSINI	R 137 370.14	R 20 605.52	R	157 975.66
EC AMANZI	Construction of Municipal Offices	R 108 695.65	R 16 304.35	R	125 000.00
KOPANONG INVESTMENTS PROJECTS	PAYMENT FOR N2 NIMROD A/RD	R 747 367.02	R 112 105.05	R	859 472.07
HUMBLE AFRICANS CONSULTING ENGINEERS	PAYMENT FOR NTLONYANA BRIDGE	R 347 266.44	R 52 089.97	R	399 356.41
HUMBLE AFRICANS CONSULTING ENGINEERS	MANTUZINI	R 286 403.83	R 42 960.58	R	329 364.41
		R 22 526 713.14	R 3 377 551.96	R	25 904 265.10
INEP					
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)	
					-
					-
					-
					-
OTP(PREMIER GRANT)					
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)	
		R -	R -	R -	-
IN-HOUSE (CAPITAL ASSETS)					
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)	
BUNONO AND SOBZ TRADING AND PROJECTS	LAPTOPTS	R 79 802.80	R -	R	79 802.80
SEAN DARRRL PAGEL	LAPTOPST	R 289 772.00	R -	R	289 772.00
		R 369 574.80	R -	R	369 574.80
OTHER ASSETS (MOVABLES)					
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)	
		R -	R -	R -	-
TOTAL ASSETS ADDITIONS (Including WIP)		R 22 896 287.94	R 3 377 551.96	R	26 273 839.90

Commented [NN7]: Energy Efficiency expenditure is not shown and MDRG

Commented [BS8R7]: Expenditure for these two grants is not yet included in the FAR. And will be reported separately in the next report.

Commented [BS9R7]:

REPORT ON FLEET MANAGEMENT FOR THE 2nd QUARTER OF THE 2022/23 FINANCIAL YEAR

PURPOSE OR OBJECTIVE OF THE REPORT

The report aims to update the Council on the Fleet activities that were undertaken in the 2nd quarter of the 2022/23 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.

RECOMMENDATION

It is recommended that the report on Fleet Management for the quarter ending 31 December 2022 be noted as shown below

Commented [NN10]: SCM to remove all these recommendation in her reports as this is different and rather analyse the table submitted

REPAIRS AND MAINTENANCE REPORT ON MUNICIPAL FLEET FOR THE QUARTER ENDED 31 DECEMBER 2022

Reg Num	Auth Date	Auth Num	Invoice Quote Num	Merchant Name	Description of Services	Odo Reading	Total Quote Amount	Total Accept Amount	Status Description
HVX609EC	2022/10/18	9630369	54531	BUFFALO TOYOTA MTHATHA	Clutche plate replacement and Steering racks	363289	22673.3	21080.1	CLOSED
HKW875EC	2022/10/12	9624762	53580	BUFFALO TOYOTA MTHATHA	Engine repalcement	113503	226794.72	160231.13	CLOSED
HKW884EC	2022/09/28	9605700	52225	BUFFALO TOYOTA MTHATHA	Service	169609	2045.09	2010.51	CLOSED
HKW886EC	2022/09/27	9604757	20324	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement and Brakes	206421	3353.89	3353.89	CLOSED
HKW886EC	2022/10/18	9631931	20396	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement and Brakes	210278	4777.7	3353.89	CLOSED
HKW906EC	2022/10/21	9637369	55770	BUFFALO TOYOTA MTHATHA	Replacement of Clutch and service	179406	14164.04	13510.64	CLOSED
HKW919EC	2022/10/07	9618091	53902	BUFFALO TOYOTA MTHATHA	Service	174180	2615.66	2615.13	CLOSED
HKY393EC	2022/09/30	9609352	20336	FITMENT DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	186328	9663.3	4774.7	CLOSED
HKY393EC	2022/10/12	9624306	45180	BUFFALO TOYOTA MTHATHA	Replacement of Clutch and Rack ends	188210	15333.46	14919.26	CLOSED
HKY393EC	2022/10/17	9629004	20388	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	188980	10024.95	7156.95	CLOSED
JBR625EC	2022/10/12	9622991	92778	RONNIES MOTORS EAST LONDON	Service and minor repairs	75242	81168.99	81168.98	CLOSED
								314 175.18	
Reg Num	Auth Date	Auth Num	Invoice Quote Num	Merchant Name	Description of Services	Odo Reading	Total Quote Amount	Total Accept Amount	Status Description
HVT361EC	2022/11/11	9667063	53579	BUFFALO TOYOTA MTHATHA	Replacement of Engine	322279	164799.8	163 435.45	CLOSED
HKW873EC	2022/11/04	9656494	12934	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	146774	7790	7 790.00	CLOSED
HKW884EC	2022/11/16	0	20200	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement and bracks adjustment	177828	16450	16 450.00	CLOSED
HKW886EC	2022/10/28	9646660	56540	BUFFALO TOYOTA MTHATHA	Service	211917	2727.43	2 727.13	CLOSED
HKW902EC	2022/11/08	9660381	20400	FITMENT DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	122693	9555.4	6 727.78	CLOSED
HKW902EC	2022/10/27	9645159	56408	BUFFALO TOYOTA MTHATHA	Replacement of disc plates and tyre road end	121278	6969.78	6 969.78	CLOSED
HKW906EC	2022/11/08	9661606	57796	BUFFALO TOYOTA MTHATHA	Replacement of disc plates and tyre road end	181809	6402.07	6 402.07	CLOSED
HKW906EC	2022/11/23	9681476	59864	TASK BUFFALO TOYOTA MTHATHA	Service and replacement of brakes	184111	6340.16	5 851.04	CLOSED
HKW910EC	2022/11/08	9661029	20186	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	228722	3499.34	3 499.34	CLOSED
HKW910EC	2022/11/09	9662187	58003	BUFFALO TOYOTA MTHATHA	Replacement of Clutch	228722	11277.06	11 277.06	CLOSED
HKW914EC	2022/11/02	9652710	20172	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	189927	1790	1 790.00	CLOSED
HKW917EC	2022/11/04	9656991	20180	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	208181	1480	1 480.00	CLOSED
HKW920EC	2022/11/04	9656992	57427	BUFFALO TOYOTA MTHATHA	Service and disc pads replacement	224006	4342.47	4 342.47	CLOSED
JBR622EC	2022/11/02	9652980	20174	FIT DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	537034	12340	12 340.00	CLOSED
JBR625EC	2022/11/09	9663171	60826	RONNIES MOTORS EAST LONDON	Compactor Hydraulic	75276	10568.5	10 568.50	CLOSED
								261 650.62	
Reg Num	Auth Date	Auth Num	Invoice Quote Num	Merchant Name	Description of Services	Odo Reading	Total Quote Amount	Total Accept Amount	Status Description
HKW883EC	2022/12/13	9706647	62425	BUFFALO TOYOTA MTHATHA	Rack ends,service and brakes	159632	6893.02	6893	CLOSED
HKW886EC	2022/12/12	9704564	62279	BUFFALO TOYOTA MTHATHA	Service	220746	3796.17	3796.16	CLOSED
HKW894EC	2022/12/15	9709960	62777	TASK BUFFALO TOYOTA MTHATHA	Service	170319	3189.86	3189.66	CLOSED
HKW919EC	2022/12/13	9707117	12812	DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	187550	15113.1	10871.67	OPEN
HKW919EC	2022/12/19	9711879	3049	BUFFALO TOYOTA MTHATHA	Repairs(Drum,Disc pads,rack ends)	188613	11277.58	11277.01	CLOSED
HKW920EC	2022/12/13	9706957	20399	DZ -A&J TYRE CENT BUTTERWORTH	Tyer replacement	228954	3296	3296	CLOSED
HKY393EC	2022/12/12	0	12806	TASK DZ -A&J TYRE CENT BUTTERWORTH	Tyre replacement	193641	3700	3700	CLOSED
								43 023.50	

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

VEHICLE INCIDENT /ACCIDENT REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

VEHICLE INCIDENTS/ACCIDENTS REPORT FOR THE MONTH OF DECEMBER 2022									
UNIT	VEHICLE MAKE	VEHICLE REG NO	MODEL	INCIDENT DATE	DRIVER	DEPARTMENT	INCIDENT DETAILS	COMMENTS	STATUS
Dutywa	MAN Refuse Truck	HFT 339 EC	2014	25 / 03 / 2021	Z Siwephu	Community Services	Vehicle damaged the engine while it was coming from E.L. for service and repairs.	Vehicle towed to E.L. for repairs	Vehicle is now under repairs at TFM in E.L.
Dutywa	Toyota Hilux	HXW 890 EC	2017	18/08/2022	S.Gebenga	Operations	Front part of the body damaged due to hitting the wall.	Vehicle towed to Mthatha Panel City	Vehicle is now under repairs at Panel City in Mtata
Dutywa	Toyota Hilux	HXY 388 EC	2017	29/07/2022	A.Gwele	Community Services	Knocked the other vehicle at the back.	Vehicle towed to E.L. S&K Body works	Waiting for the parts .
Dutywa	Toyota Fortuner	HXD 828 EC	2017	07/10/2022	H.Menye	Pool Vehicle	Bearing Knock from the Engine.	Packed at the workshop and the vehicle its too old and it has reached 350 000 kilometers	The engine sounds like knock, parking at Municipal Main offices
Dutywa	Toyota Hilux	HXW 898 EC	2017		N. Bool	Planning and Development	Knocked an Engine.	Vehicle towed to E.L. Buffalo Toyota.	Waiting for the Engine quote from East London Buffalo toyota
Dutywa	Toyota Hilux	HGS 656 EC	2014	30/11/2022	N. Bool	Coporate Services	Knocked an Engine.	Vehicle packed at workshop due to faller of Engine.	Waiting to be towed to Meyors East Londo
Dutywa	Benz Refuse Truck	JBR 625 EC	2012	28/11/2022	Maqondo	Community Services	Truck has a gearbox problem .	The truck is being repaired in Butterworth	Truck is under repairs in Butterworth

DIESEL DISPENSED REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

FUEL DISTRIBUTION REPORT FOR October- December	
TOTAL FUEL EXPENDITURE FOR THE OCTOBER	R214 937.73
TOTAL FUEL EXPENDITURE FOR THE NOVEMBER	R277 979.09
TOTAL FUEL EXPENDITURE FOR THE DECEMBER	R250 054.35
Total for Fuel Consumption Quarter	R742 971.17

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

FUEL DISTRIBUTION REPORT FOR THE MONTH OF OCTOBER 2022	
Wesbank Fuel	178 670.99
TOTAL FUEL EXPENDITURE FOR THE MONTH	36 266.74
TOTAL FUEL EXPENDITURE FOR THE MONTH OF OCTOBER	214 937.73
FUEL DISTRIBUTION REPORT FOR THE MONTH OF NOVEMBER 2022	
Wesbank Fuel	243 253.58
TOTAL FUEL EXPENDITURE FOR THE MONTH	34 725.51
TOTAL FUEL EXPENDITURE FOR THE MONTH OF NOVEMBER	277 979.09
FUEL DISTRIBUTION REPORT FOR THE MONTH OF DECEMBER 2022	
WESBANK	164 102.01
TOTAL FUEL EXPENDITURE FOR THE MONTH	85 952.34
TOTAL FUEL EXPENDITURE FOR THE MONTH	250 054.35

The above tables represents summary of fuel consumption for the 2nd quarter.

CHIEF FINANCIAL OFFICER (CFO) OVERALL OVERVIEW ON FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 DECEMBER 2022

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 municipality is investing and spending a significant amount towards its capital requirements. A percentage less

SEC 52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

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 allocated a ratio of 8% on repairs & maintenance expenditure over total operational budget. But if one would compare this to overall total assets base (i.e PPE) the municipality has not allocated enough on repairs, but on the other side one can link this to the fact that repairs on infrastructure assets such as roads are constructed using our own plants, i.e. the yellow fleet, therefore this in turn saves money and does not actually translate to the amount reported under repairs and maintenance rather has a bearing on the fuel expenditure which the department fails to account for. This component reported 100% spending in the past financial year. This performance was achieved with many interventions trying to respond to the poor state of the municipal infrastructure in particular access roads

B. DEBTORS MANAGEMENT

- ❖ Collection rate - The norm is 95% and it seeks to reduce the debtors balance. The municipal performance is at 63% when compared to annual budget for billable revenue, when compared to total outstanding debtors, the collection rate is only 9%, 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.
- ❖ Debtors collection period – The norm is at least 30 days. 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 sitting at an average of 189.4(2022) compared to 229.2 days(2021), this clearly shows that the municipality need to strengthen its credit control processes and procedures.
- ❖ The table below shows status of the effect on revenue collection which is as a result of work conducted by the debt collector:

DEBT COLLECTOR'S REPORT AS AT 31 DECEMBER 2022					
PERIOD	CATEGORY	AMOUNT HANDLED OVER	AMOUNT RECEIVED	COMMISSION PAID	COLLECTION
OCT-22 TO DEC-22	RESIDENTIAL	11 680 097.00	111 565.52	8 925.24	1%
OCT-22 TO DEC-22	BUSINESS	5 713 980.40	272 258.79	21 780.70	5%
		17 394 077.40	383 824.31	30 705.94	2%

The above table shows an amount that has been handed over which is as follows R11.7 million for Residential accounts that were above 180 days, the other category that was handed over are business accounts that were over 180 days which amount to the value of R5.7 million. Total amount collected based on the handed over amount is R383 824.31 over the 2nd quarter.

LIQUIDITY MANAGEMENT

- ❖ The municipal cash/cost coverage is more than 3 months, which is above the norm of 1 to 3 months. The current municipal liquidity position has been consistently improving and receipt of the gazetted grants have been received whilst procurement of goods and services has been consistently increasing evidenced by the level of commitments and the upward expenditure trends in the overall program and projects. This has contributed to the positive cash balance and also the fact that the municipality has huge reserves that are cash backed sitting in short to medium term deposits as well as fixed term (6 months) which is generating unprecedented interest returns. 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 way more than 2:1 as at end of the 2nd quarter and this shows a healthy financial status for the municipality. This ratio is calculated using current assets and current liabilities.

C. SUSTAINABILITY

- ❖ The municipality is sustainable, there are no other factors that we have identified which points to existence of a risk that its occurrence would negatively affect the

municipality's going concern. On a monthly basis we do prepare realistic Cash flow focus/projections which help us monitor inflows and outflows of cash, this has proved effective to control expenditure and improve working capital.