



# MAKHUDUTHAMAGA

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## LOCAL MUNICIPALITY

*Mmogo re šomela dipheto!*

Department	Budget and Treasury Office
Document Name	Financial Management Report
Period	31 March 2023(3 <sup>rd</sup> Quarter)

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### Abbreviations and Acronyms

BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
mSCOA	Municipal Standard Chart Of Accounts	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Strategy	PPP	Public Private Partnership
IT	Information Technology	YTD	Year To Date
km	kilometre	SALGA	South African Local Government Association
DFS	Government Financial Statistics	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator	DOE	Department of Energy
LED	Local Economic Development	IYM	In Year Monitoring
MEC	Member of the Executive Committee	APC	Audit and Performance Committee
MFMA	Municipal Financial Management Act Programme	BTO	Budget and Treasury Office
IGF	Internally Generated Funds	MBRR	Municipal Budget and Reporting Regulations
CY	Current Year		
PY	Prior Year		
mSCOA	Municipal Standard Chart of Accounts		
SCM	Supply Chain Management		

## 1. Executive Summary

### 1.1. Overall total revenue and expenditure

The municipality's total actual operational revenue as at end of **March** 2023 amounts to **R 385 283 667** and total actual operational expenditure of **R 294 676 260** translating in to an operational surplus of **R 90 607 407**. Capital expenditure as at the end of **March** 2023 amounted to **R 116 319 783**. The following table summarises the overall revenue and expenditure performance as at the end of **March** 2023:

**N.B. Amounts are in "R000"**

Description	2021/22 Audited outcome	2022/23 YTD Budget	2022/23 YTD Actual	2022/23 YTD Variance
Total Operational revenue	828 518	305 073	385 284	(80 211)
Total operational expenditure	(803 430)	(304 937)	(294 676)	(10 261)
<b>Operating Surplus/Deficit</b>	<b>25 088</b>	<b>136</b>	<b>90 608</b>	<b>(90 472)</b>
Capital transfers and grants	61 777	53 186	55 196	(2 010)
<b>Net Surplus/Deficit after capital transfers</b>	<b>106 865</b>	<b>53 322</b>	<b>145 804</b>	<b>92 482</b>

### 1.2. Budgeted Revenue and Actual Revenue to date

The municipality's total actual revenue as at 31 March 2023 is **R 440 479 642** which amounts to 122% of the total to date budgeted revenue to the amount of **R 358 258 842**.

From the total actual revenue recorded as at the end of March 2023, **R 386 313 298** is from government grants and transfers and the remaining balance of **R 54 166 344** is from own revenue.

The following table shows a summary of the total revenue per source:

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>									%	
<b>Revenue By Source</b>										
Property rates	6.16	44,418	51,579	45,927	3,746	33,129	34,445	(1,316)	-4%	51,579
Service charges - refuse revenue	6.12	150	162	162	14	122	121	1	1%	162
Rental of facilities and equipment	6.12	107	140	150	13	119	113	7	6%	140
Interest earned - external investments	6.14	3,024	1,800	6,800	657	5,459	5,100	359	7%	1,800
Interest earned - outstanding debtors	6.15	38,355	2,750	12,530	1,176	9,761	9,397	364	4%	2,750
Fines, penalties and forfeits	6.18	287	170	970	53	796	727	69	9%	170
Agency services	6.12	5,360	7,000	6,000	499	4,402	4,500	(98)	-2%	7,000
Transfers and subsidies	6.13	300,035	333,845	333,845	93,587	331,117	250,384	80,734	32%	333,845
Other revenue		436,275	160	380	13	333	285	48	17%	160
Gains	6.17	505	—	—	—	44	—	44	#DIV/0!	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>828,518</b>	<b>397,606</b>	<b>406,763</b>	<b>99,758</b>	<b>385,284</b>	<b>305,073</b>	<b>80,211</b>	<b>26%</b>	<b>397,606</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		81,777	76,915	70,915	11,752	55,196	53,186	2,010	4%	76,915
<b>Total Revenue (Including capital transfers and contributions)</b>		<b>910,295</b>	<b>474,521</b>	<b>477,678</b>	<b>111,509</b>	<b>440,480</b>	<b>358,259</b>	<b>82,221</b>	<b>0</b>	<b>474,521</b>

- The municipality's overall collection rate is **62%** as at 31st March 2023 when comparing the actual cash received from the different sources of our revenue to the billed revenue to date. The municipality's collection rate was 79% in the previous financial year ended 30 June 2022. Collection on property rates and interests on outstanding debts are the highest contributors to the poor collection rate. The following table summarises the collection from own sources of revenue per source:

#### Collection on own sources of revenue

Source of revenue	2022/23 (Current Year)			2021/22		
	Actual revenue billed (R000)	Actual revenue collected (R000)	% collected	Actual revenue billed (R000)	Actual revenue collected (R000)	% Collected
Property rates	42 891	22 639	52%	82 773	41 331	49%
Property rates (Government-prior years Payment DPW)		-	-	111 164	111 164	100%
Refuse removal	122	115	94%	463	150	32%
Prior year refuse collection	89	89	100%			
Rental of facilities & Equip	119	119	100%	84	84	100%

<b>Interests on bank and investments</b>	5 459	5 459	<b>100%</b>	3 024	3 024	<b>100%</b>
<b>Traffic fines</b>	796	427	<b>53%</b>	287	12	<b>4%</b>
<b>Agency income and other income</b>	4 735	4 735	<b>100%</b>	5 709	5 709	<b>100%</b>
<b>Totals</b>	<b>54 211</b>	<b>33 583</b>	<b>62%</b>	<b>203 504</b>	<b>161 474</b>	<b>79 %</b>

- The following are the challenges and recommendations for implementation to improve revenue generation and collection for the remaining periods of the financial year 2022/23 and the MTREF:

No	Challenges	Progress made to date	Recommendations
1.	The department of Public Works has requested a 50% rebates and reversal on the interest billed on their properties.	<ul style="list-style-type: none"> <li>The Department of Public works have paid 14 Mill towards settling their current year property rates debt, and requested that the municipality grant them a rebate as they dispute the values of some properties.</li> <li>The process for paying the outstanding submitted invoices has been concluded with 272 Unregistered Schools reviewed and 13 Unidentified Schools are still to be reviewed after being identified.</li> </ul>	<ul style="list-style-type: none"> <li>The municipal valour has concluded with physical valuation of the 272 Schools and departmental valour to confirm the new values for the compilation of a supplementary valuation roll.</li> </ul>
2	Non-payment of property rates by the high capacity businesses within our municipality.	<ul style="list-style-type: none"> <li>Engagements with the house of Traditional Leaders in the Sekhukhune region was held in November 2022.</li> <li>Further engagements will be conducted and concluded by fourth quarter 2023 with the affected business owners and their traditional leaders.</li> <li>AN Attorney delaing with debt collection has been appointed with the debt book handed over to him and letters are ready to be sent to the defaulting debtors.</li> </ul>	<ul style="list-style-type: none"> <li>A meeting between the municipality, traditional leaders CoGHSTA and the affected business owners be held in Fourth Quarter to resolve their allegation that they pay levies at their respective traditional authorities and to clarify the differences between tribal levies and the property rates.</li> </ul>
3	Majority of billed properties are unregistered and on communal land.	<ul style="list-style-type: none"> <li>EDP has concluded demarcation of a number of sites within Makhuduthamaga.</li> <li>Complete the Formalisation of Jane Furse project.</li> </ul>	<ul style="list-style-type: none"> <li>Formalise key economic points (areas) within the municipality to ensure subdivision of the land and issuing of title deeds.</li> <li>Engage Magoshi to prevent uncoordinated developments and allocation of stands in inappropriate areas.</li> </ul>

(Figures in RSA Rand)

2023

2022

4	Lack of credible indigent register.	<ul style="list-style-type: none"> <li>- Draft indigent register developed and currently updating in progress.</li> </ul>	<ul style="list-style-type: none"> <li>- Appoint a committee to oversee the process of completing compilation of the indigent register.</li> <li>- Appoint general workers to collect information from all municipal wards to ensure a complete accurate indigent register.</li> </ul>
5.	Limited sources of own revenue resulting in no growth in revenue generation.	<ul style="list-style-type: none"> <li>- Revenue enhancement strategies developed and approved.</li> <li>- LED strategy developed and approved.</li> </ul>	<ul style="list-style-type: none"> <li>- Consult all stakeholders with the revenue enhancement strategies and to get their buy in on the implementation of credit control policy and rates policy (rental of municipal facilities).</li> <li>- Provide budget to build a grade A DLTC around Masemola nodal point.</li> <li>- Engage Magoshi to prevent uncoordinated developments and allocation of stands in inappropriate areas.</li> </ul>

### 1.3 Budgeted Expenditure and Actual Expenditure to date

- a. The municipality's total actual expenditure amounts of **R 410 996 043** at 31 March 2023. This amounts to **92%** of the total budgeted expenditure to date to the amount of **R 446 840 878**.

#### 1.3.1 Operational Expenditure.

- a. The total operational expenditure as at 31 March 2023 amounts to **R 294 676 260** which equates to **97%** of the total operational budget to date of **R 304 936 506**. The municipality has under spent by **3%** as compared to the budgeted expenditure to date.

- b. The following table indicates the operational expenditure per standard classification:

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure By Type										
Employee related costs	6.19	89,506	113,662	97,433	8,496	70,587	73,074	(2,488)	-3%	113,662
Remuneration of councillors	6.2	24,015	23,597	25,669	1,983	17,860	19,252	(1,392)	-7%	23,597
Debt impairment		374,764	7,340	9,506	–	–	7,129	(7,129)	-100%	7,340
Depreciation & asset impairment	6.21	32,339	37,189	34,189	2,529	22,099	25,642	(3,543)	-14%	37,189
Finance charges	6.23	2,035	–	–	–	–	–	–		–
Inventory consumed		4,195	2,620	2,620	146	2,389	1,965	424	22%	2,620
Contracted services	6.24	219,643	127,224	165,623	17,754	129,176	124,217	4,959	4%	127,224
Transfers and subsidies		6,781	9,200	6,200	82	2,255	4,650	(2,395)	-52%	9,200
Other expenditure	6.27	50,154	54,120	65,343	5,616	50,311	49,007	1,304	3%	54,120
Total Expenditure		803,430	374,952	406,582	36,606	294,676	304,937	(10,260)	-3%	374,952

▪ **Operational variance analysis as at 31 March 2023.**

Expenditure by type	Variance %	Reason for variance	Remedial action	Remedial action due date	Responsible person
Transfers and subsidies	-52%	People are not collecting their tokens	Send officials to the beneficiaries to collect their tokens	31 March 2023	CFO

**1.3.2 Capital Expenditure**

a. The total capital expenditure as at 31 March 2023 amounts to **R 116 319 783** which equates to **82%** of the **R 141 904 372** to-date budget. The municipality has underspent by **18%** on capital expenditure.

b. The following table indicates the capital expenditure per functional classification:

LIM473 - Budget and Treasury Office – Financial Management Report (3<sup>rd</sup> Quarter) 2022/23

(Figures in RSA Rand)

2023

2022

LIM473 Makhuduthamaga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		61,487	9,500	19,607	4,727	27,154	14,705	12,449	85%	19,607
Finance and administration		61,487	9,500	19,607	4,727	27,154	14,705	12,449	85%	19,607
<b>Community and public safety</b>		–	1,700	17,523	344	538	13,142	(12,604)	-96%	–
Sport and recreation		–	–	15,873	–	–	11,904	(11,904)	-100%	–
Public safety		–	1,700	1,650	344	538	1,238	(700)	-57%	–
<b>Economic and environmental services</b>		61,777	173,869	144,968	37,033	83,341	108,807	(25,466)	-23%	143,968
Planning and development		–	650	1,000	–	–	750	(750)	-100%	–
Road transport		61,777	173,219	143,968	37,033	83,341	108,057	(24,716)	-23%	143,968
<b>Trading services</b>		24,133	3,500	7,000	2,852	5,287	5,250	37	1%	–
Energy sources		19,170	3,500	7,000	2,852	5,287	5,250	37	1%	–
Waste management		4,963	–	–	–	–	–	–		–
<b>Total Capital Expenditure - Functional Classification</b>	3	147,397	188,569	189,097	44,956	116,320	141,904	(25,585)	-18%	163,575
<b>Funded by:</b>										
National Government		147,397	188,569	189,097	44,956	116,320	141,904	(25,585)	-18%	189,097
Transfers recognised - capital		147,397	188,569	189,097	44,956	116,320	141,904	(25,585)	-18%	189,097
<b>Total Capital Funding</b>		147,397	188,569	189,097	44,956	116,320	141,904	(25,585)	-18%	189,097

### 1.3.3 Grants Receipts and expenditure.

a. The following table shows the receipts and expenditure on grants as at 31 March 2023 per grant:

LIM473 Makhuduthamaga - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									%	
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	3,645	3,645	3,032	8,686	-	8,686	#DIV/0!	3,645
Expanded Public Works Programme Integrated Grant	-	-	1,925	1,925	510	1,859	-	1,859	#DIV/0!	1,925
Local Government Financial Management Grant	-	-	1,720	1,720	215	1,513	-	1,513	#DIV/0!	1,720
Local Government Equitable Share	-	-	-	-	2,085	3,446	-	3,446	#DIV/0!	-
Municipal Infrastructure Grant	-	-	-	-	221	1,867	-	1,867	#DIV/0!	-
<b>Other grant providers:</b>		-	-	-	-	99	-	99	#DIV/0!	-
National Departmental Agencies-Construction, Education, Health and Social Services	-	-	-	-	-	99	-	99	#DIV/0!	-
<b>Total operating expenditure of Transfers and Grants:</b>		-	3,645	3,645	3,032	8,784	-	8,784	#DIV/0!	3,645
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	82,915	76,915	11,530	53,329	4,500	48,829	1085.1%	82,915
Integrated National Electrification Programme Grant	-	-	6,000	6,000	-	-	4,500	(4,500)	-100.0%	6,000
Municipal Infrastructure Grant	-	-	76,915	70,915	11,530	53,329	-	53,329	#DIV/0!	76,915
<b>Total capital expenditure of Transfers and Grants</b>		-	82,915	76,915	11,530	53,329	4,500	48,829	1085.1%	82,915
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	86,560	80,560	14,562	62,113	4,500	57,613	1280.3%	86,560

b. The municipality's spending per conditional grant is as follows as at the end of March 2023:

Conditional Grant details	Budget for the year	Grant received	Grant expenditure	Received %	Spending %
FMG	1 720 000	1 720 000	1 513 019	100%	88%
EPWP	1 925 000	1 925 000	1 925 000	100%	100%
MIG	76 915 000	76 915 000	55 195 975	100%	72%
MIG additional funding	24 000 000	18 000 000	0	75%	0%
INEP	6 000 000	6 000 000	3 446 262	100%	57%

### 1.3.4 Overall Spending per departments

- a. The following table indicates the spending performance per department from the highest performance to the least performance:

Expenditure Performance Per Department				
Department	To date Actual Expenditure	To date budget	To date variance	Spending %
Infrastructure Development	60,541,025.00	61,399,903.00	858,878.00	99%
Community Services	61,235,211.00	63,258,037.00	2,022,826.00	97%
Budget & Treasury Office	35,321,723.00	37,077,444.00	1,755,721.00	95%
MM's Office	45,153,006.00	47,682,701.00	2,529,695.00	95%
Corporate Services	17,218,829.00	18,800,231.00	1,581,402.00	92%
Executive support	93,750,523.00	103,696,340.00	9,945,817.00	90%
Economic Planning & Development	2,351,173.00	2,677,480.00	326,307.00	88%
	<b>410,996,042.91</b>	<b>446,840,877.40</b>	<b>35,844,834.49</b>	<b>92%</b>

## 2 Going concern and Liquidity ratios.

### ▪ Going concern

- a. After the assessment of the key factors to the going concern of the municipality it is assumed and concluded that the municipality shall continue operating as a Going Concern as at 31 March 2023

### ▪ Liquidity ratios

#### a. Current ratio

Current Assets/Current Liabilities (Norm is 2:1)

2023	2022
R 225 909: R 89 705	R 235 500: R 90 820
<b>2.52: 1</b>	<b>2.59: 1</b>

This ratio measures the Municipality's ability to pay its short-term debt with liquid assets which are assets easily converted in to cash. The above ratio indicates a current ratio of **2.52:1** that suggest that the municipality's liquid assets are currently easy to be converted into cash to can cover the current liabilities as & when they become due.

**b. Debt ratio**

**Total Liabilities/Total Assets) x 100**

2023	2022
R 107 373/ R 615 052 X 100%	R 35 714 / R 472 978 X 100%
<b>=17.46%</b>	<b>=7.55%</b>

This ratio measure how much the municipality's total liabilities are covered by the total assets the results of which measures the solvency of the municipality. The results above shows that the municipality is solvent as the total liabilities are covered by the total assets and total liabilities makes a small percentage portion of the total assets which increased from 7.55% to **17.46%** in the current year and the means our debt ratio is sound.

**c. Net Operating surplus margin.**

**NORM: Equal to or greater than zero**

(Total Operating revenue – Total Operating expenditure)/Total Operating revenue x 100

2023	2022
(R 385 284 – R 294 676)/ R 385 284 x 100	(R 417 525 – R 358 605)/ R 417 525 x 100
<b>= 23.52%</b>	<b>= 14.11%</b>

- i. The Ratio assesses the extent to which the Municipality generates Operating Surpluses. The above ratio indicates that the municipality reported a net surplus of **23.52%** for the period ended 31 March 2023 which shows a 5.55% Increase from the prior period of 14.11% net surplus.

(Figures in RSA Rand)

2023

2022

**d. Collection rate.**

**NORM: 95%**

**Formula**

= Actual Revenue Received / Billed Revenue x 100

2023	2022
$\frac{R\ 33\ 583}{R\ 54\ 211} \times 100\%$ <p><b>= 62%</b></p>	$\frac{R\ 161\ 474}{R\ 203\ 504} \times 100\%$ <p><b>= 63%</b></p>

The Ratio indicates the collection rate; i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition in order to determine the real collection rate bad debts written-off is taken into consideration.

The municipality's collection rate is low as compared to the norm of 95% as per MFMA circular No. 71. However it must be noted that the municipality fund more than 80% of its expenditure through Government Grants and there have not been any indication that the municipality will not be receiving the grants in the foreseeable future.

The revenue billed from customers is used to fund mostly the non-cash expenditure items such as depreciation and impairments when preparing the MTREF budget for the municipality to guard against the cash flow risk in cases of poor collection.

A.1.1.1.1 Statement of Financial Position as at 31 March 2023

**LIM473 Makhuduthamaga - Table C6 Monthly Budget Statement - Financial Position - M09 March**

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash	6.1	104,052	113,384	191,067	180,312	191,067
Call investment deposits		896	–	896	896	896
Consumer debtors		107,152	13,561	109,811	20,000	109,811
Other debtors		22,413	11,058	20,969	23,880	20,969
Inventory	6.2	987	1,057	1,167	822	1,167
<b>Total current assets</b>		<b>235,500</b>	<b>139,060</b>	<b>323,910</b>	<b>225,909</b>	<b>323,910</b>
<b>Non current assets</b>						
Investment property	6.7	210	210	210	210	210
Property, plant and equipment	6.8	331,924	665,357	830,078	388,933	830,078
Intangible	6.6	77	633	7,907	–	7,907
<b>Total non current assets</b>		<b>332,211</b>	<b>666,200</b>	<b>838,195</b>	<b>389,142</b>	<b>838,195</b>
<b>TOTAL ASSETS</b>		<b>567,711</b>	<b>805,260</b>	<b>1,162,105</b>	<b>615,052</b>	<b>1,162,105</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	6.9	(39,649)	(36,151)	(49,622)	(80,369)	(49,622)
Provisions		(51,171)	(135)	(51,171)	(9,336)	(51,171)
<b>Total current liabilities</b>		<b>(90,820)</b>	<b>(36,286)</b>	<b>(100,793)</b>	<b>(89,705)</b>	<b>(100,793)</b>
<b>Non current liabilities</b>						
Provisions		(83,424)	(24,701)	(83,424)	(17,667)	(83,424)
<b>Total non current liabilities</b>		<b>(83,424)</b>	<b>(24,701)</b>	<b>(83,424)</b>	<b>(17,667)</b>	<b>(83,424)</b>
<b>TOTAL LIABILITIES</b>		<b>(174,244)</b>	<b>(60,987)</b>	<b>(184,217)</b>	<b>(107,373)</b>	<b>(184,217)</b>
<b>NET ASSETS</b>	2	<b>741,955</b>	<b>866,246</b>	<b>1,346,322</b>	<b>722,424</b>	<b>1,346,322</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		337,035	684,384	568,510	337,035	568,510
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>337,035</b>	<b>684,384</b>	<b>568,510</b>	<b>337,035</b>	<b>568,510</b>

### 3 Statement of Financial Performance as at 31 March 2023

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>									%	
<b>Revenue By Source</b>										
Property rates	6.16	44,418	51,579	45,927	3,746	33,129	34,445	(1,316)	-4%	51,579
Service charges - refuse revenue	6.12	150	162	162	14	122	121	1	1%	162
Rental of facilities and equipment	6.12	107	140	150	13	119	113	7	6%	140
Interest earned - external investments	6.14	3,024	1,800	6,800	657	5,459	5,100	359	7%	1,800
Interest earned - outstanding debtors	6.15	38,355	2,750	12,530	1,176	9,761	9,397	364	4%	2,750
Fines, penalties and forfeits	6.18	287	170	970	53	796	727	69	9%	170
Agency services	6.12	5,360	7,000	6,000	499	4,402	4,500	(98)	-2%	7,000
Transfers and subsidies	6.13	300,035	333,845	333,845	93,587	331,117	250,384	80,734	32%	333,845
Other revenue		436,275	160	380	13	333	285	48	17%	160
Gains	6.17	505	-	-	-	44	-	44	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>828,518</b>	<b>397,606</b>	<b>406,763</b>	<b>99,758</b>	<b>385,284</b>	<b>305,073</b>	<b>80,211</b>	<b>26%</b>	<b>397,606</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		81,777	76,915	70,915	11,752	55,196	53,186	2,010	4%	76,915
<b>Total Revenue (including capital transfers and contributions)</b>		<b>910,295</b>	<b>474,521</b>	<b>477,678</b>	<b>111,509</b>	<b>440,480</b>	<b>358,259</b>	<b>82,221</b>	<b>0</b>	<b>474,521</b>
<b>Expenditure By Type</b>										
Employee related costs	6.19	89,506	113,662	97,433	8,496	70,587	73,074	(2,488)	-3%	113,662
Remuneration of councillors	6.2	24,015	23,597	25,669	1,983	17,860	19,252	(1,392)	-7%	23,597
Debt impairment		374,764	7,340	9,506	-	-	7,129	(7,129)	-100%	7,340
Depreciation & asset impairment	6.21	32,339	37,189	34,189	2,529	22,099	25,642	(3,543)	-14%	37,189
Finance charges	6.23	2,035	-	-	-	-	-	-	-	-
Inventory consumed		4,195	2,620	2,620	146	2,389	1,965	424	22%	2,620
Contracted services	6.24	219,643	127,224	165,623	17,754	129,176	124,217	4,959	4%	127,224
Transfers and subsidies		6,781	9,200	6,200	82	2,255	4,650	(2,395)	-52%	9,200
Other expenditure	6.27	50,154	54,120	65,343	5,616	50,311	49,007	1,304	3%	54,120
<b>Total Expenditure</b>		<b>803,430</b>	<b>374,952</b>	<b>406,582</b>	<b>36,606</b>	<b>294,676</b>	<b>304,937</b>	<b>(10,260)</b>	<b>-3%</b>	<b>374,952</b>
<b>Surplus/(Deficit)</b>		<b>25,088</b>	<b>22,654</b>	<b>182</b>	<b>63,152</b>	<b>90,607</b>	<b>136</b>	<b>90,471</b>	<b>1</b>	<b>22,654</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		81,777	76,915	70,915	11,752	55,196	53,186	2,010	0	76,915
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>106,865</b>	<b>99,569</b>	<b>71,097</b>	<b>74,903</b>	<b>145,803</b>	<b>53,322</b>			<b>99,569</b>
<b>Surplus/(Deficit) after taxation</b>		<b>106,865</b>	<b>99,569</b>	<b>71,097</b>	<b>74,903</b>	<b>145,803</b>	<b>53,322</b>			<b>99,569</b>
Attributable to minorities		-	-	-	-	-	-			-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>106,865</b>	<b>99,569</b>	<b>71,097</b>	<b>74,903</b>	<b>145,803</b>	<b>53,322</b>			<b>99,569</b>
<b>Surplus/ (Deficit) for the year</b>		<b>106,865</b>	<b>99,569</b>	<b>71,097</b>	<b>74,903</b>	<b>145,803</b>	<b>53,322</b>			<b>99,569</b>

#### 4 Cash Flow Statement as at 31 March 2023

LIM473 Makhuduthamaga - Table C7 Monthly Budget Statement - Cash Flow - M09 March										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		44,418	41,263	46,765	4,084	21,749	35,074	(13,325)	-38%	41,263
Service charges		150	99	99	22	205	74	131	178%	99
Other revenue		5,675	35,930	67,617	614	37,317	50,713	(13,395)	-26%	35,930
Transfers and Subsidies - Operational		320,035	333,845	333,845	94,352	333,476	250,384	83,093	33%	333,845
Transfers and Subsidies - Capital		61,777	76,915	70,915	31,735	94,915	53,186	41,729	78%	76,915
Interest		2,693	1,800	6,800	-	1,517	5,100	(3,583)	-70%	1,800
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(396,923)	(200,649)	(325,702)	(52,626)	(227,426)	(244,277)	(16,851)	7%	(200,649)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>37,827</b>	<b>289,203</b>	<b>200,338</b>	<b>78,181</b>	<b>261,754</b>	<b>150,254</b>	<b>(111,500)</b>	<b>-74%</b>	<b>289,203</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		(124,915)	(168,069)	(168,340)	(44,956)	(97,489)	(126,255)	(28,766)	23%	(168,069)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(124,915)</b>	<b>(168,069)</b>	<b>(168,340)</b>	<b>(44,956)</b>	<b>(97,489)</b>	<b>(126,255)</b>	<b>(28,766)</b>	<b>23%</b>	<b>(168,069)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(87,088)</b>	<b>121,134</b>	<b>31,998</b>	<b>33,225</b>	<b>164,266</b>	<b>23,999</b>			<b>121,134</b>
Cash/cash equivalents at beginning:		104,972	16,046	104,948	101,007	16,046	104,948			16,046
Cash/cash equivalents at month/year end:		17,883	137,180	136,946		180,312	128,946			137,180

(Figures in RSA Rand)

2023

2022

## 6. Notes to the Financial Report (Statements) as at 31 March 2023.

### 6.1 Cash and cash equivalents

#### Cash and cash equivalents consists of:

Cash on hand	52	52
Bank balances	179 480 325	105 016 387
Call account investment	-	-
	<b>179 480 377</b>	<b>105 016 439</b>

#### Short-term Investments

The municipality had no short-term investments with any financial institution during the 2022/23 financial year and the municipality did not have any investment as at the end of 31 March 2023.

#### Details

ABSA 2018/2019 (Account No.2078073033)

#### The municipality had the following bank accounts during the year under review

Account number / description	Bank statement balances		Cash book balances	
	31-MARCH-23	30-Jun-22	31-MARCH-23	30-Jun-22
ABSA BANK - 4050384145 - (Primary Cheque Account)	176 949 739	103 782 111	<b>177 775 789</b>	103 878 903
ABSA BANK - 4076690079 - (Salaries)	1 430 818	36 903	<b>1 436 047</b>	36 903
ABSA BANK - 4098981597 - (Solidarity Fund)	203 819	204 632	<b>203 821</b>	204 632
ABSA BANK - 2078073033 Term Deposit Investment	895 949	895 949	<b>895 949</b>	895 949
	<b>179 480 325</b>	<b>104 919 595</b>	<b>180 311 606</b>	<b>105 016 387</b>

### 6.2 Inventories

#### Inventories consists of:

Consumable stores	822 318	986 807
	<b>822 318</b>	<b>986 807</b>

#### Reconciliation of Inventory

Opening Balance	986 807	1 114 718
Add: Receipts	2 224 852	4 142 165
Less: Issues	(2 389 341)	(4 270 076)
<b>CLOSING BALANCE</b>	<b>822 318</b>	<b>986 807</b>

(Figures in RSA Rand)

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### 6.3 Receivables from non-exchange transactions

Gross balances

Rates	127 340 074	110 434 728
Traffic fines	1 811 297	1 441 497

<b>129 151 371</b>	<b>111 876 225</b>
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### Less: Allowance for impairment

Property Rates	(109 512 464)	(105 927 598)
Traffic Fines	(1 496 227 )	(1 441 313)

<b>(111 008 691)</b>	<b>(107 368 911)</b>
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### Net balances

Property Rates	17 827 610	4 507 129
Traffic Fines	315 070	185

<b>18 142 680</b>	<b>4 507 314</b>
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### 6.4 Receivables from exchange transactions

Accrued Income (Interest on investment)	-	431 311
Other debtors-Employee	21 764	21 764
Insurance debtor	-	49 778
Waste collection	108 515	150 252
SALGA Levy	-	1 305 496

<b>130 279</b>	<b>1 908 823</b>
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### 6.5 Other debtors (VAT receivable & receivables from exchange transaction)

VAT	12 211 710	20 828 011
	<b>12 211 710</b>	<b>20 828 011</b>

### VAT Reconciliation

Balance at the beginning of the year	20 828 011	16 075 779
Add: Net Refunds as per VAT receivable	30 222 039	39 806 005

(Figures in RSA Rand)

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Add: Current year VAT suspense - Retention amount	4 655 257	3 965 961
Less: Prior year suspense - Retention amount	(3 965 961)	(4 028 602 )
Less: VAT Payments by SARS - Current year	(26 559 294)	(26 852 382)
Less: VAT payments by SARS - Previous year	(12 968 342 )	(8 505 569 )
Adjustments	-	366 820
	<b>12 211 710</b>	<b>20 828 011</b>

VAT is payable on invoice basis and claimed from SARS when a tax invoice is received

#### 6.6 Intangible assets

	2023			2022		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	8 215 070	(8 215 070)	0.00	8 215 070	(8 138 159)	76 552
Work In Progress	0.00	0.00	0.00	0.00	0.00	0.00
	<b>8 215 070</b>	<b>(8 215 070)</b>	<b>0.00</b>	<b>8 215 070</b>	<b>(8 138 159)</b>	<b>76 911</b>

#### Reconciliation of intangible assets – 2023

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	76 552	0.00	0.00	(76 552)	0.00
Work In Progress	0.00	0.00	0.00	0.00	0.00
	<b>76 552</b>	<b>0.00</b>	<b>0.00</b>	<b>(76 552)</b>	<b>0.00</b>

(Figures in RSA Rand)

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Reconciliation of intangible assets – 2022					
	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	582 796	0.00	0.00	(506 244)	76 552
Work In Progress	0.00	0.00	0.00	0.00	0.00
	<b>582 796</b>	<b>0.00</b>	<b>0.00</b>	<b>(506 244)</b>	<b>76 552</b>

### Other information

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality. No intangible assets were pledged as security for liabilities as at year end.

### 6.7 Investment Property

	2023			2022		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount
Investment property	209,500	0.00	209,500	209,500	0.00	209,500
	<b>209,500</b>	<b>0.00</b>	<b>209,500</b>	<b>209,500</b>	<b>0.00</b>	<b>209,500</b>

Reconciliation of investment property- 2023					
	Opening balance	Additions	Transfers	Amortisation	Total
Investment property	209,500	0.00	0.00	0.00	209,500
	<b>209,500</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>209,500</b>

(Figures in RSA Rand)

2023

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Reconciliation of investment property - 2022					
	Opening balance	Additions	Transfers	Amortisation	Total
Investment property	209,500	0.00	0.00	0.00	209,500
	<b>209,500</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>209,500</b>

### Details of valuation

Investment property was valued by Mod Hope (Pty) Ltd an independent professional valour with registration number 1988/001677/07. The Municipal Valour has experience of properties within the jurisdiction of Makhuduthamaga Local Municipality. The valuation was based on an open market value for existing use:

### Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. No revenue was earned from the investment property as the property is vacant land held for long term capital appreciation

No investment property was pledged as security for liabilities as at year end.

### 6.8 Property Plant and Equipment

2023				2022		
Details	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	265 000	0.00	265 000	265 000	0.00	265 000
Land – Landfill Site	13 990 007	(9 222 180)	4 767 827	13 990 007	(11 501 599)	2 488 408
Buildings	58 339 619	(18 933 173)	39 406 446	58 339 619	(17 157 036)	41 182 584
Furniture and fixtures	10 342 451	(7 706 941)	2 635 510	9 577 612	(7 111 285)	2 466 326
Motor vehicles	41 122 067	(31 276 695)	9 845 116	38 032 703	(28 826 978)	9 205 724

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(Figures in RSA Rand)

**2023**

**2022**

Road Infrastructure	333 444 969	(138 539 421)	194 905 275	333 444 969	(126 079 245)	207 365 724
Electrical Infrastructure	7 297 566	(5 669 942)	1 627 624	7 297 566	(5 304 628)	1 992 938
Storm water Infrastructure	30 726 102	(15 198 704)	15 527 398	30 726 112	(13 708 329)	17 017 783
IT equipment	33 126 696	(22 979 284)	10 147 412	27 051 146	(20 727 000)	6 324 146
Loose tools	4 828 436	(3 535 512)	1 292 924	4 437 817	(3 322 241)	1 115 576
Community Halls	14 402 779	(3 931 055)	10 471 724	14 402 779	(3 415 208)	10 987 572
Capital work in progress	98 049 816	0.00	98 049 816	29 232 977	0.00	29 232 977
	<b>645 935 508</b>	<b>(257 002 907)</b>	<b>388 932 601</b>	<b>566 798 305</b>	<b>(237 153 549)</b>	<b>329 644 756</b>

**Reconciliation of Property, Plant and Equipment - 2023**

Details	Opening balance	Additions	Transfers	Donations received	Impairment loss	Depreciation	Total
Land	265 000	-	-	-	-	-	265 000
Landfill Site Asset	4 767 829	-	-	-	-	(1 589 277)	3 178 552
Buildings	41 182 583	-	-	-	-	(1 776 137)	39 406 446
Furniture and Fixtures	2 466 326	764 840	-	-	-	(595 656)	2 635 510
Motor Vehicles	9 205 724	3 089 365	-	-	-	(2 449 973)	9 845 116
IT Equipment	6 324 146	6 075 550	-	-	-	(2 252 284)	10 147 412
Road Infrastructure	207 365 724	-	-	-	-	(12 460 449)	194 905 275
Storm water Infrastructure	17 017 783	-	-	-	-	(1 490 385)	15 527 398
Electrical Infrastructure	1 992 938	-	-	-	-	(365 314)	1 627 624
Other Assets - Loose tools	1 115 576	390 620	-	-	-	(213 560)	1 470 724
Community Assets	10 987 572	-	-	-	-	(515 848)	10 471 724
Capital Work in progress	29 232 976	68 816 840	-	-	-	-	98 049 816
<b>TOTAL</b>	<b>331 924 177</b>	<b>79 137 215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23 708 883)</b>	<b>388 932 601</b>

Reconciliation of Property, Plant and Equipment – 2022

Description	Opening Balance	Additions	Disposal Cost	Transfers	Fair Value Adjustments	Disposal Accumulated Depreciation	Depreciation Expense for the Year	Total
Land	265,000.00	-	-	-	-	-	-	265,000.00
Landfill Site Asset	9,633,432.00	-	-	-	(2,481,688.00)	-	(4,663,335.67)	2,488,407.85
Buildings	37,260,048.50	-	-	6,053,127.14	-	-	(2,130,592.14)	41,182,583.50
Furniture and Fixtures	3,031,829.19	230,900.00	(49,900.00)	-	-	49,900.00	(796,402.84)	2,466,326.35
Motor Vehicles	10,526,657.52	2,368,021.74	-	-	-	-	(3,688,844.54)	9,205,724.00
IT Equipment	6,395,862.62	3,407,907.09	(98,557.01)	-	-	49,110.12	(3,430,177.31)	6,324,145.51
Road Infrastructure	203,680,941.01	-	-	19,631,349.73	-	-	(15,946,398.00)	207,365,723.92
Storm water Infrastructure	19,003,144.78	-	-	-	-	-	(1,985,657.41)	17,017,782.84
Electrical Infrastructure	2,479,577.59	-	-	-	-	-	(486,640.46)	1,992,937.66
Other Assets - Loose tools	586,565.21	825,855.00	-	-	-	-	(296,844.55)	1,115,576.06
Community Assets	11,674,740.58	-	-	-	-	-	(687,169.08)	10,987,571.50
Capital Work in progress	13,188,061.00	41,729,392.87	-	(25,684,476.87)	-	-	-	29,232,977.00
	<b>317,725,860.00</b>	<b>48,562,076.70</b>	<b>(148,457.01)</b>	<b>-</b>	<b>(2,481,688.00)</b>	<b>99,010.12</b>	<b>(34,112,062.00)</b>	<b>329,644,756.19</b>

(Figures in RSA Rand)

2023

2022

#### 6.9 Payables from exchange transactions

Trade Creditors	12 024 926	5 563 589
Income received in advance	614 652	4 109 027
Creditor: Ward committee	13 201	13 201
Accrued(SDL, UIF, PAYE, Salary, Party Levies, Pension)		982 153
Leave provision	11 208 867	12 528 058
Bonus provision	905 403	3 055 720
Unknown deposits	305 675	274 463
Retentions	24 795 763	19 735 614
	<b>49 868 487</b>	<b>46 261 825</b>

#### 6.10 Unspent Conditional grants and receipts

Unspent conditional grants and receipts comprises of:

LG SETA Discretionary Grant	69 550	-
Financial Management Grant	206 981	-
DOE(Department of Mineral and Energy )	2 553 738	-
EPWP Grant	65 595	-
Municipal Infrastructure Grant	39 719 025	-
	<b>42 614 888</b>	<b>-</b>

#### 6.11 Defined benefit obligation

Post-employment Medical Aid Benefits

-	-
-	-

#### Long service awards

##### Long Service Awards Liability

Long service awards - current liability	-	60 000
Long service awards - Non-current liability	-	4 332 000
	<b>-</b>	<b>4 392 000</b>

(Figures in RSA Rand)

2023

2022

## 6.12 Revenue

The amount included in revenue arising from exchanges of goods or services are as follows:

Rental of facilities and equipment	119 136	106 779
Licences and permits	4 402 294	5 392 827
Plan Approval	-	260 615
Tender Documents	61 357	74 992
Interests earned on Bank & Investment accounts	5 458 717	3 024 286
Refuse removal	122 080	150 252
Other income	271 361	313 085
	<b>10 434 945</b>	<b>9 306 315</b>

The amount included in revenue arising from non-exchange transactions is as follows:

Property rates	33 129 240	44 418 365
Interest on outstanding debtors	9 761 374	38 355 338
Traffic fines	796 450	287 450
Transfers and subsidies	61 023 374	-
Actuarial (Gain)/loss	-	(465 129)
Gain/loss on disposal of Assets	-	40 350
	<b>104 710 438</b>	<b>82 636 374</b>
	<b>115 145 383</b>	<b>91 623 265</b>

## 6.13 Government grants and subsidies

Equitable share	324 200 000	296 332 000
Municipal Infrastructure Grant (MIG)	94 915 000	61 777 288
Finance Management Grant (FMG)	1 720 000	1 650 000
Integrated National Electrification (DOE Grant)	6 000 000	20 000 000
Municipal Disaster Grant Management	-	-
EPWP Grant	1 925 000	1 825 000
LG SETA - Discretionary Grant	168 187	228 314
	<b>428 928 187</b>	<b>381 812 602</b>

## 6.14 Interest on investments

Bank & Investments	5 458 717	3 024 286
--------------------	-----------	-----------

(Figures in RSA Rand)

2023

2022

5 458 717

3 024 286

N.B. The municipality did not have any investments during the current year due to low levels of cash balances and the amount of interests received is for the positive bank balance of the main cheque account.

#### 6.15 Interest on outstanding debtors

Interest charged on trade and other receivables

9 761 374

38 355 338

**9 761 374**

**38 355 338**

NB. All interests relates to property rates outstanding debts.

#### 6.16 Property rates

##### Rates – revenue

Commercial

8 373 403

11 243 950

State

23 074 341

30 383 837

Agricultural

1 681 496

2 790 569

**33 129 240**

**44 418 356**

##### Valuations

Residential

145 166 000

145 166 000

Commercial

1 250 324 000

1 250 324 000

State

1 881 798 000

1 881 798 000

Municipal

71 332 000

71 332 000

Social

29 600 000

29 600 000

**3 378 220 000**

**3 378 220 000**

- Valuations on land and buildings are performed every 5 years. The first general valuation came into effect on 1 September 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.
- The valuation used in the current year was implemented from 01 July 2021 and it ends on the 30th of June 2026

#### 6.17 Actuarial gain/ (Loss)

Long service awards - Actuarial Gain/(Loss)

-

94 871

Post-employment medical aid - Actuarial gain/(Loss)

-

(560 000)

-

**(465 129)**

(Figures in RSA Rand)

2023

2022

#### 6.18 Traffic fines

Traffic fines

796 450

287 450

**796 450**

**287 450**

The municipality issued traffic fines to a total value of R 796 450 as at 31st March 2023, and the amount collected for the traffic fines as at 31st March 2023 is R 426 650 which is 53% of the value amount of tickets issued as at end of the 31<sup>st</sup> March 2023

#### 6.19 Employee related costs

Basic

42 699 991

50 135 343

Bonus & P/Bonus

3 840 963

4 379 514

Medical aid - company contributions

4 012 661

5 146 365

UIF

295 060

357 489

SDL

621 119

732 440

Leave pay provision charge

278 056

1 370 852

Pension contribution

7 854 275

9 774 544

Overtime payments

1 536 014

1 237 979

Post-employment benefits costs

386 334

862 000

Car allowance

11 077 429

11 378 300

Housing benefits and allowances

2 366 599

2 880 904

Bargaining Council

18 101

20 909

Clothing allowance

32 248

38 575

Cell phone allowance

1 770 004

2 109 362

**76 788 854**

**90 424 576**

#### Municipal Manager (Ms Ramped MN)

B/P Basic

8013

-

Basic salary

-

640 552

Travel allowance

-

261 687

Leave pay-out

-

204 381

P bonus

53379

53 379

Travel claim

10 309

14 121

Contributions to medical aid

-

85 447

Contributions to UIF

199

2 148

SDL

1044

12 623

(Figures in RSA Rand)

	2023	2022
SALGBE	-	124
Non Pension	20340	41 540
Retirement annuity contributions	-	78 004
B/P Cell	289	-
B/P Basic	9608	-
Recover	(7400)	-
Remote allowance	1804	-
	<b>97 585</b>	<b>1 394 005</b>

**Municipal Manager (Mr Moganedi R.M)**

Basic salary	215 119	-
Travel allowance	107 559	-
Cell phone allowance	17 927	-
B/P Basic	1 601	-
B/P Trv	801	-
B/P Cell	134	-
B/P Med	134	-
Travel claims	11 081	-
Contributions to medical aid	17 927	-
Contributions to UIF	709	-
SDL	3 593	-
Leave pay-out	-	-
SALGBE	43	-
Remote allowance	14 848	-
Performance Bonus	-	-
Long Service Award	-	-
	<b>391 476</b>	-

**Chief Financial Officer (Mr Moganedi R.M)**

Basic salary	223 612	498 335
Travel allowance	111 806	239 529
Cell phone allowance	18 634	39 083
Acting allowance	43 285	5 711
B/P Basic	14 738	-
Non Pens	20 340	-
B/P Trv	5 367	-
B/P Cell	895	-
B/P Med	895	-

(Figures in RSA Rand)	2023	2022
Travel claims	3 164	3 406
Contributions to medical aid	18 634	46 760
Contributions to UIF	1 112	1 948
SDL	5 069	9 882
Leave pay-out	-	171 357
SALGBE	13 963	113
Remote allowance	11 939	22 489
B/P Remote	44 722	-
Performance Bonus	-	44 722
Long Service Award	13 963	20 638
	<b>538 238</b>	<b>1 103 973</b>
<b>Acting Chief Financial officer for BTO 2021/22 (Mr Makgalemane T.M.)</b>		
Acting allowance	15 786	12 796
Acting allowance	9 079	-
	<b>24 865</b>	<b>12 796</b>
<b>Acting Chief Financial officer for BTO 2022/23 (Mr Mothapo K.T.)</b>		
Acting allowance	35 773	-
Remote Allowance	19 800	-
	<b>55 572</b>	
<b>Senior manager: Corporate services (Ms Mahlare M.A)</b>		
Basic salary	403 843	536 668
Travel allowance	173 501	231 286
Acting Allowance	6 392	-
Medical aid contributions	94 621	124 596
B/P Basic	12 747	-
Non Pens	20 340	-
B/P Trv	5311	-
B/P Med	18 341	-
Performance bonus	53 667	53 667
UIF	1 594	2 125
SALGBE	97	124
SDL	7 129	8 251
Travel claims	33 357	18 084
Remote	28 199	35 778
Long Service Award	-	53 667
	<b>859 139</b>	<b>1 051 855</b>

(Figures in RSA Rand)

2023

2022

**Acting Senior manager: Corporate services (Mr Marodi M.L)**

Acting allowance	4 721	15 103
Remote allowance	1 789	
	<b>6 510</b>	<b>15 103</b>

α

**Senior manager: Community services (Ms Marishane M.E)**

Basic salary	403 843	536 668
Travel allowance	148 180	196 956
Cell phone allowance	19 906	26 344
Housing allowance	53 848	71 560
B/P Basic	12 747	-
B/P Trv	4 391	-
B/P Cell	1 413	-
B/P Hou	1 693	-
Non Pens	20 340	-
Travel claims	11 792	6 856
P bonus	53 667	20 638
Pension contributions	50 191	61 022
UIF	1 594	2 125
SALGBE	97	124
SDL	6 945	8 094
Long Service award	-	41 276
Performance Bonus	-	53 667
Remote allowance	27 773	35 778

**818 420**

**1 019 832**

**Acting Senior manager: Community services (Mrs Makola B.C )**

Acting Allowance	2 442	31 118
Remote allowance	1 376	
	<b>3 818</b>	<b>31 118</b>

**Senior Manager: Infrastructure Development (Mr Segale M.A)**

Basic salary	403 843	536 668
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(Figures in RSA Rand)

	2023	2022
Travel allowance	146 543	194 493
Cell phone allowance	20 752	27 450
Medical contribution	100 828	133 939
B/P Basic	12 747	-
Non Pens	20 340	-
B/P Trv	6 392	-
B/P Cell	1 561	-
B/P Med	3 548	-
UIF	1 594	2 125
SALGBE	97	124
SDL	7 583	9 101
Remote allowance	27 773	35 778
Performance bonus	44 722	44 722
Long Service award	-	20 638
	<b>798 323</b>	<b>1 005 038</b>

**Senior manager Economic Development and Planning (Mr Thabela A.P)**

Basic salary	403 843	536 668
Travel allowance	100 961	134 167
Cell phone allowance	14 392	19 119
Pension contribution	90 572	118 067
Medical aid contribution	64 027	84 529
B/P Basic	12 747	-
Non Pens	20 340	-
B/P Trv	3 187	-
B/P Cell	502	-
B/P Med	5 983	-
UIF	1 594	2 125
SALGBE	97	124
SDL	7 714	9 015
Performance bonus	44 722	44 722
Remote allowance	27 773	35 778
Travel Claim	7 603	
	<b>806 057</b>	<b>984 314</b>

(Figures in RSA Rand)

2023

2022

**Acting Senior Manager: Economic Development and Planning (Mrs Make M.M)**

Acting Allowance	4 883	
Remote allowance	2 752	

**7 635**

**6.20 Remuneration and allowances of councillors**

Mayor	640 010	936 109
Council speakers	517 575	759 878
Executive Committee Members	3 235 464	4 699 833
Other councillors basic salary	6 780 793	9 883 297
Councillors pension contribution	1 198 228	1 735 152
Travel allowance	2 664 051	3 873 340
Travel claims	73 129	27 123
Cell phone allowance	1 387 200	2 091 649
Skills development levy	93 923	134 007
Data cards (61 councillors)	-	181 997
	<b>16 590 373</b>	<b>24 322 441</b>

**Remuneration and allowances of selected members of the council**

**Remuneration and allowances for the Cllr Maitula B.M**

Basic salary	434 556	548 798
Travel allowance	0.00	0.00
Cell phone allowance	30 600	40 800
Contributions to pension fund	247 101	312 061
SDL and Data card	5 758	7 421
	<b>718 015</b>	<b>909 080</b>

**Remuneration and allowances for the council speaker Cllr Tala M.A**

Basic salary	-	439 039
Travel allowance	-	-
Cell phone allowance	-	40 800
Contributions to pension	-	249 649

(Figures in RSA Rand)	2023	2022
SDL and Data card	-	6 731
	-	<b>736 219</b>
<b>Remuneration and allowance for the council speaker Cllr Mphelane M.J</b>		
Basic salary	347 646	291 424
Travel allowance	-	-
Cell phone allowance	30 600	26 293
Contributions to pension	197 681	165 712
SDL and Data card	4 668	6 748
	<b>580 595</b>	<b>490 177</b>
<b>Remuneration and allowances of members of the executive committee</b>		
Basic salary	2 068 693	2 693 759
Travel allowance	811 253	1 055 260
Cell phone allowance	275 400	370 827
Pension fund Medical & SDL	392 471	461 775
Travel claims and Data card	118 239	118 212
	<b>3 666 056</b>	<b>4 699 833</b>

The remuneration and allowances of the political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

#### Related party transactions

##### Section 57 Employees

Municipal Manager-former ( Ms Rampedi M.N)	97 585	1 394 005
Municipal Manager: (Mr Moganedi R.M)	391 476	-
Senior Manager: Corporate Services (Ms. Mahlare M.A)	859 139	1 051 855
Senior Manager: Community Services (Ms. Marishane M.E)	818 420	1 019 832
Senior Manager: Budget & Treasury(CFO) (Mr. Moganedi R.M )	538 238	1 103 973
Senior Manager: Economic Development & Planning (Mr. Thabela A.P)	806 055	984 314
Senior Manager: Infrastructure Development (Mr. Segale M.A)	798 323	1 005 038
	<b>4 309 235</b>	<b>6 559 017</b>

(Figures in RSA Rand)

2023

2022

### South African Local Government Association

Annual membership fee

- 1 305 496

- 1 305 496

### 62 Councillors

Remuneration of Councillors

18 659 174 24 322 441

18 659 174 24 322 441

### 6.22 Assets impairment

Property, plant and equipment

- -

Intangible Assets

- -

Investment Property

- -

- -

The municipality has completed an asset verification process for the period ended 28 February 2023 and no impairment loss identified and reported.

### 6.23 Finance Costs

Interest cost: Employee benefit obligations

- 616 000

Interest cost: Landfill site provision

- 1 418 557

- 2 034 557

### 6.24 Contracted Services

Repairs and Maintenance: Other Assets

8 681 948 25 110 131

Repairs and Maintenance: Infrastructure Assets

22 258 760 47 915 515

Operating Lease and Cash collection

4 430 770 3 172 431

Solid waste collection

20 226 450 -

Development of valuation roll

- -

Cleaning and Security services & other

41 314 918 51 800 497

Publications VAT recovery services Spatial Planning & GIS

11 863 450 -

108 776 296 127 998 574

(Figures in RSA Rand)	2023	2022
<b>6.25 Grants and subsidies paid</b>		
Indigents grants (Free Basic Electricity)	1 510 311	1 955 378
	<b>1 510 311</b>	<b>1 955 378</b>
<b>6.26 Capital expenditure written-off (D Roads)</b>		
Property Plant and Equipment	16 789 848	52 942 675
	<b>16 789 848</b>	<b>52 942 675</b>
<p>In terms of the General Notice 217 of 2014 ownership and jurisdiction of roads by municipality in Limpopo Province is listed in schedule B of the notice. The municipality has constructed roads under the ownership of Roads Agency Limpopo SOC Limited (RAL) in terms of the Notice during the 2020/21 financial year. The roads cannot be capitalised and will have to be written off at year end and as at 28 February 2023 the expenditure for D roads was R <b>16 789 848</b>.</p>		
<b>6.27 General expenses</b>		
1. Advertising	1 331 205	829 615
2. Bank charges	169 047	204 289
3. Consulting and professional fees	3 250 370	4 486 051
4. Consumables	2 243 674	4 270 096
5. Entertainment	-	24 164
6. Insurance	1 714 533	1 336 506
7. IT operating expenses	1 056 018	1 000 000
8. Marketing	622 785	767 236
9. Promotions and sponsorships	1 519 959	4 789 107
10. Fleet Management & System	27 804	138 960
11. Fuel and oil	4 468 169	4 561 750
12. Staff welfare	-	72 900
13. Telephone and Fax	1 056 017	1 439 421
14. Training	3 826 047	6 070 684
15. Travel and accommodation	2 612 165	1 574 764
16. Spatial planning - demarcation of sites	-	314 783
17. Water and electricity	2 802 587	2 538 463
18. SMME Support	-	222 640
19. Sitting allowance ex-officio	-	68 000
20. Publications	3 976 090	7 791 517
21. Audit committee support	213 519	420 463
22. Bursary fund	679 459	3 170 585
23. Legal costs and Development of by-laws	2 525 317	2 913 439

(Figures in RSA Rand)	2023	2022
24. Customer care	310 305	58 399
25. Financial System support	2 611 620	5 908 719
26. Vehicle tracking	61 026	96 615
27. Disaster relief fund	1 321 314	2 039 196
28. EPWP	3 678 176	4 794 190
	<b>42 299 312</b>	<b>61 902 552</b>

#### 6.28 Provision - Rehabilitation of Landfill Site

Opening Balance	17 667 406	18 730 537
Interest charged	-	1 418 557
	-	(2 481 688)
	<b>17 667 406</b>	<b>17 667 406</b>

The Madibong Landfill Site was previously included in the asset register of the Sekhukhune District Municipality together with the provision for the rehabilitation of the Landfill Site in its 2017/18 audited annual financial statements. On the 30th of January 2019 the Landfill Site was transferred to the Makhuduthamaga Local Municipality.

The valuation of the rehabilitation on the Landfill Site was performed by Mr Seakle Godschalk a professional registered environmental scientist of the Environmental and Sustainability Solutions (ESS) Company. The Company has developed and used the General Landfill Closure Costing Model (GLCCM) since 2011.

The future and discounted cash flows regarding the Landfill closure and rehabilitation related expenses were calculated using the CPI at 4.4437% and a discount rate of 7.9437%.

The cost of rehabilitating the Landfill Site was determined to be **R 17 667 406** as at the 31st of January 2023 and was recognised at cost and depreciated over time as property, plant & equipment in the statement of the financial position of the municipality.

#### 6.29 Rental of facilities and equipment

##### Advertising Billboards

Site rentals	119 136	106 779
	<b>119 136</b>	<b>106 779</b>

The amount for site rentals is for the advertising billboards from PRIMEDIA around Makhuduthamaga municipal area

(Figures in RSA Rand)

2023

2022

### 6.30 Operating lease

The Municipality has entered in to an operating lease with Velaphanda Trading & Projects for Photocopier machines for a period of three years.

The total future minimum operating lease payments payable under existing operating lease arrangements are categorised in the following categories:

Within one year of the operating date	1 030 981	2 061 962
More than one year but less than five years of the reporting date	3 540 975	515 491
	<b>4 571 956</b>	<b>2 577 453</b>

### 6.32 Risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits cash equivalents and receivables. The municipality only deposits cash with credible banking institutions and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

#### Financial instrument

Receivables from non-exchange transactions	23 430 235	15 998 498
Receivables from exchange transactions	1 754 284	1 808 348
Cash & Cash equivalents	94 238 239	105 016 439
VAT Receivable	12 211 710	20 709 984
<b>Maximum exposure</b>	<b>106 449 949</b>	<b>143 533 269</b>

### 6.33 Unauthorised expenditure

Opening balance	31 776 872	205 185 199
Current year	-	31 776 872
Less amounts: written-off by council	-	(205 185 199)
	<b>31 776 872</b>	<b>31 776 872</b>

(Figures in RSA Rand)

2023

2022

**6.34 Fruitless and wasteful expenditure.**

Opening balance	64 753	571 999
Current year	-	-
Paid/written off by council	-	(507 246)
	<b>64 753</b>	<b>64 753</b>

**6.35 Irregular expenditure**

Opening balance	-	187 293 956
Add: Irregular Expenditure - current year	5 770 543.85	27 221 540
Less: Amounts written-off by council	(-)	(214 515 496)
	<b>5 770 543.85</b>	<b>-</b>

**6.36 Additional disclosure in terms of Municipal Finance Management Act**

**Audit fees**

Amount incurred current year	4 347 914	4 283 087
Amount paid - current year	(4 347 914)	(4 283 087)
	<b>-</b>	<b>-</b>

**PAYE and UIF**

Opening balance	202 858	
Amount incurred current year	16 269 861	18 734 269
Amount paid - current year	(16 472 719)	(18 531 411)
	<b>0.00</b>	<b>202 858</b>

**Pension and Medical Aid funds deductions**

Amount incurred current year	19 927 511	24 769 153
Amount paid - current year	(19 927 511)	(24 769 153)
	<b>-</b>	<b>-</b>

#### 6.40 Deviations as per section 36 of the SCM policy 2022/23 financial year.

The accounting officer may dispense with the official procurement processes established by SCM Policy and to procure any required goods which may include direct negotiations, but only –

(i) In an emergency;

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
	1 <sup>st</sup> March 2023	Opening Balance	Opening Balance	R 0.00
1.	March 2023	0	0	R 0.00
<b>TOTAL (Closing Balance as at 31st March 2023)</b>				<b>R 0.00</b>

(ii) If such goods or services are produced or available from a single provider only

NO	Date	COMPANY NAME	SERVICE PROVIDED	AMOUNT

	1 <sup>st</sup> March 2023	Opening Balance	Opening Balance	R 312 038.77
1.	March 2023	Limpopo Toyota Polokwane	CRZ 501L	R 11 596.15
2.	March 2023	Limpopo Toyota Polokwane	DDK 932L	R 11 904.01
3	March 2023	Limpopo Toyota Polokwane	CRZ 536L	R 14 343.28
<b>TOTAL (Closing Balance as at 31<sup>st</sup> March 2023)</b>				<b>R 349 882.21</b>

(iii) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; therefore, the below transactions are incurred because it

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
1.	March 2023	BP	Fuel for Municipal Vehicle	R 122 313.01
2.	March 2023	Shell	Fuel for Municipal Vehicle	R 100 138.06
3.	March 2023	Moloi Filling Station		R 76 669.92

(Figures in RSA Rand)

2023

2022

			Fuel for Municipal Vehicles	
4.	March 2023	Viva	Fuel for Municipal Vehicles	R 49 205.60
5.	March 2023	Bapedi Filling Station	Fuel for Municipal Vehicles	R 147 175.25
<b>TOTAL (Closing Balance as at 31<sup>st</sup> March 2023)</b>				<b>R 3 946 118.70</b>

#### 4. CONTRACT MANAGEMENT

##### 4.1 SERVICE PROVIDERS STRATEGIC PERFORMANCE AS AT 31<sup>st</sup> MARCH 2023

Section 116(2)

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service;
- b) of the Municipal Finance Management Act (MFMA) states that “The Accounting officer of a Municipality or Municipal Entity must- monitor on a monthly basis the performance of the contractor under the contract or agreement”

- c) Regularly report to the council of the Municipality or the board of directors of the entity as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

The table below indicates service providers utilised according to functional areas:

#### MUNICIPAL MANAGER

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
CORP MD	3 Years	Provision of internal auditing for a period of three (03) years	Good	Good	Good	09/10/2023
Re Basadi Creates (Pty) Ltd	3 Years	Provision of SMS Line	Good	Good	Good	16/12/2023
Multichoice DStv	Pay per view	Subscription to active internal television screen	Good	Good	Good	Continuous

#### CORPORATE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Telkom SA	3 Years	Provision of Telephone Services	Good	Good	N/A	30/06/2024
Nonki C Travels	3 Years	Provision for Travel agency for a period of three (03) years	Good	Good	N/A	09/10/2023

Maphorisa Initiatives Security and Projects	3 Years	Provision of Microsoft Licensing	Good	Good	N/A	29/11/2023
Open Kingdom Technology Consulting	3 Years	Supply and delivery of ICT equipment for a period of three (03) years	Good	Good	N/A	10/09/2023
Rousing Consulting & Communication	3 Years	Provision of Municipal Intranet	Good	Good	N/A	16/03/2023
LCK Technologies	3 Years	Provision of maintenance and ICT systems and infrastructure for a period of three (03) years	Good	Good	N/A	15/10/2023
Deunice Trading (Pty) Ltd	3 Years	Provision of Printing and publication for a period of 3 years	Good	Good	N/A	30/08/2024

### BUDGET AND TREASURY

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
ABSA Bank	5 Years	Provision of Banking services	Good	Good	N/A	30/06/2023
Pheladichuene Maintenance and General Supplier	3 Years	Provision of cleaning services	Good	Good	N/A	31/08/2023
Jane Furse Tyre (Pty) Ltd	3 Years	Supply and delivery of Tyres	Good	Good	N/A	31/01/2023 EXPIRED
Camelsa Consulting Group	3 Years	Provision of Mscoa System	Good	Good	N/A	30/06/2024
Camelsa Consulting Group	3 Years	Provision of Integrated Financial System with support and maintenance	Good	Good	N/A	30/09/2025

Mod Hope Properties CC	3 Years	Development and maintaining of Property Valuation Roll	Good	Good	N/A	30/06/2026
Onkutlwile Security Services	3 Years	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A	31/03/2025
Velaphanda Trading & Projects	3 Years	Provision of Lease for photocopy machines for a period of three (03) years	Good	Good	N/A	15/10/2023
Fidelity Cash solutions	3 Years	Provision of cash collection services for a period of three (03) years	Good	Good	N/A	05/11/2023
Matladi Thabang Projects	3 Years	Provision of service, maintenance & repairs of yellow fleet for a period of three (03) years	Good	Good	N/A	05/11/2023
Procurement 911	3 Years	Provision of Vetting System for a period of Three (03) years	Good	Good	N/A	14/12/2023
Kunene Makopo Risk Solutions	3 Years	Provision of Short Term Comprehensive Insurance	Good	Good	N/A	22/06/2024
Fleet Horizon Solutions (Pty) Ltd	3 Years	Provision of tacking devices on all municipal vehicles for a period of three (03) years	Good	Good	N/A	31/08/2025
PK Financial Consultants CC	3 Years	Provision of VAT recovery for a period of three (03) years	Good	Good	N/A	30/04/2025
Phutitau Investment	3 Years	Supply and delivery of stationery	Good	Good	N/A	04/03/2023

### COMMUNITY SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Phasima Trading and Projects	3 Years	Supply and delivery of waste collection bags for a period of 03 Years	Good	Good	N/A	15/01/2024
LL Civil and Construction	3 Years	Supply and delivery of Blankets for a period of three (03) years	Good	Good	N/A	14/11/2023
Stonefound Engineering Solutions	3 Years	Maintenance of Landfill Site for a period of three(03) years	Good	Good	N/A	30/04/2025
4 Interconnect Project Developers	3 Years	Distribution of water services for a period of three (03) years	Good	Good	N/A	01/11/2025

### INFRASTRUCTURE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Tshwane Engineering	3 Years	Repairs and Maintenance of Municipal facilities for a period of Three (03) years.	Good	Good	N/A	19/03/2023
Mwelase Thops	3 Years	Repairs and Maintenance of All	Good	Good	N/A	28/10/2024

Construction & Projects		Municipal Electrical Infrastructure: Including Highmast, Traffic Lights, Streets Lights, and Lights on All Municipal Facilities for a period of three (03) years.				
Kgwadi Ya Madiba General Trading & Projects	3 Years	Maintenance of roads and storm water within Makhuduthamaga Municipality for a period of three years	Good	Good	N/A	28/10/2024

### ECONOMIC DEVELOPMENT AND PLANNING

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
N/A		N/A		N/A		

### IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY 31 March 2023

Section 6.3 of the Supply chain management Policy” The Accounting Officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the executive committee”  
Section 6.4 of the Supply Chain Management Policy” The reports must be made public in accordance with section 21A of the Municipal Systems Act”.

1. Adoption of SCM Policy

The Council has adopted an SCM policy in terms of SCM regulation 3

2. Staff Employed In SCM unit

The unit comprise of six filled posts.

3. Job descriptions

The posts has job descriptions

4. Implementation Plan for SCM

Detailed Procurement Plan has been developed. The plan is updated on daily basis and serves on monthly reports

5. Needs assessment.

Necessary needs assessment undertaken before each acquisition through user Dept.

6. Performance of Vendors

Performance of vendors performed regularly by the Contract management officer in consultation with the user department.

7. Monitoring of SCM Policy

SCM processes are independently monitored to ensure the SCM policy is followed and desired objectives are achieved

8. Threshold values

Threshold values contained in the SCM Policy are aligned with the values stipulated in regulation 12.

9. Municipal bid documents

Municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees. The documents made available for at least three days before the compulsory briefing date (if applicable).

10. Code of Conduct

All SCM Officials and Bid committee members have signed a Code of Conduct.

11. Invitations for bids.

All invitations for bids above R30 000 are advertised for at least 7 days on the website and official notice board (reg 18(a)).

12. In addition, all invitations for competitive bids are publically advertised

All invitations for competitive bids are publically advertised in newspapers commonly circulating locally (reg 22(1))

13. Training strategy for SCM practitioners

- Training strategy for SCM practitioners has been developed through corporate Services.
- SCM officials have completed a minimum requirement level (MFMP).

14. Bid Specification Committee.

Bid Specification Committee membership comply with regulation 27.

15. Bid Evaluation Committee

Bid Evaluation Committee membership comply with regulation 28.

16. Bid Adjudication Committee membership comply with regulation 29

Bid Adjudication Committee membership comply with regulation 29

17. Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee

18. Circular 82 approved by council and implemented.