



EMALAHLENI LOCAL MUNICIPALITY (EC 136)

BUDGET MONITORING REPORT

FOR THE QUARTER ENDING 30 June 2021

IN TERMS OF SECTION 52(d) OF THE MFMA

TABLE OF CONTENTS

1. Report to the Mayor.....	5
2. Municipal Managers Certificate.....	6
3. Introduction.....	6
4. Legislative Frameworks.....	6
5. Credibility of Municipal Budget.....	7
5.1 Capital Budget.....	8
5.2 Operating Budget.....	9
5.3 Grant Expenditure.....	10
6. Sustainability of Municipal Budget.....	11
6.2 Free Basic Service.....	11
6.3 Creditors Age Analysis.....	12
6.4 Cash flow Statement.....	13
7. Asset Management.....	14
8. Supply Chain Management.....	15-23
9. Key Findings.....	23
10. Recommendations.....	24
11. Annexures.....	24

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 fourth 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 : Nontombizanele Koni
Signature : N. F. Cowi
Date : 28/07/2021

• **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 fourth 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

28/07/2021

3. INTRODUCTION

The fourth quarter local government budget implementation report covers revenue and expenditure, SCM and assets for the period – 1st April 2021 to 30th June 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 fourth quarter set to be 100%.

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 30th June 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 30th June 2021.

$$\text{Liquidity ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$R\ 73.072m / 83.083$$

0.89:1

The norm range for this ratio is 1.5 to 2:1 as determined by National Treasury in MFMA. As at 30 June 2021, the Municipality is below par with the normal expected ratio however there are no short term issues envisaged, as the majority of the current liabilities are for provisions for events that are unlikely to occur within a year (e.g. leave payout to all employees). 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 unable to meet its short term obligations.

The cost coverage ratio is 5.93 meaning that the municipality holds sufficient funds to cover fixed operational costs 5.93 times. The cost coverage ratio as at end of third quarter was 10.71 meaning that as more payments were made and expenditure targets were being achieved in the fourth quarter, the ratio decreased in the fourth quarter. In terms of the municipality's targets, a ratio more than 2 is seen to be sufficient maintained throughout the year.

5. CREDIBILITY OF MUNICIPAL BUDGET

5.1 CAPITAL BUDGET VERSUS ACTUAL

Table "A" below reflects the capital expenditure for the quarter ending 30 June 2021 by "municipal vote". The capital expenditure for the quarter ending 30 June 2021 is R56.674 million with the variance of 22% compared to the year-end projections of R73.029 million.

This expenditure has improved from the expenditure achieved in the third quarter with R19.425 million capital expenditure achieved during the fourth quarter. The Department of Transport grant for the construction of roads could not be fully spent in the financial and an unspent grant will be disclosed with the municipal financial reporting. Steps taken to accelerate the expenditure of the INEP grant have proved fruitful as the grants were fully spent at year end.

Table A has been included below for illustrative purposes.

Table "A"

Vote Description	Ref	2019/20	Budget Year 2020/21				
		Audited Outcome	Original Budget	Adjusted Budget	30-Mar	30-Jun	4th Quarter
R thousands	1						
Vote 1 - Executive and council		-	-	-	-	-	-
Vote 2 - Corporate Services		997	200	-	54	536	482
Vote 3 - Budget and Treasury		26	1 590	-	1 064	1 344	279
Vote 4 - PEDTA		-	-	-	-	-	-
Vote 5 - Community Services and Social Services		4 376	3 422	4 492	684	1 415	732
Vote 6 - Infrastructure Development and Human Settlement		23 797	28 341	68 537	35 447	53 379	17 932
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-
		29 196	33 553	73 029	37 249	56 674	19 425

Analysis of Table "B" below:

- Community and public safety (Sport and recreation, Community and social services) – The expenditure for quarter 4 was about R 668 000 (R1.352 million for the year) which is lower than the quarterly budgeted figure of R 1.123 million. There was a further R 514 000 budgeted for community and social service which has been fully spent during the fourth quarter. Sport and recreation has underperformed for the quarter and the year as only 19% of the budget has been spent.
- Economic and environmental services (Road transport) – Quarter 4 expenditure for road transport was R 10.233 million (R 35.749 million year-to-date) which is slightly less than the quarterly budget of R 12.685 million. As a result of capital expenditure not meeting their spending targets, the budget was not fully spent and this was for the roads transport for which the municipality had received a grant from department of transport. The unspent portion will be reported in the municipality's financial statements.
- Trading services (Waste water management, waste management) – Expenditure in respect of waste water management for quarter 4 was R 553 000 which was the available amount to spend in the fourth quarter to achieve 100% expenditure. There was a further R 500 000 and 6.795 million budgeted for waste management and energy sources respectively which has not commenced yet.
- Governance and administration (Finance and administration) – R940 000 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 45% of the annual budget.

Table "B"

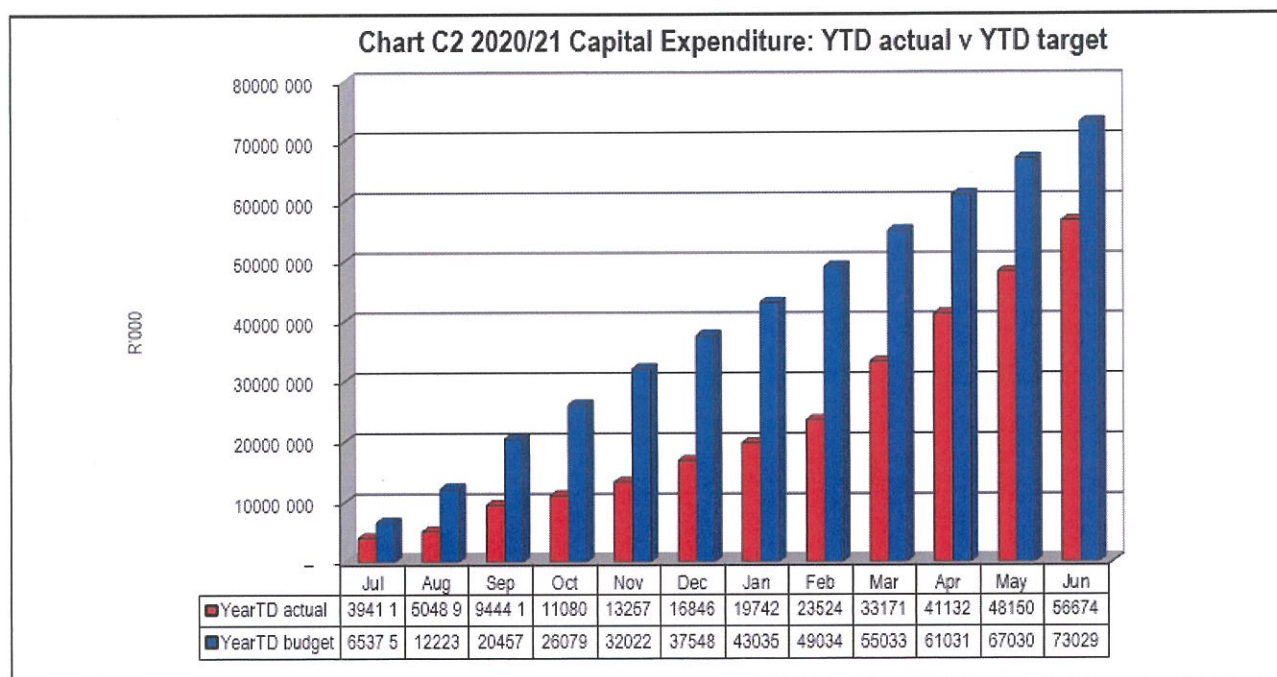
Vote Description	Ref	2019/20	Budget Year 2020/21					
		Audited Outcome	Original Budget	Adjusted Budget	30-Mar	30-Jun	4th Quarter	YearTD budget
R thousands	1							
Capital Expenditure - Functional Classification								
<i>Governance and administration</i>		1 022	1 790	-	1 118	1 943	825	-
Executive and council		-	-	-	-	-	-	-
Finance and administration		1 022	1 790	-	1 118	1 943	825	-
Internal audit		-	-	-	-	-	-	-
<i>Community and public safety</i>		4 343	2 922	4 492	684	1 352	668	4 492
Community and social services		1 607	-	514	-	584	584	514
Sport and recreation		2 736	2 922	3 978	684	768	84	3 978
Public safety		-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-
<i>Economic and environmental services</i>		17 030	17 531	50 742	25 516	35 749	10 233	50 742
Planning and development		-	-	-	-	-	-	-
Road transport		17 030	17 531	50 742	25 516	35 749	10 233	50 742
Environmental protection		-	-	-	-	-	-	-
<i>Trading services</i>		6 489	11 310	17 794	9 931	17 630	7 699	17 794
Energy sources		-	5 000	13 634	6 268	13 415	7 146	13 634
Water management		-	-	-	-	-	-	-
Waste water management		6 767	5 810	4 160	3 663	4 215	553	4 160
Waste management		(278)	500	0	-	-	-	-
<i>Other</i>		311	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	29 196	33 553	73 029	37 249	56 674	19 425	73 029

5.1.1. CAPITAL EXPENDITURE SOURCES OF FUNDING

The capital expenditure for the fourth quarter was financed from the Municipal Infrastructure Grant to the amount of R 13.044 million. R 2.685 million was financed by INEP for electrification of certain wards within the municipal

demarcation. R 1.264 million of the capital expenditure was financed by Department of Transport. R 825 000 was financed from internally generated funds. This brought the total spending on capital related projects to a total of R 17.818 million for the fourth quarter ended 30 June 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 4 ended June 2021. See table "C" below together with a discussion analysis below.

Table "C"

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										
Revenue By Source										
Property rates		7 770	9 167	9 167	(1)	9 893	9 167	726	8%	9 167
Service charges - electricity revenue		13 421	18 391	20 391	1 364	14 041	20 391	(6 350)	-31%	20 391
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		8 188	8 295	9 295	757	9 570	9 295	275	3%	9 295
Rental of facilities and equipment		555	949	949	25	121	949	(828)	-87%	949
Interest earned - external investments		1 385	1 792	5 349	253	2 280	5 349	(3 070)	-57%	5 349
Interest earned - outstanding debtors		6 397	5 435	5 435	404	5 295	5 435	(140)	-3%	5 435
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		155	202	202	13	81	202	(120)	-60%	202
Licences and permits		1 744	4 429	3 498	111	1 436	3 498	(2 062)	-59%	3 498
Agency services		537	1 457	2 388	71	1 712	2 388	(675)	-28%	2 388
Transfers and subsidies		132 733	148 749	164 974	2 813	174 109	164 974	9 134	6%	164 974
Other revenue		1 505	1 849	1 944	6	651	1 944	(1 293)	-67%	1 944
Gains		20	-	1 000	-	-	1 000	(1 000)	-100%	1 000
Total Revenue (excluding capital transfers and contributions)		174 409	200 714	224 592	5 816	219 189	224 592	(5 404)	-2%	224 592

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

- Property Rates: actual vs. projected revenue results have a variance of 8 %. This variance shows that there is an over achievement for the fourth 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 for the municipality.

- Electricity revenue has underperformed by 31% which is a slight improvement compared to the first quarter variance of 32%. 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 120% 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 6%. This largely due to that fact that transfers revenue was fully received by the year end.
- Refuse removal: actual vs. projected collection favourable variance is 3% 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 achieve the budgeted revenue for the quarter. There has been operational disruptions at the testing station.
- Rental of facilities: actual vs. projected billing unfavorable variance is -87%. This shows that rental of facilities has not performed adequately at the end of the fourth quarter. This is largely due to the unresolved

issue of lease agreements. There were also significant revenues in relation to rental of facilities written off during the prior year which to the billing being ceased for the current year in relation to those debtors.

- Other revenue: actual vs. projected revenue variance is -67% unfavourable which shows an under collection in respect of other revenue.
- The overall unfavourable budget variance of -2% was achieved for total revenue.

5.2.2 Operating Expenditure by type:

Table "D" reflects operating expenditure by type for the quarter ending 30 June 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	14 629	94 637	91 159	3 478	4%	91 159	
Remuneration of councillors	13 486	14 749	14 749	2 247	15 122	14 749	373	3%	14 749	
Debt impairment	16 870	4 000	3 000	36	8 323	3 000	5 323	177%	3 000	
Depreciation & asset impairment	28 923	19 384	19 384	-	19 244	19 384	(141)	-1%	19 384	
Finance charges	2 136	280	1 067	18	806	1 067	(262)	-25%	1 067	
Bulk purchases	12 868	14 300	13 300	2 648	16 442	13 300	3 142	24%	13 300	
Other materials	2 213	4 421	7 922	1 448	3 694	7 922	(4 228)	-53%	7 922	
Contracted services	17 746	33 165	25 448	1 774	21 044	25 458	(4 414)	-17%	25 448	
Transfers and subsidies	222	-	-	-	-	-	-	-	-	
Other expenditure	23 504	14 690	18 775	1 570	15 644	18 911	(3 267)	-17%	18 775	
Losses	1 487	-	-	-	-	-	-	-	-	
Total Expenditure	203 067	198 814	194 803	24 371	194 955	194 949	6	0%	194 803	

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

- Employee related costs is 4% over the budget amount due to a combination of instances where the municipality paid an acting allowance when the incumbent of the acted post was also drawing a salary leading to a double payment. There was also an arbitration award paid to an employee during the fourth quarter.
- Year-to-date remuneration of councilors' expenditure is at 3% above the year-to-date budgeted figure which is an over expenditure of R 373 000. This is largely due to over expenditure which was discovered on the contract phones of certain councilors. The variance will be reclassified into a debtor during the AFS preparation process.
- Debt impairment has an amount of R 8.323 million which relates to actual write offs of debtors which were erroneously recorded against the debt impairment expense instead of a debit to the provision that was previously raised. This will be corrected during the process of the AFS preparation.

- Depreciation and impairment expenditure is -1% under the projected budget. The variance is minimal as at the end of fourth quarter.
- Year-to-date finance costs are at -27% below the year-to-date budgeted figure which is an under expenditure of R 262 000. This is largely due to the finance costs in relation to the actuarial report which is yet to be sourced from the service provider. The remaining budget will be utilized when the report from the actuaries is received.
- Bulk purchases year-to-date actual figure is overspent by 24% when compared to the year-to-date budgeted figure of R 13.3 million. This was mainly since there is own electricity usage for the municipality's own electricity usage included which should be reclassified to an operational cost of the municipality. The Free Basic Electricity will also have to be reclassified to a subsidy provided by the municipality. These changes will be effected during the AFS preparation process.
- Other materials and supplies are underspent by -53% when compared to the year-to-date budgeted figure of R 7.922 million. This was largely due to the municipality taking the approach of slowing down expenditure so that savings can be used to fund the unfunded budget the municipality had at the end of the first quarter. This curbing of expenditure assists to ensure a surplus at the end of the financial year.
- Other expenditure shows an under expenditure of -17 % 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 -17% underspending for contracted services due to the municipality's strategy to curb spending.

- The overall operating expenditure budget variance of 0% and actual expenditure is 100%.

5.3 Allocations and Grants

Table G: Conditional grants expenditure

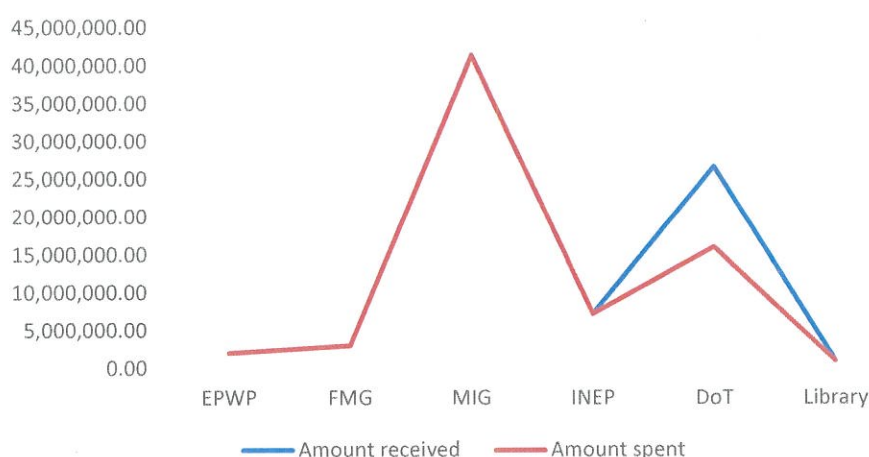
Conditional grants - 30 June 2021			
Grant	Amount received	Amount spent	Percentage expenditure
EPWP	2 091 000,00	2 091 000,00	100,00%
FMG	3 000 000,00	3 000 000,00	100,00%
MIG	41 410 000,00	41 410 000,00	100,00%
INEP	7 224 000,00	7 224 000,00	100,00%
DoT	26 600 000,00	15 981 987,61	60,08%
Library	950 000,00	950 000,00	100,00%
TOTAL	R81 275 000,00	R70 561 740,87	86,82%

- Financial Management Grant (FMG) – The municipality had spent 100% percent of the FMG grant which means the municipality achieved its objective to spend 100% of the grant during the fourth quarter.
- Municipal Infrastructure Grant (MIG) – The MIG expenditure is on track with 100% of the funds received already spent. PMU Unit has reported 100% spending at year. Further engagements between BTO and IDHS

will be held during the financial statement preparation to ensure correct alignment of reports.

- Integrated National Electrification Programme (INEP) – An amount of R7.224 million has been received by the municipality and 100% of the grant has been spent as at the end of fourth quarter.
- Expanded Public Works Programme (EPWP) – The municipality has spent 100% of the amount received at the end of the fourth quarter. The expenditure translates to 100% of the 2020/21 allocation for the municipality.

Conditional Grants - 4th Q



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.

1. Outstanding Debt as at 30th June 2021:

- The total debt owed to the municipality as at the 30th June 2021 amounts to R100 803 283.08.
 - The total debt above can be broken down as follow:
- a. **Balance Per Debtor:**

Totals per Account Group	Total Balance	Current	30-60 DAYS	Greater than 90 days	Total Interest Charged
Blue Crane Minerals & Resources (PTY) Ltd	R 15 278.18	R 715.48	R 3 834.98	R 10 578.81	R 148.91
Business	R 9 117 606.66	R 121 518.42	R 513 863.07	R 6 335 176.56	R 2 147 048.61
Chris Hani District Municipality	R 7 158 873.55	R 61 974.06	R 146 651.02	R 5 431 925.32	R 1 518 323.15
Churches	R 811.95	-R 1.76	R -	R 710.95	R 102.76
CORNISH TRUST AND HW STAPELBERG	R 111 886.18	R 1 731.28	R 18 186.69	R 89 924.93	R 2 043.28
Councillors Accounts	R 25 430.78	-R 522.52	R 344.54	R 16 180.56	R 9 428.20
Dept of Rural Development and Land Reform	R 3 152 942.42	R 7 695.08	R 20 596.86	R 2 825 911.18	R 298 739.30
Dept Rural Dev & Agri Reform	R 8 632.09	R 152.52	R 305.04	R 6 722.80	R 1 451.73
Dept Social Development	R 176 070.85	R 14 805.80	R 22 194.30	R 123 408.55	R 15 662.20
Dordrecht High School	R 33 835.65	R 6 501.36	R 11 551.08	R 15 025.08	R 758.13
Eastern Cape Development Ccrp	R 32 771.60	R 868.00	R 4 165.48	R 26 016.44	R 1 721.68
Education	R 115 278.86	R 2 327.27	R 10 466.52	R 92 702.26	R 9 782.81
Farms	R 5 149 567.37	-R 74 104.47	R 1 526.54	R 3 666 720.07	R 1 555 425.23
Health	R 303 735.77	R 192 770.54	R 74 182.44	R 34 130.95	R 2 651.84
Indigents	-R 37 229.45	-R 35 806.02	R -	-R 1 424.57	R 1.14
Indwe High School	R 8 580.24	R 2 903.28	R -	R 5 639.36	R 37.60
Joe Gqabi Municipality	R 32 747.48	R 4 147.24	R 5 152.74	R 21 140.63	R 2 306.87
Mr Mvambo	R 312 441.44	R 1 226.77	R 19 282.72	R 230 177.47	R 61 754.48
Municipal Accounts	R -	R -	R -	R -	R -
National Public Works	R 775 164.85	R 48 402.90	R 74 399.90	R 640 669.76	R 11 692.29
OSBORNE FAMILY TRUST AND NUMBER TWO PIGGERIES	-R 1 051.68	-R 1 804.90	R -	R 415.65	R 337.57
Provincial Pub Lic Works	R 3 187 529.85	-R 295 015.10	R 427 608.46	R 2 766 041.20	R 288 895.29
Residents	R 70 983 511.17	R 408 912.17	R1 706 030.08	R 45 891 950.47	R 22 976 618.45
South African Post Office	R 47 201.88	R 26 919.27	R 20 133.84	R -	R 148.77
Staff Accounts	R 60 040.09	-R 7 024.17	R 5 880.00	R 50 655.72	R 10 528.54
VAN NIEKERK	R 31 635.30	-R 8 739.52	R 5 163.66	R 32 872.62	R 2 338.54
Total	R100 803 293.08	R 480 705.50	R3 091 686.30	R 68 312 972.60	R 28 917 928.68

b. **Balance Per Service Type:**

Totals per Service Type	Total Balance	Current	30-60 DAYS	Greater Than 90 Days	Total Interest Charged
Advance Payment	-R 990 318.99	-R 990 318.99	R -	R -	R -
Electricity Basic	R 216 360.02	R 16 110.42	R 16 449.45	R 169 713.87	R 14 086.28
Electricity Metered	R 8 836 327.99	R 585 601.56	R 412 848.98	R 6 289 465.88	R 1 548 411.57
Property Rates	R 30 123 372.39	R 853.93	R 1 017 705.53	R 22 058 298.39	R 7 046 514.54
Rental(H003)	R 537 491.16	R 19 015.02	R 38 030.04	R 413 767.32	R 66 678.78
Waste Disposal	R 62 080 060.51	R 849 443.56	R 1 606 652.30	R 3 381 727.14	R 20 242 237.51
Total	R 100 803 293.08	R 476 149.49	R 3 091 686.30	R 6 312 972.60	R 28 917 928.68

c. Staff and Councillors Accounts

Councillors Account

Account No	Name	Total	Current	30 -60 Days	Greater than 90 days	Total Interest Charged
0000000000002856	MBULELO THOMAS/ THEMBI FLORENCE MONDILE	R 152.47	R 152.47	R -	R -	R -
0000000000003067	THANDEKA GLORIA/THEMBINKOSI GABRIEL KULASHE	R 26 105.82	R 152.52	R 344.54	R 16 180.56	R 9 428.20
0000000000006581	PIETER FREDERICK GREYLING	-R 827.51	-R 827.51	R -	R -	R -
0000000000007898	MCEBISI STEPHEN LIMBA	R -	R -	R -	R -	R -
Total		R 25 430.78	-R 522.52	R 344.54	R 16 180.56	R 9 428.20

Staff Accounts

Account No	Name	Total	Current	30-60 Cays	Greater than 90 Days	Total Interest charged
0000000000000964	NKULULEKO SIDNEY KELEMBE	R 2 004.80	R 152.52	R 338.07	R 1 471.62	R 42.59
0000000000001811	TINUS BEKKER	-R 6 075.19	-R 6 075.19	R -	R -	R -
0000000000001812	MABHUTI HEADMAN NTSHINGANA	-R 255.48	-R 255.48	R -	R -	R -
0000000000004777	THOBEKA HAZEL SIZANI	R 149.71	R -	R 36.34	R 109.01	R 4.36
0000000000004922	NOKUZOLA FLORENCE MTWANA	R 3 767.43	R 152.52	R 305.04	R 3 036.60	R 273.27
0000000000005227	KRISMESI PONDOYI	R 13 535.73	R 152.52	R 335.06	R 9 728.00	R 3 320.15
0000000000005286	SPITI MBULELO ELEFU	R 2 731.26	R 152.52	R 335.06	R 1 946.23	R 297.45
0000000000005321	TEKA	R 11 295.79	R 152.52	R 335.06	R 8 955.35	R 1 852.86
0000000000005476	DANJIWE BENTELE	R 107.85	R -	R 30.02	R 75.03	R 2.80
0000000000005477	LINDIWE NOLINDEMNA MPHOCWA	R 3 254.44	R 152.52	R 305.04	R 2 544.34	R 252.54
0000000000006480	THAMSANQA MAYEKISO	R 13 664.34	R 152.52	R 335.06	R 9 851.31	R 3 325.45

0000000000006623	VUSUMZI LANDE	-R 1 774.48	-R 1 774.48	R -	R -	R -
0000000000006708	MALIBONGWE ADVOCATE NZIWENI	R 18 527.01	R 1 479.99	R 2 959.98	R 12 938.23	R 1 148.81
0000000000007993	NKOSIKHONA MVIMBI	-R 1 619.17	-R 1 619.17	R -	R -	R -
0000000000008667	PHUMZILE ERIC JACOBS	R 726.05	R 152.52	R 565.27	R -	R 8.26
Total		R 60 040.09	-R 7 024.17	R 5 880.00	R 50 655.72	R 10 528.54

Debtors Collection Levels for June 2021:

- Collection rate for June 2021 has increased when compared to May 2021. This is due to an increase in payment rate by the Department of Health and National Public Works.
- The total billing for the year ended 30 June 2021 amounted to R15 959 622.83 whereas the total cash collected amounted to R 19 287 884.83. This means that the municipality managed to collect 100% of its 2020/21 financial year billing as well as 20.85% (R3 328 262.00) relating to the previous financial years debt. The over collection was mainly on the Electricity services where the municipality collected 166.05%
- The collection rate for April (15.31%), May (43.76%) and June (106.83%). The total collection rate (Average) for 2020/21 Financial year was 120.85%.

MONTH	APRIL			MAY			JUNE			TOTALS		
	BILLING	COLLECTION	COLL. %	BILLING	COLLECTION	COLL. %	BILLING	COLLECTION	COLL. %	BILLING	COLLECTION	COLL. %
RATES	R409 317.85	-R214 110.59	52.31%	720 578.49	-534 851.35	74.23%	80 879.48	-256 728.68	317.42%	R10 087 408.48	-R9 006 419.11	89.28%
REFUSE REMOVAL	R5 465 002.69	-R121 692.78	2.23%	905 164.23	-105 827.37	11.69%	1 090 469.93	-193 831.65	17.78%	R4 362 192.79	-R2 057 731.02	47.17%
RENTAL	R25 077.75	-R16 606.39	66.22%	26 293.83	-6 929.82	26.36%	22 027.00	-3 836.90	17.42%	-R3 313 687.27	-R213 953.21	-6.46%
ELECTRICITY	R406 380.24	-R355 693.55	87.53%	481 051.25	-285 777.45	59.41%	385 388.85	-1 232 200.61	319.73%	R4 823 708.83	-R8 009 781.51	166.05%
TOTALS	-R4 624 226.85	-R708 103.31	15.31%	2 133 087.80	-933 385.99	43.76%	1 578 765.26	-1 686 597.84	106.83%	R15 959 622.83	-R19 287 884.85	120.85%

2. Our Efforts to collect Municipal Revenue:

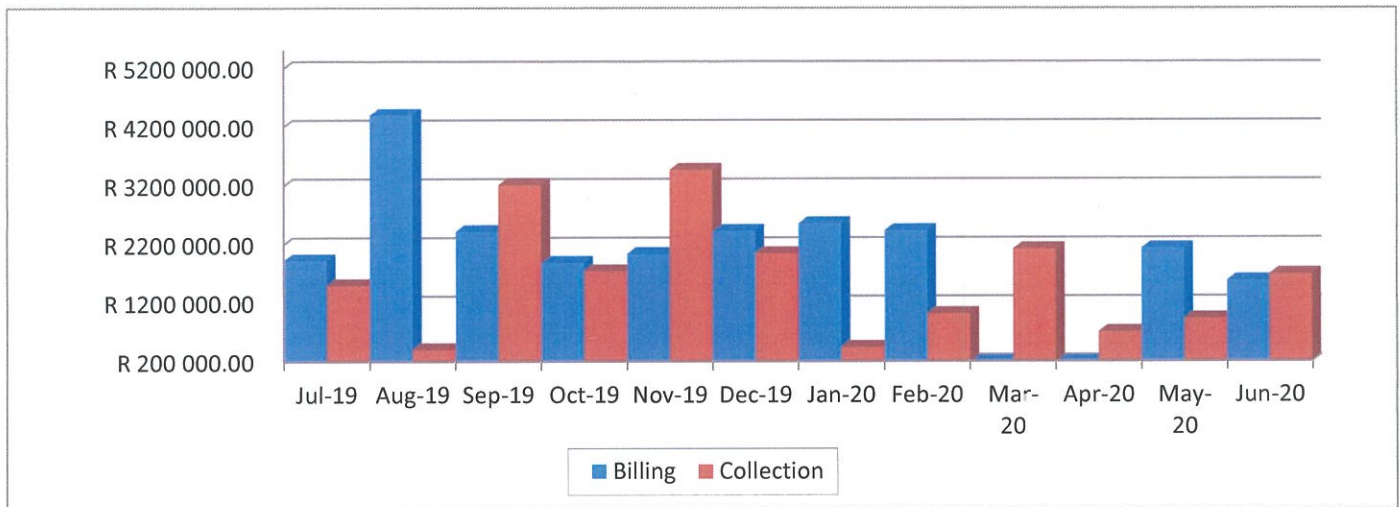
Totals per Account Group	Total Balance	
Blue Crane Minerals & Resources (PTY) Ltd	R 15 278.18	Blue crane made payment in line with the arrangement made. But no payment was received in June 2021
Business	R 9 117 606.66	We issued letters of demand for businesses; disconnection notices will be issued in July 2021. some of the businesses responded with payments and payment arrangements.

Chris Hani District Municipality	R	7 158 873.55	no payment was received, letter of demand was prepared and delivered to them, but no payment was received. Disconnection notice will be prepared and delivered.
Churches	R	811.95	the balance for churches should be R0. there were technical errors that were only picked up after the final billing was done. We will resolve this in July and get accounts to be R0.00
CORNISH TRUST AND HW STAPELBERG	R	111 886.18	There is a meeting scheduled with Mr Stapelberg to finalise his request for discount and the payment will be made after this meeting.
Councillors Accounts	R	25 430.78	Mr. Kulashe made payment arrangement with the municipality in May 2021, however no payment was made and that arrangement was not complete since there was no down-payment made.
Dept of Rural Development and Land Reform	R	3 152 942.42	COGTA organised a meeting with all the municipalities that were not paid by DRDLR as it was noted that most of the municipalities are not paid. On that meeting, DRDLR committed to pay municipalities and requested that statement be sent again.
Dept Rural Dev & Agri Reform	R	8 632.09	No payment was made even after we have sent the letter of demand. We had scheduled to meet with the department, but due to Covid 19 we had to postpone.
Dept Social Development	R	176 070.85	We have not received any payment from Social Development. This is after we have even sent them notice of disconnection. In July we will be disconnecting electricity.
Dordrecht High School	R	33 835.65	Letters of demand were sent to the school. But the school did not pay the municipality and no payment arrangement was made.
Eastern Cape Development Corp	R	32 771.60	Disconnection notice was issued, but no payment was made. The municipality will disconnect electricity in July.

Education	R	115 278.86	Letters of demand were sent to all the schools owing the municipality, but only Chris Hani Public School paid their debt of R27 655.51. We will send disconnection notices in July 2021
Farms	R	5 149 567.37	One on one sessions that were scheduled for June had to be postponed as the result of Covid 19 impact. We will however continue with them. We are also in contact with some of the Farmers to encourage them to pay their accounts on time.
Health	R	303 735.77	After sending the department notice of disconnection, they paid an amount of R 1 166 548.00 towards their accounts. We then waived interest on those account paid as the gesture of appreciation and encouragement to pay on time. We have also sent the other accounts to them.
Indigents	-R	37 229.45	There was a technical error where we were correcting balances on indigent. This error is being attended to and will be resolved.
Indwe High School	R	8 580.24	Indwe High school is paying the accounts in line with the arrangement made.
Joe Gqabi Municipality	R	32 747.48	Joe gqabi did not make a payment in June. We will send them notice of disconnection.
Mr Mvambo	R	312 441.44	R28 631.10 was paid in June in line with the payment arrangement made.
Municipal Accounts	R	-	municipal account is at R0.00 as they are cleared monthly.
National Public Works	R	775 164.85	R174 181.00 was paid by National Public Works in June 2021. The department pays their account monthly.
OSBORNE FAMILY TRUST AND NUMBER TWO PIGGERIES	-R	1 051.68	David Orsborne paid their account up to date.
Provincial Public Works	R	3 187 529.85	There was a meeting scheduled with the department to reconcile their account, but due to Covid 19 we had to postpone. We will continue in July with the meeting.

Residents	R	70 983 511.17	Quite a few numbers of residents pay their account, with R97 085.30 received in June 2021. the payment made results mainly from the letters of demand that were issued to the customers.
South African Post Office	R	47 201.88	Only R2 182.68 was received from post office in June 2021. We will contact the post office regarding the outstanding balance.
Staff Accounts	R	60 040.09	Msitshana, Elefu and Mayekiso made payment arrangement where they request municipality to deduct rates from their monthly salary. This will take effect from July 2021. We will send notices to the other informing them that the municipality will deduct the outstanding balances from their salaries.
VAN NIEKERK	R	31 635.30	Mr Van Niekerk pays his accounts monthly. We will contact him regarding the arrears debt so that this can be resolved.
Total	R	100 803 293.08	

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



See attached annexure for more information.

3. Non-Billable Revenue

Description	Billing			Ledger			Differences		
	Billing Credit	Billing Debit	Billing Movement	GLCredit	GLDebit	GLMovement	Credit Difference	Debit Difference	Movement Difference
Item Description									

Deposits		0.00	489 877.00	489 877.00		0.00	471 828.10	471 828.10		0.00	18 048.90	18 048.90
Monthly Billing		5 243.92	234 281.95	229 038.03		5 243.92	234 281.95	229 038.03		0.00	0.00	0.00
Interest Charge		0.00	83 534.00	83 534.00		0.00	83 534.00	83 534.00		0.00	0.00	0.00
Collections		155 292.74	0.00	(155 292.74)		155 292.74	0.00	(155 292.74)		0.00	0.00	0.00
Monthly Billing		60 742.25	0.00	(60 742.25)		60 742.25	0.00	(60 742.25)		0.00	0.00	0.00
Interest Charge		52 723.84	39 872.43	(12 851.41)		52 723.84	39 872.43	(12 851.41)		0.00	0.00	0.00
Collections		14 454.83	0.00	(14 454.83)		14 454.83	0.00	(14 454.83)		0.00	0.00	0.00
Interest Charge		0.00	229.59	229.59		0.00	229.59	229.59		0.00	0.00	0.00
Monthly Billing		84 564.08	265 954.65	181 390.57		84 564.08	265 954.65	181 390.57		0.00	0.00	0.00
Interest Charge		0.00	293.99	293.99		0.00	293.99	293.99		0.00	0.00	0.00
Collections		71 339.63	0.00	(71 339.63)		70 287.74	0.00	(70 287.74)		1 051.89	0.00	(1 051.89)
Debt Write-offs		5.64	0.00	(5.64)		5.64	0.00	(5.64)		0.00	0.00	0.00
Monthly Billing		9 658.31	21 179.24	11 520.93		9 658.31	21 179.24	11 520.93		0.00	0.00	0.00
Interest Charge		0.00	2 854.58	2 854.58		0.00	2 854.58	2 854.58		0.00	0.00	0.00
Collections		5 796.06	0.00	(5 796.06)		5 796.06	0.00	(5 796.06)		0.00	0.00	0.00
Monthly Billing		5 258.36	247 522.70	242 264.34		5 258.36	247 522.70	242 264.34		0.00	0.00	0.00
Interest Charge		0.12	24 414.16	24 414.04		0.12	24 414.16	24 414.04		0.00	0.00	0.00
Prior Period Corrections and Adjustments		0.00	294.18	294.18		0.00	294.18	294.18		0.00	0.00	0.00
Collections		83 654.14	0.00	(83 654.14)		83 654.14	0.00	(83 654.14)		0.00	0.00	0.00
Refunds		2 381.80	0.00	(2 381.80)		2 381.80	0.00	(2 381.80)		0.00	0.00	0.00
Monthly Billing		42 437.21	434 903.71	392 466.50		42 437.21	434 903.71	392 466.50		0.00	0.00	0.00
Interest Charge		2 086.62	48 263.80	46 177.18		2 086.62	48 263.80	46 177.18		0.00	0.00	0.00
Collections		153 703.28	14 851.08	(138 852.20)		153 703.28	14 851.08	(138 852.20)		0.00	0.00	0.00
Monthly Billing		0.00	23 443.92	23 443.92		0.00	23 443.92	23 443.92		0.00	0.00	0.00
Interest Charge		0.00	2 849.91	2 849.91		0.00	2 849.91	2 849.91		0.00	0.00	0.00
Collections		11 358.72	0.00	(11 358.72)		11 358.72	0.00	(11 358.72)		0.00	0.00	0.00

Collections	0.07	0.00	(0.07)	0.07	0.00	(0.07)	0.00	0.00	0.00
Monthly Billing	300 223.55	969 268.38	669 044.83	300 223.55	969 268.38	669 044.83	0.00	0.00	0.00
Interest Charge	1 663.98	268 240.21	266 576.23	1 663.98	268 240.21	266 576.23	0.00	0.00	0.00
Prior Period Corrections and Adjustments	32 054.22	0.00	(32 054.22)	32 054.22	0.00	(32 054.22)	0.00	0.00	0.00
Collections	175 910.38	11 016.83	(164 893.55)	173 312.27	11 016.83	(162 295.44)	2 598.11	0.00	(2 598.11)
Debt Write-off	715.48	0.00	(715.48)	715.48	0.00	(715.48)	0.00	0.00	0.00
Bad Debts Written Off	0.00	627.80	627.80	0.00	627.80	627.80	0.00	0.00	0.00
Municipal Services	0.00	58 395.90	58 395.90	0.00	58 395.90	58 395.90	0.00	0.00	0.00
Deposits	1 535.00	0.00	(1 535.00)	1 535.00	0.00	(1 535.00)	0.00	0.00	0.00
Deposits	136 831.47	0.00	(136 831.47)	136 831.47	0.00	(136 831.47)	0.00	0.00	0.00
Withdrawals	0.00	191 943.25	191 943.25	0.00	191 943.25	191 943.25	0.00	0.00	0.00
Deposits	0.00	537 004.40	537 004.40	0.00	537 004.40	537 004.40	0.00	0.00	0.00
Deposits	102 999.66	0.00	(102 999.66)	97 053.21	0.00	(97 053.21)	5 946.45	0.00	(5 946.45)
Recognised	183 132.12	0.00	(183 132.12)	183 132.12	0.00	(183 132.12)	0.00	0.00	0.00
Transfers	0.00	88 632.13	88 632.13	0.00	88 312.27	88 312.27	0.00	319.86	319.86
Recognised	67 531.42	0.00	(67 531.42)	66 782.07	0.00	(66 782.07)	749.35	0.00	(749.35)
Vehicle Registration	57 001.77	0.00	(57 001.77)	51 549.59	0.00	(51 549.59)	5 452.18	0.00	(5 452.18)
Electricity	48 177.68	2 086.62	(46 091.06)	48 177.68	2 086.62	(46 091.06)	0.00	0.00	0.00
Property Rental Debtors	7 209.86	0.00	(7 209.86)	7 209.86	0.00	(7 209.86)	0.00	0.00	0.00
Waste Management	267 609.42	1 663.98	(265 945.44)	267 609.42	1 663.98	(265 945.44)	0.00	0.00	0.00
Agricultural Activities	1 295.65	0.00	(1 295.65)	1 295.65	0.00	(1 295.65)	0.00	0.00	0.00
Community Assets	347.83	0.00	(347.83)	347.83	0.00	(347.83)	0.00	0.00	0.00
Straight-lined Operating	23 443.92	0.00	(23 443.92)	23 443.92	0.00	(23 443.92)	0.00	0.00	0.00
Community Assets	1 015.26	0.00	(1 015.26)	1 015.26	0.00	(1 015.26)	0.00	0.00	0.00
Cemetery and Burial	3 001.54	0.00	(3 001.54)	2 855.71	0.00	(2 855.71)	145.83	0.00	(145.83)
Building Plan Approval	194.17	0.00	(194.17)	194.17	0.00	(194.17)	0.00	0.00	0.00

Disconnection/Reconnection Fees	2 223.87	0.00	(2 223.87)	1 111.96	0.00	(1 111.96)	1 111.91	0.00	(1 111.91)
Commercial Conventional (Single Phase)	65 019.20	12 913.98	(52 105.22)	65 019.20	12 913.98	(52 105.22)	0 00	0.00	0.00
Commercial Conventional (3- Phase)	142 720.20	0.00	(142 720.20)	142 720.20	0.00	(142 720.20)	0 00	0.00	0.00
Prepaid	155 747.83	0.00	(155 747.83)	154 434.79	0.00	(154 434.79)	1 313 04	0.00	(1 313.04)
Street Lighting	170 437.79	0.00	(170 437.79)	170 437.79	0.00	(170 437.79)	0 00	0.00	0.00
Refuse Removal	842 862.78	255 102.68	(587 760.10)	842 862.78	255 102.68	(587 760.10)	0 00	0.00	0.00
Trading	8 217.36	0.00	(8 217.36)	8 217.36	0.00	(8 217.36)	0.00	0.00	0.00
Drivers Licence Application/Duplicate Drivers Licences	45 342.00	0.00	(45 342.00)	45 342.00	0.00	(45 342.00)	0.00	0.00	0.00
Learner Licence Application	13 767.00	0.00	(13 767.00)	13 767.00	0.00	(13 767.00)	0.00	0.00	0.00
Pound Fees	8 237.20	0.00	(8 237.20)	8 237.20	0.00	(8 237.20)	0.00	0.00	0.00
Municipal	3 550.00	0.00	(3 550.00)	3 550.00	0.00	(3 550.00)	0.00	0.00	0.00
Business and Commercial Properties	234 281.95	0.00	(234 281.95)	234 281.95	0.00	(234 281.95)	0.00	0.00	0.00
Agricultural Purposes	0.00	60 742.25	60 742.25	0.00	60 742.25	60 742.25	0.00	0.00	0.00
Developed	265 954.65	71 027.38	(194 927.27)	265 954.65	71 027.38	(194 927.27)	0.00	0.00	0.00
Vacant Land	21 179.24	0.00	(21 179.24)	21 179.24	0.00	(21 179.24)	0.00	0.00	0.00
State-owned Properties	247 522.70	5 258.36	(242 264.34)	247 522.70	5 258.36	(242 264.34)	0.00	0.00	0.00
Property Rates	151 198.65	52 723.96	(98 474.69)	151 198.65	52 723.96	(98 474.69)	0.00	0.00	0.00
Correction of Prior Period Error	294.18	29 883.60	29 589.42	294.18	29 883.60	29 589.42	0.00	0.00	0.00
							Balance Difference:		0.00

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.

SERVICES RENDERED	APRIL	NO BENEFI	MAY	NO BENEFI	JUNE	NO BENEFI
Electricity (ELM)	R57 652.00	994	R57 594.00	993	R57 942.00	999
Electricity (Eskom)	R200 184.18	2738	R201 646.98	2757	R196 819.74	2692
Refuse	R113 307.5	743	R113 307.5	743	R113 307.50	743
Total	R371 143.68		R372 548.48		R368 069.24	

Challenges on free basic services

The FBS officer started with the capturing of registers on the excel spreadsheet. There is however a delay in finalising due to the high number of applications received in 2021 financial year. The FBS office continues with the

capturing and will submit the spread sheet once completed to the verification agencies for verification.

6.3 CREDITORS AGE ANALYSIS

The following table reflects the total outstanding creditors owed by the municipality as at 30 June 2021:

Description	NT Code	Budget Year 2020/21								Total	Prior year total for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	1 696	-	-	-	-	-	-	-	-	1 696	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	81	30	-	-	-	-	-	-	-	111	2
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	274	-	-	-	-	-	-	-	-	274	-
Total By Customer Type	1000	2 051	30	-	-	-	-	-	-	-	2 080	2

The table above reflects that the municipality is trying its level best to pay its creditors within 30 days. The amount of R 2.08 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	54 842 052,77	9 721 413,56	3 287 580,00	2 843 637,32	70 694 683,65
Contributions for pension and medical aid	15 152 377,22				15 152 377,22
Transport, Travellieng allowance	5 327 465,82	554 796,01			5 882 261,83
Housing allowance	965 129,33				965 129,33
Overtime and standby allowance	2 206 055,92				2 206 055,92
Other staff benefits - UIF, SDL, bargaining Council	1 102 903,99		30 255,00	28 031,78	1 161 190,77
Other staff benefits - Acting allowance	1 177 791,94				1 177 791,94
- Enhanced responsibility,	197 460,52				197 460,52
- Telephone, data	2 269 770,66				2 269 770,66
- Bonus and leave pay	4 984 072,42				4 984 072,42
- Reloaction cost	108 000,00				108 000,00
- Subsistance & Travelling	684 427,42				684 427,42
TOTALS	89 017 508,01	10 276 209,57	3 317 835,00	2 871 669,10	105 483 221,68

The personnel expenditure at end of June 2021 is at R 105 483 221.68 when compared with the personnel budget of R 108 273 222.77, this equates to 97% actual performance.

6.5 CASHFLOW STATEMENT

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		253	9 167	5 240	262	7 488	5 240	2 247	43%	5 240
Service charges		27 883	26 540	14 071	2 279	17 740	14 071	3 668	26%	14 071
Other revenue		2 666	12 048	8 885	230	3 998	8 885	(4 887)	-55%	8 885
Transfers and Subsidies - Operational		83 311	141 127	165 344	4 811	175 212	165 344	9 868	6%	165 344
Transfers and Subsidies - Capital		28 173	33 484	33 484	-	74 949	33 484	41 465	124%	33 484
Interest		8 500	-	4 889	328	3 107	4 889	(1 782)	-36%	4 889
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(153 429)	-	(65 461)	(24 317)	(166 583)	(65 461)	101 122	-154%	(65 461)
Finance charges		(2 136)	-	1 067	(18)	(806)	1 067	1 873	175%	1 067
Transfers and Grants		(219)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(4 999)	222 367	167 519	(16 426)	115 105	167 519	52 415	31%	167 519
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(33 553)	(37 751)	(9 647)	(54 053)	(37 751)	16 301	-43%	(37 751)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(33 553)	(37 751)	(9 647)	(54 053)	(37 751)	16 301	-43%	(37 751)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(72)	0	0	1	(77)	(0)	(77)	7719100%	(0)
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(72)	0	0	1	(77)	(0)	77	-7719100%	(0)
NET INCREASE/ (DECREASE) IN CASH HELD		(5 070)	188 814	129 768	(26 072)	60 975	129 768			129 768
Cash/cash equivalents at beginning:		4 145	4 145	5 791		(5 791)	5 791			(5 791)
Cash/cash equivalents at month/year end:		(925)	192 959	135 559		55 184	135 559			123 977

6.5.1 CASH AND CASH EQUIVALENTS

Below spreadsheet are the cash and cash equivalent balances of the municipality as at 30 June 2021.

<i>Cash and cash equivalents as at 30 June 2021</i>	
Municipal Account	Closing balance
Investments	51 343 836
Main bank account	12 514 980
	63 858 816

The Municipality has cash and equivalents of a balance of R63 858 816 as at end of fourth quarter.

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(f))	Authorised by (name)
20-05-2021	Emalahleni Local Municipality	9 000 000	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
27-05-2021	Emalahleni Local Municipality	5 500 000	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
03-06-2021	Emalahleni Local Municipality	2 500 000	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
18-06-2021	Emalahleni Local Municipality	13 000 000	Transfer from municipal fixed investment account held with FNB Bank to Primary account for purposes of paying municipal creditors and salaries. Sec 11(h)	Mr. X. Sikobi
30-06-2021	Emalahleni Local Municipality	10 284 117	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

Withdrawals not in terms of the approved budget for the 4th quarter consisted of cash transfers within municipal accounts. There were no payments

made to third parties or withdrawn for another purpose during the fourth quarter.

7. REPORT ON THE IMPLEMENTATION OF ASSET MANAGEMENT FOR QUARTER ENDING 30 June 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.
- An incident and accident committee has been re-established to investigate damage or loss of municipal assets such that recommendations can be made to the municipal manager on the steps to be taken to recover losses which are not indemnified by the insurer. This committee sat for the first time during the 4th quarter of 2021.

THE FOLLOWING IS THE SUMMARY OF THE ASSET REGISTER FOR THE QUARTER ENDED 30 June 2021.

PPE and Other Disclosures							
FY 2021 - 4th QUARTER AS AT 30 JUNE 2021							
Asset Class	Opening Cost 2020/21	Additions 2020/2021	Closing Cost - 31 May 2021	Opening Acc Dep 2020/21	CY Dep 2020/21	Acc Dep as at 31 MAY 2021	Carrying Value 2020/21
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	550 074,24	5 688 698,41	25 528 744,35
L&B WIP	8 050 473,36		8 050 473,36				8 050 473,36
	73 038 782,52			5 138 624,17	550 074,24	5 688 698,41	67 350 084,11
Infrastructure							
Infrastructure - Electricity	25 378 680,14		25 378 680,14	13 556 924,70	662 484,82	14 219 409,52	11 159 270,62
Infrastructure - Road transport	388 202 643,04		388 202 643,04	242 430 664,15	13 857 184,32	256 287 848,48	131 914 794,57
Infrastructure - Drains	11 746 552,51		11 746 552,51	4 496 310,50	147 468,90	4 643 779,41	7 102 773,10
Infrastructure - Other	507 625,43		507 625,43	-	-	-	507 625,43
Infrastructure - WIP	52 889 124,99	41 564 350,28	94 453 475,27				94 453 475,27
	478 724 626,11			260 483 899,36	14 667 138,05	275 151 037,40	245 137 938,99
Community Assets							
Cemeteries	10 489 877,38		10 489 877,38	2 235 255,03	483 680,34	2 718 935,37	7 770 942,02
Community Halls	47 862 094,39		47 862 094,39	3 878 987,52	712 148,23	4 591 135,76	43 270 958,63
Libraries	499 000,00		499 000,00	60 103,08	5 067,98	65 171,06	433 828,94
Parks & gardens	6 727 795,84		6 727 795,84	832 657,47	245 441,52	1 078 098,99	5 649 696,85
Buildings - Community Other	977 592,87		977 592,87	60 763,02	20 005,53	80 768,55	896 824,32
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	1 164 656,96	10 980 957,42	27 887 556,45
Community Assets WIP	21 345 484,27		21 345 484,27				21 345 484,27
	165 718 625,78			16 884 066,59	2 631 000,56	19 515 067,15	147 097 291,48
Leased Assets							
Furniture and other office equipment	1 205 955,75		1 205 955,75	871 151,60	403 086,58	1 274 238,18	68 282,43
	1 205 955,75			871 151,60	403 086,58	1 274 238,18	68 282,43
Other Assets							
Computers - hardware/equipment	2 991 711,07	389 189,66	3 380 900,73	1 869 016,53	363 665,14	2 232 681,67	1 148 219,06
Furniture and other office equipment	7 888 750,33	167 500,00	8 056 250,33	4 060 307,06	693 045,52	4 753 352,57	3 302 897,76
General vehicles	19 333 720,65	1 389 149,66	20 722 870,31	6 729 254,71	1 209 647,64	7 938 902,36	12 783 967,95
Markets	2 556 413,85		2 556 413,85	444 439,79	67 458,36	511 898,15	2 044 515,70
Plant & equipment	1 196 691,23		1 196 691,23	817 225,43	174 907,04	992 132,47	204 558,76
Other	520 580,00		520 580,00	137 694,08	26 607,89	164 301,97	356 278,03
	34 487 867,14			14 057 937,60	2 535 331,60	16 593 269,20	19 840 437,25
TOTAL PPE	753 175 857,31			297 435 679,31	20 786 631,03	318 222 310,35	479 357 469,41
Heritage Assets							
Heritage Assets	182 535,96		182 535,96	-	-	-	182 535,96
	182 535,96						182 535,96
Investment Property							
Investment Property	4 226 300,00		4 226 300,00	79 219,22	2 406,58	81 625,79	4 144 674,21
	4 226 300,00			79 219,22	2 406,58	81 625,79	4 144 674,21
Intangible Assets							
Computers - hardware/equipment	551 632,15	6 950,00	558 582,15	203 260,87	55 080,06	258 340,93	300 241,22
	551 632,15			203 260,87	55 080,06	258 340,93	300 241,22
Total ASSET REGISTER	758 136 325,42			297 718 159,40	20 844 117,67	318 562 277,07	483 984 920,80

Additions for the Quarter ended 30 June 2021:

- ❖ 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 1st July 2020.

Insurance claims for the fourth quarter

Asset class	Description	Custodian	Claim number	Incident description	Date	Status of claim	Action
Vehicle	Tata crane truck	Mr Bentele	EMA00011	Third party collided with Crane truck in Dordrecht	14/04/2021	Third party withdrew and claimed from own insurance	To investigate damage on our own vehicle
Computer equipment	Hp ProBook i5	Ms Smith	EMA00012	Laptop fell and damaged	20/04/2021	Laptop was declared irreparable, and a replacement is in progress	Follow up on replacement laptop
Vehicle	JRR 299 EC	Fleet/Mayor	EMA0013	Windscreen damage	01/05/2021	Claim is pending	Follow up on claim
Vehicle	JGN	Fleet/Speaker	EMA0013	Bodyworks damages	11/05/2021	Claim is pending	Follow up on claim
Vehicle	HPJ 274 EC	Fleet Management	EMA00014	Vehicle collided with another on R392	12/05/2021	Vehicle written off, and settlement is still being processed	Wait for settlement funds

5 claims were filed with the insurance and of which 4 involve vehicles while 1 relates to a laptop claim.

Assets to be written off as a result of loss during the year.

DISCRIPTION	CUSTODIAN	CLAIM NUMBER	REASON FOR LOSS	DATE OF LOSS	STATUS
Hp ProBook 650 G1	Mr Sabata	EMA00002	Laptop stolen during a burglary at custodians' home	04/08/2020	Repudiated because there was no cover
Hp ProBook	Mr Bakana	EMA00007	Laptop stolen from a vehicle at Cacadu spar parking	24/01/2021	Repudiated as supporting footage was not sufficient to prove forcible entry
Hp ProBook 450 G5	Ms Bushula	EMA000010	Laptop reported stolen from custodian's vehicle at Queenstown	04/03/2021	Repudiated as there were no visible proof of forcible entry on the vehicle.
Hp ProBook i5	Ms Smith	EMA00012	Laptop fell and damaged	20/04/2021	Laptop was declared irreparable and a replacement is in progress
HPJ 274 EC	Fleet Management	EMA00014	Vehicle collided with another on R392	12/05/2021	Vehicle written off and settlement is still being processed

The assets listed above were lost/damaged beyond economic repair. These assets are recommended to the Council for write off.

8. SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDED 30 June 2021.

PURPOSE

To report on Supply Chain Management processes for the fourth quarter ended 30 June 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 FOURTH QAUATER OF THE 2020/2021 FINANCIAL YEAR

No	BID NO	PROJECT NAME	BIDDERS NAME	BBBEE STATUS LEVEL	AWARDED AMOUNT	DATE APPOINTMENT LETTER SIGNED
1	ELM/1/3/2021T	Installation of Solar Street Lights in Indwe – Ezitandini	T and N Contractors	1	R1 776 548.38	13-05-2021
2	ELM/1/9/2020T	Appointment of panel of Attorneys for a period of three years	Taleni Godi Kupiso Inc	1	R1 450.00 p/h	20-05-2021
3	ELM/1/02/2021T	Panel of professional Services for Civil for a period of three years	Ibhotwe lezizwe investments	1	8%	20-05-2021
4	ELM/1/02/2021T	Panel of professional Services for Civil for a period of three years	Masilakhe Consulting	1	10%	20-05-2021
5	ELM/1/02/2021T	Additional Panel Of Professional Services (Electrical) For A Period Of Three (03) Years	Igoda Projects (Pty) Ltd	1	8.4%	02-06-2021
6	ELM/1/02/2021T	Additional Panel Of Professional Services (Electrical) For A Period Of Three (03) Years	Hamsa Consulting Engineers	1	ECSA guideline rates	02-06-2021
7	ELM/1/02/2021T	Additional Panel Of Professional Services (Electrical)	Akal Genesis	1	9.5%	02-06-2021

		For A Period Of Three (03) Years				
8	ELM/2/3/2021T	Cemetery Development for Indwe Unit	Tati Group (Pty) Ltd	1	R1 653 207.63	03-06-2021
9	ELM/1/5/2021T	Supply and Delivery of Paving Material and Tools for Indwe and Cacadu	Changing Tides t/a MMM Construction	1	R1 095 375.00	18-06-2021
TOTAL AMOUNT OF BIDS AWARDED ABOVE R200 000.00 FOR THE FOURTH QUARTER FOR THE 2020/2021 FINANCIAL YEAR					R4 526 581.01	100% Eastern Cape

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

No	Quarter	Bid Number	Order Date	Order Number	Supplier name	Locality	Amount	Requisition Number	Description
1	4	ELM/5/2/2021Q	23/04/2021	1745	Sikhumbulanathi Trading	East London	R132 954.08	2098	Supply and Delivery of road markings and road signs
2		ELM/5/11/2020Q	20/04/2021	1733	NSQ Investments	Cacadu	R38 855.00	2421	Supply and delivery of tools and equipment
3		ELM/7/2/2021Q	19/04/2021	1732	Mthimkhulu	Cacadu	R71 905.53	2173	Supply and Delivery of material for renovation of feedlot.
4		ELM/8/2/2021Q	06/05/2021	1760	Enzokuhle Enterprise	East London	R110 000.00	1900	Integrated Waste Manage

									ment Plan Review
5		ELM/3/2/2 021Q	05/05/2 021	1755	Nsq Investmen ts	Cacadu	R74 614. 00	2438	CHDM LED Agricult ural support
6		ELM/5/3/2 021Q	21/05/2 021	1789	Brusli	King Williams town	R38 750. 00	2300	Supply and delivery of Product ion inputs for Indwe brick making coopera tives
7		ELM/6/3/2 021Q	11/06/2 021	1854	Chai Chac	Mthatha	R73 818. 50	2627	Procare ment of arts center items
8		ELM/10/11 /2020Q	11/06/2 021	1857	Boss Robes	Queensto wn	R50 577. 00	1784	Installat ion of Electric al fiittings and wiring at Harry Gwala Communi ty Hall
9		ELM/1/3/2 021	11/06/2 021	1858	Phandu Communi cation	Pretoria	R42 905. 26	2204	Microso ft Visio professi onal 2019 two licences
1 0		ELM/4/3/2 021	15/06/2 021	1859	NSQ Investmen ts	Cacadu	R185 65 2.33	2638	bailing machin e

1 1		ELM/4/05/ 2021Q	28/06/2 021	1902	Vuyoluhle General Trading	East London	R172 00 0.00	2599	Supply and Delivery of Tyres for Emalahl eni LM Constru ction Plant Machin ery
1 2		ELM/1/5/2 021Q	29/06/2 021	1906	Nodoli Trading	King Williamst own	R57 400. 00	2694	Personn el Protecti on Equipm ent Clothing / Safety boots
1 3		ELM/7/05/ 2021Q	30/06/2 021	1914	Sophola General Trading	East London	R173 99 5.00	2577	Supply and Delivery of Tools for repairs of Constru ction plant Machin ery
1 4		ELM/5/05/ 2021Q	28/06/2 021	1901	Peugair Border	East London	R129 12 6.72	2578	Supply and Delivery of Machin ery Spare Parts
							R1 352 5 53.42	28.6%	Cacadu
								64.3%	Eastern Cape

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

Month	No	Order Date	Order Number	Supplier name	Locality	Amount
April	1	01/04/2021	1678	Nofungile Transport	Cacadu	R3 000.00
April	2	05/04/2021	1754	Keens Office Equipment	Queenstown	R19 770.40
April	3	08/04/2021	1689	Blic Trading	Cacadu	R4 500.00
April	4	08/04/2021	1862	Alakha Trading	Cacadu	R6 800.00
April	5	09/04/2021	1694	Hlako Trading (Pty) Ltd	Queenstown	R9 550.00
April	6	13/04/2021	1702	Kwathitha Trading	Cacadu	R3 000.00
April	7	13/04/2021	1701	Konke 26	Cacadu	R3 700.00
April	8	20/04/2021	1739	Mthimkhulu Bhungane Empire	Cacadu	R29 852.16
April	9	20/04/2021	1734	SetUp Technologies	Queenstown	R25 955.57
April	10	21/04/2021	1743	Boss Robes	Queenstown	R9 391.30
April	11	21/04/2021	1741	The Reporter	Barkly East	R4 004.00
April	12	28/04/2021	1750	Molisi Trading	Queenstown	R29 639.34
APRIL	13	28/04/2021	1748	NRG Office	Queenstown	R4 775.94
May	14	04/05/2021	1754	Keens office Equipment	Queenstown	R22 735.95
May	15	05/05/2021	1757	Kungawo Suppliers and Projects	Cacadu	R3 325.00
May	16	06/05/2021	1765	Ikhala Public Fet College	Cacadu	R10 228.00

May	17	18/05/2021	1777	Dordrecht Massey Ferguson	Dordrecht	R16 112.52
May	18	19/05/2021	1781	Sinikulutho Trading Enterprise	Cacadu	R4 180.00
May	19	19/05/2021	1783	Ezobhangqo	Cacadu	R3 150.00
May	20	21/05/2021	1797	Alakha Trading CC	Cacadu	R25 994.40
May	21	21/05/2021	1796	Jojo's Trading Enterprise	Cacadu	R2 800.00
May	22	25/05/2021	1801	Lithiama Trading	Cacadu	R2 640.00
May	23	25/05/2021	1800	Konke 26	Cacadu	R2 587.00
May	24	26/05/2021	1806	ZPK Trading Enterprise	Queenstown	R11 350.00
May	25	27/05/2021	1813	Setup Technologies	Queenstown	R5 177.07
May	26	27/05/2021	1811	Mce and Mzi Media production and Sound	Queenstown	R2 400.00
June	27	01/06/2021	1820	Hlako Trading (Pty) Ltd	Queenstown	R26 775.46
June	28	03/06/2021	1822	Maqwambi Trading Enterprise	Cacadu	R24 320.00
June	29	10/06/2021	1846	Peugair	East London	R2 334.17
June	30	10/06/2021	1845	Peugair	East London	R26 057.53
June	31	10/06/2021	1844	Peugair	East London	R4 161.49
June	32	10/06/2021	1841	MX print	Queenstown	R9 360.02
June	33	18/06/2021	1867	Lilliandennis Creatives	Cacadu	R12 600.00
June	34	18/06/2021	1864	Gungu Qwasha Construction and Projects	Cacadu	R17 550.00
June	35	18/06/2021	1863	Mapitsela Construction and Projects	Cacadu	R8 269.35
June	36	21/06/2021	1874	Mxhaseni Construction and Projects	Indwe	R9 850.00
June	37	23/06/2021	1896	Buyilumkile General Projects	Cacadu	R2 400.00
June	38	23/06/2021	1895	Shakes Multi Traders	Cacadu	R4 500.00
June	39	23/06/2021	1890	Nomazibekho Trading	Cacadu	R26 195.00
June	40	23/06/2021	1884	Ezobhangqo	Cacadu	R18 000.00
June	41	23/06/2021	1888	Konke 26	Cacadu	R4 800.00

June	42	23/06/2021	1886	Sizisa Ukhanyo Trading 943	Cacadu	R4 400.00
June	43	23/06/2021	1885	TP Mtyhole	Cacadu	R18 000.00
June	44	23/06/2021	1883	Mpira & Wabo's Trading CC	DDX	R16 200.00
June	45	28/06/2021	1905	New Adventure t/a Toyota	Queenstown	R18 311.36
June	46	28/06/2021	1903	Maqwambi Trading Enterprise	Cacadu	R3 000.00
June	47	28/06/2021	1904	Mark Wilson	Queenstown	R21 659.62
June	48	29/06/2021	1907	Best drive love tyres	Queenstown	R10 740.00
Total for April - June 2021.						R556 102.65

60.4% Cacadu

39.6% Eastern Cape

TABLE 1: BIDS AWARDED FOR AN AMOUNT ABOVE R0- R2000 FOR THE FOURTH QUARTER OF THE 2020/2021 FINANCIAL YEAR

Month	No	Date	Supplier Name	Locality	Amount	Order Number	Description
April	1	21/04/2021	Spectra Upfront	Queenstown	R546.09	1740	Stamp for the MM' Office
April	2	07/04/2021	Moss Transportation & Project	Cacadu	R1 905.00	1681	Supply and delivery of Copper Tube
April	3	13/04/2021	Mce and Mzi	Queenstown	R1 950.00	1700	PA System for back to school campaign.
May	4	06/05/2021	New adventure Investment	Queenstown	R1 859.27	1766	Supply and fit parts for JGN 757 EC
June	5	21/06/2021	WG Mica Hardware	Queenstown	R1 859.66	1875	Supply and delivery of Tools Shovel round nose lasher
June	6	23/06/2021	Shakes Multi Traders	Cacadu	R1 450.00	1893	Supply and delivery of Stadium

							Grass Cutting consumables 5L Engine Oil
June	7	26/06/2021	Sizisu Khanyo Trading	Cacadu	R600.00	1872	Breakfast for the assessment at Mlungisi tsotsi
June	8	30/06/2021	Boss Robes	Queenstown	R1 725.00	1909	Supply and delivery of 1.5mm flat twin earth

Total	R11 895.02	25%	Cacadu
		75%	Eastern Ca

TABLE 3: DEVIATION REGISTER FOR MAY 2020/2021

SERVICE PROVIDER	DESCRIPTION	AMOUNT	REASON
SNR Electrical & Mechanical	Repairs to existing LV cable Jointing	R70 803.20	Emergency
Adapt IT	Adapt It Payment for Disbursements	R81 851.25	Sole Proprietor
Tiso Black Star	Newspaper adverts	R95 424.70	The Service provided by the supplier is available from a single provider
VGS	Supply of fuel for Municipal vehicles	R94 922.63	The service provided by the supplier is only available from a single provider.
Universal Garage	Supply of fuel for municipal vehicles	R70 391.45	The service provided by the supplier is only available from a single provider.
Cyber Boss	Internet connectivity for ELM Main Offices	R47 984.00	Normal SCM processes could not be followed due to the Covid 19 pandemic.
TOTAL		R461 377.23	

Irregular expenditure

There was irregular expenditure in terms of section 32 of the MFMA and Circular 68 during 4th quarter in the 2020/2021 financial year, which relates to previous quarters identified in the 4th quarter. This expenditure was referred to MPAC which has recommended council in its 30th June to write off the below expenditure.

No.	Incident	Amount	Comments
1	<i>Third party deductions- over-payment of medical aid (July - Dec) 2020.</i>	R 7 317.39	Identified by AGSA during the previous audit cycle.
2		R 7 169.12	Identified by AGSA during the previous audit cycle.
3		R 7 481.38	Identified by AGSA during the previous audit cycle.
4		R 7 248.49	Identified by AGSA during the previous audit cycle.
5		R 7 445.55	Identified by AGSA during the previous audit cycle.
6		R 7 390,13	Identified by AGSA during the previous audit cycle.
7	<i>SCM Processes Not Followed</i>	R689 880	Identified by Internal Audit unit in the SCM review for Quar procurement.
8	<i>SCM Processes Not Followed</i>	R 684 536.55	Identified by Internal Audit unit in the SCM review for Quar procurement.
9	<i>SCM Processes Not Followed</i>	R 292 161.49 @ rates contract	Identified by Internal Audit unit in the SCM review for Quar procurement.
10	<i>SCM Processes Not Followed</i>	R3 582 057.50	Identified by Internal Audit unit in the SCM review for Quar procurement.
		R5 292 687.60	

TABLE 5: LIMITED BIDDING FOR 4th Quarter 2021

❖ No payments during the 4th Quarter 2021

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 4th Quarter.

Register of Fruitless and Wasteful Expenditure												
Month	Supplier Name	Invoice date	Invoice Received Date (Registry Stamp)	Transaction details				Type of Prohibited Expenditure	Date reported to accounting officer	SC	C	U
				Date of payment	Payment number (Voucher no)	Amount	Description of Incident					
31-May	ESKOM	2021/04/20	2021/04/22	2021/05/14		R 18,74	INTEREST OVERDUE					■
	ESKOM	2021/04/20	2021/04/20	2021/05/20		R 113,24	INTEREST OVERDUE					■
	ESKOM	2021/05/11	2021/05/19	2021/05/14		R 73,32	INTEREST OVERDUE					■
	ESKOM	2021/04/20	2021/05/13	2021/05/14		R 3,36	INTEREST OVERDUE					■
	ESKOM	2021/04/28	2021/05/04	2021/05/21		R 48,79	INTEREST OVERDUE					■
Total						<u>257,45</u>						

Month	Supplier Name	Invoice date	Invoice Received Date (Registry Stamp)	Date of payment	Payment number (Voucher no)	Amount	Description of Incident	Type of Prohibited Expenditure	Date reported to accounting officer	SC	C	U
30-Jun	Telkom	105G2004643e	24/05/2021	22/06/2021	15566	R257,05	Interest					■
	Telkom	105G2000023H	24/05/2021	22/06/2021	15564	R776,50	Interest					■
	Telkom	105G2000303f	24/05/2021	22/06/2021	15565	R434,74	Interest					■
	Eskom	551566856075	14/06/2021	23/06/2021		R10,83	Interest overdue					■
	Eskom	915560316075	18/06/2021	23/06/2021		R131,63	Interest overdue					■

ANNEXURES

"A" – Gift Register

"B" – Deviations

"C" – Contracts register

"D"- Fruitless and wasteful expenditure register

"E" - Irregular Expenditure register

