



MATATIELE
LOCAL MUNICIPALITY

2022/2023 MID TERM BUDGET PERFORMANCE ASSESSMENT REPORT

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GLOSSARY

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

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

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings – for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

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

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

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

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts.

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

Vote – One of the main segments into which a budget is divided.

PURPOSE & LEGISLATIVE REQUIREMENT

The purpose of the report is to inform council of the municipality's mid-year actual performance for the Mid-year financial year against the approved budget in compliance with section 72 of the Municipal Finance Management Act, 56 of 2003.

As instructed by the Local Government: Municipal Finance Management Act No.56 of 2009, Chapter 8 on roles of municipal officials, section 72, the Accounting officer must assess the half yearly performance of the municipality and this is required to be done by 25th January every year to be submitted to the Mayor, National and Provincial Treasuries.

The strategic objective of this report is to ensure good governance, financial viability and management of optimal organisational development and transformation to execute its mandate.

In terms of Section 72 of the Municipal Finance Management Act, 56 of 2003

1. "The accounting officer of the municipality must by 25 January of each year-
 - (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report.
 - b) Submit a report on such assessment to-
 - i) the mayor of the municipality
 - ii) the National Treasury and
 - iii) the relevant provincial treasury
2. The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

The accounting officer must, as part of the review-

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) Recommend revised projections for the revenue and expenditure to the extent that this may be necessary.

PART 1 - EXECUTIVE SUMMARY

1.1 Introduction

The figures presented in this report are for the first six months ended 31 December 2022.

1.2 Consolidated Performance

Revenue by source

The mid-year revenue billed and/ or collected for the first six months ended 31 December 2022 was **R 346,196,752** against original budget of **R 579,582,986** (including capital transfers) representing **60%** of the original budgeted revenue. This is due to the transfers and grants received in the first six months and property rates that is billed in the first quarter of the financial year.

As at 31 December 2022 the municipality received revenue above the **50%** performance that is expected for the first six month of the financial year.

Operating Expenditure by type

The mid-year actual expenditure as at 31 December 2022 was **R 212,597,160** when measured against original budget of **R 480,023,232**. This represents **44%** of the approved operating budget. The performance is below **50%** at mid-term mainly due to vacant positions not filled, contracted services that have not been committed as planned and slow spending on other general expenditure items. Major variance reasons will be detailed further on the report on contracted services and other expenditure.

Capital Expenditure

- The approved original capital budget amounted **R 171,309,312**, capital expenditure incurred as at 31 December 2022 amounted to **R 51,529,593**. This represents **30%** of the capital expenditure budget. The performance is below the expected performance at mid-term as the municipality is required to have spent **50%** at mid-term. The variance is due projects are still in supply chain processes which results on delays for appointing the suitable service provider but the expenditure is expected to increase before the financial year end as appointments will be done in the 3rd and 4th quarter.
- The MIG capital grant allocation for the financial year is **R 53,264,604** million as per Dora Allocation. the spending at the end of 31 December 2022 is **R 18,047,247** which represent **34%** of expenditure to date.

- Integrated National Electrification Programme (INEP) of R 46,287,972 million was allocated. The grant reflects R 22,312,200 spending at the end of 31 December 2022 which represent 48%.
- Capital Replacement Reserves (CRR) for the financial year R 71,756,736 million is allocated. The spending as at 31 December 2022 is R 11,170,146 which represent 16%.
- The municipality anticipate to spend 100% of the total capital budget as at the end of the financial year,

1.3 Material variances from SDBIP (Service Delivery and Budget Implementation Plan).

The Service Delivery and Budget Implementation Plan (SDBIP) performance of the municipality will be explained in a report prepared by the performance unit, situated in the Office of the Municipal Manager.

The variances on the SDBIP will also be part of this report on non-financial information for the period started 1 July 2022 to 31 December 2022.

1.4 Annual Report

The draft annual report for the 2021/2022 will be tabled to Council by the on the 26th January 2022.

1.5 Remedial or corrective steps

After assessing the performance of the municipality for the six months, an adjustments budget will be tabled to Council in February on the operational revenue and expenditure to address major variances that have been noted at midterm. Together with the adjustments budget a report on the revised Service Delivery and Budget implementation Plan will also be taken to council for approval.

PART 2- IN YEAR BUDGET STATEMENT TABLES

2.1 Monthly budget statements

2.1.1 Table C1: Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	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									
Financial Performance									
Property rates	48 700	54 088	-	1 721	42 800	27 044	15 756	57%	54 088
Service charges	68 140	86 042	-	(1 440)	25 208	43 471	(18 263)	-42%	86 042
Investment revenue	2 592	14 650	-	1 717	7 743	7 325	417	5%	14 650
Transfers and subsidies	287 351	223 418	-	28 558	210 776	148 709	64 067	44%	223 418
Other own revenue	24 248	28 120	-	2 317	11 808	14 004	(2 197)	-16%	28 120
Total Revenue (excluding capital transfers and contributions)	418 070	477 227	-	19 844	298 334	299 514	80 221	25%	477 227
Employee costs	108 303	141 262	-	10 850	85 570	70 031	(15 051)	-17%	141 262
Remuneration of Councilors	21 444	22 450	-	1 852	11 418	11 230	188	2%	22 450
Depreciation & asset impairment	53 265	53 330	-	30 219	30 219	28 858	1 361	13%	53 330
Finance charges	35	-	-	133	133	-	133	#DIV/0!	-
Inventory consumed and bulk purchases	64 236	59 130	-	4 344	32 353	34 365	(2 012)	-6%	59 130
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	245 404	113 835	-	12 532	72 597	68 918	(3 679)	-5%	113 835
Total Expenditure	613 388	488 028	-	59 941	212 587	240 012	(27 416)	-11%	488 028
Surplus/(Deficit)	(195 327)	(2 799)	-	39 448	85 747	(1 398)	87 485	-8244%	(2 799)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	165 523	122 355	-	13 405	47 580	51 178	(3 598)	-7%	122 355
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions), & Transfers and subsidies - capital (In-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	71 204	96 580	-	52 848	133 207	49 780	83 427	168%	96 580
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	71 204	96 580	-	52 848	133 207	49 780	83 427	168%	96 580
Capital expenditure & funds sources									
Capital expenditure	188 888	171 828	-	8 228	47 445	65 855	(18 210)	-45%	171 828
Capital transfers recognised	141 545	22 553	-	11 459	40 352	40 778	(4 426)	-12%	22 553
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	47 343	71 767	-	862	11 173	25 078	(13 905)	-58%	71 767
Total sources of capital funds	188 888	171 828	-	12 311	51 525	65 855	(14 260)	-41%	171 828
Financial position									
Total current assets	435 000	329 470	-	-	518 005	-	-	-	329 470
Total non-current assets	1 140 318	1 351 729	-	-	1 161 803	-	-	-	1 351 729
Total current liabilities	148 127	29 372	-	-	154 503	-	-	-	29 372
Total non-current liabilities	43 420	14 442	-	-	43 426	-	-	-	14 442
Community wealth Equity	1 586 979	1 667 386	-	-	1 602 381	-	-	-	1 667 386
Cash flows									
Net cash from (used) operating	275 430	110 180	-	75 458	232 375	55 080	(177 425)	-322%	110 180
Net cash from (used) investing	(168 241)	(171 300)	-	(11 056)	(55 202)	(65 655)	(10 443)	34%	(171 300)
Net cash from (used) financing	62	-	-	-	37	-	(27)	#DIV/0!	-
Cash/cash equivalents at the month/year end	811 882	282 938	-	-	415 188	288 518	(126 670)	-67%	282 938
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 337	6 554	5 400	8 054	5 502	30 874	13 119	132 870	200 651
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

2.1.2 Table C2: Monthly Budget Statement – Financial Performance (standard classification)

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

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									
Revenue - Functional										
Governance and administration		333 981	376 020	—	99 391	265 655	188 010	77 645	41%	376 020
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		333 981	376 020	—	99 391	265 655	188 010	77 645	41%	376 020
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		11 484	11 569	—	1 323	7 210	5 784	1 425	25%	11 569
Community and social services		6 057	6 368	—	630	3 980	3 184	796	25%	6 368
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		5 407	5 201	—	693	3 230	2 600	630	24%	5 201
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		68 038	56 290	—	5 614	22 052	28 145	(6 093)	-22%	56 290
Planning and development		171	202	—	2	93	101	(8)	-8%	202
Road transport		67 867	56 088	—	5 611	21 959	28 044	(6 085)	-22%	56 088
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		179 119	135 705	—	6 482	51 280	87 852	(16 572)	-24%	135 705
Energy sources		156 620	57 024	—	5 477	45 390	28 512	16 878	59%	57 024
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		13 498	78 681	—	904	5 890	39 340	(33 451)	-85%	78 681
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	583 602	579 583	—	112 790	346 197	289 791	56 405	16%	579 583
Expenditure - Functional										
Governance and administration		241 512	224 874	—	18 613	104 768	112 487	(7 719)	-7%	224 874
Executive and council		28 850	29 845	—	2 350	16 212	14 922	1 290	9%	29 845
Finance and administration		208 282	191 438	—	16 046	86 611	95 719	(9 108)	-10%	191 438
Internal audit		4 380	3 692	—	217	1 945	1 846	99	5%	3 692
Community and public safety		34 947	53 254	—	2 409	18 572	26 627	(8 054)	-30%	53 254
Community and social services		15 583	27 956	—	731	9 860	13 978	(5 118)	-37%	27 956
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		19 264	25 297	—	1 678	9 712	12 649	(2 937)	-23%	25 297
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		89 977	90 830	—	29 286	43 028	45 415	(2 387)	-5%	90 830
Planning and development		19 907	24 989	—	908	6 449	12 494	(6 046)	-46%	24 989
Road transport		50 069	65 841	—	28 378	36 579	32 920	3 658	11%	65 841
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		166 981	110 986	—	9 633	46 229	55 483	(9 253)	-17%	110 986
Energy sources		141 382	86 897	—	8 191	38 630	43 448	(4 818)	-11%	86 897
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		25 079	24 069	—	1 442	7 599	12 035	(4 436)	-37%	24 069
Other		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	513 396	480 823	—	59 941	212 597	240 012	(27 414)	-11%	480 823
Surplus/ (Deficit) for the year		70 206	98 760	—	52 848	133 600	49 780	83 820	168%	98 760

Table C2 reflects the financial performance per standard classification, the majority of revenue is reflected under governance and administration. This is due to the equitable share grant budgeted under the finance department.

2.1.3 Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by Municipal vote)

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	Ref	2021/22 Audited Outcome	Budget Year							
			Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	375 670	-	99 275	265 430	187 835	77 595	41.3%	375 670
Vote 3 - Corporate		533	350	-	116	225	175	50	28.9%	350
Vote 4 - Development and Planning		283	202	-	8	148	101	47	47.0%	202
Vote 5 - Community		24 963	90 249	-	2 308	13 099	45 125	(32 025)	-71.0%	90 249
Vote 6 - Infrastructure		224 375	113 112	-	11 083	67 294	56 556	10 738	19.0%	113 112
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	583 602	579 583	-	112 790	346 197	289 791	56 405	19.5%	579 583
Expenditure by Vote	1									
Vote 1 - Executive Council		28 850	29 845	-	2 350	16 212	14 922	1 290	8.6%	29 845
Vote 2 - Finance and Admin		144 999	118 223	-	10 259	51 875	58 111	(7 236)	-12.2%	118 223
Vote 3 - Corporate		63 283	73 215	-	5 787	34 735	36 608	(1 872)	-5.1%	73 215
Vote 4 - Development and Planning		20 957	24 989	-	908	6 805	12 494	(5 690)	-47.1%	24 989
Vote 5 - Community		60 026	77 323	-	3 851	26 471	38 661	(12 450)	-32.3%	77 323
Vote 6 - Infrastructure		190 901	152 737	-	36 569	75 053	76 369	(1 315)	-1.7%	152 737
Vote 7 - Internal Audit		4 380	3 692	-	217	1 945	1 846	99	5.3%	3 692
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	513 396	480 023	-	59 941	212 597	240 012	(27 414)	-11.4%	480 023
Surplus/ (Deficit) for the year	2	70 206	99 560	-	52 848	133 600	49 780	83 820	168.4%	99 560

Table C3 reflects operating revenue and expenditure performance per municipal vote. The majority of the revenue income is budgeted under finance and administration as this is where the equitable share grant income is recorded.

Operating expenditure per municipal vote reflects more budget under finance and administration.

2.1.4 Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

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										
Revenue By Source										
Property rates		48 726	54 088	-	1 701	42 303	27 044	15 459	57%	54 088
Service charges - electricity revenue		55 530	71 416	-	(2 418)	19 147	35 708	(15 561)	-46%	71 416
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 615	15 526	-	979	5 859	7 783	(1 904)	-25%	15 526
Rental of facilities and equipment		1 260	2 028	-	76	521	1 014	(492)	-49%	2 028
Interest earned - external investments		9 599	14 650	-	1 717	7 742	7 325	417	6%	14 650
Interest earned - outstanding debtors		16 188	18 731	-	1 426	8 284	9 365	(1 081)	-12%	18 731
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 058	1 769	-	264	1 015	885	130	15%	1 769
Licences and permits		3 407	4 131	-	431	2 265	2 065	200	10%	4 131
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		267 351	295 418	-	95 068	210 776	146 709	64 067	44%	295 418
Other revenue		1 350	1 471	-	140	522	735	(213)	-29%	1 471
Gains		(15)	-	-	-	-	-	-	-	-
		418 070	477 227	-	99 384	268 634	238 614	60 021	25%	477 227
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		128 303	141 262	-	10 860	65 570	70 631	(5 061)	-7%	141 262
Remuneration of councillors		21 444	22 459	-	1 852	11 415	11 230	185	2%	22 459
Debt impairment		17 651	6 000	-	-	-	3 000	(3 000)	-100%	6 000
Depreciation & asset impairment		53 955	53 336	-	30 219	30 219	26 688	3 531	13%	53 336
Finance charges		35	-	-	133	132	-	133	#DIV/0!	-
Bulk purchases - electricity		58 161	61 383	-	4 024	30 435	30 691	(255)	-1%	61 383
Inventory consumed		6 075	7 747	-	320	1 326	3 873	(1 947)	-50%	7 747
Contracted services		100 354	113 584	-	8 213	44 593	56 792	(12 099)	-21%	113 584
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		49 261	74 252	-	4 319	28 204	37 126	(8 922)	-24%	74 252
Losses		78 219	-	-	-	-	-	-	-	-
Total Expenditure		513 396	480 823	-	58 941	212 587	240 012	(27 414)	-11%	480 823
Surplus/(Deficit)		(95 327)	(2 796)	-	39 443	86 037	(1 398)	87 435	(0)	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		165 532	102 356	-	13 405	47 562	51 178	(3 616)	(0)	102 356
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		79 206	99 580	-	52 848	133 600	49 780			99 580
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		79 206	99 580	-	52 848	133 600	49 780			99 580
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		79 206	99 580	-	52 848	133 600	49 780			99 580
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		79 206	99 580	-	52 848	133 600	49 780			99 580

Revenue by Source

Property Rates

The municipality levies property rates on all rateable properties within the Matatiele area in terms of the Municipal Property Rates Act No.6 of 2004.

Billing on property rates is done during the first quarter of the financial year which results on the majority of the revenue for this source to be recorded at mid-year. Revenue billed on property rates as at 31 December 2022 amounted to **R 42,503,479**.

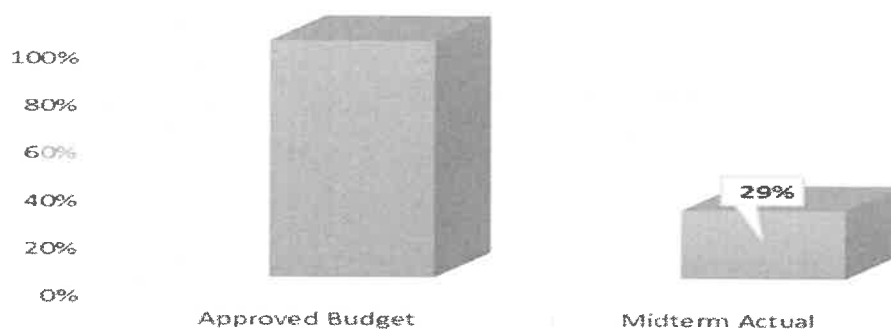
Property rates appears to be in line with the budget projections, the revenue received from property rates amounted to **R 29,257,370** as at 31 December 2022 against approved budget of **R 54,088,416** and reflects **79%** at mid-year.

Property rates billed vs collected to date represents **54%** this is within the expected performance.

Service Charges

It appears that the revenue trends for the service charge revenue are lower than anticipated in the Operating Budget. Revenue from service charges for the first six months ended 31 December 2022 amounted to **R 25,005,504** against the approved budget of **R 86,941,668** and represents **29%** performance on the allocated budget for this revenue source. The variance is **21%**, the variance is due to certain months where actual readings could not be obtained and this resulted on the municipality using estimates for billing, this resulted to a reduction in billing under Domestic Low: Conventional.

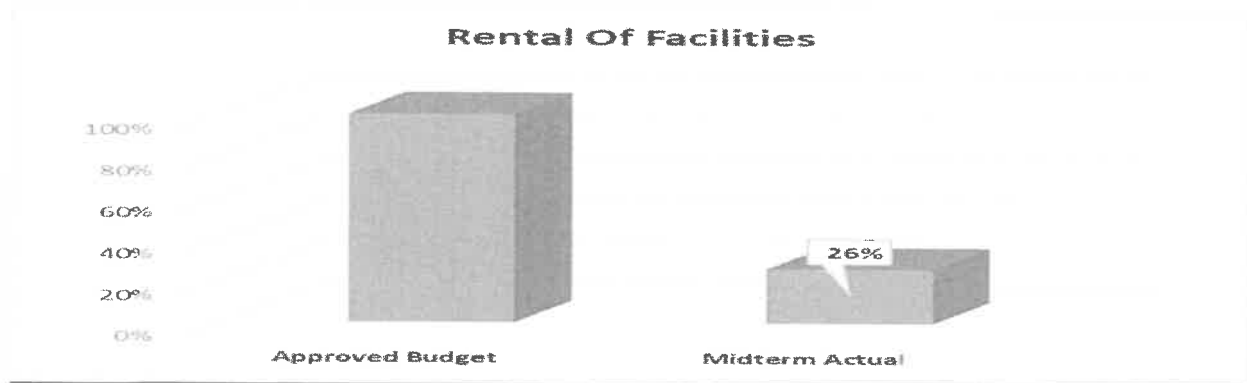
Service Charges



Rental of facilities and equipment

It appears that Rentals of facilities and equipment lower than anticipated in the mid-year budget projections. Income received from rental of facilities for the first six months ended 31 December 2022 amounted to **R 521,481** against approved budget of **R 2,027,556**. This reflects **26%** performance due to less revenue received for site rentals and necessary adjustments will be

made during the adjustment budget process if necessary and Rentals are raised / billed according to the valuation roll.

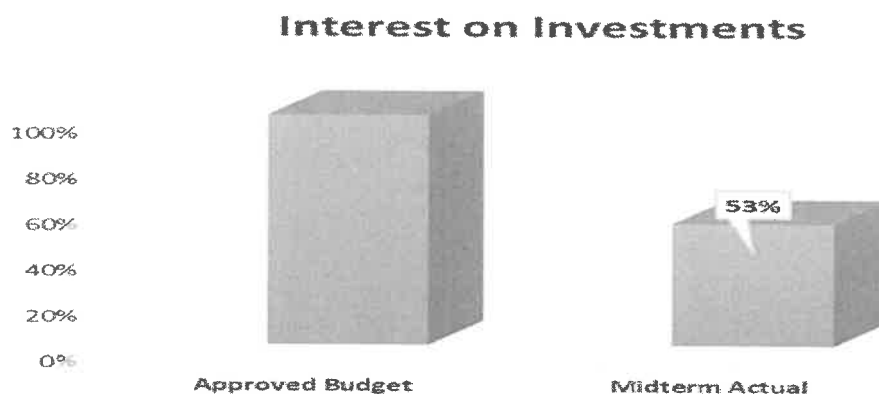


Interest earned –External Investments

The interest earned represents the cash received in respect of investments that have matured and have been earned during the 2022/23 financial year. Interest earnings are influenced by the extent of the municipality's investment portfolio.

The budget for interest on investments amounted to **R 14 650 000**, an amount of **R 7,741,622** has been received as at 31 December 2022. It reflects a performance of **53%** and is within the expected performance at mid-term.

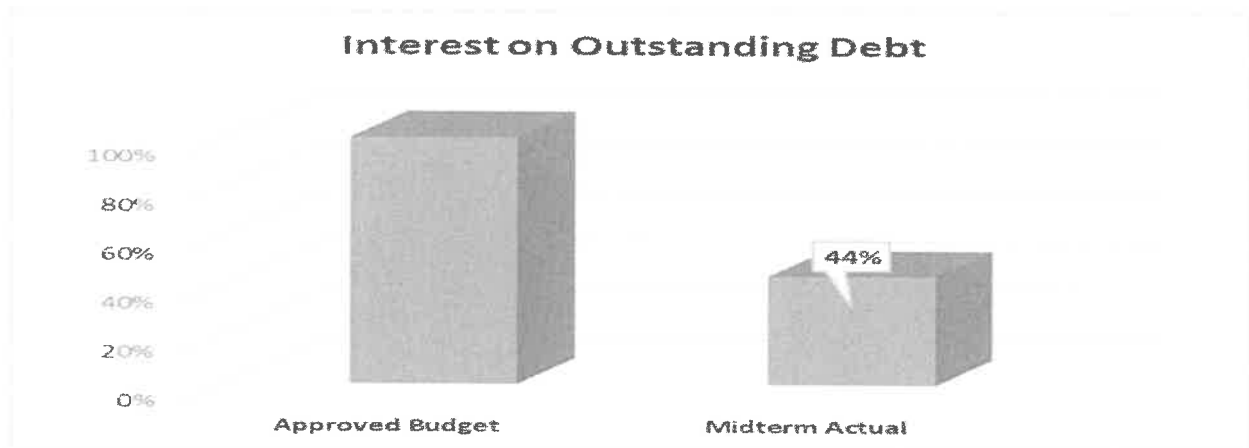
The positive variance is a results of funds being invested for 3 months. The municipality only receive interest on the maturity of the capital investment.



Interest Earned-Outstanding debtors

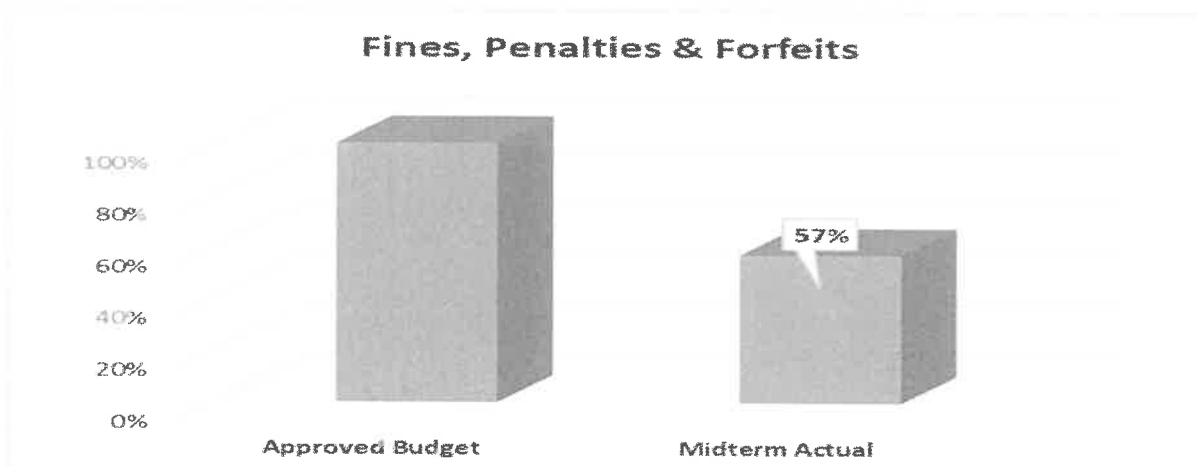
The municipality charges interest on arrear services charges and property rates. Interest on outstanding debtors for the first half of the financial year ended 31 December 2022 amounted to **R 8,284,317** against approved budget of **R 18,730,800**. This represents **44%** performance at mid-term, this is below the expected performance for the period as a result of payments not yet made on arrear debt. Interest Earned on Outstanding Debtors is below than anticipated in the

Operating Budget due to escalating Outstanding Debtors. This is due to a poor payment of outstanding debt by consumers.



Fines, penalties and forfeits

Traffic Fines which amount to R **1,014,612** million was collected for the period ending 31 December 2022 against budget of R **1,769,000** which represents **57%** performance at mid-term. This is within the expected performance at mid-year on this category.



Licenses and Permits

The total Licences or Permits revenue collected as at 31 December 2022 was R **2,265,218** million or **55%** compared to the 2022/23 operating budget projection of R **4,130,853** million has been collected at mid-term. The performance is within expected performance, as actual income earned from licences and permits is more than the year to date budget due to an increase in driver's and learners licence applications; and roadworthy examinations. Income for license and permits is demand driven and therefore difficult to predict accurately.



Transfers recognised- Operational

The municipality has recognised revenue amounting to **R 210,776,147** as at 31 December 2022, the total grants transfers amounted to **R 293,418,000** based on DORA allocation for 2022-2023 financial year, this represent **72%** at midyear which is above the expected performance.

Transfers Capital

The municipality has recognised revenue amounting to **R 47,562,449** as at 31 December 2022, the total grants transfers amounted to **R 102,355,992** based on DORA allocation for 2022-2023 financial year, this represent **46%** at midyear which is above the expected performance.

It is anticipated that by the end of the financial year the actual recognition shall be on par with the initial budget. It should be noted that we have one tranche withheld or delayed which was scheduled to be received in the month of December 2022.

The outstanding transferal of conditional DORA capital grants by National Treasury contributed to the low level of capital receipt as at 31 December 2022. The spending on MIG is planned to increase in the 3rd quarter as appointment for MIG funded projects were made in the month of December 2022.

National Treasury had approved roll-over of unspent 2021/22 Conditional Grant Funding amounting to **R 9,341,670.14** which will be included on the adjustment budget that will be approved on 28 February 2023.

Other revenue

Other revenue reflects an amount of **R 521,922** for the midterm ended 31 December 2022 against approved budget of **R 1,501,176**. This represents **35%** of the budget allocated for this category. This is below the expected performance and variance is a result of lower or no recognition of some major line item in the other revenue category received on insurance refund, merchandising and jobbing as anticipated.

Expenditure by Type

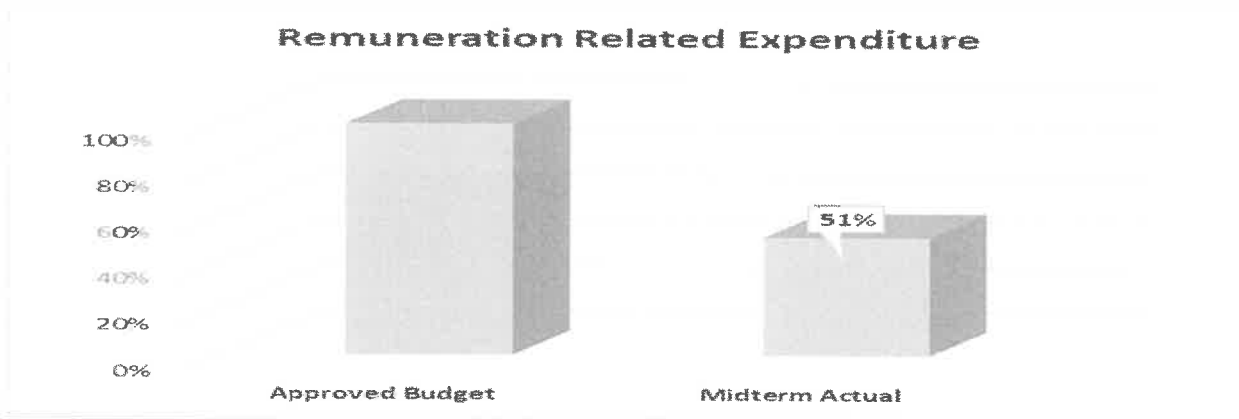
Employee related cost & Remuneration of councillors

As part of the mid-year assessment it can be noted the that, as at 31 December 2022 the following budgeted expenditure lines items are showing under performance

Employee related expenditure for six months ended 31 December 2022 amounted to **R 65,570,220** against approved budget amount of **R 141,262,224**, that represents **46%** of the budgeted amount. The variance is due to vacant post budgeted for but not yet filled and payroll exists (due to resignations, retirements and deaths) are the main reasons for this variance. It can be noted that although **R 5,2 m** savings has been reflected on employee related costs.

The variance is also due to certain allowances such as Overtime, Acting Allowance and Incentive Bonuses that are paid one month in arrears. Contributions to Post Retirement benefits and Leave Pay provision are only processed as at the close of the financial year.

Remuneration of Councillors amounted to **R 11,415,085** for the period ended 31st December 2022 against budget of **R 22,459,248**, this represents **51%**. This is within the expected performance.



Debt impairment

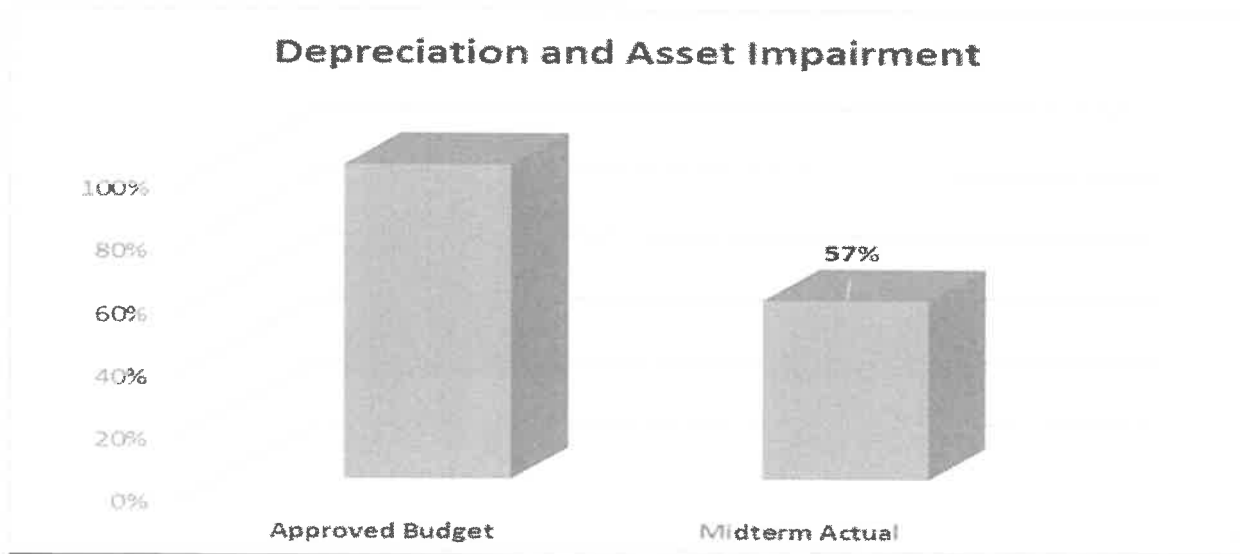
Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for the period of six months.

It must be noted that debt impairment testing, and calculation is done at the financial year end and only at the time are journal entries processed onto the financial system and this journal only accrue in the 13th period on the financial system, therefore no expenditure will reflect for under for this category and Bad debts are written off upon Council's approval.

Depreciation and asset impairment

Expenditure on depreciation and asset Impairment amounted to **R 30,219,215** as at 31 December 2022, which reflects performance of **57%** which is above the performance for the mid-term period.

It also relates to asset impairment which is undertaken towards the year end of the financial year and the approved budget of **R 53,336,148** has been provided for assets depreciation and impairment and the journal for this category will be processed in the period 13th once the impairment testing has been finalised by Assets unit.



Finance charges

The expenditure relating to interest charges has been incurred for the period which amount to **R 133,392**, has been incurred as Fruitless and wasteful expenditure as at 31 December 2022 for late payment of Eskom and late submission of WCA. The amount will be investigated by MPAC and will be recovered from the affected employee.

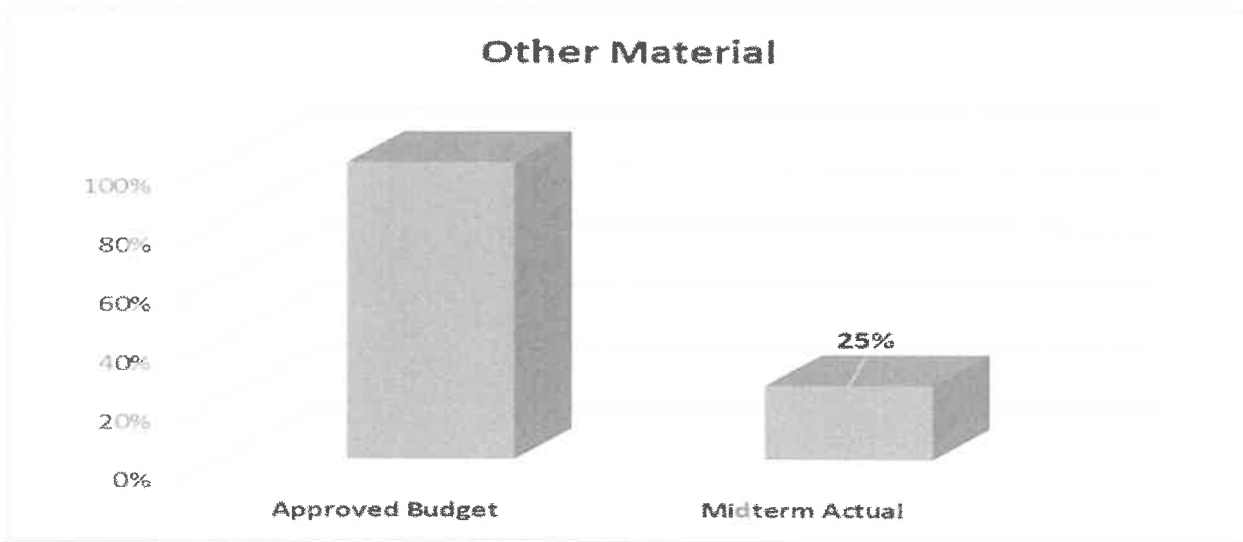
Bulk purchases

Expenditure on electricity bulk purchases amounted to **R 30,436,439** for the midterm period ended December 2022 against approved budget of **R 61,382,988**, this represents **50%** and is within the expected performance for the midterm. This can be attributed to the seasonal demand of electricity but could also be indicative of energy losses that the municipality is incurring year to year.

August, September and October are regarded as high season as a result Eskom charges the municipality more than other months of the year, due to this reason the variance is expected to decrease during the course of the year.

Other Material

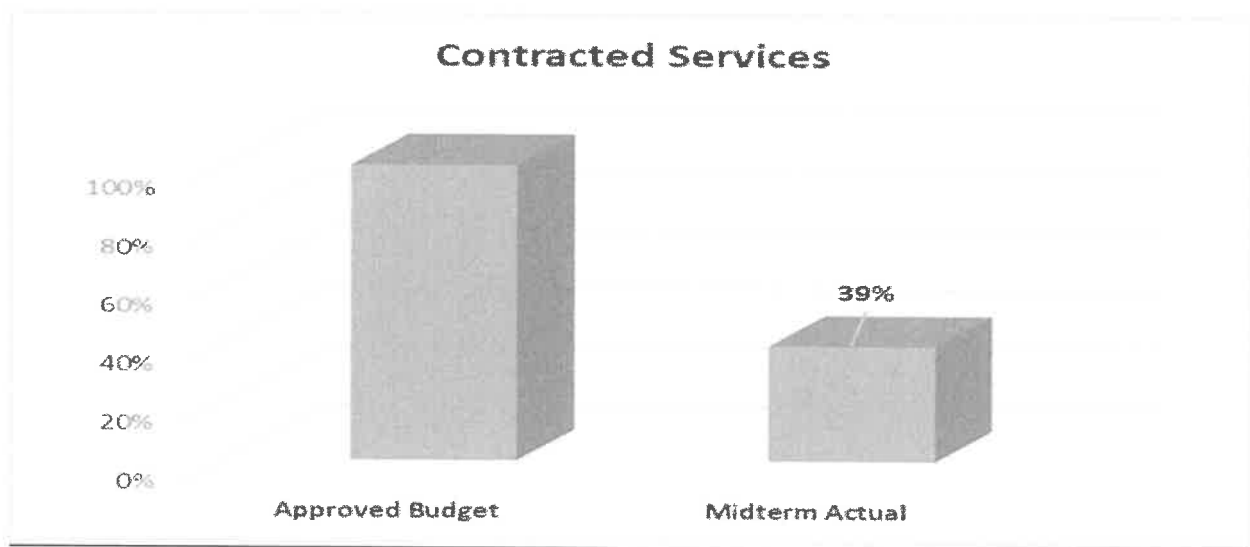
Expenditure on other material amounted to **R 1,926,147** for the period ended 31 December 2022 against approved budget of **R 7,746,996**. This represents **25%** of budget allocation, the variance results from lower expenditure on Materials and Supplies.



Contracted services

Expenditure on contracted services amounted to **R 44,692,723** for the period ended 31 December 2022 against approved budget of **R 113,584,116**, this represents **39%** of the budget for this category and is less than the expected performance for the period necessary adjustment will be made if necessary.

The variance is the results of contracted services that relate to Consultants: Accounting & Auditing, Residential and Commercial Development, Community Halls Repairs, Live Stock Improvement, Contractors: Maintenance of Machinery & Equipment, Plant Equipment Repairs, Grave Digging Services, Grave Digging Services and another factor to this is the timing of the payment for contracted service.



Other Expenditure

Operational expenditure for the six months' period ended 31 December 2022 amounted to **R 28,203,939** against approved budget of **R 74,251,512** and represents **38%** of the budget

The other expenditure reflects an under spending of **R 8 921 817** million as at December 2022 based on the 6 months' projection. This also results on unexpected circumstances, contributions to provision that are normally recognised towards the end of the financial year and those line items that are technically undertaken upon the finalization of annual financial statements remain the main contributors in this variance, another factor to this variance is the Workmen's Compensation Fund and Uniform and Protective Clothing, the expenditure generally is below as anticipated and will improve in the last two quarters of financial year.

2.1.5 Table C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2021/22	Budget Year 2022/23						
		Actual Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
Multi-Year expenditure appropriation	2								
Vote 1 - Executive Council		-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2								
Vote 1 - Executive Council		74	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		562	3 200	-	-	1 538	1 539	(302)	-34%
Vote 3 - Corporate		4 698	2 310	-	-	1 232	1 185	77	7%
Vote 4 - Development and Planning		103	500	-	-	-	250	(250)	-100%
Vote 5 - Community		2 494	2 300	-	-	78	3 182	(3 105)	-98%
Vote 6 - Infrastructure		151 915	152 870	-	12 311	48 065	72 440	(30 455)	-38%
Vote 7 - Internal Audit		-	-	-	4 085	4 085	-	(4 085)	301%
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
Total Capital Single-year expenditure	4	180 800	171 309	-	8 228	47 445	85 059	(38 210)	-65%
Total Capital Expenditure		180 800	171 309	-	8 228	47 445	85 059	(38 210)	-65%
Capital Expenditure - Functional Classification									
Government and administration		5 384	5 673	-	14 040	(1 616)	2 785	(4 300)	-158%
Executive and council		74	-	-	-	-	-	-	-
Finance and administration		5 290	5 670	-	-	2 470	2 785	(315)	-11%
Internal audit		-	-	-	14 085	14 085	-	(14 085)	301%
Community and public safety		1 303	1 480	-	-	48	1 330	(1 385)	-97%
Community and social services		100	1 510	-	-	45	755	(710)	-94%
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		1 190	1 950	-	-	-	875	(1 075)	-100%
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		84 545	112 001	-	5 628	26 387	45 061	(26 084)	-82%
Planning and development		103	500	-	-	150	(250)	(250)	-100%
Road transport		83 983	106 001	-	5 628	26 387	54 301	(28 414)	-82%
Environmental protection		-	-	-	-	-	-	-	-
Trading services		89 041	82 178	-	8 788	23 628	28 069	(3 441)	-13%
Energy services		57 433	45 278	-	5 787	22 598	24 639	(2 041)	-8%
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		1 110	2 900	-	-	30	1 450	(1 420)	-98%
Other		-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	180 800	171 309	-	8 228	47 445	85 059	(38 210)	-65%
Funded by:									
National Government		141 945	96 533	-	11 439	40 359	49 776	(9 417)	-19%

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2021/22	Budget Year 2022/23						
		Actual Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
Provincial Government		-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-
Transfer and subsidies - capital monetary allocation		-	-	-	-	-	-	-	-
National - Provincial Departments, Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions		-	-	-	-	-	-	-	-
Transfers recognised - capital		141 845	96 533	-	11 439	40 359	49 776	(9 417)	-19%
Borrowing		-	-	-	-	-	-	-	-
Internally generated funds		47 088	77 757	-	632	11 170	25 678	(24 028)	-95%
Total Capital Funding		188 933	174 290	-	12 071	51 529	75 454	(24 125)	-40%

Capital expenditure incurred for the first six months amounted to **R 51,529,593** against approved budget of **R 171,309,312**, this represents **30%** of the budget. The variance of **20%** is as a result of delayed expenditure on capital projects but this will improve during the financial year end. The appointment have been made in the month of December, the expenditure is expected to improve.

2.1.6 Table C6: Monthly Budget Statement – Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		8 715	13 393	-	13 172	13 393
Call investment deposits		228 017	217 545	-	335 254	217 545
Consumer debtors		88 494	70 502	-	97 956	70 502
Other debtors		92 899	4 937	-	90 500	4 937
Current portion of long-term receivables		-	-	-	-	-
Inventory		1 874	1 093	-	1 744	1 093
Total current assets		420 000	309 470	-	538 665	309 470
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		4 960	-	-	4 960	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 134 394	1 356 463	-	1 155 457	1 356 463
Biological		-	-	-	-	-
Intangible		94	4 626	-	(4)	4 626
Other non-current assets		870	620	-	1 216	620
Total non current assets		1 140 318	1 361 729	-	1 161 628	1 361 729
TOTAL ASSETS		1 560 318	1 671 199	-	1 700 293	1 671 199
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		1 578	822	-	1 516	822
Trade and other payables		132 238	62 798	-	138 577	62 798
Provisions		14 310	35 752	-	14 310	35 752
Total current liabilities		148 127	99 372	-	154 503	99 372
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		43 429	14 442	-	43 429	14 442
Total non current liabilities		43 429	14 442	-	43 429	14 442
TOTAL LIABILITIES		191 556	113 814	-	197 932	113 814
NET ASSETS	2	1 368 762	1 557 385	-	1 502 361	1 557 385
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus (Deficit)		959 959	1 178 048	-	1 125 978	1 178 048
Reserves		355 394	379 337	-	395 384	379 337
TOTAL COMMUNITY WEALTH/EQUITY	2	1 355 373	1 557 385	-	1 502 361	1 557 385

Table C6 reflects on the financial position of the municipality.

2.1.7 Table C7: Monthly Budget Statement – Cash flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

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											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			36 623	43 271	–	1 105	33 414	21 635	11 778	54%	43 271
Service charges			62 621	69 553	–	4 187	41 307	34 777	6 530	19%	69 553
Other revenue			15 705	7 598	–	1 085	11 250	3 799	7 451	136%	7 598
Transfers and Subsidies - Operational			266 202	233 418	–	97 306	211 891	146 709	65 182	44%	293 418
Transfers and Subsidies - Capital			174 749	102 356	–	–	87 625	51 178	36 447	71%	102 356
Interest			4 385	14 650	–	1 717	8 184	7 325	859	12%	14 650
Dividends			–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees			(284 252)	(420 687)	–	(29 943)	(161 096)	(210 343)	(49 247)	23%	(420 687)
Finance charges			–	–	–	–	–	–	–	–	–
Transfers and Grants			–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES			275 430	110 180	–	75 458	232 575	55 080	(177 485)	-322%	110 180
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables			–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments			–	–	–	–	–	–	–	–	–
Payments											
Capital assets			(188 241)	(171 309)	–	(11 666)	(56 206)	(65 655)	(29 448)	34%	(171 309)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(188 241)	(171 309)	–	(11 666)	(56 206)	(65 655)	(29 448)	34%	(171 309)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing			–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits			82	–	–	–	37	–	37	#DIV/0!	–
Payments											
Repayment of borrowing			–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES			82	–	–	–	37	–	(37)	#DIV/0!	–
NET INCREASE/ (DECREASE) IN CASH HELD											
			87 270	(61 150)	–	63 791	176 436	(30 575)			(61 150)
Cash/cash equivalents at beginning:			224 422	294 088	–		236 732	294 088			236 732
Cash/cash equivalents at month/year end:			311 692	232 938	–		413 138	263 513			175 582

Short term deposits made amounted to **R 335,249,007** as at 31 December 2022.

The Total Cash held reflects bank balances at 31 December 2022 is **R 10,559,580** consist of the following bank balances as at 2022.

Nedbank	R 5,414,209
FNB	R 1,977,247
Standard Bank	R 3,168,125

Therefore, the total cash and cash equivalents amounts to **R 345,808,587**.

PART 3- SUPPORTING DOCUMENTATION

3.1 Debtor's analysis

Supporting Table SC3

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2022/23										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts - To Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 059	960	1 490	898	1 182	510	829	1 202	11 917	4 512	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 581	883	707	642	605	26 466	1 491	58 354	90 738	87 557	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	919	632	536	443	400	387	1 752	21 757	26 827	24 739	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	-
Interest on Aneer Debtor Accounts	1810	1 426	1 413	1 391	1 494	1 174	1 200	5 520	38 195	51 613	47 563	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	235	1 655	2 296	2 677	168	2 315	3 326	13 356	26 549	22 042	-	-	-
Total By Income Source	2906	8 237	5 554	6 420	6 084	3 509	30 879	13 119	132 879	208 851	188 441	-	-	-
2022/23 - totals only														
		-	-	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 654	1 827	2 252	1 915	1 969	26 894	4 733	58 299	98 563	91 829	-	-	-
Commercial	2300	4 429	2 610	3 083	3 061	443	2 920	4 001	16 760	37 297	27 185	-	-	-
Households	2400	1 143	1 117	1 105	1 088	1 067	1 075	4 385	39 811	70 791	67 427	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	8 237	5 554	6 420	6 084	3 509	30 879	13 119	132 879	208 851	188 441	-	-	-

The total debt book as at 31 December 2022 amounted to R 206,650,965 (including advance payments of R 3,307,012). Debt exclusive of advance payments of R 203,343,953 is made up of the following:

Residential debt:

R 78,841,420.23

Commercial debt

R 27,285,697.92

Government debt

R 93,914,398.21

Other

R 3,302,436.74

The municipality implements the credit control and debt collection policy.

There are two areas in which the municipality is not able to collect and the debt totals to;

Maluti

R 55,390,816.35 (including current)

Cedarville

R 5,021,879.54 (including current)

(both areas are handed over for collection)

The municipality makes use of debt collectors in implementing the credit and debt collection policy. A new service provider has been appointed to start looking at debt that is older than 90 days.

The following has been handed over:

Residential H/O R 70,582,181.68

Business H/O R 22,921,825.4

Churches H/O R 149,458.46

Farms H/O R 3,129,905.93

An amount of R 10,706,647.11 was collected from the debt that was handed over at a mid-year.

The credit control measures for collection are implemented especially for old debt.

The following are measures to be put in place to reduce the outstanding debts

- Debtors are handed over to the new debt collections panel of attorneys.
- Council has appointed a service provider to undertake the disconnections with an aim of speeding up debt recovery.
- Continuous partial blocking of accounts that utilize the prepaid electricity meters.

3.4 Grant receipts and expenditure

3.4.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

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										
RECEIPTS:	1.2									
Operating Transfers and Grants										
National Government:		6 537	6 460	-	2 165	5 018	3 230	1 788	55.4%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	-	2 165	3 368	2 405	963	40.0%	4 810
Local Government Financial Management Grant		1 650	1 650	-	-	1 650	825	825	100.0%	1 650
Provincial Government:		-	650	-	650	650	325	325	100.0%	650
Library Grant		-	650	-	650	650	325	325	100.0%	650
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	6 537	7 110	-	2 815	5 668	3 555	2 113	59.4%	7 110
Capital Transfers and Grants										
National Government:		174 749	102 356	-	-	66 755	51 178	15 617	30.5%	102 356
Municipal Infrastructure Grant		76 971	56 068	-	-	31 965	28 034	3 931	14.0%	56 068
Integrated National Electrification Programme Grant		97 778	46 288	-	-	34 800	23 144	11 666	50.5%	46 288
Provincial Government:		650	-	-	-	-	-	-	-	-
Specify (Add grant description)		650	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	0.0%	-
Other grant providers:		-	-	-	-	-	-	-	0.0%	-
Total Capital Transfers and Grants	5	175 399	102 356	-	-	66 795	51 178	15 617	30.5%	102 356
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	181 936	109 466	-	2 815	72 463	54 733	17 730	32.4%	109 466

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of revenues. Other trenches allocated to be received during the midterm have been received. The grants receipts performance of the conditional grants was impacted by National Treasury for not paying the Municipal Infrastructure Fund as Gazetted in the DoRA.in line with the National Treasury Payment Schedule.

NB it should be noted that we have outstanding receipts on the following:

- MIG- R 13,700,000 that would make an amount received to date to be R 45,665,000 (81%)

The reason for not receiving this amount is failure to spend at least 60% of the previous MIG transfer in terms of Section 71 (1) of the Dora.

3.4.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

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										
Operating expenditure of Transfers and Grants										
National Government:		6 537	6 460	–	21	3 445	3 230	215	6.7%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	–	–	2 408	2 405	3	0.1%	4 810
Local Government Financial Management Grant		1 650	1 650	–	21	1 038	825	213	25.6%	1 650
Provincial Government:		2 113	650	–	–	623	325	298	91.8%	650
Library Grant		2 113	650	–	–	623	325	298	91.8%	650
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		8 650	7 110	–	21	4 069	3 555	514	14.5%	7 110
Capital expenditure of Transfers and Grants										
National Government:		165 407	102 356	–	11 687	41 604	51 178	(9 574)	-18.7%	102 356
Municipal Infrastructure Grant		87 629	56 068	–	4 904	19 292	28 034	(8 742)	-31.2%	56 068
Integrated National Electrification Programme Grant		97 778	46 288	–	6 783	22 312	23 144	(832)	-3.6%	46 288
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		165 407	102 356	–	11 687	41 604	51 178	(9 574)	-18.7%	102 356
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 057	109 466	–	11 707	45 673	54 733	(9 060)	-16.6%	109 466

Expenditure performance on operational grants to date represents **57%** of the approved budget and on operating grants, nil expenditure on library support grant regulations, the department has planned to utilise library assistance for the next six months.

Capital spending on Capital grants for 2022/23 as at 31 December 2022 amounts to only **R 41,6 million** or **41%** of the approved budget of **R 102,4m**, Expenditure on capital grants is below the expected performance as at the mid-year.

3.5 Expenditure on councilor and staff related expenditure

Supporting Table SC8

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councilor and staff benefits - Mid-Year Assessment

Summary of Employee and Councilor remuneration		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			A	B	C						D
Councillors (Political Office Bearers plus Other)		1									
Basic Salaries and Wages			12 296	14 129	—	1 095	6 756	7 055	(299)	-4%	14 129
Pension and UIF Contributions			712	693	—	73	464	346	117	34%	693
Medical Aid Contributions			535	92	—	61	372	48	325	705%	92
Motor Vehicle Allowance			58	—	—	—	—	—	—	—	—
Cellphone Allowance			2 352	3 573	—	201	1 205	1 286	(81)	-6%	2 573
Housing Allowances			4 489	4 972	—	421	2 577	2 486	91	4%	4 972
Other benefits and allowances			—	—	—	—	—	—	—	—	—
Sub Total - Councillors			21 444	22 459	—	1 852	11 415	11 230	185	2%	22 459
% increase		4		4.7%							4.7%
Senior Managers of the Municipality		3									
Basic Salaries and Wages			3 133	3 347	—	399	1 252	1 973	(582)	-35%	3 347
Pension and UIF Contributions			37	147	—	0	2	74	(71)	-97%	147
Medical Aid Contributions			73	60	—	—	—	46	(40)	-100%	60
Overtime			—	—	—	—	—	—	—	—	—
Performance Bonus			350	149	—	—	—	75	(75)	-100%	149
Motor Vehicle Allowance			1 505	2 016	—	108	616	1 038	(382)	-35%	2 016
Cellphone Allowance			—	—	—	—	—	—	—	—	—
Housing Allowances			636	725	—	54	328	363	(35)	-10%	725
Other benefits and allowances			337	501	—	10	97	251	(134)	-61%	501
Payments in lieu of leave			—	—	—	—	224	—	224	#DIV/0!	—
Long service awards			—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		2	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality			6 239	7 567	—	571	2 559	3 783	(1 225)	-32%	7 567
% increase		4		21.3%							21.3%
Other Municipal Staff											
Basic Salaries and Wages			82 947	93 243	—	6 901	42 170	46 521	(4 451)	-10%	93 243
Pension and UIF Contributions			13 155	15 771	—	1 206	7 285	7 885	(599)	-8%	15 771
Medical Aid Contributions			4 543	4 955	—	420	2 504	2 438	6	0%	4 955
Overtime			1 790	2 480	—	218	997	1 240	(243)	-20%	2 480
Performance Bonus			5 349	7 649	—	525	3 359	3 824	(465)	-12%	7 649
Motor Vehicle Allowance			4 272	4 414	—	440	2 612	2 207	405	18%	4 414
Cellphone Allowance			6	6	—	1	3	3	(2)	-7%	6
Housing Allowances			383	2 983	—	235	971	1 497	(521)	-35%	2 983
Other benefits and allowances			4 787	2 154	—	219	1 741	1 072	664	62%	2 154
Payments in lieu of leave			1 543	—	—	—	1 180	—	1 180	#DIV/0!	—
Long service awards			523	—	—	24	185	—	185	#DIV/0!	—
Post-retirement benefit obligations		2	1 055	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff			122 964	133 695	—	10 286	63 011	66 648	(3 636)	-6%	133 695
% increase		4		9.5%							9.5%
Total Parent Municipality			149 746	163 721	—	12 712	76 985	81 561	(4 575)	-6%	163 721

Employee Related costs and Remuneration of Councilors total budget is **R 163,721,472**; expenditure of **R 76,985,306** was incurred for the six months' period ended 31 December 2022. This reflects **47%** expenditure performance on this category, the slight variance is due to vacant positions that have not been filled and we have **R 5,2** million savings.

SUPPLY CHAIN MANAGEMENT

PROCUREMENT PLAN	Total Project Cost	Adjusted Budget 2021/22	Mode of Procurement	Project Description	Requisition and Specification date	SPEC Date	Advert Date	Closing Date	BEC Date	BAC Date	Appointment	Status
BUDGET & TREASURY OFFICE												
Supply Chain Management	800 000	800 000	Competitive Bidding	15 Seater Tax Quantum	12 Aug 22	16 Aug 22	26 Aug 22	09 Sep 22	20 Aug 22	30 Sep 22	31 Oct 22	Not presented on BSC
Supply Chain Management L.M S.M	350 000	350 000	Competitive Bidding	Office furniture & Equipment	12 Aug 22	16 Aug 22	26 Aug 22	09 Sep 22	20 Aug 22	30 Sep 22	31 Oct 22	Not presented on BSC

Supply Chain Management	450 000	450 000	Competitive Bidding	Tender documents strong room and tender box	12 Aug 22	16 Aug 22	26 Aug 22	09 Sep 22	20 Aug 22	30 Sep 22	31 Oct 22	Not presented on BSC
Revenue and Expenditure	300 000	300 000	Competitive Bidding	Mailing and Printing of statemnets	13 May 22	16 May 22	27 May 22	27 Jun 22	06 Jul 22	15 Jul 22	15 Jul 22	Re-advert
Revenue and Expenditure	800 000	800 000	Competitive Bidding	Prepaid electricity vending	13 May 22	16 May 22	27 May 22	27 Jun 22	06 Jul 22	15 Jul 22	15 Jul 22	Evaluation stage
Revenue and Expenditure	3 000 000	3 000 000	Competitive	General valuation roll	13 May 22	16 May 22	27 May 22	27 Jun 22	06 Jul 22	15 Jul 22	15 Jul 22	Evaluation stage

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Public Amenities & EPWP	300 000			Co mp etitive Bid ding	Newspaper, magazine subscription and purchase of academic books	26 Aug 22	29 Aug 22	09 Sep 20	10 Oct 22	19 Oct 22	28 Oct 22	28 Nov 22	Not presented on BSC
Public Amenities & EPWP	2 500 000			Co mp etitive Bid ding	Town hall designs and renovations	26 Aug 22	29 Aug 22	09 Sep 20	10 Oct 22	19 Oct 22	28 Oct 22	28 Nov 22	Not presented on BSC
Public Amenities & EPWP	300 000			Co mp etitive Bid ding	Swimming Pool Maintenance	26 Aug 22	29 Aug 22	09 Sep 20	10 Oct 22	19 Oct 22	28 Oct 22	28 Nov 22	Intension to appoint
Public Amenities & EPWP	1 170 000			Co mp etitive Bid ding	EPWP PPE and Unit Staff PPE	26 Aug 22	29 Aug 22	09 Sep 20	10 Oct 22	19 Oct 22	28 Oct 22	28 Nov 22	Evaluation Stage
CORPORATE													

SERVICES	300 000	300 000	Co mp etit ive Bid din g	ICT Service Desk System	29 Jul 22	02 Aug 22	12 Aug 22	12 Sep 22	21 Sep 22	30 Sep 22	31 Oct 22	Awar ded
Information and Communication Technology												
Information and Communication Technology	400 000	400 000	Co mp etit ive Bid din g	Digital and ICT Strategy	29 Jul 22	02 Aug 22	12 Aug 22	12 Sep 22	21 Sep 22	30 Sep 22	31 Oct 22	Awar ded
Information and Communication Technology	200 000	200 000	Co mp etit ive Bid din g	Uninterrupted Power Supply (Data Center Generator)	27 May 22	31 May 22	03 Jun 22	04 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Evalu ation stage
Information and Communication Technology	200 000	200 000	Co mp etit ive Bid din g	Smoke Detector/Fire Suppression Systems	27 May 22	31 May 22	03 Jun 22	04 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Not presen ted on BSC

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Information and Communication Technology	400 000	400 000	Comp etitive Bidding	POPI policy training and awareness.	27 May 22	31 May 22	03 Jun 22	04 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Awar ded
Information and Communication Technology	300 000	300 000	Comp etitive Bidding	ICT Asset Management Policy	27 May 22	31 May 22	03 Jun 22	04 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Not presen ted on BSC
Information and Communication Technology	500 000	500 000	Comp etitive Bidding	MAINTENANCE, REPAIR, INSTALLATION AND CONFIGURATION OF SURVEILLANCE CAMERAS	27 May 22	31 May 22	03 Jun 22	04 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Not presen ted on BSC

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Information and Communication Technology	300 000	300 000	Co mp etitive Bidding	Fiber Network Maintenance	27 May 22	31 May 22	03 Jun 22	04 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	On advert
Human Resource Management	350 000	350 000		Khanya Naledi	12 Aug 22	16 Aug 22	26 Aug 22	09 Sep 22	20 Aug 22	30 Sep 22	31 Oct 22	Canceled
Human Resource Management	300 000	300 000		Training Intervention	12 Aug 22	16 Aug 22	26 Aug 22	09 Sep 22	20 Aug 22	30 Sep 22	31 Oct 22	Not presented on BSC
Public Participation and Customer Care	750 000	320 000	Co mp etitive Bidding	CUSTOMER SATISFACTION SURVEY	19 Aug 22	22 Aug 22	02 Sep 29	03 Oct 22	12 Oct 22	21 Oct 22	21 Nov 22	Not presented on BSC
ECONOMIC DEV & PLAN												

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Local Economic Development	R 2000 000	R 2000 000	Competitive Bidding	CROPPING AND HOUSEHOLD FOOD SECURITY PROGRAMME	01 Jul 22	05 Jul 22	15 Jul 22	29 Jul 22	10 Aug 22	19 Aug 22	19 09 2022	Intension to appoint
Local Economic Development	R4,200 000	R4,200 000	Competitive Bidding	LIVESTOCK IMPROVEMENT PROGRAMME	01 Jul 22	05 Jul 22	15 Jul 22	29 Jul 22	10 Aug 22	19 Aug 22	19 09 2022	Awarded
Local Economic Development	R 250 000	R250.000	Competitive Bidding	SMMES TRAINING PROGRAMME	01 Jul 22	05 Jul 22	15 Jul 22	29 Jul 22	10 Aug 22	19 Aug 22	19 09 2022	Quotations

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Local Economic Development	R250 000	R250,000	Competitive Bidding	HOUSING EMERGING CONTRACTORS TRAINING PROGRAMME	01 Jul 22	05 Jul 22	15 Jul 22	29 Jul 22	10 Aug 22	19 Aug 22	19 09 2022	Quotations
Local Economic Development	R500 000	R500,000	Competitive Bidding	MANUFACTURING PROGRAMME FOR SMMES	01 Jul 22	05 Jul 22	15 Jul 22	29 Jul 22	10 Aug 22	19 Aug 22	19 09 2022	Not presented on BSC
Local Spatial Development Framework(LSDF)	350 000	350 000	Competitive Bidding	Feasibility study output	05 Aug 22	10 Aug 22	19 Aug 22	29 Sep 22	28 Sep 22	07 Oct 22	07 10 2022	Intension to appoint

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Feasibility study output	1 000 000	1 000 000	Co mp etit ive Bid din g	planning and survey-middle income	05 Aug 22	10 Aug 22	19 Aug 22	19 Sep 22	28 Sep 22	07 Oct 22	07 10 2022	Evalu ation Stage
Planning and Survey-Middle income	1 000 000	1 000 000	Co mp etit ive Bid din g	Planning & Survey-commercial	05 Aug 22	10 Aug 22	19 Aug 22	19 Sep 22	28 Sep 22	07 Oct 22	07 10 2022	Evalu ation Stage
planning and survey-commercial	500 000	500 000	Co mp etit ive Bid din g	Land Survey	05 Aug 22	10 Aug 22	19 Aug 22	19 Sep 22	28 Sep 22	07 Oct 22	07 10 2022	Re-advert
Land Survey	250 000	250 000	Co mp etit ive Bid din g	Cedarville-Middle Income Implementation	05 Aug 22	10 Aug 22	19 Aug 22	19 Sep 22	28 Sep 22	07 Oct 22	07 10 2022	Evalu ation Stage

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Cedarville-Middle Income Implementation	500 000	500 000	500 000	Competitive Bidding	Land Survey	05 Aug 22	10 Aug 22	19 Aug 22	19 Sep 22	28 Sep 22	07 Oct 22	07 10 2022	Evaluation Stage
INFRASTRUCTURE TECHNICAL/ SERVICES													
Project Management Unit	8 000 000	8 000 000	8 000 000	Competitive Bidding	Construction of Mahangu Access Road & Bridge	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	On Construction
Project Management Unit	8 000 000	8 000 000	8 000 000	Competitive Bidding	Construction of Purutle to Moyeni Access Road & Bridge	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	On Construction
Project Management Unit	1 264 600	1 264 600	1 264 600	Competitive Bidding	Construction of Mohapi Access Road & Bridge	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	On Construction

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Project Management Unit	15 000 000	15 000 000	Competitive Bidding	Construction of Harry Gwala Internal Streets Phase 1	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Awarded
Project Management Unit	5 000 000	5 000 000	Competitive Bidding	Rehabilitation of Matatiele Internal Streets Cluster 1	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Awarded
Project Management Unit	4 500 000	4 500 000	Competitive Bidding	Rehabilitation of Cedarville Internal Streets	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Awarded
Project Management Unit	5 000 000	5 000 000	Competitive Bidding	Extension of Matatiele Sport Centre Phase 2	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Evaluation Stage

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Project Management Unit	500 000	500 000	Co mp etit ive Bid din g	Council Chambers Backup Water Supply	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	On Progr ess
Project Management Unit	700 000	700 000	Co mp etit ive Bid din g	Upgrading of Matatiele Stormwater Drainage Planning & Design	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	TOR Submi tted
Project Management Unit	800 000	800 000	Co mp etit ive Bid din g	Meggie Resha Statue	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Devia tion
Project Management Unit	2 000 000	2 000 000	Co mp etit ive Bid din g	Dlodlweni Access Road	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Awar ded

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Project Management Unit	2 300 000	2 300 000	Co mp etitive Bid ding	Queen's Mercy Access Road	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Intens ion to appoi nt
Project Management Unit	910 000	910 000	Co mp etitive Bid ding	Ramatli Access Road	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Intens ion to appoi nt
Project Management Unit	2 500 000	2 500 000	Co mp etitive Bid ding	Lekhalong Access Road	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Evalu ation Stage
Electricity Unit	5 500 000	5 500 000	Co mp etitive Bid ding	Hillside-Manzi Phase 2	27 May 22	31 May 22	10 Jun 22	01 Jul 22	13 Jul 22	22 Jul 22	22 Aug 22	Tanke y
Electricity Unit	1 600 000	1 600 000	Co mp etitive Bid ding	Hillside-Manzi Phase 2 Link Line	15 Apr 22	19 Apr 22	29 Apr 22	21 May 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y

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Electricity Unit	1 000 000	1 000 000	Co mp etit ive Bid din g	Pote / Sikhulumi	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y
Electricity Unit	4 000 000	4 000 000	Co mp etit ive Bid din g	Pote - Hillside / Sikhulumi Link Line	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y
Electricity Unit	5 828 000	5 828 000	Co mp etit ive Bid din g	Rockville	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y
Electricity Unit	2 740 000	2 740 000	Co mp etit ive Bid din g	Polar Park	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y

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Electricity Unit	12 000 000	12 000 000	Co mp etitive Bid ding	Tsepisong	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y
Electricity Unit	4 500 000	4 500 000	Co mp etitive Bid ding	Masupa	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y
Electricity Unit	3 100 000	3 100 000	Co mp etitive Bid ding	Mavundleni	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y
Electricity Unit	4 420 000	4 420 000	Co mp etitive Bid ding	Moiketsi	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y
Electricity Unit	1 600 000	1 600 000	Co mp etitive Bid ding	Mapoti	15 Apr 22	19 Apr 22	29 Apr 22	21 Ma y 22	01 Jun 22	10 Jun 22	10 Jul 22	Tanke y

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Electricity Unit	3 500 000	3 500 000	Comp etitive Bidding	Installation of 100 Streetlights	22 Apr 22	26 Apr 22	06 May 22	06 Jun 22	15 Jun 22	24 Jun 22	25 Jul 22	Awarded
Electricity Unit	3 000 000	3 000 000	Comp etitive Bidding	Installation of 4 Highmastlights	22 Apr 22	26 Apr 22	06 May 22	06 Jun 22	15 Jun 22	24 Jun 22	25 Jul 22	Awarded
Electricity Unit	2 200 000	2 200 000	Comp etitive Bidding	Transformers	22 Apr 22	26 Apr 22	06 May 22	06 Jun 22	15 Jun 22	24 Jun 22	25 Jul 22	BAC
Electricity Unit	450 000	450 000	Comp etitive Bidding	Substation Switch Gears	22 Apr 22	26 Apr 22	06 May 22	06 Jun 22	15 Jun 22	24 Jun 22	25 Jul 22	BAC

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Operations and Maintenance Unit	15 000 000	15 000 000	Competitive Bidding	Supply and delivery of 3x10 cubes truck, watercart, 2x rollers, grader, excavator	15 Apr 22	19 Apr 22	29 Apr 22	30 May 22	08 Jun 22	18 Jun 22	18 Jul 22	Evaluation Stage
Operations and Maintenance Unit	1 500 000	1 500 000	Competitive Bidding	Construction of Linotseng Access Road New 1.8km	15 Apr 22	19 Apr 22	29 Apr 22	30 May 22	08 Jun 22	18 Jun 22	18 Jul 22	Management of Plant

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Operations and Maintenance Unit	5 494 200	5 494 200	Competitive Bidding	Construction of Black Diamond Access Road & Bridge 7.9km (SMME incubator Programme)	15 Apr 22	19 Apr 22	29 Apr 22	30 May 22	08 Jun 22	18 Jun 22	18 Jul 22	Evaluation Stage
Operations and Maintenance Unit	1 800 000	1 800 000	Competitive Bidding	Construction of Mavundleni Access Road 6km	15 Apr 22	19 Apr 22	29 Apr 22	30 May 22	08 Jun 22	18 Jun 22	18 Jul 22	Not presented on BSC

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Operations and Maintenance Unit	2 300 000	2 300 000	Competitive Bidding	Construction of Makomorweni Access Road & Bridge 6km(SMMME incubator Programme)	22 Apr 22	16 Apr 22	06 May 22	27 May 22	01 Jun 22	10 Jun 22	11 Jul 22	Awarded
Operations and Maintenance Unit	1 200 000	1 200 000	Competitive Bidding	Construction of Nkosana-Mafube Access Road 4km	22 Apr 22	16 Apr 22	06 May 22	27 May 22	01 Jun 22	10 Jun 22	11 Jul 22	Not presented on BSC
Operations and Maintenance Unit	1 000 000	1 000 000	Competitive Bidding	Construction of Mountain Lake Access Road	22 Apr 22	16 Apr 22	06 May 22	27 May 22	01 Jun 22	10 Jun 22	11 Jul 22	Not presented on BSC

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Operations and Maintenance Unit	500 000	500 000	Competitive Bidding	Supply and delivery of 350m³ of G5 material	22 Apr 22	16 Apr 22	06 May 22	27 May 22	01 Jun 22	10 Jun 22	11 Jul 22	Evaluation Stage
Operations and Maintenance Unit	700 000	700 000	Competitive Bidding	Supply and delivery of 10 000 25kg bags of all weather tar fix bags	22 Apr 22	16 Apr 22	06 May 22	27 May 22	01 Jun 22	10 Jun 22	11 Jul 22	Evaluation Stage
Operations and Maintenance Unit	400 000	400 000	Plant Management	Protective Clothing for Employee	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	Awarded
Operations and Maintenance Unit	1 500 000	1 500 000	Plant Management	Linotsing Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	Not presented on BSC

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Operations and Maintenance Unit	5 494 200	5 494 200	Planned Maintenance	Black Diamond Access road and Bridge	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Evaluation Stage
Operations and Maintenance Unit	1 800 000	1 800 000	Planned Maintenance	Mavundleni Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operations and Maintenance Unit	2 300 000	2 300 000	Planned Maintenance	Makomorweni Access Road and Bridge	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operations and Maintenance Unit	1 200 000	1 200 000	Planned Maintenance	Nkosana - Mafube Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operations and Maintenance Unit	1 000 000	1 000 000	Planned Maintenance	Mountain Lake Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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Operations and Maintenance Unit	1 300 000	1 300 000	Planned Maintenance	Helbron - Madimong Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operations and Maintenance Unit	720 833	720 833	Planned Maintenance	Zikhalini Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operations and Maintenance Unit	1 100 000	1 100 000	Planned Maintenance	Maphutsing Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operations and Maintenance Unit	940 833	940 833	Planned Maintenance	Matolweni Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operations and Maintenance Unit	1 070 833	1 070 833	Planned Maintenance	Mbobbo Access Road	Contracted until 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MUNICIPAL MANAGER'S OFFICE																	

Communications & SP	300 000	350 000	Complete bidding	Branding of the new Municipal Offices	29 Jul 22	02 Aug 22	12 Aug 22	12 Sep 22	21 Sep 22	30 Sep 22	31 Oct 22	Not presented on BSC
Internal Audit Services	600 000	600 000	Complete Bidding	Procurement of review of Information Communication and Technology General and Application Controls	19 Aug 22	22 Aug 22	02 Sep 29	03 Oct 22	12 Oct 22	21 Oct 22	21 Nov 22	Evaluation stage
Internal Audit Services	200 000	200 000	Complete Bidding	Unauthorised Irregular Fruitless and Wastful Expenditure Investigation	19 Aug 22	22 Aug 22	02 Sep 29	03 Oct 22	12 Oct 22	21 Oct 22	21 Nov 22	Not presented on BSC
	171,688 499											

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BIDS AWARDED IN THE SECOND QUARTER ENDED 31 DECEMBER 2022

NO	NAME OF DESCRIPTION	CLOSING DATE	SERVICE PROVIDER	APPOINTMENT DATE	AMOUNT	LOCALITY
1	Supply, Delivery, Installation and Commissioning of 10 High mast light in Matatielé	26 08 2022	Batebang Bataung Trading cc	16 11 2022	3,146,732.00	Matatielé
2	Rehabilitation of Cedarville Internal Streets	12 08 2022	Mabona Civils and Plant Hire cc	14 11 2022	5,789,653.30	Kokstad
3	Construction of Dlodlweni-Caba access road	01 07 2022	African Heights JV Makalane Trading Enterprise	07 12 2022	2,358,696.86	Matatielé
4	Construction of Mango-Nyanzela Access road	27 06 2022	Intlangula 86 Trading Enterprises cc	05 12 2022	1,940,698.83	Mount Ayliff
5	Construction of Sithiweni Access road	27 06 2022	Makhalendlovu Construction and Projects (Pty) Ltd	05 12 2022	1,199,883.70	Mount Ayliff

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6	Maintenance of Rashule Access Road	29 08 2022	Jamalox Trading (Pty) Ltd	08 12 2022	2,066,965.73	Matatiele
7	Supply and Delivery of Refuse Bags	29 07 2022	Mlambo Groove and Cocktail (Pty) Ltd	08 12 2022	260,000.00	Matatiele
8	Protective Clothing for Environment and Waste unit	08 08 2022	Onrsus Trading Enterprise (Pty) Ltd	08 12 2022	153,495.00	Matatiele
9	Protective clothing for Operations and Maintenance Unit Staff	22 08 2022	Onrsus Trading Enterprise (Pty) Ltd	08 12 2022	586,300.00	Matatiele
10	Supply and Delivery of 250,100 and 20 Units 600,450 and 375MM Diameter Concrete Culverts Respectively	22 08 2022	Jamalox Trading (Pty) Ltd	08 12 2022	817,075.00	Matatiele
11	ICT Security Awareness (POPIA)	16 08 2022	Blue Cycle Trading Services cc	08 12 2022	342,125.00	Bizana
12	In-House Travel and conference facilities to the Matatiele Local Municipality for a period of two years	03 10 2022	Cindy's Travel (Pty) Ltd	08 12 2022	rates	Maluti

1 3	Construction of Makomorweni Access Road in ward 11	23 09 2022	Maboka Contractors JV Makalane Trading (Pty) Ltd	08 12 2022	1,374,999.00	Matatiele
1 4	ICT Service Desk (Tickiting System)	16 08 2022	Nated Systems (Pty) Ltd	14 12 2022	681,444.00	Durban
1 5	Livestock Improvement Dosing and Vaccination of 1000 cattle in 26 wards	29 07 2022	Ntaba LG Farm & Abottoir (Pty) Ltd	14 12 2022	1,302,320.00	Matatiele
1 6	Planning and Survey of Municipal land (Township Establishment) Commercial Development Project as Part of Mixed-use Development-Matatiele	03 10 2022	Likamva Geomatics (Pty) Ltd	19 12 2022	887,250.00	Kokstad
1 7	Planning and Survey of Municipal Land (Township Establishment) Commercial Development-Matatiele and Matatiele	11 07 2022	Nkanivo Development Consultants (Pty) Ltd	19 12 2022	732,114.00	Pretoria
1 8	Supply and Delivery of Traffic Officers Uniform	05 09 2022	Roller Coaster Trading (Pty) Ltd	19 12 2022	825,672.00	Matatiele

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19	Supply and Delivery of Agricultural Production Inputs for 200 Hectares for a period of Three years	15 08 2022	Mahlakoana Trading cc	19 12 2022	5,449,090.00	Matatiele
20	Construction of Queens' Mercy Access Road	01 07 2022	Amandlela Engineering and Safety Consultants (Pty) Ltd	19 12 2022	1,586,531.38	Matatiele
21	Construction of Ramatli Access Road	04 07 2022	Amandlela Engineering and Safety Consultants (Pty) Ltd	19 12 2022	3,500,360.28	Matatiele
22	Swimming Pool Repairs & Maintenance	22 08 2022	Amamayeza Roads and Earthworks (Pty) Ltd	20 12 2022	1,263,735.00	Maluti
23	Development of Local Spatial Development Frameworks	28 06 2022	TPS Development Projects(Pty) Ltd	14 12 2022	471,500.00	Durban
24	Construction of Harry Gwala Internal Streets	12 07 2022	Batabile Construction Services cc	15 12 2022	31,860,000.00	Mthatha
25	Construction of Dengwane Access Road	24 06 2022	Ambrose Civils	22 12 2022	2,595,444.20	Kokstad

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2 6	Supply, Delivery, Installation and Commissioning of Street lights in Matatiele	26 08 2022	Thake Electrical JV Maboka Contractors (Pty)Ltd	15 12 2022	7,200,000.00	Zimbabwe
2 7	Rehabilitation of Matatiele Internal street	19 08 2022	Mabona Civils and Plant Hire cc	14 12 2022	23,980.00	Kokstad
2 8	Implementation of Digital Strategy	16 08 2022	Nated Systems (Pty) Ltd	29 12 2022	368,000.00	Durban
2 9	Panel of three to five civil Engineering Professional Service Providers for Preparing Business Plan, Feasibility Study, Preliminary Design, Detail Design, Tender Documentation and Construction Monitoring of Surfaced Paved Roads, Bridges and Gravel Roads Projects for a period of three years	23 08 2022	Ziinzame Consulting Engineers (Pty) Ltd	29 12 2022	rates	Mthatha

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IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

R 133,274.18 has been incurred as Fruitless and wasteful expenditure as at December 2022 for late payment of Eskom and late submission of WCA.

INDIGENT MANAGEMENT

The indigent register for the 2022/23 has 15 259 beneficiaries registered to date. A total of R 2 541 102.21 has been incurred as expenditure for indigent benefits as follows for the month ended 31 December 2022:

- Electricity	R 951 872.09
- Rates and refuse	R 1751 91.48
- Alternative energy (Solar; and gas and stoves)	R 1 414 038.64

A total of R 5 088 966.35 has been incurred as expenditure for indigent benefits as follows for quarter two ended 31 December 2022:

- Electricity	R 1 439 623.56
- Rates and refuse	R 519 613.15
- Alternative energy (Solar; and gas and stoves)	R 3 129 729.64

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3.6 Material variances to the service delivery and budget implementation plan

The performance on implementation of the service delivery and budget implementation plan is dealt with separately on the non-financial performance report.

3.7 Recommendations

It is recommended that;

1. Council takes note of the mid-year budget performance report in terms of section 72 of the Municipal Finance Management Act.
2. Council takes note that an adjustments budget will be tabled for consideration, taking into account the midterm performance.

3.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Lizo Matiwane** Municipal Manager of Matatiele Local Municipality, hereby certify that the Mid-term Performance Assessment report and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Performance Assessment has been done properly to ensure that is a true reflection of what has taken place with effect from 01 July 2022 to 31 December 2022 and is consistent with the Integrated Development Plan, Budget and SDBIP of the municipality.

This report will be submitted to the Mayor on the 25/01/2023 as required by the Municipal Finance Management Act, Section 72 and acknowledges receipt as signed below.

Print Name **Lizo Matiwane**

Municipal Manager of Matatiele Local Municipality (EC441)

Signature

Date

25 January 2023

Mayor's Acknowledgement of Submission

Print Name **Sonwabile Mngenela**

Mayor of Matatiele Local Municipality (EC441)

Signature

Date

25/01/2023

4. ANNEXTURES

4.1. ANNEXTURE "Á"- C SCHEDULE_MIDTERM_2022/2023