

Item \_\_\_\_\_

3.2/5/2/4/2  
FS

**MONTHLY FINANCIAL REPORT AS AT 28 FEBRUARY 2023:**

The following financial reports are submitted for the above-mentioned period:

**ANNEXURE A** - Bank and Call Accounts balances as at 28 February 2023.

**ANNEXURE B** - Councillors Remuneration as at 28 February 2023.

**ANNEXURE C** - MFMA Section 66 Report as at 28 February 2023.

**ANNEXURE D** - Top 20 highest paid creditors for the month ended 28 February 2023.

**ANNEXURE E** - Assets Report as at 28 February 2023.

**ANNEXURE F** - Budget vs. Collection Report as at 28 February 2023.

**ANNEXURE G** - Information Technology as at 28 February 2023.

**ANNEXURE H** - Grant Register as at 28 February 2023.

**ANNEXURE I** - Bank Reconciliation as at 28 February 2023.

**ANNEXURE J** – Supply Chain Management Implementation as at 28 February 2023.

**COMMENTS: MUNICIPAL MANAGER**

Recommendation is supported.

**RECOMMENDATION:**




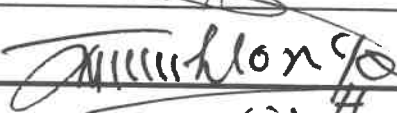
1. **THAT** the contents of the Monthly Financial Reports and Annexures be noted.

# " The City of Heritage "



## BANK AND CALL ACCOUNTS BALANCES AS AT 28 FEBRUARY 2023

ACCOUNT NAME	ACCOUNT NUMBER	BALANCE (R)
Salaries Account	62033637846	175 320.72
Current Account	62035267609	633 879.45
FMG Call Account	62064936093	2 154 183.20
Electricity Sales	62328066776	10 564.26
Housing Grant	62062833639	336 151.41
Investment -Main	62179391190	437 978.22
Statutory Funds	62064936340	5 208 115.05
DME Account	62324120261	23 930.17
MIG Funds	62067492943	1 333 170.92
Conditional Grant	62067492802	5 396 146.30
	<b>TOTAL</b>	<b>R 15 709 439.70</b>

Prepared by:	DG Jiyane		03/03/2023
Reviewed by:	HP Ndlela		03/03/2023
Recommended by:	NM Mahlaba		03/03/2023
Authorised by:	JH Mhlongo		03/03/2023



**Expenditure on Councillors remuneration**  
**Period:FEBRUARY 2023**

Description	Councillors Expenditure
(a) Salaries and Wages	756 606.72
(b) Medical aid	63 360.00
(c) Pension fund	113 491.02
(d) Car allowance& Subsistence	312 592.82
(e) Data card	173 900.00
<b>Total</b>	<b>1 419 950.56</b>

Prepared by : NP Msimango

Signature

DATE: 2023/02/28

Reviewed by : PM Nxumalo

Signature

DATE: 2023/02/28

Approved by : L. HP Ndlela

Signature

DATE: 2023/02/28

Authorised by: JH Mhlongo

Signature

DATE: 2023/02/28



Expenditure on Staff Benefits - MFMA S66  
Period: FEBRUARY 2023

Sec 66	Description	Permanent	EPWP	Contractual	Sec 57	Total
(a)	Salaries and Wages	6 792 015.19	461 448.00	710 984.49	504 708.25	8 469 155.93
(b)	Pensions and Medical Aid	2 368 648.62	-	14 320.71	-	2 382 969.33
(c)	Car allowance, S&T, Cell phone	641 801.40	-	10 771.95	93 003.05	745 576.40
(d)	Housing Benefits and Bonus allowance	721 122.17	-	-	3 000.00	724 122.17
(e)	Overtime, standby and standing allowance	114 866.32	2 218.92	-	-	117 085.24
(f)	Leave cash and other allowances	-	-	-	-	-
(g)	Group Insurance, Bargaining Council, UIF, SDL	119 800.61	9 254.62	-	6 624.86	135 680.09
	<b>Total</b>	<b>10 758 254.31</b>	<b>472 921.54</b>	<b>736 077.15</b>	<b>607 336.16</b>	<b>12 574 589.16</b>

Prepared by : NP Misimango

Signature :

Date: 2023/02/28

Reviewed by : PM Nxumalo

Signature :

Date: 2023/02/28

Approved by : MN Mahlaba

Signature :

Date: 2023/02/28

Authorised by: JH Mhlongo

Signature :

Date: 2023/02/28

**UMASIPALA  
WASOLUNDI**

**“ The City of Heritage “**



**ULUNDI  
MUNICIPALITY**

## **Expenditure Management**


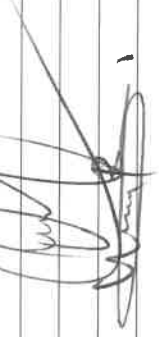


### **TWENTY HIGHEST PAID CREDITOR FEBRUARY 2023**

<b>DATE</b>	<b>EFT/CHQ</b>	<b>PAYEE/SUPPLIER</b>	<b>DESCRIPTION</b>	<b>SOURCE OF FUNDING</b>	<b>AMOUNT</b>
02/02/2023	APRBLR 691	Kwanele Consulting	Municipal finance management training	Own revenue /Equitable share	103 447.00
14/02/2023	APRBLR 792	Ekaya Promotions	Purchase of cleaning material	Own revenue /Equitable share	111 607.50
09/02/2023	APRBLR 780	Loma Business Enterprise	Pound Keeper Services	Own revenue /Equitable share	125 000.00
02/02/2023	APRBLR 720	Bhekumusa Stanley Hlela	Legal fees services	Own revenue /Equitable share	161 995.55
28/02/2023	APRBLR 787/C0223031M/APR BLR 772/C0223008M	Ikhwezi Wholesalers	Purchase of indigent groceries	Own revenue /Equitable share	183 691.32
27/02/2023	APRBLR 783	Isithelo Trading Enterprise	Purchase of road sign and	Own revenue	195 145.00

ANNEXURE D

				poles and brackets	/Equitable share
03/02/2023	APRBLR 761	Plasticorp PTY ltd		Purchase of refuse plastic bags	Own revenue /Equitable share 197 800.00
24/02/2023	C0223051M	Abdeil Projects		Supply and delivery of cold pre mix	Own revenue /Equitable share 248 850.00
23/02/2023	APRBLR 797	Zuma and Partners		Reviewing SCM policy	Own revenue /Equitable share 255 225.25
23/02/2023	C0223047M	Inqubeko Yami Projects		Purchase of transformer	Own revenue /Equitable share 276 805.00
/02/2023	APRBLR 790 /APRBLR 791	CCG System		MSCOA	Own revenue /Equitable share 300 616.20
21/02/2023	APRBLR 800/APRBLR 774	TGQSL Consulting Engineers		Managing MIG Projects	Own revenue /Equitable share 374 058.34
/02/2023	APRBLR 798/APRBLR 788/C0223007M	Brand Partners		ULM Projects Management	Own revenue /Equitable share 377 707.13
08/02/2023	C0223004/C0223004 M	Ulundi Total Filling Station		Petrol, oil and fuel	Own revenue /Equitable share 400 000.00
24/02/2023	C0223049M	Mjongeni Trading		Building sand, crusher dust, concrete stone and river sand	Own revenue /Equitable share 417 370.00
17/02/2023	APRBLR 793	Sonani Trading		Municipal finance management training	Own revenue /Equitable share 495 075.00
13/02/2023	C0223037M/C022303 8M/APRBLR 769/APRBLR 794	Auditor General		Professional fees	Own revenue /Equitable share 1 171 625.55
17/02/2023	C0223012S	Uhaqane MI Construction		Transfer of waste from Ulundi Station to King Cetshwayo Regional landfill site	Own revenue /Equitable share 1 295 647.21

13/02/2023	APRBLR 778/APRBLR 779/APRBLR 785	Afrirent Fleet Management	ULM Vehicle rental	Own revenue /Equitable share	1 753 815.03
17/02/2023	C0223035M	Eskom	Electricity bulk - purchase	Own revenue /Equitable share	8 513 474.38
<b>TOTAL</b>					<b>16 958 954.76</b>

Prepared by: S Nxumalo		02/03/2023
Recommended by: P M Nxumalo		02/03/2023
Approved by: N M Mahlaba		02/03/2023
Authorized by: J H Mhlongo		02/03/2023

UMASIPALA  
WASOLUNDI

“ The City of Heritage ”

ULUNDI  
MUNICIPALITY



## ASSET MANAGEMENT UNIT – FEBRUARY 2023

**Objective:** To give the status update on the work performed and the challenges encountered in the Asset Management Unit.


No.	Legislation/Standard/Policy	Description
	MFMA – Sec 62 (XX)(V)	
	Asset Management Policy	
	GRAP 17	Property, Plant and equipment
	GRAP 16	Investment Property
	GRAP 13	Leases (Finance and Operating)
	GRAP 31	Intangible Assets
	GRAP 103	Heritage Assets
	GRAP 1	Presentation and Disclosure

No.	Item and work done
1.	<b>Additions: (both PPE and IP)</b> <ul style="list-style-type: none"> <li>➤ Acquired laptops, desktop and printer.</li> <li>➤ Acquired office furniture.</li> <li>➤ Acquired Transformers</li> </ul>
2.	<b>Disposal/Write offs: (</b> <ul style="list-style-type: none"> <li>➤ No disposals were made during the Month of February.</li> </ul>
3.	<b>Depreciation:</b> Depreciation was successfully posted.
4.	<b>Assets Allocations / transfers</b> No allocations/ transfers were made during the Month of February.
5.	<b>Damaged assets</b> There were no assets identified as damaged during the verification in the Department of Planning & Development Services during the month of February.
6.	<b>Missing assets</b> There has been no missing assets identified or reported during the Month of February.
7.	<b>Physical verification</b> Verification was done in the Department of Planning & Development Services.
No	Challenges and proposed actions (if any)



1 Proposed action to challenges

Prepared by:   
N Mthembu

Checked by:   
S.C DLAMINI


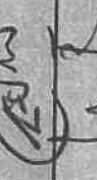


Reviewed by:   
N.M MAHLABA

Authorized by:   
J.H MHLONGO

# ULUNDI MUNICIPALITY: BUDGET VS COLLECTION FEBRUARY 2023

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN AND REVENUE COLLECTION 2022/2023

SERVICES	ANNUAL BUDGET	BUDGETED MONTHLY	COLLECTED Feb-23	BUDGET YEAR TO DATE MONTH 08	YEAR TO DATE JULY 2022-JUNE 2023 COLLECTION	BUDGETED %
	MONTHLY RATES	53 290 575.25	4 440 881.27	3 254 070.89	35 527 050.17	27 758 745.69
ANNUAL BILLING	55 935 424.75				45 337 048.37	81.05
REFUSE REMOVAL	10 992 000.00	916 000.00	687 934.77	7 328 000.00	5 977 663.11	81.57
ELECTRICITY SALES:	63 030 912.00	5 252 576.00	3 773 168.46	42 020 608.00	26 498 229.66	63.06
DOMESTIC PREPAID	27 675 088.00	2 306 257.33	1 684 318.38	18 450 058.67	14 762 207.38	80.01
TRAFFIC FINES	150 000.00	12 500.00	286 237.13	100 000.00	507 240.31	507.24
AGENCY SERVICES	2 500 000.00	208 333.33	163 570.00	1 666 666.67	2 056 250.00	123.32
RENTAL FACILITIES	1 804 000.00	150 333.33	131 067.25	1 202 666.67	1 130 778.24	94.02
<b>TOTAL</b>	<b>215 378 000.00</b>	<b>13 286 881.27</b>	<b>9 980 366.88</b>	<b>106 295 050.17</b>	<b>124 027 162.76</b>	<b>116.68</b>

SIGNATURE	DATE	COMMENTS (IF ANY)
	2023/03/01	
	2023/03/01	
	2023/03/01	
	2023/03/01	

UMASIPALA  
WASOLUNDI

“ The City of Heritage “

ULUNDI  
MUNICIPALITY



## IT DIVISION REPORT – FEBRUARY 2023

**Objective:** To give the status update on the work performed and the challenges encountered in the Information Technology Division during the month.

No.	Legislation/Standard/Policy	Description
1	None	

NO.	ITEM AND WORK DONE
1	<p><b>Cabling of the New Offices at Technical Services Department</b></p> <p><i>Inspection</i></p> <p>There is a new building in the Technical Services department. The building has six offices that will be occupied by the officials. The IT division received a request to provide network infrastructure in the building. The IT team then did inspection of the building to determine the needs and formulate a proper specification.</p> <p><i>Quotations</i></p> <p>After the specification was formulated, a request for quotation was sent to three networking companies via email. All three companies responded with quotations as per the provided specification. The memo was written to the municipal manager and signatures were to approve the project and it was approved.</p>
2	<p><b>Sage HR and Payroll Implementation</b></p> <p>The Municipality intends to change the HR and Payroll system from the legacy system Payday to Sage. This is a good move that may bring a number of advantages if implemented correctly. Changing a system has never been an easy task in any organisation; proper planning and execution is key to achieve expected outcomes.</p> <p>In light of this, two meetings were held between the municipality and the service provider appointed to implement the system. The first meeting was attended by different stakeholders: IT, internal audit, Finance, and the supplier's representatives. The project was unpacked, and deliberations were made to map a way forward. A subsequent meeting was held between the IT manager, Expenditure</p>

	manager and the two supplier's representatives to further discuss the implementation strategy and plan.
3	<p><b>GIS Computer Equipment</b></p> <p>Finally, both GIS computers were allocated to the planning department. The IT standard setups and configurations of both machines was done before allocation. Over and above the IT standard, the IT office had to setup the licenses for the special GIS application on both computers. The installation and licensing of the applications was done with the assistance of the service provider, ESRI SA.</p>
4	<p><b>IT Helpdesk</b></p> <p>The IT helpdesk now has a personnel who is responsible for taking calls and properly record the issues reported. The personnel is on an Internship program by Cogta. Having the personnel has enabled the IT service desk to function optimally.</p>
5	<p><b>Risk Register</b></p> <p>The risk register file was submitted for the month of January 2023. All due risk items were submitted.</p>
6	<p><b>Website Update</b></p> <ul style="list-style-type: none"> <li>- The website was updated by uploading documents for public consumption.</li> <li>- There was also an engagement between IT and Corporate Services department to revamp the website. The process is ongoing as Corporate Services will provide the content to IT for proper update of the site.</li> </ul>

Number of meetings held within the division	
No	None


<b>STANDING CHALLENGES</b>	
<b>No</b>	<b>Item and Description</b>
1	<p><b>Ordinary User and Admin Access Monitoring</b></p> <p>Monitoring of users and administrators access to the municipal systems needs to be done frequently as the auditors recommends and good practice. IT needs a tool to do this task. We made the quotation with an aim to acquire the tool. However, we have not been able to get the tool because of shortage of funds.</p>
2	<p><b>Old Computers</b></p> <p>Most desktop computers in the municipality have gone passed their recommended lifespan for business use which is 5 years. We have tried to maintain these old computers as they are still in use;</p>


however, they are now failing to handle new Microsoft products that the municipality is using. There is, therefore, a need to acquire several computers to replace these items.

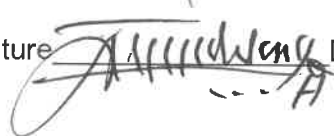
## FUTURE PLANS

### 1 Library Website Requested Feature Development

The functionality that was requested by the Community department still needs to be incorporated to the library's website.

Prepared By M.T. Mkozi Signature  Date 03-03-2023

Checked By M.N. Makhoba Signature  Date 03/03/23

Authorized By J.H. Ntshongwe Signature  Date 03/03/23



## BUDGET AND TREASURY OFFICE

ULUNDI MUNICIPALITY GRANTS REPORTS AS AT 28 FEBRUARY 2023			
NO.	GRANT NAME	AMOUNT RECEIVED	BALANCE
1.	MIG – CAPITAL PROJECTS	R 41 888 000.00	R 606 612.13
2.	INEP – ELECTRIFICATION	R 6 000 000.00	-R 206 500.00
3.	FMG – CONDITIONAL	R 2 100 000.00	R 1 509 830.18
4.	EPWP - CONDITIONAL	R 3 298 000.00	-R 607 283.12

NAME	PREPARED BY	REVIEWED BY	RECOMMENDED BY	AUTHORISED BY
	DG JHANE	H.P. NDOLELA	M N Mthembu	J.H. MITHLON GO
SIGNATURE				
DATE	03/03/2023	03/03/23	03/03/23	03/03/23

**" The City of Heritage "**



Ulundi Local Municipality			
Bank Reconciliation Statement for the month ended 28 February 2023			
Date	Reference	Amount	Balance
Balance per Bank Statement	B/S		633 879.45
Processed Transactions			
Less: Outstanding Payments			
Total Outstanding Payments	C/B	14 027 980.82	
Plus: Outstanding Deposits			
Total Outstanding Deposits	C/B		
Open Batches			
Less: Outstanding Open Batch Payments			
Total Outstanding Open Batch Payments	C/B		
Reconciled Bank Balance			- 23 749 265.82
Computer Calculated Bank Balance			-23 749 265.92
Difference			0.10

Prepared by H.P. NOLELA

Date 03/03/2023

Signature [Signature]

Checked by MW M. KUBO

Date 03/03/23

Signature [Signature]

Approved by J.A. MHLONGO

Date

Signature [Signature]

**UMASIPALA  
WASOLUNDI**

Private Bag X17

Ulundi

3838

**" The City of Heritage "**



**ULUNDI  
MUNICIPALITY**

Tel: 035 - 8745100

Fax: 035 - 8745174

## **SUPPLY CHAIN MANAGEMENT UNIT**

### **IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY – FEBRUARY 2023**

**1. Purpose:**

Is to report to the Mayor regarding the implementation of the Supply Chain Management Policy adopted in May 2022.

**2. Background:**

Regulation 6(3) of the SCM Regulations (General Notice 868 in Government Gazette 27636 of May 2005 which states that – “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 mayor”

**3. Legislative compliance:**

- Local Government: Municipal Finance Management Act no 56 of 2003
- Local Government: Municipal Finance Management Regulations no 56 of 2003
- Municipal Supply Chain Management Policy



<ul style="list-style-type: none"> <li>• Declaration of conflict interest policy</li> <li>• Contract management policy.</li> <li>• Contract management framework</li> <li>• Preferential Procurement Regulations</li> <li>• All other relevant legislations, National and Provincial Treasury</li> <li>• Guidelines and Circulars.</li> </ul>	<p><b>4. Capacity of Supply Chain Management:</b></p> <ul style="list-style-type: none"> <li>• The unit has 7 seven budgeted and filled position with two which are vacant for orders clerk and Contract Manager.</li> <li>• 5 of the officials are fully compliant with the minimum competency requirements and the other two officials (Data capture and storeman) whose functions does not require them to have competency.</li> </ul>									
<p><b>5. Orders issued</b></p>	<table border="1"> <thead> <tr> <th data-bbox="805 174 853 2094"></th> <th data-bbox="805 1220 853 2094">February 2023</th> <th data-bbox="805 174 853 1220">Comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="853 174 901 2094"><b>Orders</b></td> <td data-bbox="853 1220 901 2094">75</td> <td data-bbox="853 174 901 1220"></td> </tr> <tr> <td data-bbox="901 174 981 2094"><b>Amount</b></td> <td data-bbox="901 1220 981 2094">R 9 001 171,14</td> <td data-bbox="901 174 981 1220"></td> </tr> </tbody> </table>		February 2023	Comments	<b>Orders</b>	75		<b>Amount</b>	R 9 001 171,14	
	February 2023	Comments								
<b>Orders</b>	75									
<b>Amount</b>	R 9 001 171,14									
<p><b>6. Deviations:</b></p>	<p>7. There hasn't been any deviation during the month of February 2023.</p>									
<p><b>8. Competitive bidding process:</b></p>	<p>There have been six awards made during the month of January and were erroneously omitted and verified in February 2023:</p> <ul style="list-style-type: none"> <li>• Appointment Date: 3 January 2023: Bid No.23/2022/2023: Supply and delivery of cleaning material for the Financial years 2022 /2023 to 2025</li> <li>• Appointment Date: 3 January 2023: Bid No.25/2022/2023: Development of Environmental management Framework for the period of six months</li> </ul>									

- Appointment Date: 3 January 2023: Bid No. 20/2022/2023: Supply and delivery of Traffic Officers Uniforms and Protective clothing for the financial years 2022/2023 to 2025.
- Appointment Date: 3 January 2023: Bid No.21/2022/2023: Supply and delivery of black refuse plastic bags for the financial years 2022/2023 to 2025.
- Appointment Date:3 January 2023: Bid No. 22/2022/2023: Supply and delivery of Stationery material for the Financial years 2022/2023 to 2025.
- Appointment Date:5 December 2023: Bid No.19/2022/2023: GRAP COMPLIANT Asset register and unbundling of Infrastructure assets:2023.

**9. Database administration**

- There is one official appointed to maintain database.
- The municipality has 724 suppliers registered in the ULM Database.
- Municipality continuously uses Central Suppliers Database (CSD) as required by MFMA circular 81 of 2016.
- Municipality does not trade with suppliers that are not compliant on CSD and the financial system does not allow to transact with those.
- CSD is a real time system that is used to verify supplier.
- Information such as TAX, BBBEE, Bank account, In the employment of the state or not.
- The unit is also continuously driving the process to ensure that all suppliers are registered for the correct commodities to ensure effective and efficient service delivery.

New suppliers for the month of **February 2023 = 05**  
 suppliers who did not comply for the month of **February 2023**, were taken out from Ulundi Local Municipality  
 Suppliers database = **13**  
 total number of Ulundi Local Municipality suppliers in database for the month of **February 2023 = 716**



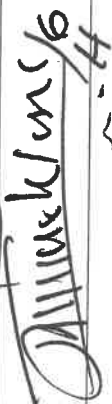
**NEW SUPPLIERS FOR THE MONTH OF FEBRUARY 2023 = 05**

1. AMANCOLOGY MAAA0830668
2. THIBI AND THIBEDIS TRADING MAAA0118518

<p>3. LEVEL UP WAT</p> <p>4. INAMANDLA TRADING ENTERPRISE</p> <p>5. UBUKHO NABAKHE TRADING</p>	<p>MAAA1222321</p> <p>MAAA1311554</p> <p>MAAA0691293</p>
<ul style="list-style-type: none"> <li>10. <b>Monthly suppliers' performance:</b></li> </ul>	<p>Reports are submitted to the Municipal Manager on quarterly basis to Council.</p>
<ul style="list-style-type: none"> <li>11. <b>Irregular expenditure:</b></li> </ul>	
<ul style="list-style-type: none"> <li>12. There hasn't been any irregular expenditure for the Month of February 2023</li> </ul>	
<ul style="list-style-type: none"> <li>13. <b>Contract management:</b></li> </ul>	<ul style="list-style-type: none"> <li>• There has been no contract extension for the month of February 2023</li> </ul>
<ul style="list-style-type: none"> <li>14. <b>Inventory management:</b></li> </ul>	<ul style="list-style-type: none"> <li>• Stock take will be done at the end of the 3rd quarter 2023.</li> <li>• The value of stock as at the end of February 2023 – R1 630 317.26</li> </ul>
<ul style="list-style-type: none"> <li>15. <b>Regulation 32</b></li> </ul>	<ul style="list-style-type: none"> <li>• Resolution not to use SCM regulation 32 was taken by the MANCO.</li> </ul>
<ul style="list-style-type: none"> <li>16. <b>Fruitless and wasteful expenditure</b></li> </ul>	<p>An amount of R706 826.55 has been incurred and reported as fruitless and wasteful expenditure. The amount is mainly made of Eskom interest</p>
<ul style="list-style-type: none"> <li>17. <b>Audit finding:</b></li> </ul>	<p>Corrective measures were implemented to address the findings raised which relates to Contract Management.</p>

**14. Recommendation**

-that the report be noted.

ITEM:	NAME:	Title	SIGNATURE:	DATE:
Prepared By:	Ms NVD Hlabe	SCM Manager		03/03/2023
Checked By:	Mr. NM Mahlaba	DCFO		03/03/2023
Approved By:	Mr JH Mhlongo	CFO	 2-4	03/03/2023