



**EMALAHLENI LOCAL MUNICIPALITY (EC 136)**

**BUDGET MONITORING REPORT**

**FOR THE QUARTER ENDING 31 MARCH 2021**

**IN TERMS OF SECTION 52(d) OF THE MFMA**

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## **Glossary**

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Budget** – The financial plan of the Municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

**Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating expenditure** – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure** – Generally, is spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. In Emalahleni Municipality this means votes such as Executive & Council, Financial Services, Corporate Services, and Public Safety etc.

**MIG** – Municipal Infrastructure grant- Conditional grant capital in nature

**INEP** – Integrated Electrification (municipal) Programme grant capital in nature

**EPWP** –Expanded Public Works Programme

**FMG** – Financial Management Grant

• **REPORT OF THE HONOURABLE MAYOR**

In accordance with Section 52(d) of the Municipal Finance Management Act 56 of 2003(MFMA); I submit a report to the council within 30 days after the end of the third quarter of 2020/21, on the implementation of the budget and financial state of affairs of the Emalahleni Local Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a municipality, and is intended to inform and enable the council to fulfil its oversight responsibility.

It must be noted that the figures contained in this report are interim and are unaudited. The use of the figures reported in this report is therefore for the designated audience and any other use of this information for other purposes; the municipality disclaims itself.

Honorable Mayor :

Nontombizandele Koni

Signature :

N.F. Koni

Date :

30 April 2021

• **MUNICIPAL MANAGER 'S CERTIFICATION**

I, **Velile Castro Makedama**, the municipal manager of **Emalahleni Municipality, EC 136** hereby certify that -

(mark as appropriate)

the monthly budget statement

quarterly report on the implementation of the budget and financial state of affairs of the municipality

mid-year budget and performance assessment

for the third quarter of 2020/2021 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Mr. VC. Makedama

Municipal Manager of Emalahleni Municipality (EC136)

Signature



Date

30 April 2021

**3. INTRODUCTION**

The third quarter local government budget implementation report covers revenue and expenditure, SCM and assets for the period - 1<sup>st</sup> January 2021 to 31<sup>st</sup> March 2021 for 2020/2021 municipal financial year.

The budget implementation report assesses the in-year financial performance of the municipality against the budgeted revenue and expenditure. The budget implementation report focuses on the

credibility of municipal budget, covering capital and operating budgets as well as sustainability of the municipality that includes debtors, creditors and cash flow position through compliance with SCM regulations.

The straight-line method of projection used as a benchmark for expenditure and revenue at the end of the third quarter set to be 75%.

#### **4. LEGISLATIVE FRAMEWORK**

In terms of section 52 (d) of the Municipal Finance Management Act, (Act 56 of 2003) (MFMA), the Mayor of a municipality must within 30 days after the end of each quarter submit a report to council on the implementation of the budget and the financial state of affairs of the Municipality. Section 74 of the MFMA requires accounting officers to submit such information, returns, documents, explanations and motivations as may be required.

#### **4.2 EXECUTIVE SUMMARY**

The executive summary presented is aimed at providing Council with a high-level overview of the trading results for the period ending 31<sup>st</sup> March 2021 as well as a comprehensive overview of the Municipality's financial management and viability, and the extent to which the Municipality is meeting and exceeding planned performance as contained within the Service Delivery and Budget Implementation Plan (SDBIP).

### **Financial Position**

The financial position of Emalahleni Municipality is deemed sound, this is evidenced by the following financial viability ratio as at 31<sup>st</sup> March 2021.

Liquidity ratio= Current Assets/ Current Liabilities

R 137 187 000/ 90 825 000

1.51:1

The norm range for this ratio is 1.5 to 2:1 as determined by National Treasury in MFMA. As at 31<sup>st</sup> March 2021, the Municipality is on par with the normal expected ratio. The ratio is used to assess the municipality's ability to pay back its short-term liabilities with its short-term assets. As the ratio is above norm therefore the municipality will be able to meet its short term obligations.

## **5. CREDIBILITY OF MUNICIPAL BUDGET**

### **5.1 CAPITAL BUDGET VERSUS ACTUAL**

Table "A" below reflects the capital expenditure for the quarter ending 31 March 2021 by "municipal vote". The capital expenditure for the quarter ending 31 March 2021 is R37.249 million with favourable variance of 7% compared to the quarter's projections of R34.651 million.

This expenditure is 7% above the expected expenditure for the municipality showing that capital expenditure is on track. The favourable variance is an improvement compared to the 2<sup>nd</sup> quarter where there was an adverse variance largely due to the Integrated National Electrification Program (INEP) grant which was underspent with only 7.75% of the grant spent by the end of the second quarter. Management has addressed the challenges which were causing the underperformance and INEP expenditure is now sitting at 62.83%.

Table A has been included below for illustrative purposes.



## Table "A"

EC136 Emalaheni (Ec) - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	190	-	-	19	-	19	#DIV/0!	-
Vote 4 - PEDTA		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services and Social Services		4 376	3 422	728	-	188	366	(179)	-49%	728
Vote 6 - Infrastructure Development and Human Settlement		23 797	28 341	22 663	3 263	19 702	16 181	3 521	22%	22 663
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	28 173	31 953	23 391	3 263	19 909	16 547	3 362	20%	23 391
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		997	200	-	-	54	-	54	#DIV/0!	-
Vote 3 - Budget and Treasury		-	1 400	-	-	1 045	-	1 045	#DIV/0!	-
Vote 4 - PEDTA		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	3 764	-	496	2 823	(2 327)	-82%	3 764
Vote 6 - Infrastructure Development and Human Settlement		-	-	28 774	10 461	15 745	15 281	464	3%	28 774
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	997	1 600	32 538	10 461	17 340	18 104	(764)	-4%	32 538
<b>Total Capital Expenditure</b>		29 170	33 553	55 929	13 724	37 249	34 651	2 598	7%	55 929

### Analysis of Table "B" below:

- Community and public safety (Sport and recreation, Community and social services) – The expenditure for quarter 3 was about R 684 thousand

which is lower than the year-to-date budget figure of R 3.189 million. There was a further R 514 000 budgeted for community and social service which has not commenced yet. This resulted in a year-to-date variance between budget and actual of 79% due to underspending.

- Economic and environmental services (Road transport) – Quarter 3 expenditure for road transport was R 25.516 million which above the year-to-date budget of R 19.176 million. Therefore, this depicts the picture that the entity is on track with capital expenditure for roads infrastructure. This led to a favourable variance of 33% between the budgeted and expenditure amounts.
- Trading services (Waste water management, waste management) – Expenditure in respect of waste water management for quarter 3 was R 9.931 million which was below the year-to-date budget figure of R12.286 million. The unfavourable variance is due to energy sources capital expenditure which is behind but improving.
- Governance and administration (Finance and administration) – R1.118 million was spent under finance and administration of the R1.609 year-to-date budget amount therefore leading to an underspending of 42%
- The overall budget performance is at 67% of the annual budget.

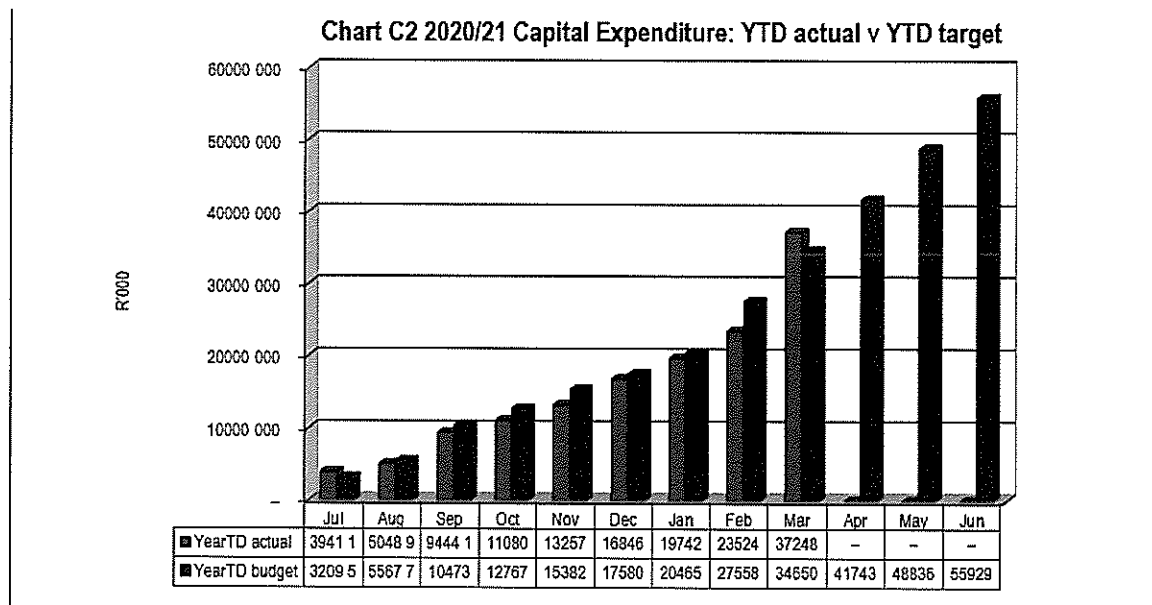
#### **Table "B"**

<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		997	1 790	-	-	1 118	-	1 118	#DIV/0!	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		997	1 790	-	-	1 118	-	1 118	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4 343	2 922	4 492	-	684	3 189	(2 506)	-79%	4 492
Community and social services		1 607	-	514	-	-	206	(206)	-100%	514
Sport and recreation		2 736	2 922	3 978	-	684	2 984	(2 300)	-77%	3 978
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		17 030	17 531	34 678	10 706	25 516	19 176	6 340	33%	34 678
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		17 030	17 531	34 678	10 706	25 516	19 176	6 340	33%	34 678
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6 489	11 310	16 759	3 019	9 931	12 286	(2 355)	-19%	16 759
Energy sources		-	5 000	12 598	3 019	6 268	8 563	(2 295)	-27%	12 598
Water management		-	-	-	-	-	-	-	-	-
Waste water management		6 767	5 810	4 160	-	3 663	3 722	(60)	-2%	4 160
Waste management		(278)	500	0	-	-	-	-	-	0
<i>Other</i>		311	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>29 170</b>	<b>33 553</b>	<b>55 929</b>	<b>13 724</b>	<b>37 249</b>	<b>34 651</b>	<b>2 598</b>	<b>7%</b>	<b>55 929</b>

### 5.1.1. CAPITAL EXPENDITURE SOURCES OF FUNDING

The capital expenditure for the third quarter was financed from the Municipal Infrastructure Grant to the amount of R 19.988 million. R 4.353 million was financed by INEP. R 11.604 million of the capital expenditure was financed by Department of Transport. R 1.118 million was financed from internally generated funds. This brought the total spending on capital related projects to a total of R 37.249 million at 31 March 2021.

The following graph shows the YTD capital expenditure vs YTD targeted expenditure.



## 5.2 OPERATING BUDGET

### 5.2.1 Operating Revenue

The following table shows budgeted revenue projections vs. Actual revenue recognised:

Table "C" below, is a breakdown of the Actual revenue per revenue source, as well as "other" actual revenue billed, compared to the Actual projections for quarter 3 ended March 2021. See table "C" below together with a discussion analysis below.

#### Table "C"

EC136 Emalahleni (Ec) - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		7 770	9 167	9 167	944	8 586	6 875	1 711	25%	9 167
Service charges - electricity revenue		13 421	18 391	20 391	1 210	10 375	15 294	(4 918)	-32%	20 391
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		8 188	8 295	9 295	761	7 380	6 971	409	6%	9 295
Rental of facilities and equipment		588	949	949	(411)	50	712	(662)	-93%	949
Interest earned - external investments		1 385	1 792	1 792	279	1 457	1 344	113	8%	1 792
Interest earned - outstanding debtors		6 409	5 435	5 435	627	4 073	4 076	(3)	0%	5 435
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		155	202	202	14	43	151	(108)	-72%	202
Licences and permits		1 744	4 429	3 498	161	1 079	2 624	(1 545)	-59%	3 498
Agency services		537	1 457	2 388	155	1 478	1 791	(313)	-17%	2 388
Transfers and subsidies		132 733	148 749	164 474	33 852	168 072	122 984	45 088	37%	164 474
Other revenue		1 505	1 849	1 849	18	583	1 387	(804)	-58%	1 849
Gains		20	-	1 000	-	-	750	(750)	-100%	1 000
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>174 434</b>	<b>200 714</b>	<b>220 439</b>	<b>37 609</b>	<b>203 175</b>	<b>164 958</b>	<b>38 217</b>	<b>23%</b>	<b>220 439</b>

**Revenue projected, year-to-date budget against year-to-date actuals:**

- Property Rates: actual vs. projected revenue results have a variance of 25 %. This variance shows that there is an over achievement for the third quarter for rates and this due to the fact that the budgeted amount is based on realistic collection projections whereas actual billing is based on properties listed in the valuation roll, furthermore the municipality implemented a supplementary valuation which increased the tax base.
- Electricity revenue has underperformed by 32% which is a deterioration compared to the second quarter variance of 15%. This is largely due to high electricity losses that have dogged the municipality over the past years. The municipality is taking steps to curb electricity losses through theft of electricity by monitoring meter readings and identifying culprits that avoid paying for electricity. This initiative commenced during the second quarter.

- Fines and penalties: actual vs. projected shows an unfavourable variance of 72% which is a large variance which suggests that there is poor performance that must be addressed as part of the turnaround plan.
- Transfers and subsidies: actual vs. projected revenue favourable variance is 37%. This largely due to that fact that transfers revenue is received in trenches rather than evenly throughout the year. This variance will even out to a smaller percentage throughout the year.
- Refuse removal: actual vs. projected collection favourable variance is 6% thereby showing that the municipality is largely on par with the revenue generation targets set out for the period.
- Agency services: actual vs. projected collection unfavourable variance is -17% thereby showing that the municipality did not do well with collecting agency fees in the third quarter.
- Rental of facilities: actual vs. projected billing unfavorable variance is -93%. This shows that rental of facilities has not performed adequately at the end of the third quarter. This is largely due to the unresolved issue of lease agreements and the audit findings which revealed that most of the revenue which was budgeted for was not realistically collectable and thus had to be reversed.
- Other revenue: actual vs. projected revenue variance is -58% unfavourable which shows an under collection in respect of other revenue.
- The overall favourable budget variance of 23% was achieved for total revenue.

## 5.2.2 Operating Expenditure by type:

Table "D" reflects operating expenditure by type for the quarter ending 31 March 2021 of the operating expenditure budget for the financial year 2020/21.

**Table "D"**

Expenditure By Type										
Employee related costs	83 612	93 824	91 159	7 474	64 976	68 112	(3 136)	-5%	91 159	
Remuneration of councillors	13 486	14 749	13 249	1 127	10 621	9 937	684	7%	13 249	
Debt impairment	18 036	4 000	3 000	1	1 764	2 250	(486)	-22%	3 000	
Depreciation & asset impairment	28 923	19 384	19 384	-	13 995	14 538	(543)	-4%	19 384	
Finance charges	2 136	280	1 067	0	787	525	263	50%	1 067	
Bulk purchases	12 868	14 300	11 300	1 091	11 588	8 475	3 113	37%	11 300	
Other materials	2 213	4 421	7 996	334	1 747	6 003	(4 256)	-71%	7 996	
Contracted services	17 746	33 165	24 960	3 661	19 353	18 557	796	4%	24 960	
Transfers and subsidies	222	-	-	-	-	-	-	-	-	
Other expenditure	23 504	14 690	17 941	935	10 818	13 446	(2 628)	-20%	17 941	
Losses	1 487	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>	<b>204 233</b>	<b>198 814</b>	<b>190 055</b>	<b>14 624</b>	<b>135 650</b>	<b>141 843</b>	<b>(6 193)</b>	<b>-4%</b>	<b>190 055</b>	

**Expenditure projected, year-to-date budget against year-to-date actuals: -**

- Employee related costs is R 68.112 million, with an under expenditure of -5%. This is due to vacancies which are vacant in the organogram but have been budgeted for in the projections.
- Year-to-date remuneration of councillors' expenditure is at 7% above the year-to-date budgeted figure which is an over expenditure of R 684 000.
- Debt impairment was underspent by -22% compared to the expenditure projections and it had been overspent in the first quarter. This could be because the impairment for debtors was not assessed and additional impairments were not recognised in the third quarter. This is further evidenced by the fact that only R1000 was recognised for the month of March.
- Depreciation and impairment expenditure is 4% under the projected budget. The variance is minimal as at the end of third quarter.
- Year-to-date finance costs are at 50% below the year-to-date budgeted figure which is an under expenditure of R 263 000. The budget for this expense was budgeted for through
- Bulk purchases year-to-date actual figure is overspent by 37% when compared to the year-to-date budgeted figure of R 8.475 million. This is a signal that the current allocated annual budget is insufficient and will have to be adjusted through an adjusted budget to be within the allocated budget.



- Other materials and supplies are underspent by -71% when compared to the year-to-date budgeted figure of R 6.003 million. The reasons to the under expenditure have to be investigated and the funds considered for reprioritization should the funds no longer be needed for materials.

- Other expenditure shows an under expenditure of -20 % compared to the quarterly projections.

**Contracted services consist of the following: -**

- Training services
- Catering services
- Private security services
- Consultation fees
- Audit fees
- Transport services
- Casual Labourers
- Municipal running costs
- Water and Electricity services
- Conference fees

There is a -20% underspending for contracted services.

- The overall budget variance of -4% due to underspending which was achieved for total expenditure. This is due to cost containment measures to create savings.

**5.3 Allocations and Grants**

**Table G: Conditional grants expenditure**

Conditional grants - 31 March 2021			
Grant	Amount received	Amount spent	Percentage expenditure
EPWP	2 091 000	1 226 566,56	58.66%
FMG	3 000 000	2 414 872,00	80.50%
MIG	41 410 000	28 271 064,93	68.27%

INEP	7 224 000	4 538 660,01	62.83%
Transport	28 000 000	14 717 799,14	52.6%
<b>TOTAL</b>	<b>81 725 000</b>	<b>51 168 962,64</b>	<b>62.61%</b>

- Financial Management Grant (FMG) – The municipality had spent about 80.5% percent of the FMG grant which is on par with what expenditure should be at the end of the third quarter.
- Municipal Infrastructure Grant (MIG) – The MIG expenditure is on track with 68.27% of the funds received already spent. This statistic is favourable and shows that MIG spending is on track as of 31 March 2021. This amount spent is based on the total allocation of MIG.
- Integrated National Electrification Programme (INEP) – An amount of 7.2 million has been received by the municipality and spending has improved as the matters delaying the expenditure were addressed. 62.83% of the amount received was spent as at end of March and this is based on the total allocation of the grant.
- Expanded Public Works Programme (EPWP) – The municipality has spent 58.66% of the amount received at the end of the third quarter. The expenditure translates to 58.66% of the 2020/21 allocation for the municipality.
- Transport – An amount of R 28 million has been received from department of transport. The initial target was to spend 18 million by the end of the third quarter of which the municipality achieved an expenditure of R 14 717 799.14.

## 6. SUSTAINABILITY OF THE BUDGET

## 6.1 DEBTORS AGE ANALYSIS

Analyzing debtors per service billed, the largest amount of service billed that is outstanding is waste management. The bigger portion of the amount owed to the municipality, is Households, Government, businesses and farms.

Outstanding Debt as at 31st March 2021:

- The total debt owed to the municipality as at the 31st March 2021 amounts to R103 569 789.50.
- The total debt above can be broken down as follows:

Totals per Account Group	Total Balance	Current Amount	Greater Than 90 Days	Total Interest Charged
Blue Crane Minerals & Resources (PTY) Ltd	R 19 126.53	R 3 681.62	R 7 575.22	R 251.66
Business	R 8 599 454.91	R 197 785.66	R 7 733 387.01	R 2 068 327.80
Chris Hani District Municipality	R 6 816 973.71	R 26 647.19	R 6 539 454.01	R 1 408 193.44
Churches	R 1 139 212.48	R 12 750.41	R 1 079 035.80	R 328 377.45
Councillors Accounts	R 25 747.53	R 552.98	R 24 447.37	R 9 081.13
Dept of Rural Development and Land Reform	R 3 064 957.21	R 326 389.08	R 2 665 808.69	R 241 344.28
Dept Rural Dev & Agri Reform	R 8 037.05	R 132.63	R 7 451.16	R 1 314.25
Dept Social Development	R 148 573.47	R 9 548.53	R 114 192.26	R 13 045.79
Dordrecht High School	R 19 726.93	R 5 653.38	R 8 718.04	R 346.93
Eastern Cape Development Corp	R 27 176.15	R 1 969.53	R 20 490.92	R 1 159.71
Education	R 119 195.12	-R 2 671.29	R 106 422.94	R 9 989.05
Farms	R 5 460 569.55	-R 64 413.17	R 5 339 064.37	R 1 613 727.25
Health	R 1 113 157.19	R 70 062.56	R 827 559.04	R 39 851.93
Indigents	R 103 773.91	R 45 728.02	R 45 170.83	R 16 876.67
Indwe High School	R 18 118.09	R 2 524.60	R 9 106.73	R 947.24
Joe Gqabi Municipality	R 46 872.59	R 2 249.10	R 38 214.07	R 3 265.43
Mr Mvambo	R 307 663.24	R 4 066.59	R 274 333.44	R 59 903.97
Municipal Accounts	-R 2 272.76	-R 3 530.49	R 931.33	R 36.61
National Public Works	R 124 719.92	-R 259 407.45	R 274 701.83	R 5 645.39
NUMBER TWO PIGGERIES (PTY)LTD	R 21 071.18	-R 1 369.24	R 389.61	R 357.16
Provincial Public Works	R 2 632 278.28	-R 204 268.48	R 2 361 832.27	R 230 310.09
Residents	R 73 683 719.89	R 509 069.85	R70 271 987.52	R24 399 893.75

South African Post Office	R	16 264.65	R	14 143.19	R	-	R	-
Staff Accounts	R	55 672.68	-R	6 919.96	R	54 445.05	R	9 748.84
<b>Total</b>		<b>R 103 569 789.50</b>		<b>R 690 522.48</b>		<b>R97 805 726.03</b>		<b>R30 462 035.32</b>

### Balance per service type

Totals per Service Type	Total Balance	Current Amount	Greater Than 90 days	Total Interest Charged
Advance Payment	-R 1 337 631.80	-R 1 337 631.80	R -	R -
Agency Fees	R 266.73	R 266.66	R -	R -
Electricity Basic	R 138 143.68	R 10 197.84	R 106 381.93	R 14 002.18
Electricity Metered	R 8 539 675.37	R 232 199.48	R 7 617 107.39	R 1 464 023.60
Property Rates	R 29 843 313.35	R 898 145.72	R 27 306 956.66	R 6 852 270.42
Rental(H003)	R 491 114.03	R 20 142.38	R 424 960.38	R 60 471.22
Waste Disposal	R 65 894 908.14	R 867 202.20	R 62 350 319.67	R 22 071 267.90
<b>Total</b>	<b>R 103 569 789.50</b>	<b>R 690 522.48</b>	<b>R 97 805 726.03</b>	<b>R 30 462 035.32</b>

### Staff and Councilors' Accounts Councilors' Account

#### Councillors' Accounts

Account No	Name	Town	Total	Current Amount	Greater Than 90 days	Total Interest Charged
0000000000001645	PIETER FREDERICK GREYLING	Dordrecht	R 112.71	R 70.31	R -	R 0.28
0000000000002856	MBULELO THOMAS/ THEMBI FLORENCE MONDIF	Dordrecht	R 41.03	R 39.49	R -	R -
0000000000003067	THANDEKA GLORIA/THEMBINKOSI	Dordrecht	R 25 281.30	R 152.38	R24 447.37	R 9 080.85
6581	PIETER FREDERICK GREYLING	Dordrecht	R 298.67	R 278.78	R -	R -
0000000000007898	MCEBISI STEPHEN LIMBA	Indwe	R 13.82	R 12.02	R -	R -
<b>Total Row Count:</b>		<b>Report</b>	<b>R 25 747.53</b>	<b>R 552.98</b>	<b>R24 447.37</b>	<b>R 9 081.13</b>

#### Staff Accounts

Account No	Name	Town	Total	Current Amount	Greater Than 90 Days	Total Interest Charged	
000000000000964	NKULULEKO SIDNEY KELEMBE	Lady Frere	R 1 481.40	R 149.14	R 49.74	R 9.78	
000000000001811	TINUS BEKKER	Dordrecht	-R 6 532.75	-R 6 532.75	- R -	-	
000000000001812	MABHUTI HEADMAN NTSHINGANA	Dordrecht	R 356.90	R 340.85	- R -	-	
000000000004777	THOBEKA HAZEL SIZANI	Dordrecht	R 110.82	R 18.17	R 54.86	R 1.81	
000000000004922	NOKUZOLA FLORENCE MTWANA	Dordrecht	R 3 246.09	R 132.63	R 2 733.90	R 209.49	
000000000005227	KRISMESI PONDOYI	Dordrecht	R 12 850.23	R 147.64	R 12 159.77	R 3 122.23	
000000000005286	SPITTI MBULELO ELEFU	Dordrecht	R 2 201.39	R 147.64	R 1 666.56	R 255.16	
000000000005321	TEKA	Dordrecht	R 10 625.75	R 147.64	R 9 950.75	R 1 670.40	
000000000005476	DANIWE BENTELE	Dordrecht	R 76.03	R 15.01	R 30.10	R 1.00	
000000000005477	LINDIWE NOLINDEMNA MPHOCWA	Dordrecht	R 2 742.94	R 132.63	R 2 234.03	R 198.60	
000000000006480	THAMSANQA MAYEKISO	Dordrecht	R 12 976.39	R 147.64	R 12 283.48	R 3 125.08	
000000000006623	VUSUMZI LANDE	Dordrecht	-R 2 093.34	-R 2 093.34	- R -	-	
000000000006708	MALIBONGWE ADVOCATE NZIWENI	Indwe	R 18 026.36	R 1 460.10	R 13 281.86	R 1 148.67	
000000000007283	NOMFUNOKO GERTRUDE NOFEMELA	Indwe	R 341.31	R 132.63	- R -	R 1.48	
000000000007993	NKOSIKHONA MVIMBI	Indwe	-R 1 481.17	-R 1 481.17	- R -	-	
000000000008667	PHUMZILE ERIC JACOBS	Indwe	R 744.33	R 215.58	- R -	R 5.14	
<b>Total Row Count:</b>			<b>Report Total:</b>	<b>R 55 672.68</b>	<b>-R 6 919.96</b>	<b>R 54 445.05</b>	<b>R 9 748.84</b>

#### Debtors Collection Levels for March 2021:

- Collection rate for March 2021 has increased when compared to February 2021. The reasons for the increase are mainly due to the payment made by Provincial and National Public Works. The increase in debt collection is further due to the decrease in billing resulting from the correcting journals for property rentals, Mzamomhle accounts and KP Miles Accounts which were found to be incorrectly billed by the Auditor General and had to be reversed/ written off. The collection rate for January (17.36%), February (42%) and March (65.80%). The average collection rate also increased to 94.63% from 68.90% in February 2021.

MONTH	JAN			FEB			MAR			TOTALS		
	BILLING	COLLECTION	COLL. %	BILLING	COLLECTION	COLL. %	BILLING	COLLECTION	COLL. %	BILLING	COLLECTION	COLL. %
RATES	832 930.86	-190 521.47	22.87%	R 668 105.60	-R 491 777.33	50%	480 583.23	-1 349 179.10	280.74%	8 876 632.66	-3 630 728.49	90.13%
REFUSE REMOVAL	1 219 826.65	-176 616.41	14.46%	R 1 139 291.35	-R 112 296.72	10%	-37 935.56	-3 145 61	825.20%	7 831 581.32	-1 636 379.22	20.69%
RENTAL	78 308.79	-6 169.14	29.65%	R 78 615.16	-R 6 928.93	9%	-4 033 794.66	-66 239.61	1.50%	-3 337 035.85	-193 339.92	-5.71%
ELECTRICITY	424 798.60	-60 279.69	14.19%	R 419 569.58	-R 494 044.62	120%	538 387.35	-397 732.20	117.54%	3 539 638.49	-8 136 109.93	172.80%
<b>TOTALS</b>	<b>2 555 834.30</b>	<b>-443 586.71</b>	<b>17.36%</b>	<b>R 2 434 581.10</b>	<b>-R 1 015 047.77</b>	<b>42%</b>	<b>-3 222 829.84</b>	<b>-2 120 576.52</b>	<b>65.80%</b>	<b>16 871 996.62</b>	<b>-15 966 727.53</b>	<b>94.63%</b>

Our Efforts to collect Municipal Revenue:

Totals per Account Group	Total Balance	Current Amount	Greater Than 90 Days	Total Interest Charged	Total Interest Charged
Blue Crane Minerals & Resources (PTY) Ltd	R 19 126.53	R 3 681.62	R 7 575.22	R 251.66	Blue Crane has a payment arrangement in place. They however did not make a payment in March, but committed to pay in April.
Business	R 8 599 454.91	R197 785.66	R7 733 387.01	R2 068 327.80	Letters of Demand were issued to some of the businesses, but some of the businesses whom the demand letters were sent did not make any payment arrangement. We will now send disconnection notices.
Chris Hani District Municipality	R6 816 973.71	R26 647.19	R6 539 454.01	R1 408 193.44	We have not received any payment from Chris Hani District since December 2020. We propose that their accounts be transferred to prepaid as this will ensure that they pay form electricity before they use it.
Churches	R1 139 212.48	R12 750.41	R1 079 035.80	R328 377.45	It is extremely difficult to collect on Churches as there is always no one to receive accounts. We have submitted an Item requesting write off and subsidisation/exclusion of churches

Councillors Accounts	R25 747.53	R 552.98	R 24 447.37	R 9 081.13	All Councillors accounts except Cllr Kulashe have their accounts less than 90 days in arrears. No payment the accounts will be reported to <b>Speaker's office.</b>
Dept of Rural Development and Land Reform	R3 064 957.21	R326 389.08	R2 665 808.69	R 241 344.28	There is still no payment made on these accounts even after we have reported the accounts status to the Minister. We will visit the offices in East London to try and encourage the department to pay.
Dept Rural Dev & Agri Reform	R8 037.05	R132.63	R7 451.16	R1 314.25	Latest statements were requested by the department and we issued. There was commitment that payment will be made in April 2021.
Dept Social Development	R148 573.47	R9 548.53	R114 192.26	R13 045.79	We have issued the letter of demand relating to rental account. We have now prepared the services disconnection letter and will have the offices locked or electricity disconnected if payment is not made after the disconnection notice date expire.
Dordrecht High School	R19 726.93	R5 653.38	R8 718.04	R346.93	Dordrecht High School is paying accounts monthly.
Eastern Cape	R27 176.15	R1 969.53	R20 490.92	R1 159.71	Services disconnection letter is prepared and will be delivered. This is

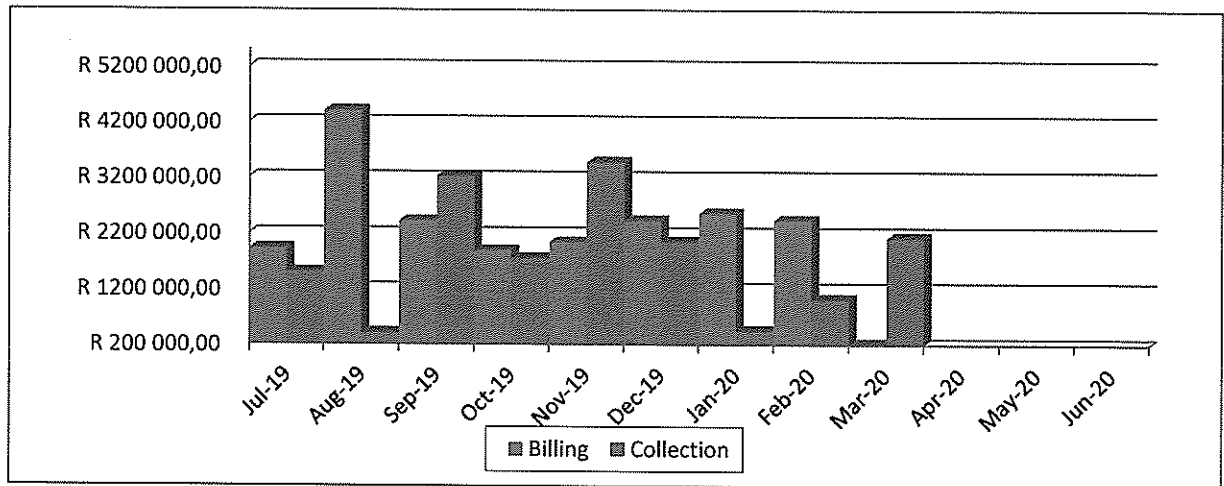
Development Corp					due to the fact that ECDC did not respond to the demand letter sent to them.
Education	R119 195.12	-R2 671.29	R106 422.94	R9 989.05	letters of demand were prepared, but schools did not respond to them. We will send services disconnection letters in April.
Farms	R5 460 569.55	-R64 413.17	R5 339 064.37	R1 613 727.25	Some of the farmers made payment when they received letters of demand. We will continue issuing letters of demand to other farmers in April.
Health	R1 113 157.19	R70 062.56	R827 559.04	R39 851.93	Department of health committed to make payment in April. They have since requested their latest statements saying that they are preparing for payment. If the payment is not made, then we will disconnect the electricity.
Indigents	R103 773.91	R45 728.02	R45 170.83	R16 876.67	Balance is for rates and will be subjected to write off.
Indwe High School	R18 118.09	R2 524.60	R9 106.73	R947.24	Indwe High School have a payment arrangement in place and they are complying with its terms.
Joe Gqabi Municipality	R46 872.59	R2 249.10	R38 214.07	R3 265.43	No payment was made after we have issued demand letter. Disconnection notice will be sent and electricity will be disconnected if



					payment is still not received.
Mr Mvambo	R307 663.24	R4 066.59	R274 333.44	R59 903.97	Mr Mvambo made payment arrangement with the municipality and he made payment in line with the arrangement in March.
Municipal Accounts	-R2 272.76	-R3 530.49	R931.33	R36.61	these accounts will be reversed as the municipal accounts should remain at Zero.
National Public Works	R124 719.92	-R259 407.45	R274 701.83	R5 645.39	R358618.50 was paid by National Public Works in March. The department is paying regularly. The account that is in arrears is the account that being investigated due to High electricity in 2019.
NUMBER TWO PIGGERIES (PTY)LTD	R21 071.18	-R1 369.24	R389.61	R357.16	We have requested a meeting with the customer to discuss the status of their accounts and the payment thereof.
Provincial Public Works	R2 632 278.28	-R204 268.48	R2 361 832.27	R230 310.09	Provincial Public Work paid R 1 333 522.64 in March as promised. We will send other statements and request that they process payment in April.
Residents	R73 683 719.89	R509 217.49	R70 272 994.04	R24 399 933.25	letters of disconnection have been prepared and will be delivered.
South African Post Office	R16 264.65	R14 143.19	R -	R -	Post office made payment R 70 804 in March and their accounts are now less than 90 days in arrears.

					This is after we have issued them with the letter of demand.
Staff Accounts	R55 672.68	-R6 919.96	R54 445.05	R9 748.84	Letters of demand were issue to staff, but no payments were made. We will bend them notices informing them that the municipality will be deducting the outstanding balances from their salaries.
<b>Total</b>	<b>R103 569 789.50</b>	<b>R690 522.48</b>	<b>R97 805 726.03</b>	<b>R30 462 035.32</b>	

Below is graphical illustration of the revenue collection for the 2020/2021 financial year.



## 6.2 FREE BASIC SERVICES

The municipality is offering free basic services to qualifying indigents who have registered during the registration programme that is run annually.

Currently the number of registered households is 743 for refuse removal and 3 837 for electricity.

The Free Basic Service basket consist of subsidised refuse removal charge of R 132.63 and the property rates charges and the provisioning of free 50 kWh of electricity. The offering of FBS is based on the indigent policy criteria and requirements.

The unit conducts an annual registration process to update the indigent register. This registration process is done between February and March in accordance with the business plan developed.

The municipality is still in a process of acquiring the services of a verification agent to assist the municipality in the verification of all debtors indigency status that would assist the municipality to reflect the through status of indigency in the municipal area.

Below is the expenditure incurred by the municipality on indigent subsidy for the third quarter ending March 2021 spent on customers currently benefiting. The report shows the total spent on each service together with the number of customers who benefitted:

SERVICES RENDERED	January	NO BENEFI	February	NO BENEFI	March	NO BENEFI
Electricity (ELM)	R 66 377.23	998	R56 956.00	982	R56 550	975
Electricity (Eskom)	R202 963.50	2775	R203 182.92	2778	R203 885	2750
Refuse	R113 307.5	743	R113 307.5	743	R113 307.5	743
<b>Total Cost</b>	<b>R382 648.23</b>		<b>R373 446. 42</b>		<b>R373 742.5</b>	

### Challenges on free basic services

- Not all indigent debtors have registered as indigents and the therefore the indigent register do not reflect the true reflection of indigency in the municipality.

### 6.3 CREDITORS AGE ANALYSIS

The following table reflects the total outstanding creditors owed by the municipality as at 31 March 2021:

EC136 Emalahleni (Ec) - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2020/21								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	8 348	-	-	-	-	-	-	-	8 348
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	57	-	-	-	-	-	-	-	57
<b>Total By Customer Type</b>	<b>1000</b>	<b>8 405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 405</b>

The table above reflects that the municipality is trying its level best to pay its creditors within 30 days. The amount of R8.405 million was payable to trade

creditors of the municipality. The Auditor General Fees are up to date as well as Bulk Purchases from Eskom.

#### 6.4 STAFF BENEFITS REPORT

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

DESCRIPTION	Staff	Councillors	Ward Committees	Casuals	Totals
Salaries and wages, including Non pesionable allowance	41 097 946,10	7 281 556,55	2 458 560,00	2 091 784,41	52 929 847,06
Contributions for pension and medical aid	11 333 008,45				11 333 008,45
Transport, Travellieng allowance	3 990 155,95	415 296,01			4 405 451,96
Housing allowance	703 309,59				703 309,59
Overtime and standby allowance	1 533 160,68				1 533 160,68
Other staff benefits - UIF, SDL, bargaining Council	815 628,84		22 620,00	20 582,15	858 830,99
Other staff benefits - Acting allowance	780 306,31				780 306,31
- Enhanced responsibiity,	156 775,79				156 775,79
- Telephone, data	1 718 301,17				1 718 301,17
- Bonus and leave pay	3 683 508,28				3 683 508,28
- Reloaction cost	100 800,00				100 800,00
- Subsistance & Travelling	326 662,00				326 662,00
<b>TOTALS</b>	<b>66 239 563,16</b>	<b>7 696 852,56</b>	<b>2 481 180,00</b>	<b>2 112 366,56</b>	<b>78 529 962,28</b>

The personnel expenditure at end of March 2021 is at R 78 529 962.28 when compared with the personnel budget of R 108 273 222.77, this equates to 73% actual performance.

## 6.5 CASHFLOW STATEMENT

EC136 Emalahleni (Ec) - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2019/20				Budget Year 2020/21				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		253	9 167	5 240	1 247	6 595	3 930	2 665	66%	5 240
Service charges		27 883	26 540	14 071	1 619	14 099	10 554	3 545	34%	14 071
Other revenue		2 666	12 048	8 885	197	4 537	6 664	(2 127)	-32%	8 885
Transfers and Subsidies - Operational		83 311	141 127	165 344	35 035	167 889	118 809	49 079	41%	165 344
Transfers and Subsidies - Capital		28 173	33 484	33 484	47 719	74 949	33 484	41 465	124%	33 484
Interest		8 500	4 495	9 384	359	2 086	7 038	(4 952)	-70%	9 384
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(153 429)	(175 150)	(166 604)	(14 623)	(119 103)	(124 530)	(5 427)	4%	(166 604)
Finance charges		(2 136)	(280)	(1 067)	(0)	(787)	(525)	263	-50%	(1 067)
Transfers and Grants		(219)	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(4 999)</b>	<b>51 432</b>	<b>68 737</b>	<b>71 554</b>	<b>150 264</b>	<b>55 424</b>	<b>(94 840)</b>	<b>-171%</b>	<b>68 737</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		-	(33 553)	(37 751)	(15 108)	(35 687)	(28 313)	7 374	-26%	(37 751)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(33 553)</b>	<b>(37 751)</b>	<b>(15 108)</b>	<b>(35 687)</b>	<b>(28 313)</b>	<b>7 374</b>	<b>-26%</b>	<b>(37 751)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(72)	(0)	(0)	(2)	(76)	(0)	(76)	1523140%	(0)
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(72)</b>	<b>(0)</b>	<b>(0)</b>	<b>(2)</b>	<b>(76)</b>	<b>(0)</b>	<b>76</b>	<b>-1523140%</b>	<b>(0)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(5 070)</b>	<b>17 879</b>	<b>30 986</b>	<b>56 444</b>	<b>114 500</b>	<b>27 110</b>			<b>30 986</b>
Cash/cash equivalents at beginning:		(4 145)	(4 145)	(5 791)		(5 791)	(5 791)			(5 791)
Cash/cash equivalents at month/year end:		(9 215)	13 734	25 195		108 709	21 319			25 195

### 6.5.1 CASH AND CASH EQUIVALENTS

Below spreadsheet are the cash and cash equivalent balances of the municipality as at 31 March 2021.

<i>Cash and cash equivalents as at 31 March 2021</i>	
<b>Municipal Account</b>	<b>Closing balance</b>
Investments	80 808 583
Main bank account	34 542 036
	<b>115 350 619</b>

The Municipality has received an equitable share in March 2021. The municipality at the end of March 2021 is sitting cash and equivalents of a balance of R115 350 619.

### 6.5.2 Bank Account Withdrawals not in Terms of an Approved Budget

Date	Payee	Amount in R	Description and Purpose (including section reference e.g. sec 11(h))	Authorised by (name)
12-01-2021	Emalahleni Local Municipality	10 000 000	Transfer from municipal fixed investment account held with Standard Bank to Primary account for purposes of paying municipal creditors and salaries. Sec. 11(h)	Mr. X. Sikobi
22-01-2021	Emalahleni Local Municipality	15 412 666	Transfer from municipal fixed investment account held with Standard Bank to Primary account for purposes of paying municipal creditors. Sec. 11(h)	Mr. X. Sikobi
21-01-2021	Emalahleni Local Municipality	15 052 602	Transfer from municipal fixed investment account held with STD Bank to Primary account for purposes of paying municipal creditors and salaries. Sec. 11(h)	Mr. X. Sikobi
16-02-2021	Emalahleni Local Municipality	15 022 274	Transfer from municipal fixed investment account held with FNB Bank to Primary account for purposes of paying municipal creditors. Sec. 11(h)	Mr. X. Sikobi
18-02-2021	Emalahleni Local Municipality	455 876	Transfer from municipal fixed investment account held with Standard Bank to Primary account for purposes of paying municipal creditors. Sec. 11(h)	Mr. X. Sikobi
18-02-2021	Emalahleni Local Municipality	30 227 130	Transfer from municipal fixed investment account held with FNB Bank to Primary account for purposes of paying municipal creditors. Sec. 11(h)	Mr. X. Sikobi

Withdrawals not in terms of the approved budget for the 3rd quarter consisted of cash transfers within municipal accounts. There were no payments made to third parties during the third quarter.

## 7. REPORT ON THE IMPLEMENTATION OF ASSET MANAGEMENT FOR QUARTER ENDING 31 MARCH 2021.

- Emalahleni Local Municipality council has adopted its asset management policy for proper guidance in managing municipal assets including acquisition, safeguarding, maintenance, and disposal. Ensure that the municipality has and maintains a management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipality;
- Emalahleni Local Municipality is using Guardrisk Insurance for insurance of assets and liabilities.

## THE FOLLOWING IS THE SUMMARY OF THE ASSET REGISTER FOR THE QUARTER ENDED 31 MARCH 2021.



FY 2021 - 3rd QUARTER AS AT 31 March 2021							
Asset Class	Opening Cost 2020/21	Additions 2020/2021	Closing Cost - 28 FEBRUARY 2021	Opening Acc Dep 2020/21	CY Dep 2020/21	Acc Dep as at 28 FEBRUARY 2021	Carrying Value 2020/21
PPE and Other Disclosures							
Land	33 770 866,40		33 770 866,40				33 770 866,40
Buildings	31 217 442,76		31 217 442,76	5 138 624,17	366 716,16	5 505 340,33	25 712 102,43
L&B WIP	8 050 473,36		8 050 473,36				8 050 473,36
	<b>73 038 782,52</b>			<b>5 138 624,17</b>	<b>366 716,16</b>	<b>5 505 340,33</b>	<b>67 533 442,19</b>
Infrastructure							
Infrastructure - Electricity	25 378 680,14		25 378 680,14	13 556 924,70	441 656,55	13 998 581,25	11 380 098,90
Infrastructure - Road transport	388 202 643,04		388 202 643,04	242 430 664,15	9 238 122,88	251 668 787,04	136 533 856,01
Infrastructure - Drains	11 746 552,51		11 746 552,51	4 496 310,50	98 312,60	4 594 623,11	7 151 929,40
Infrastructure - Other	507 625,43		507 625,43				507 625,43
Infrastructure - WIP	52 889 124,99	23 009 374,74	75 898 499,73				75 898 499,73
	<b>478 724 626,11</b>			<b>260 483 899,36</b>	<b>9 778 092,03</b>	<b>270 261 991,39</b>	<b>231 472 009,47</b>
Community Assets							
Cemeteries	10 489 877,38		10 489 877,38	2 235 255,03	322 453,56	2 557 708,59	7 932 168,79
Community Halls	47 862 094,39		47 862 094,39	3 878 987,52	474 765,49	4 353 753,01	43 508 341,38
Libraries	499 000,00		499 000,00	60 103,08	3 378,65	63 481,73	435 518,27
Parks & gardens	6 727 795,84		6 727 795,84	832 657,47	163 627,68	996 285,15	5 731 510,69
Buildings - Community Other	977 592,87		977 592,87	60 763,02	13 337,02	74 100,04	903 492,83
Recreational facilities	39 842 000,00		39 842 000,00				39 842 000,00
Sports Fields & stadia	37 974 781,02	893 732,85	38 868 513,87	9 816 300,46	776 437,98	10 592 738,43	28 275 775,44
Community Assets WIP	21 345 484,27		21 345 484,27				21 345 484,27
	<b>165 718 625,78</b>			<b>16 884 066,59</b>	<b>1 754 000,38</b>	<b>18 638 066,96</b>	<b>147 974 291,67</b>
Leased Assets							
Furniture and other office equipment	1 205 955,75		1 205 955,75	871 151,60	268 724,39	1 139 875,98	66 079,77
	<b>1 205 955,75</b>			<b>871 151,60</b>	<b>268 724,39</b>	<b>1 139 875,98</b>	<b>66 079,77</b>
Other Assets							
Computers - hardware/equipment	2 991 711,07	165 758,34	3 157 469,41	1 869 016,53	242 443,43	2 111 459,96	1 046 009,45
Furniture and other office equipment	7 888 750,33	167 500,00	8 056 250,33	4 060 307,06	462 030,34	4 522 337,40	3 533 912,93
General vehicles	19 333 720,65	1 109 788,16	20 443 508,81	6 729 254,71	806 431,76	7 535 686,48	12 907 822,33
Markets	2 556 413,85		2 556 413,85	444 439,79	44 972,24	489 412,03	2 067 001,82
Plant & equipment	1 196 691,23		1 196 691,23	817 225,43	116 604,69	933 830,13	262 861,11
Other	520 580,00		520 580,00	137 694,08	17 738,60	155 432,68	365 147,32
	<b>34 487 867,14</b>			<b>14 057 937,60</b>	<b>1 690 221,07</b>	<b>15 748 158,67</b>	<b>20 182 754,97</b>
<b>TOTAL PPE</b>	<b>753 175 857,31</b>			<b>297 435 679,31</b>	<b>13 857 754,02</b>	<b>311 293 433,34</b>	<b>467 228 578,06</b>
Heritage Assets	182 535,96		182 535,96		182 535,96		182 535,96
Heritage Assets	182 535,96				182 535,96		182 535,96
Investment Property	4 226 300,00		4 226 300,00	79 219,22	1 604,38	80 823,60	4 145 476,40
Investment Property	4 226 300,00			79 219,22	1 604,38	80 823,60	4 145 476,40
Intangible Assets	551 632,15		551 632,15	203 260,87	36 720,04	239 980,91	311 651,24
Computers - hardware/equipment	551 632,15			203 260,87	36 720,04	239 980,91	311 651,24
<b>Total ASSET REGISTER</b>	<b>758 136 325,42</b>			<b>297 718 159,40</b>	<b>14 078 614,41</b>	<b>311 614 237,85</b>	<b>471 868 241,66</b>

Additions for the Quarter ended 31 March 2021:

❖ Computer equipment

- ❖ Expenditure on work in progress of ongoing projects

The municipality has a 3-year contract with an insurance broker Lateral Unison for the insurance of municipal assets which started from the 1<sup>st</sup> July 2020.

### Insurance claims during the Quarter

ASSET DISCRIPTION	CUSTODIAN	INCIDENT REPORT	CLAIM STATUS	COMMENTS
Hp laptop 450 G5	Mr Bakana	Laptop reported to have been stolen from a vehicle at Cacadu spar parking	Repudiated	Footage was not sufficient to prove forcible entry on the vehicle
Electronic Kiosk	Cacadu sportsfield	Exploded resulting from flooding	Still pending	-
Hp Laptop 450 G6	Ms Bhushula	Laptop reported to have been stolen from her Queenstown in Queenstown	Still pending	The probability is that the claim will be repudiated on the basis that, custodian is not able to provide proof of forcible entry on her vehicle as well as the late submission of the claim documents to the insurer

## **8. SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDED 31 MARCH 2021.**

### **PURPOSE**

To report on Supply Chain Management processes for the third quarter ended 31 March 2021.

### **COMPLIANCE**

Bid committees have been established . Monthly reports have been submitted as required by regulation of Supply Chain Management.

The municipality is applying its SCM policy in line with SCM regulations for procurement of goods and services.

### **BID AWARDS REPORT**

**TABLE 1: BIDS AWARDED FOR AN AMOUNT ABOVE R200 000.00 FOR THE THIRD QUARTER OF 2020/2021 FINANCIAL YEAR**

**Jan –March 2021**

No.	BID NO	PROJECT NAME	BIDDERS NAME	Quarter	Awarded Amount	Locality	Month
1	ELM/1/11/2020T	UPGRADING OF DR08563 FROM GRAVEL TO SURFACED ROAD BETWEEN CACACDU & MACHUBENI THROUGH TURNKEY CONTRACT	Masilakhe Consulting	3	R 9 000 000,00	East London	Jan
2	ELM/2/11/2020T	UPGRADING OF DR08563 FROM GRAVEL TO SURFACED ROAD BETWEEN INDWE & MACHUBENI THROUGH TURNKEY CONTRACT.	Masilakhe Consulting	3	R 9 000 000,00	East London	Jan
3	ELM/2/6/2020T	Provision Of Banking Services	Standard Bank of South Africa	3	Rate Based	Queenstown	Jan
					<b>R 18 000 000,00</b>	<b>100% Eastern Cape</b>	

**TABLE 2: BIDS AWARDED FOR AN AMOUNT BETWEEN R30 000-R200 000.00 FOR 3rd QUARTER OF THE 2020/2021 FINANCIAL YEAR**

**January 2021**

No	Quarter	Bid Number	Order Date	Order Number	Supplier name	Locality	Amount	Requisition Number	Description
1	3						R0,00		
							R0,00	0%	Cacadu

**February 2021**

No	Quarter	Bid Number	Order Date	Order Number	Supplier name	Locality	Amount	Requisition Number	Description
1	3	ELM/1/1/2021Q	03/02/2021	1580	NSQ Investments	Cacadu	R120 000.00	2031	Supply and Delivery of Interlocking Paving Blocks.
3		ELM/6/2/2021Q	25/02/2021	1581	NSQ Investments	Cacadu	R98 994.00	2057	Supply and delivery of 6 Skip bins.

4		ELM/3/2/2021Q	25/02/2021	1582	Gungu Qweshu Construction & Projects	Cacadu	R72 600.00	1935	Supply and delivery of consumables for maintenance office.
5		ELM/1/12/2020Q	08/02/2021	1519	Ono Wase Afrika	East London	R68 000.00	2156	Supply and delivery of Personal Protective Equipment.

**R359 594.00**      75%      Cacadu

25%      Eastern Cape

**March 2021**

No	Quarter	Bid Number	Order Date	Order Number	Supplier name	Locality	Amount	Requisition Number	Description
1	3	ELM/4/2/2021Q	17/03/2021	1649	Shakes Multi Traders	Cacadu	R49 500.00	2050	Procurement for Mphothulo Youth Projects
2		ELM/1/2/2021Q	01/03/2021	1593	Ebusha General Trading	Bisho	R63 470.68	2059	Supply and delivery of Cleaning Material.
3		ELM/2/2/2021Q	01/03/2021	1594	NSQ Investments	Cacadu	R51 300.00	2056	Supply and Delivery of refuse bags.

**R164 270.68**      66.6%      Cacadu

33.4%      Eastern Cape

**TABLE 1: BIDS AWARDED FOR AN AMOUNT ABOVE R2 000- R30 000 FOR THE 3rd QUARTER OF 2020/2021 FINANCIAL YEAR**  
**January 2021**

Month	No	Order Date	Order Number	Supplier name	Locality	Amount
Jan	1	06/01/2021	1413	Hi- Q	Queenstown	R 23 960.00
Jan	2	07/01/2021	1415	Onoria General Trading (Pty) Ltd	Queenstown	R 5 000.00
Jan	3	07/01/2021	1416	Jojo's Trading Enterprise (Pty) Ltd	Cacadu	R 9 950.00
Jan	4	13/01/2021	1431	Alakha Trading	Cacadu	R 24 899.33
Jan	5	13/01/2021	1435	Nomazibekho Trading (Pty) Ltd	Cacadu	R 5 000.00
Jan	6	22/01/2021	1459	Spectra Upfront	Queenstown	R 9 802.23
Jan	7	22/01/2021	1462	Poyz Trading	Cacadu	R 10 500.00
Jan	8	22/01/2021	1464	Spectra Upfront	Queenstown	R 4 396.02
Jan	9	22/01/2021	1416	KHT 003 Projects	East London	R 29 950.00
Jan	10	29/01/2021	1486	Matt Brothers (Pty) Ltd	Cacadu	R 18 000.00
Jan	11	28/01/2021	1471	NRG Office Solutions	Queenstown	R 2 572.25
Jan	12	26/01/2021	1465	Nozukile's Transport and Trading	Cacadu	R 22 500.00
Total for Q3.						R 166 529.83

**February 2021**

Month	No	Order Date	Order Number	Supplier name	Locality	Amount
Feb	1	12/02/2021	1536	Boss Robes Trading Enterprise	Queenstown	R 28 750.00
Feb	2	12/02/2021	1544	Mapitsela Construction and Projects	Cacadu	R 12 400.00
Feb	3	04/02/2021	1513	Anethemba Trading Projects	Cacadu	R 23 831.45
Feb	4	05/02/2021	1517	Luna Bella bnb	Indwe	R 4 800.00
Feb	5	08/02/2021	1523	SS Jongqo Transport and Trading	Cacadu	R 10 040.00
Feb	6	04/02/2021	1511	Enkosi Business Enterprise	Cacadu	R 4 300.00
Feb	7	04/02/2021	1512	Lakhiwe General Trading	Indwe	R 9 500.00
Feb	8	09/02/2021	1532	Buyilumkile Genaral Projects	Dordrecht	R5 400.00
Feb	9	09/02/2021	1525	Blesson Trading Enterprise	Dordrecht	R5 400.00
Feb	10	12/02/2021	212	Kwathitha trading	Cacadu	R17 810.00
Feb	11	12/02/2021		Shakes	Cacadu	R25 000.00
Feb	8	12/02/2021	1541	ORBZ Consulting	Midrand	R4 680.00
Feb	9	16/02/2021	1558	NV Business Trading	Indwe	R4 980.00
Feb	9	24/02/2021	1568	NNW Sibhoma Construction and Supplies	Indwe	R29 435.40
Feb		24/02/2021	1573	Luna Bella bnb	Indwe	R3 000,00
Feb		24/02/2021	1571	K2018450048	Cacadu	R6 000.00
Feb		24/02/2021	1572	Mxhaseni Construction and Projects	Indwe	R4 400.00
Feb	20	26/02/2021	1589	Hlako Trading (Pty) Ltd	Queenstown	R4 749.30

Feb	21		1170	Setup technologies	Queenstown	R 10 623,24
<b>Total for Q3.</b>						<b>R215 099.39</b>

**March 2021**

Month	No	Order Date	Order Number	Supplier name	Locality	Amount
March	1	01/03/2021	1597	Zukisukhanyo Trading	Dordrecht	R7 140.00
March	2	01/03/2021	1596	Mpira and Wabo's	Dordrecht	R7 140.00
March	3	04/03/2021	1607	Moss Transport and Projects	Cacadu	R 25 000.00
March	4	04/03/2021	1608	Mlindo Projects	Cacadu	R25 900.00
March	5	04/03/2021	1609	Mxhaseni Construction and Projects	Indwe	R 23 900.00
March	6	15/03/2021	1642	Luna Bella bnb	Indwe	R2 400.00
March	7	16/03/2021	1646	Delteq Information Systems		R9 867.00
March	8	31/03/2021	1676	MMG Toyota Queenstown	Queenstown	R 3 378.07
March	9	24/03/2021	1657	NRG Office Solutions	Queenstown	R 12 526.61
March	10	24/03/2021	1661	March Wilson Motors	Queenstown	R 16 240.97
March	11	24/03/2021	1656	March Wilson Motors	Queenstown	R 7 149.31
March	12	29/03/2021	1664	Luphawu trans and trading	Cacadu	R 27 150.00
March	13	03/03/2021	1603	Work Dynamics	Centurion	R5 922.50
March	14	04/03/2021	1610	Mark Wilson Motors	Queenstown	R3 184.15
<b>Total for Q3.</b>						<b>R 176 898.61</b>



**TABLE 1: BIDS AWARDED FOR AN AMOUNT ABOVE R0- R2000 FOR 3rd QUARTER OF 2020/2021 FINANCIAL YEAR**

**Jan**

Month	No	Supplier Name	Locality	Amount	Requisit	Description
Jan	1	The Reporter cc	Barkly East	1795	2084	Receipt Books

<b>Total</b>	<b>R 1 795,00</b>	<b>0%</b>	<b>Cacadu</b>
		<b>100%</b>	<b>Eastern Cape</b>

**Feb**

Month	No	Supplier Name	Locality	Amount	Requisition Number	Description
Feb	1	Blesson Trading Enterprise	Dordrecht	R 720.00	1534	Bottled water for departmental strategic planning session.

<b>Total</b>	<b>R 720.00</b>	<b>100%</b>	<b>Cacadu</b>
		<b>0%</b>	<b>Eastern Ca</b>

**TABLE 3: DEVIATION REGISTER-3rd QUARTER 2020/2021**

SERVICE PROVIDER	DESCRIPTION	AMOUNT	REASON
Workshop Electronics	Supply and Delivery of a new camera and procedure manual	R39 149.50	Sole Provider
VGS	Supply of fuel for Municipal vehicles	R80 055.65	The service provided by the supplier is only available from a single provider.

Universal Garage	Supply of fuel for municipal vehicles	R18 782.24	The service provided by the supplier is only available from a single provider.
Cyber Boss	Internet connectivity for ELM Main Offices	R49 981.00	Normal SCM processes could not be followed due to the Covid 19 pandemic.
Arena	News paper adverts	R56 689.25	The Service provided by the supplier is available from a single provider
<b>TOTAL</b>		<b>R244 657.64</b>	

**TABLE 5: LIMITED BIDDING FOR 3rd Quarter 2021**

❖ No payments during the 3rd Quarter 2021

**Irregular expenditure**

There was no irregular expenditure in terms of section 32 of the MFMA and Circular 68 during the 3rd Quarter of 2020/2021 financial year.

**Fruitless and wasteful expenditure**

Below is a table which summarises the fruitless and wasteful expenditure detected as can be found in the fruitless and wasteful expenditure register for 3rd Quarter.

Register of Fruitless and Wasteful Expenditure																					
Month	Transaction details											Type of Prohibited Expenditure	Date reported to accounting officer	SCC	UI	DP	CC	TR	P	WO	General comments
	Supplier Name	Invoice date	Invoice Received Date (Registry Stamp)	Date of payment	Payment number (Voucher no)	Amount	Description of Incident														
31-Mar	ESKOM	2021/01/21	2021/02/19	2021/03/12	15272	R 3,81	Overdue interest														
	TUNIMART	2020/11/25	2021/02/22	2021/03/18	15274	R 339,25	Cancellation fee														
	ESKOM	2021/02/28	2021/03/03	2021/03/24	15262	R 0,36	Overdue interest														
	ESKOM	2021/02/28	2021/03/03	2021/03/24	15266	R 82,25	Overdue interest														
<b>Total</b>											<b>425,67</b>										

Abbreviations:  
 UI Under investigation  
 TR Transferred to receivables for recovery  
 SCC Submitted to Council for consideration  
 DP Disciplinary process initiated against responsible person  
 P Paid or in process of paying in installments  
 AE Accountant Expenditure  
 CC Criminal charges laid with SAPS  
 WO Written off by council as irrecoverable  
 Manager R&E Revenue & Expenditure

There was **R 425.67** fruitless and wasteful expenditure incurred in the 3<sup>rd</sup> Quarter of 2020/21 financial year.