

Item \_\_\_\_\_

3.2/5/2/4/2  
FS

**MONTHLY FINANCIAL REPORT AS AT 31 JANUARY 2023:**

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

**ANNEXURE A** - Bank and Call Accounts balances as at 31 January 2023.

**ANNEXURE B** - Councillors Remuneration as at 31 January 2023.

**ANNEXURE C** - MFMA Section 66 Report as at 31 January 2023.

**ANNEXURE D** - Top 20 highest paid creditors for the month ended 31 January 2023.

**ANNEXURE E** - Assets Report as at 31 January 2023.

**ANNEXURE F** - Budget vs. Collection Report as at 31 January 2023.

**ANNEXURE G** - Information Technology as at 31 January 2023.

**ANNEXURE H** - Grant Register as at 31 January 2023.

**ANNEXURE I** - Bank Reconciliation as at 31 January 2023.

**ANNEXURE J** - Section 71 Reporting as at 31 January 2023.

**ANNEXURE K** – Supply Chain Management Implementation as at 31 January 2023.

**COMMENTS: MUNICIPAL MANAGER**

Recommendation is supported.

**RECOMMENDATION:**

Agenda -8th – 2022/2023 Ordinal Meeting: Executive and Finance Committee – 24-02-2023


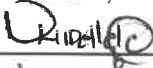

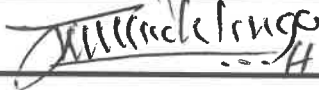
1. **THAT** the contents of the Monthly Financial Reports and Annexures be noted.

# " The City of Heritage "



## BANK AND CALL ACCOUNTS BALANCES AS AT 31 JANUARY 2023

ACCOUNT NAME	ACCOUNT NUMBER	BALANCE (R)
Salaries Account	62033637846	174 033.60
Current Account	62035267609	336 661.94
FMG Call Account	62064936093	2 144 187.76
Electricity Sales	62328066776	1 782 270.98
Housing Grant	62062833639	334 629.54
Investment -Main	62179391190	16 408 746.36
Statutory Funds	62064936340	5 183 949.32
DME Account	62324120261	23 819.39
MIG Funds	62067492943	1 513 349.84
Conditional Grant	62067492802	5 370 705.35
<b>TOTAL</b>	<b>R</b>	<b>33 272 354.08</b>

Prepared by:	DG Jiyane		07/02/2023
Reviewed by:	HP Ndlela		07/02/2023
Recommended by:	NM Mahlaba		07/02/2023
Authorised by:	JH Mhlongo		07/02/2023



## Expenditure on Councillors remuneration Period: JANUARY 2023


Description	Councillors Expenditure
(a) Salaries and Wages	756 606.72
(b) Medical aid	63 660.00
(c) Pension fund	113 491.02
(d) Car allowance & Subsistence	312 592.82
(e) Data card	173 900.00
<b>Total</b>	<b>1 420 250.56</b>

Prepared by : NP Msimango  
Signature : 

DATE: 2023/01/31

Reviewed by : PM Nxumalo  
Signature : 

DATE: 2023/01/31

Approved by : TP Ndlela  
Signature : 

DATE: 2023/01/31

Authorised by: JH Mhlongo  
Signature : 

DATE: 2023/01/31

SUMMARY: EARNINGS AND COUNCIL CONTRIBUTIONS

ULUNDI MUNICIPALITY  
23/01/25

Page 2

Date

Account CREDIT ----- -----	GL Number -----	DEBIT -----
PENS COMP CONTR	3100/3160	113491.02
MEDICAL	3100/3170	63660.00
SALARY	3400/3410	756606.72
CAR ALLOWANCE	3400/3440	312592.82
DATA CARD	3400/3450	173900.00
-----		-----
		1420250.56
-----		-----






**Expenditure on Staff Benefits - MFMA S66**  
Period: JANUARY 2023

Sec 66	Description	Permanent	EPWP	Contractual	Sec 57	Total
(a)	Salaries and Wages	6 871 255.93	450 636.00	756 226.05	718 903.43	8 797 021.41
(b)	Pensions and Medical Aid	2 370 529.33	-	15 866.88	-	2 386 396.21
(c)	Car allowance, S&T, Cell phone	654 771.65	-	10 771.95	93 003.05	758 546.65
(d)	Housing Benefits and Bonus allowance	175 373.03	-	-	3 000.00	178 373.03
(e)	Overtime, standby and standing allowance	143 811.22	1 549.35	26 438.68	-	171 799.25
(f)	Leave cash and other allowances	-	-	-	-	-
(g)	Group Insurance, Bargaining Council, UIF, SDL	120 275.38	9 445.77	15 026.87	8 374.87	153 122.89
	<b>Total</b>	<b>10 336 016.54</b>	<b>461 631.12</b>	<b>824 330.43</b>	<b>823 281.35</b>	<b>12 445 259.44</b>

Prepared by : NP Msimango

Signature :  Date: 2023/01/31

Reviewed by : PM Nxumalo

Signature :  Date: 2023/01/31

Approved by : MN Mahlaba

Signature :  Date: 2023/01/31

Authorised by: JH Mhlongo

Date: 2023/01/31

Signature : 

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SUMMARY: EARNINGS AND COUNCIL CONTRIBUTIONS

Date

Account	GL Number	DEBIT
CREDIT		
-----	-----	-----
SALARY	3000/3010	6871255.93
OVERTIME	3000/3020	53506.35
BONUS	3000/3030	152102.32
CAR ALLOWANCE	3000/3040	621208.85
DATA CARD	3000/3050	23019.00
STANDBY	3000/3060	82804.87
HOUSING SUBSIDY	3000/3070	23270.71
STANDING ALLOW	3000/3090	7500.00
BARGAINING COUNC	3100/3110	2624.40
MEDICAL	3100/3130	702367.96
SKILLS	3100/3140	75444.36
UIF	3100/3150	42206.62
PENSION FUND	3100/3160	1668161.37
SUBSISTENCE ALL	4400/4484	10543.80
-----		-----
		10336016.54

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SUMMARY: EARNINGS AND COUNCIL CONTRIBUTIONS

Account	GL Number	DEBIT
CREDIT		
-----	-----	-----
SALARY	3000/3010	450636.00
OVERTIME	3000/3020	1549.35
SKILLS	3100/3140	4923.91
UIF	3100/3150	4521.86
-----		-----
		461631.12
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SUMMARY: EARNINGS AND COUNCIL CONTRIBUTIONS

ULUNDI MUNICIPALITY  
23/01/31 Page 3

Date

Account CREDIT ----- -----	GL Number -----	DEBIT -----
CAR ALLOWANCE	209	10271.95
CELL PHONE	211	500.00
ARR/PENS	220	15866.88
SALARY	3000/3010	756226.05
OVERTIME	3000/3020	23969.13
STANDBY	3000/3060	2469.55
BARGAINING COUNC	3100/3110	810.00
SKILLS	3100/3140	7477.82
UIF	3100/3150	6739.05
-----		-----
		824330.43
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23/01/05 Page

SUMMARY: EARNINGS AND COUNCIL CONTRIBUTIONS

Date

3

Account	GL Number	DEBIT
CREDIT		
-----	-----	-----
SALARY	3000/3010	718903.43
CAR ALLOWANCE	3000/3040	78003.05
DATA CARD	3000/3050	15000.00
HOUSING SUBSIDY	3000/3070	3000.00
BARGAINING COUNC	3100/3110	75.60
SKILLS	3100/3140	7059.43
UIF	3100/3150	1239.84
-----		-----
		823281.35
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WASOLUNDI**



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**ULUNDI MUNICIPALITY**

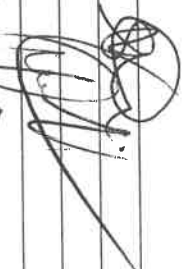



## Expenditure Management

### TWENTY HIGHEST PAID CREDITOR JANUARY 2023

ATE	EFT/CHQ	PAYEE/SUPPLIER	DESCRIPTION	SOURCE OF FUNDING	AMOUNT
19/01/2023	C0123049M	Optify Systems	Internet renewal	Own revenue /Equitable share	3 740.00
25/01/2023	C0123031S	T.I Nzimande	Attending Audit Committee meeting	Own revenue /Equitable share	5 937.00
27/01/2023	C0123042M	Njinji Media	2022 Matric Best Performers ceremony promo voice recording	Own revenue /Equitable share	10 000.00
13/01/2023	APRBLR 759	Simo Pest Control Pty LTD	Pest control services at ULM	Own revenue /Equitable share	14 600.00
31/01/2023	APRBLR 767//APRBLR 768	Payday Software	Payday support service	Own revenue /Equitable share	16 100.00
19/01/2023	APRBLR 758	Kambula Electrical	Cable fault testing	Own revenue	20 556.25

28/01/2023	C0123006M	Mancosa	Study assistance	/Equitable share	Own revenue /Equitable share	30 669.00
31/01/2023	APRBRLR 734	Zeevasha Development	Purchase of no dumping signs	Own revenue /Equitable share	Own revenue /Equitable share	42 779.43
27/01/2023	APRBRLR 762	Izwilenkosi Trading	Cleaning material and wi-fi router	Own revenue /Equitable share	Own revenue /Equitable share	49 260.00
27/01/2023	C0123039M	SABC Ukhosi FM	2022 Matric Best Performers Ceremony promo at Ukhosi FM	Own revenue /Equitable share	Own revenue /Equitable share	59 650.00
25/01/2023	APRBRLR 760	Abdeil Projects	Purchase of garden tools .	Own revenue /Equitable share	Own revenue /Equitable share	67 830.00
19/01/2023	APRBRLR 715	Kwanele Consulting	Cable fault finding and pressure testing	Own revenue /Equitable share	Own revenue /Equitable share	93 300.00
11/01/2023	C0123002M	Media 24 City Press Newspaper	Advertisement of Director Community Services and Technical Services	Own revenue /Equitable share	Own revenue /Equitable share	129 168.00
13/01/2023	C1222029M	Lionel Agricultural Projects	Purchase of Electrical Material	Own revenue /Equitable share	Own revenue /Equitable share	214 668.27
30/01/2023	APRBRLR 765	We Indlovu Projects	Private hire of security	Own revenue /Equitable share	Own revenue /Equitable share	379 556.84
/01/2023	C0123001M/C012302 OM	Ulundi Total Filling Station	Purchase of petrol, oil and fuel	Own revenue /Equitable share	Own revenue /Equitable share	400 000.00
24/01/2023	C0123028S	Salga	Membership fees	Own revenue /Equitable share	Own revenue /Equitable share	464 262.84
13/01/2023	APRBRLR 756	Afrivent Fleet Management	ULM Vehicle rental	Own revenue /Equitable share	Own revenue /Equitable share	749 796.78

17/01/2023	C0123007M	Uhaqane MI Construction	Supply and delivery of building sand, crusher run, crusher dust, concrete stone and river sand	Own revenue /Equitable share	909 144.00
20/01/2023	C0123021M/C01230275	Eskom	Electricity bulk - purchase	Own revenue /Equitable share	9 592 726.41
<b>TOTAL</b>					<b>13 254 744.82</b>

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

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## ASSET MANAGEMENT UNIT – JANUARY 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> ➤ No additions were made during the month of January.
2.	<b>Disposal/Write offs: (</b> ➤ No disposals were made during the Month of January.
3.	<b>Depreciation:</b> Depreciation was successfully posted.
4	<b>Assets Allocations / transfers</b> No allocations/ transfers were made during the Month of January.
5	<b>Damaged assets</b> There were no assets identified as damaged during the verification in the Department of Community Services during the month of January.
6	<b>Missing assets</b> There has been no missing assets identified or reported during the Month of January.
7	<b>Physical verification</b> Verification was done in the Department of Community 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 JANUARY 2023

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

SERVICES	ANNUAL BUDGET	BUDGETED MONTHLY	COLLECTED Jan-23	BUDGET YEAR TO DATE MONTH 07	YEAR TO DATE JULY 2022-JUNE 2023 COLLECTION	BUDGETED %
MONTHLY RATES	53,290,575.25	4,440,881.27	2,594,392.83	31,086,168.90	24,504,674.80	78.83
ANNUAL BILLING	55,935,424.75				45,252,248.70	80.90
REFUSE REMOVAL	10,992,000.00	916,000.00	577,851.24	6,412,000.00	5,289,728.34	82.50
ELECTRICITY SALES:	63,030,912.00	5,252,576.00	3,179,888.76	36,766,032.00	22,725,061.20	61.81
DOMESTIC PREPAID	27,675,088.00	2,306,257.33	1,869,565.56	16,143,801.33	13,077,889.00	81.01
TRAFFIC FINES	150,000.00	12,500.00	181,946.24	87,500.00	221,003.18	252.58
AGENCY SERVICES	2,500,000.00	208,333.33	1,008,490.00	1,458,333.33	1,891,680.00	128.72
RENTAL FACILITIES	1,804,000.00	150,333.33	578,353.28	1,052,333.33	999,710.99	95.00
<b>TOTAL</b>	<b>215,378,000.00</b>	<b>13,286,881.27</b>	<b>9,990,487.91</b>	<b>93,008,168.90</b>	<b>113,961,996.21</b>	<b>122.53</b>
Prepared by: Miss P N Mthabehle 07-02-23 Reviewed by: Mr E S Ngubane 07-02-23 Recommended by: Mr N Mahlaba 07-02-23 Authorised by: Mr JH Mhlongo 07-02-23						
SIGNATURE						
DATE						
COMMENTS (IF ANY)						



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## IT DIVISION REPORT – JANUARY 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>Return after Christmas Recess</b></p> <p>The IT division continued to provide support services to the municipal officials after the recess. The prevalent issue that was reported by officials, as in most years, is the password reset. Some officials forget their accounts passwords during the recess. That is understandable to some degree; and IT has controls in place to assist those that need password reset.</p>
2	<p><b>GIS Computer Equipment</b></p> <p>The supplier delivered the GIS desktop and the laptop for the director of Protection Services department. The other laptop for GIS team was not delivered – the supplier cited delays they have had in getting this laptop.</p> <p>Challenges with the Desktop</p> <ul style="list-style-type: none"> <li>- The delivered desktop is working as expected; however, after testing whether the machine meets the specified requirements, it was discovered that the VRAM doesn't meet the hardware requirements for the system to be installed.</li> <li>- The supplier was informed about the issues and promised to ship the component to upgrade the machine to the specified requirements.</li> </ul>
3	<p><b>Risk Register</b></p> <p>The risk register file was submitted on time for the month of December. All due risk items were submitted, except for two PoEs that were missing but later submitted.</p>


4	<p><b>Website Update</b></p> <ul style="list-style-type: none"> <li>- The website was not updated in the month.</li> <li>- The Corporate Services department had a meeting with IT to discuss the major upgrade that must be done on the website. The upgrade hasn't started as IT is waiting to get the content from the department.</li> </ul>
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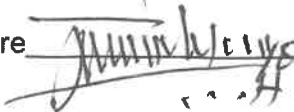
Number of meetings held within the division	
No	None

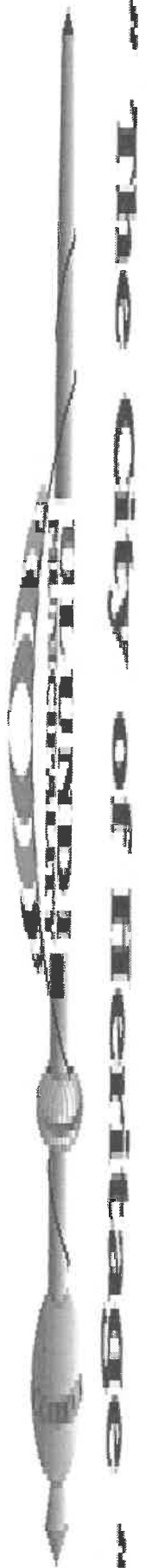
STANDING CHALLENGES	
No	Item and Description
1	<p><b>Ordinary User and Admin Access Monitoring</b></p> <p>Monitoring of users and administrators access to the municipal systems needs to be done frequently as the auditors recommends and good practice. IT needs a tool to do this task. We made the quotation 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; 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.</p>

FUTURE PLANS	
1	<p><b>Library Website Requested Feature Development</b></p> <p>The functionality that was requested by the Community department still needs to be incorporated to the library's website.</p>

Prepared By Mzomuhle Nkosi Signature  Date 07 February 2023

Checked By MW MHLONGO Signature  Date 07/02/23

Authorized By JH MHLONGO Signature  Date 07-02-2023



## BUDGET AND TREASURY OFFICE


ULUNDI MUNICIPALITY GRANTS REPORTS AS AT 31 JANUARY 2022				
NO.	GRANT NAME	AMOUNT RECEIVED	AMOUNT SPENT	BALANCE
1.	MIG – CAPITAL PROJECTS	R 41 888 000.00	R 40 270 211.61	R 1 617 788.39
2.	INEP – ELECTRIFICATION	R 6 000 000.00	R 6 206 500.00	R 206 500.00
3.	FMG – CONDITIONAL	R 2 100 000.00	R 539 594.85	R 1 536 198.81
4.	EPWP - CONDITIONAL	R 3 298 000.00	R 3 451 420.86	R 153 420.86


	PREPARED BY	REVIEWED BY	RECOMMENDED BY	AUTHORISED BY
NAME		H.P. NDLICHA	M.V. MATHIBI	
SIGNATURE	E.G. Sinyane			
DATE	14/02/2023	14/02/23	14/02/23	

Cash Book Balance Summary :

Narration	Account Number	Processed	Open Batches	Total
Deposit Ledger Account	D0001//A09578/F/0001/X049/R0070/001/F/INA	541 545 912.36	0.00	541545912.36
Withdrawal Ledger Account	D0001//A09746/F/0001/X049/R0070/001/F/INA	-551 021 956.52	0.00	-551021956.52
Bank Interest Ledger Account	D0001//A09666/F/0001/X049/R0070/001/F/INA	0.00	0.00	0.00
Bank Charges Ledger Account	D0001//A09470/F/0001/X049/R0070/001/F/INA	-70 520.34	0.00	-70520.34
Opening Balance Ledger Account	D0001//A09995/F/0001/X049/R0070/001/F/INA	0.00	0.00	0.00
<b>Totals</b>		<b>-9546564.50</b>	<b>0.00</b>	<b>-9546564.50</b>

Prepared by : L.V. MUGOMA  
 Date : 10/02/23  
 Signature : 

Reviewed by : H.P. NDLELA  
 Date : 10/02/2023  
 Signature : 

Approved by : J.H. MHLONGO  
 Date : 10/02/23  
 Signature : 

01/31/2023	Payments (Cash Book)	P0123049	IFP CONSTITUENCY	0,00	3 200,00	-3 200,00
01/31/2023	Payments (Cash Book)	P0123050	NFP PARTY CONTRIBUTIONS	0,00	5 600,00	-5 600,00
01/31/2023	Payments (Cash Book)	P0123051	ULUNDI MUNICIPALITY - DAMAGED VEHICLES	0,00	1 259,81	-1 259,81
<b>Totals</b>				<b>0,00</b>	<b>9 883 226,43</b>	<b>-9 883 226,43</b>
<b>Reconciled Bank Balance</b>						<b>9 546 564,43</b>
<b>Cash Book Bank Balance</b>						<b>9 546 564,50</b>
<b>Difference</b>						<b>0,07</b>

01/26/2023	Payments (Cash Book)	C012031S	Prof TI Nzimakwe	0,00	5 937,00	-5 937,00
01/30/2023	Payments (Cash Book)	APRBLR763	AMAHLOBO FUNERAL	0,00	59 000,00	-59 000,00
01/30/2023	Payments (Cash Book)	APRBLR764	LINDIMPILISO TRADING	0,00	97 980,00	-97 980,00
01/30/2023	Payments (Cash Book)	APRBLR766	TRANSPORT	0,00	56 090,00	-56 090,00
01/30/2023	Payments (Cash Book)	APRBLR769	AUDITOR GENERAL	0,00	8 009,11	-8 009,11
01/30/2023	Payments (Cash Book)	APRBLR770	AUDITOR GENERAL	0,00	117 537,33	-117 537,33
01/30/2023	Payments (Cash Book)	APRBLR771	KAMBULA ELECTRICAL	0,00	6 394,00	-6 394,00
01/30/2023	Payments (Cash Book)	APRBLR772	IKHWEZI WHOLESALER	0,00	53 641,15	-53 641,15
01/30/2023	Payments (Cash Book)	APRBLR773	FIDELITY CASH SOLUTIONS	0,00	25 782,36	-25 782,36
01/31/2023	Payments (Cash Book)	P0123004	OLD MUTUAL FINANCE	0,00	132 935,10	-132 935,10
01/31/2023	Payments (Cash Book)	P0123028	GEPE	0,00	4 558,73	-4 558,73
01/31/2023	Payments (Cash Book)	P0123029	NUMPF - PROVIDENT	0,00	708 673,16	-708 673,16
01/31/2023	Payments (Cash Book)	P0123030	NUMPF - RETIREMENT	0,00	23 392,94	-23 392,94
01/31/2023	Payments (Cash Book)	P0123031	NUMPF - SUPERANNUATION	0,00	1 543 694,72	-1 543 694,72
01/31/2023	Payments (Cash Book)	P0123033	SARS - PAYE	0,00	2 089 357,71	-2 089 357,71
01/31/2023	Payments (Cash Book)	P0123036	ANC ABAQULUSI	0,00	3 626,94	-3 626,94
01/31/2023	Payments (Cash Book)	P0123037	BARGAINING COUNCIL LEVY	0,00	7 020,00	-7 020,00
01/31/2023	Payments (Cash Book)	P0123038	BONITAS MEDSCHEME	0,00	768 063,25	-768 063,25
01/31/2023	Payments (Cash Book)	P0123039	HOSMED	0,00	259 175,00	-259 175,00
01/31/2023	Payments (Cash Book)	P0123040	KEY HEALTH	0,00	51 375,00	-51 375,00
01/31/2023	Payments (Cash Book)	P0123041	LA HEALTH	0,00	273 869,00	-273 869,00
01/31/2023	Payments (Cash Book)	P0123042	IFF CAUCUS FUND	0,00	11 200,00	-11 200,00
01/31/2023	Payments (Cash Book)	P0123043	IFF PARTY CONTRIBUTION	0,00	53 899,03	-53 899,03
01/31/2023	Payments (Cash Book)	P0123044	AGENCY SHOP FEES	0,00	1 828,50	-1 828,50
01/31/2023	Payments (Cash Book)	P0123045	SAMWU	0,00	2 600,00	-2 600,00
01/31/2023	Payments (Cash Book)	P0123046	ULUNDI MUNICIPALITY - CELLPHONES	0,00	1 240,35	-1 240,35
01/31/2023	Payments (Cash Book)	P0123047	DEMOCRATIC ALLIANCE	0,00	450,00	-450,00
01/31/2023	Payments (Cash Book)	P0123048	EFF	0,00	3 187,73	-3 187,73

# Bank Reconciliation

Ulundi Local Municipality

Balance per Cashbook for Account : Current Account (220730 - 62035268609)  
 Period : January 2023

<u>Date</u>	<u>Bank Type</u>	<u>Reference</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
<b>Balance per Bank Statement</b>						
02/07/2022	Deposits (Cash Book)	070220033	#SBX DEPOSIT FEE SBXMAIN(070222)	0,00	76,47	-76,47
10/30/2022	Deposits (Cash Book)	P0922001	XULU LW - SALARY BACKPAY	0,00	13 183,72	-13 183,72
10/30/2022	Deposits (Cash Book)	P0922002	BUTHELEZI NC - SALARY BACKPAY	0,00	12 711,13	-12 711,13
10/30/2022	Deposits (Cash Book)	P0922003	MADONDO LG - SALARY BACKPAY	0,00	47 265,01	-47 265,01
11/10/2022	Payments (Cash Book)	APRBLR691	KWANELE CONSULTING	0,00	103 447,00	-103 447,00
11/15/2022	Payments (Cash Book)	APRBLR697	DIVINE LIFE SOCIETY	0,00	591 660,00	-591 660,00
11/23/2022	Payments (Cash Book)	C1122036M	OMBOKWENI CONSTRUCTION	0,00	3 800,00	-3 800,00
12/01/2022	Payments (Cash Book)	APRBLR720	BHEKUMUSA STANLEY HELELA	0,00	161 995,55	-161 995,55
11/30/2022	Payments (Cash Book)	P11220036	SARS - SDL	0,00	92 943,27	-92 943,27
12/22/2022	Payments (Cash Book)	C1222012M	BIDVEST SERVICES (STEINER EMPANGEN)RBYREIN0116849	0,00	6 494,56	-6 494,56
01/01/2023	Payments (Cash Book)	P1222029	DEPARTMENT OF FINANCE - GEPP	0,00	4 558,73	-4 558,73
01/01/2023	Payments (Cash Book)	P1222030	NUMPF - PROVIDENT	0,00	708 508,29	-708 508,29
01/01/2023	Payments (Cash Book)	P1222031	NUMPF - RETIREMENT	0,00	23 392,94	-23 392,94
01/01/2023	Payments (Cash Book)	P1222032	NUMPF - SUPERANNUATION	0,00	1 527 611,84	-1 527 611,84
01/20/2023	Payments (Cash Book)	APRBLR761	PLASTICORP	0,00	197 800,00	-197 800,00
01/26/2023	Payments (Cash Book)	C012029S	E DE Robillard	0,00	3 600,00	-3 600,00
01/26/2023	Payments (Cash Book)	C012030S	S.D Van Der Merve	0,00	3 600,00	-3 600,00

ANATURE I

## CAPITAL EXPENDITURE

Capital Expenditure - Functional Classification										
<b>Governance and administration</b>		-	-	683	-	2 399	-	2 399	#DIV/0!	-
Executive and council		-	-	574	-	244	-	244	#DIV/0!	-
Finance and administration		-	-	109	-	1 910	-	1 910	#DIV/0!	-
Internal audit		-	-	-	-	246	-	246	#DIV/0!	-
<b>Community and public safety</b>		-	34 422	558	-	49 814	20 079	29 735	148%	34 422
Community and social services		-	34 104	558	-	49 640	19 894	29 746	150%	34 104
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	318	-	-	174	185	(11)	-6%	318
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	3 411	24 932	-	58 000	1 990	56 011	2815%	3 411
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	3 411	24 932	-	58 000	1 990	56 011	2815%	3 411
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	349	1 925	-	7 935	203	7 731	3800%	349
Energy sources		-	296	1 495	-	7 779	173	7 606	4401%	296
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	53	408	-	156	31	125	409%	53
Waste management		-	-	22	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	-	38 182	28 098	-	118 149	22 273	95 876	430%	38 182
<b>Funded by:</b>										
National Government		-	37 515	26 354	-	112 065	21 884	90 181	412%	37 515
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Entities, etc.)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	37 515	26 354	-	112 065	21 884	90 181	412%	37 515
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	666	1 744	-	6 084	389	5 695	1465%	666
<b>Total Capital Funding</b>		-	38 182	28 098	-	118 149	22 273	95 876	430%	38 182

The municipal has one capital expenditure (MIG) and has demonstrated in the above the municipal is still align to the conditions.

Prepared by: L.N MUGOMA

Reviewed by: DIPED

Signature: 

Signature: H.P. NDOLELA

Authorised by: J.A. MATHLONGO

Signature: 



## " The City of Heritage "



### SECTION 71 NARRATION

#### Financial Performance

KZN266 Ulundi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	Budget Year 2022/23								
		2021/22 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		102 355	109 226	104 713	4 419	93 082	63 715	29 367	46%	109 226
Service charges - electricity revenue		63 431	78 875	89 974	5 487	38 111	46 010	(7 899)	-17%	78 875
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		9 092	9 559	10 539	797	5 947	5 576	371	7%	9 559
Rental of facilities and equipment		1 033	1 569	1 731	56	578	915	(337)	-37%	1 569
Interest earned - external investments		741	1 000	1 214	263	921	583	337	58%	1 000
Interest earned - outstanding debtors		3 104	-	109	151	3 201	-	3 201	#DIV/0!	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		168	150	-	159	198	88	110	126%	150
Licences and permits		17	-	3 961	1	82	-	82	#DIV/0!	-
Agency services		2 023	2 174	-	125	1 008	1 268	(260)	-20%	2 174
Transfers and subsidies		192 788	196 272	208 164	-	151 721	114 492	37 229	33%	196 272
Other revenue		2 901	2 173	1 167	73	413	1 268	(855)	-67%	2 173
Gains		(116)	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>377 535</b>	<b>400 998</b>	<b>421 573</b>	<b>11 530</b>	<b>295 263</b>	<b>233 916</b>	<b>61 347</b>	<b>26%</b>	<b>400 998</b>
<b>Expenditure By Type</b>										
Employee related costs		155 484	162 951	161 916	12 592	93 449	95 055	(1 606)	-2%	162 951
Remuneration of councillors		16 835	17 615	20 951	1 420	9 951	10 275	(324)	-3%	17 615
Debt impairment		11 505	16 790	-	7	1 262	9 794	(8 532)	-87%	16 790
Depreciation & asset impairment		27 285	37 125	48 784	1 600	11 851	21 656	(9 805)	-45%	37 125
Finance charges		19	-	-	707	3 751	-	3 751	#DIV/0!	-
Bulk purchases - electricity		113 844	100 000	73	6 790	73 768	58 333	15 435	26%	100 000
Inventory consumed		4 786	6 777	95 300	268	3 030	3 953	(923)	-23%	6 777
Contracted services		84 512	44 321	53 476	3 843	50 242	25 854	24 388	94%	44 321
Transfers and subsidies		-	1 146	844	-	259	668	(409)	-61%	1 146
Other expenditure		32 431	40 447	46 361	1 503	22 300	23 594	(1 294)	-5%	40 447
Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>446 700</b>	<b>427 171</b>	<b>427 705</b>	<b>28 730</b>	<b>269 863</b>	<b>249 183</b>	<b>20 679</b>	<b>8%</b>	<b>427 171</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(69 166)	(26 173)	(6 132)	(17 199)	25 400	(15 268)	40 668	(0)	(26 173)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		52 489	44 888	33 604	187	187	26 185	(25 998)	(0)	44 888
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(16 677)</b>	<b>18 715</b>	<b>27 471</b>	<b>(17 012)</b>	<b>25 587</b>	<b>10 917</b>			<b>18 715</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(16 677)</b>	<b>18 715</b>	<b>27 471</b>	<b>(17 012)</b>	<b>25 587</b>	<b>10 917</b>			<b>18 715</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(16 677)</b>	<b>18 715</b>	<b>27 471</b>	<b>(17 012)</b>	<b>25 587</b>	<b>10 917</b>			<b>18 715</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(16 677)</b>	<b>18 715</b>	<b>27 471</b>	<b>(17 012)</b>	<b>25 587</b>	<b>10 917</b>			<b>18 715</b>

## **Revenue**

### **Property Rates**

The actual amount represented under property rates is a result of debt collection policy and the municipal financial recovery plan, these instruments played enormous role in achieving this.

### **Service Charges – Electricity**

The unachievable target under electricity sales is due to a vast number of households with tempered electricity and meter audit are conducted continuously.

### **Rental Facilities And Equipment**

Our collection was less than the anticipated figure in this because this is entirely dependent on the residents demand.

### **Licence and Permits**

The unobtainable target was due to the license printing machine at national level.

## **Expenditure**

### **Depreciation**

This non-cash item increase is represented by additions in the municipal fleet department.

**UMASIPALA  
WASOLUNDI**

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3838



*"The City of Heritage"*

**ULUNDI  
MUNICIPALITY**

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## **SUPPLY CHAIN MANAGEMENT UNIT**

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

<b>1. Purpose:</b>	Is to report to the Mayor regarding the implementation of the Supply Chain Management Policy adopted in May 2022.
<b>2. Background:</b>	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”
<b>3. Legislative compliance:</b>	<ul style="list-style-type: none"><li>• Local Government: Municipal Finance Management Act no 56 of 2003</li><li>• Local Government: Municipal Finance Management Regulations no 56 of 2003</li><li>• Municipal Supply Chain Management Policy</li></ul>

- Declaration of conflict interest policy
- Contract management policy
- Contract management framework
- Preferential Procurement Regulations
- All other relevant legislations, National and Provincial Treasury
- Guidelines and Circulars

**4. Capacity of Supply Chain Management:**

- The unit has 7 seven budgeted and filled position with one which is vacant for orders clerk.
- 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.

**5. Orders issued**

	January 2023	Comments
<b>Orders</b>	26	
<b>Amount</b>	R 4 283 042,58	

**6. Deviations:**

7. There hasn't been any deviation during the month of January 2023.

**8. Competitive bidding process:**

There have been four awards made during the month of December and two of them were erroneously omitted and verified in January 2023:

- Appointment date : 24 October 2022: Bid No. 01/2022/2023: Provision of short term insurance for the Financial year 2022 /2023
- Appointment date: 15 December 2022: Bid No.18/2022/2023 Professional service Provider for animal pound management for the financial years 2022/2023 to 2025.

**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 **JANUARY 2023 = 04**

suppliers who did not comply for the month of January 2023, were taken out from Ulundi Local Municipality Suppliers database = **00**

total number of Ulundi Local Municipality suppliers database for the month of **January 2023 = 724**

**NEW SUPPLIERS FOR THE MONTH OF JANUARY 2023 = 04**

1. Mancane catering and business
2. Ziyakhithika trading
3. Imbube africa manufacturing
4. Victory aplenty developments

**10. Monthly suppliers' performance:**

Reports are submitted to the Municipal Manager on quarterly basis to Council.

**11. Irregular expenditure:**

12. There hasn't been any irregular expenditure for the Month of January 2023

**13. Contract management:**

<ul style="list-style-type: none"> <li>There has been no contract extension for the month of January 2023</li> </ul>
<p><b>14. Inventory management:</b></p> <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 January 2023 – R3 135 089.08</li> </ul>
<p><b>15. Regulation 32</b></p> <ul style="list-style-type: none"> <li>Resolution not to use SCM regulation 32 was taken in the MANCO.</li> </ul>
<p><b>16. Fruitless and wasteful expenditure</b></p> <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>
<p><b>17. Audit finding:</b></p> <p>Corrective measures were implemented to address the findings raised which relates to Contract Management.</p>
<p><b>14. Recommendation</b></p> <p>-that the report be noted.</p>

ITEM:	NAME:	Title	SIGNATURE:	DATE:
Prepared By:	Mrs NVD Hlabe	SCM Manager		03/02/2023
Checked By:	Mr. NMI Mahlaba	DCFO		03/02/2023
Approved By:	Mr. JH Mhlongo	CFO	 MANCO	03/02/2023

Item \_\_\_\_\_

**PROGRESS REPORT ON DATA CLEANSING: CLEARING OF DEBTORS BOOKS FOR THE PERIOD ENDED 31 JANUARY 2023**

**PURPOSE:**

The purpose of this item is to provide progress report on the resolution by Council to provide an amnesty of 30% discount to all Residential customers with balances over 60 days.

**BACKGROUND**

The Municipality's debtors' book is currently sitting at more than R150 million, and some of these debts are recoverable. Therefore, to stimulate the recoverability of these debts it would be advantageous to introduce some form of incentive in a form of a 30% discount on settlement of the debt within the ambits of the applicable Credit Control & Debt Management Policy.

Business accounts as well as Government accounts are not included in this proposed amnesty, only residential customers whose balances are currently sitting at R82 766 504.

**COMMENTS: MUNICIPAL MANAGER**

Supported.

**RECOMMENDATIONS:**

<b>Number of customers</b>	<b>Balance</b>	<b>70% payable</b>	<b>30% Discount</b>	<b>Progress</b>
6	R79,637.21	R55,746.05	R23,891.16	R55,746.05 settled in full
8	R122,231.72	R85,562.20	R36,669.52	Monthly payments through Acknowledgement of Debt within amnesty period.

1. **THAT** the progress report of 30% discount amnesty for the period ended 31 January 2023 be noted



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**REPORT TO THE ULUNDI MUNICIPALITY COUNCIL**

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File Reference :	Author :	JH Mhlongo
Report Number:	Designation :	CFO

**For consideration**

Management Committee  
Executive and Finance Committee  
Municipal Council

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**SUBJECT: PROGRESS REPORT ON THE IMPLEMENTATION OF THE 2022/2023  
BUDGET FUNDING PLAN DATE: 31 JANUARY 2023**

---

**1. PURPOSE**

The purpose of this report is to apprise Council on the progress made on the Budget Funding Plan previously adopted by Council and submitted to Provincial Treasury for the 2022/23 financial year.

**2. STRATEGIC OBJECTIVE**

To ensure good governance, financial viability, and optimal institutional transformation with capacity to execute its mandate.”

**3. LEGISLATION**

**Municipal Finance Management Act (MFMA) Chapter 4 Section 18(1)** states that:

- “(1) An annual budget may only be funded from—
- (a) realistically anticipated revenues to be collected.
  - (b) cash backed accumulated funds from previous years’ surpluses not committed for other purposes; and
  - (c) borrowed funds, but only for the capital budget referred to in section 17 (2).
- (2) Revenue projections in the budget must be realistic, taking into account—
- (a) projected revenue for the current year based on collection levels to date; and
  - (b) actual revenue collected in previous financial years.



**MFMA Circular 98 paragraph 3.4 states that:**

“A revised strategy to address municipal financial performance failures has been endorsed by the Budget Council and Budget Forum (the respective intergovernmental forums for provincial and local government finances). This strategy is based on an analysis of performance failures in governance, financial management, institutional capabilities, and service delivery. As part of this strategy, municipalities must ensure that their budgets are adequately funded.

The number of councils adopting unfunded budgets, where realistically anticipated revenue is insufficient to cover planned spending sustainably, increased from 74 in 2016/17 to 126 in 2019/20. The National Treasury, alongside provincial treasuries, has provided extensive advice and support to ensure that municipalities plan affordable expenditure and collect all the revenue owed to them. All municipalities are able to table a funded budget. This is easier for transfer-dependent municipalities as they have more predictable revenue and can plan their spending accordingly.”

**4. BACKGROUND**




The 2022/23 Budget submission of the municipality was assessed as unfunded by Provincial Treasury. As a result, the municipality developed and adopted a Budget Funding Plan for the 2022/23 financial year. The Budget Funding Plan was submitted to Treasury who assessed and found the plan as credible. **Annexure A** as attached, shows the progress made regarding each line item or strategies in order to improve the municipality’s funding position.

**5. CONCLUSION**

The municipality has made a good effort in implementing the strategies as previously submitted and remains committed in improving the financial health of the institution to achieve an unfunded position.

**6. RECOMMENDATION**

That Council notes the progress made on the 2022/23 Budget Funding Plan as at 31 January 2023.

	Name	Designation	Signature	Date
PREPARED BY:	Mr. MN Mahlaba	Acting Deputy Chief Financial Officer		08/02/23
REVIEWED BY:	Mr. JH Mhlongo	Chief Financial Officer		08/2/23
APPROVED BY:	Mr. SM Khomo	Municipal Manager		8/2/23