



BUDGET AND TREASURY REPORT

Report as in September 2022

SEPTEMBER 30, 2022
MOPANI DISTRICT MUNICIPALITY
Section 52 Report

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1. Executive Summary

The municipal Revenue budget for the year was approved at **R1.577bn** to cater for operational activities and **R575.8m** for capital expenditure. The YTD budget is estimated at **R525m** for a quarter under review for operations and **R186.9m** for capital expenditure. An amount of **R519m** was received, included in the **R519m** is **R456.5m** is equitable shares received from National Treasury. Out of **R186,9m** received for capital, only **R44.6m** has been recognized as income for meeting the condition of the grant.

The municipal payable to date is currently reported at **R821m** which. The payables are posing a challenge to the municipal cash flow as it should be funded from the current budget.

The municipality revenue billed from local municipality for a YTD amount to **R74.3m** for water and sewer. The total collection by local municipality is reported at **R39.0m** which is yet to be transfer by local municipalities for water and sewer services done on behalf of District.

The Municipality relies solely on grant for funding the operations mainly because of non -payment of services by the municipalities. The municipal current operational and capital per months is +- **R 100m**. The office of BTO is currently finalizing a monthly cash flow projections that will provide a guideline as to the cash that will be made available for a month / quarter. This would be done to ensure that cash is available to fund critical operations even in cases where equitable shares allocations from National Treasury get to be delay.

2. Financial Overview

Figure 1: Statement of Financial Performance

2.1 Statement of financial Performance

a). Operating Revenue

i. Service charges

The services charges for water charged to consumers is at **R39.1m** of the YTD Actual when compared to the YTD Budget of **R91.1 m** and the variances **57%**. The service charges for sanitation is at **R8.5 m** of the YTD Actual when compared to the YTD Budget of **R12.1m** and the variance is **29.6 %** as at the period ending 31 October 2022.

- ii. **Transfers and Subsidies** – the municipalities have received **R462.5m** of the YTD Actual when compared to the YTD Budget of **R394.0m**, the variance is 17.2% on operating grants and subsidies as at the end of the period ended the 31 October 2022.
- iii. **Interest earned - external investments** –Interest earned on the investment is **R 2.2m** of the YTD Actual when compared to the YTD Budget of **R3.0m** and the variance is **-24.4%** of the year-to-date budget
- iv. **Interest earned on outstanding debtors-** The interest recorded on outstanding debtors from the local municipalities is at **R 126k** when compared to the YTD Budget **of R23.9 m**, the variance is **99%**
- v. **Other income** – Includes sale of tender documents and fire services charges, it is at **R 6.8m** of YTD Actual when compared to the YTD Budget of **R1.0m** and the variance is **549,3%** as at 31 October 2022. This is due to high volume of tender advert and responses received.

b) Operating Expenditure

- i. **Employee Related Costs (Salaries and Wages & Social contribution)** – Employee related costs expenditure it at **R 147.0 m** of YTD Actual when compared to the YTD Budget **of R 153.3m** and the variance is **-4.12%** for the period ended 31 October 2022, which is still under the expected budget. The reason for the variance is the payment of Overtime to personnel in Water Services and Fire Services.
- ii. **Councillors Remuneration** – The councillors’ remuneration is at **R 8.5 m** of the YTD Actual when compared to the YTD Budget of **R 4.3 m** the variance is **98%**. The reason is the back pay of Councillors Allowance from November 2021 to August 2022 and Subsistence and Travelling allowance. The back pay was not budgeted for in the current financial year.
- iii. **Depreciation**
The depreciation is at **0%** for the period ending 31 October 2022, the Assets Register is currently being finalised and as such, the Deprecation for the 2022/023 financial year would be accounted for the exercise is completed.
- iv. **Debt Impairment-** The municipality is impairing debt once a year hence no movement is reported to date.
- v. **Contracted services** – includes the payments for leased vehicles, security services, Legal Services, PMU Support, consultants assisting in preparation of AFS and VAT recoveries and mSCOA. Expenditure is at **R 53.6 m** of the YTD Actual compared to the YTD Budget of **R49.3m**, the variance is **7.9%** for the period ending 31 October 2022. The reason is some of the services had already been paid more than 40% of the budgets e.g., legal and security services
- vi. **Inventory Consumed** - This figure includes repairs and maintenance of infrastructure and movable assets on an ad hoc basis and the purchase of bulk water purchases from Lepelle Northern Water and Department of Water and Sanitation expenditure to date is at **R 51 m** of the YTD Actual compared to the YTD Budget of **R 115.5m**, the variance is **-55.8%** for the year to date

- vii. **General expenditure** – General expenditure is at **R41.7m** of the YTD Actual compared to the YTD Budget of **R48.7 m** the variance is **-14%** as at the period ended 31 October 2022

The overall operating expenditure at the end of September 2022 is at **R 301.7m** of the YTD Actual compared to the YTD Budget of **R 467.6 m** and the variance is **-35%**, **which** is below 100% year to date target with a variance of 70%. The reason for low spending on operational expenditure is non-calculations of the depreciation and debt impairment, and also, the receiving and issuing the water inventory and other stores using the financial system (stores module)

Table 1: Detail statement of financial performance

2.1 Staff benefits expenditure

The Municipality staff and councillors benefits to date amount to R155.6m as compared to the budget of R157.6m. This is due to increase of 2% salary expenditure as compares to the budget which is still within the expenditure limit. The 10% variance in council remuneration is due to back payment made to councillors.

2.3 Capital expenditure

The overall capital expenditure as at 31 October 2022 is at **R 44.6m** of the YTD Actual compared to the YTD Budget of **R 186.9m** and the variance is **-76%**. The reason is due to low spending of WSIG and MIG projects.

Limpopo: Mopani (DC33) - Table C5 Monthly Budgeted Capital Expenditure by Functional Classification and Funding for period ending (M04) 31 October 2022

Description	Ref	2021/22	Budget year 2022/23											
		Audited Outcome	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	M04 Oct Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Capital Expenditure - Functional														
<i>Municipal governance and administration</i>		133 348	6 020	6 020	-	-	-	-	16	16	2 007	(1 991)	(99,21)	6 020
Executive and council		179 060												
Finance and administration		(45 713)	6 020	6 020					16	16	2 007	(1 991)	(99,21)	6 020
Internal audit														
<i>Community and public safety</i>		61 932	8 500	8 500	-	-	-	-	-	-	2 833	(2 833)	(100,00)	8 500
Community and social services		1 849												
Sport and recreation														
Public safety		60 084	8 500	8 500						2 833	(2 833)	(100,00)	8 500	
Housing														
Health														
<i>Economic and environmental services</i>		4 167	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		4 167												
Road transport														
Environmental protection														
<i>Trading services</i>		264 489	546 243	546 243	5 494	11 750	25 480	42 724	1 882	44 606	182 081	(137 475)	(75,50)	546 243
Energy sources														
Water management		261 886	546 243	546 243	5 494	11 750	25 480	42 724	1 882	44 606	182 081	(137 475)	(75,50)	546 243
Waste water management		2 602												
Waste management														
<i>Other</i>														
Total Capital Expenditure - Functional	3	463 936	560 763	560 763	5 494	11 750	25 480	42 724	1 897	44 622	186 921	(142 299)	(76,13)	560 763
Funded by														
National Government		379 784	541 243	541 243	5 494	11 750	24 940	42 184	1 882	44 066	180 414	(136 348)	(75,58)	541 243
Provincial Government														
District Municipality														
Transfers and subsidies - capital (monetary allocations)														
Transfers recognised - capital		379 784	541 243	541 243	5 494	11 750	24 940	42 184	1 882	44 066	180 414	(136 348)	(75,58)	541 243
Borrowing	6													
Internally generated funds		135 757	19 520	19 520			540	540	16	556	6 507	(5 951)	(91,46)	19 520
Total Capital Funding		515 542	560 763	560 763	5 494	11 750	25 480	42 724	1 897	44 622	186 921	(142 299)	(76,13)	560 763

References

3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

2.3 Cash Flow statement

Mopani (DC33) - Table SC30 Actual Monthly Cash Flows (All) for period ending (M03) 31 October 2022							
Description	2021/22	Budget year 2022/23 R'000					
		Audited Outcome	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual
Cash Receipts By Source							
Property rates	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-
Interest earned - external investments	262	9 000	9 000	439	899	59	5
Interest earned - outstanding debtors	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	1 039 019	1 184 019	1 184 019	456 468	5 672	12	17 451
Other revenue	2 431	140 173	140 173	25 198	1 756	1 434	3 513
Cash Receipts by Source	1 041 712	1 333 192	1 333 192	482 105	8 328	1 506	20 970
Other Cash Flows by Source							
Transfers and subsidies - capital (monetary allocations) (499 604	575 821	575 821	143 864	1 287	-	1 855
Transfers and subsidies - capital (monetary allocations) (-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors (not used)	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-
Total Cash Receipts by Source	1 541 316	1 909 013	1 909 013	625 969	9 615	1 506	22 825
Cash Payments by Type							
Employee related costs	2 874	(473 058)	(473 058)	(38 730)	(36 475)	(32 269)	(19 251)
Remuneration of councillors	-	-	-	-	-	-	-
Finance charges	-	(150)	(150)	-	-	-	-
Bulk purchases - Electricity	-	-	-	-	-	-	-
Acquisition inventory - water and other inventory	-	(586 514)	(586 514)	(83 176)	(69 729)	(29 538)	-
Contracted services	-	(147 977)	(147 977)	(33 098)	(13 877)	(42 960)	-
Transfers and grants - other municipalities	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-
Other expenditure	(488 273)	(96 589)	(96 589)	(18 776)	(13 913)	(16 700)	(24 403)
Cash Payments by Type	(485 399)	(1 304 288)	(1 304 288)	(173 780)	(133 994)	(121 468)	(43 654)
Other Cash Flows/Payments by Type							
Capital assets	(558 765)	(560 763)	(560 763)	(150 378)	(12 099)	(24 906)	(4 982)
Repayment of borrowing	-	-	-	-	-	-	-
Other Cash Flows/Payments	(18 821)	-	-	-	(21)	-	-
Total Cash Payments by Type	(1 062 985)	(1 865 050)	(1 865 050)	(324 159)	(146 115)	(146 373)	(48 636)
NET INCREASE/(DECREASE) IN CASH HELD	478 331	43 962	43 962	301 810	(136 500)	(144 868)	(25 811)
Cash/cash equivalents at the month/year begin:	131 652	21 382	21 382	28 216	330 027	193 527	48 659
Cash/cash equivalents at the month/year end:	609 982	65 345	65 345	330 027	193 527	48 659	22 848

2.4 Cash and Cash equivalents

Statement Description	MAIN ACCOUNT 62854372093	CALL ACCOUNTS	TOTAL
Opening balance	2 089 216,94	46 570 030,01	48 659 246,95
interest capitalised	5 284,89	142 897,80	148 182,69
Transfer from Main to Call	-	-	-
Transfer to Main Account from call	29 000 000,00	(29 000 000,00)	-
Current - Refunds	-	-	-
Current - ACBs	(26 059 315,72)	-	(26 059 315,72)
Current - ACB (GRANT)	1 855 023,04	-	1 855 023,04
Current - Deposits	3 542 738,38	-	3 542 738,38
Current - debit orders	(5 250 199,59)	-	(5 250 199,59)
Current - Redeposits	-	-	-
Current - UNATHORISED(PENALTIES)	-	-	-
Current - Bank Charges	(47 611,79)	-	(47 611,79)
Current - Already Reconciled	-	-	-
Other transfers-Unpaid	-	-	-
Closing balance	5 135 136,15	17 712 927,81	22 848 063,96

3. Grant Management

3.1 Grant and Subsidy received

An amount of **R604 m, which represents 34% of all grants**, budgeted for has been received as at the 30 September 2022. The municipality did not receive the second tranche of MIG allocation as per the NT payment schedule amounting to **R151m** because the municipality failed to spend more than 50% of the first tranche that was transferred in July 2022

Supporting Table SC6 Monthly Budget statement -transfer and Grants Receipt 31 October 2022

Description	Ref	2021/22	Budget year 2022/23		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		1 057 434 000	1 184 019 000	1 184 019 000	-	462 113 000	462 113 000	-	0%	1 184 019 000
Local Government Equitable Share		1 044 405 000	1 170 419 000	1 170 419 000	-	456 463 000	456 463 000	-	0%	1 170 419 000
Finance Management		2 900 000	3 000 000	3 000 000	-	3 000 000	3 000 000	-	0%	3 000 000
EPWP Incentive		10 129 000	10 600 000	10 600 000	-	2 650 000	2 650 000	-	0%	10 600 000
Total Operating Transfers and Grants	5	1 057 434 000	1 184 019 000	1 184 019 000	-	462 113 000	462 113 000	-	0%	1 184 019 000
Capital Transfers and Grants										
National Government:		471 415 000	575 821 000	575 821 000	-	142 047 000	293 377 000	(151 330 000)	-5158%	575 821 000
Rural Transport Services and Infrastructure		2 255 000	2 361 000	2 361 000	-	1 652 000	1 652 000	-	0%	2 361 000
Municipal Infrastructure Grant (MIG)		436 797 000	523 460 000	523 460 000	-	120 395 000	271 725 000	(151 330 000)	-5569%	523 460 000
Water Services infrastructure Grant		32 363 000	50 000 000	50 000 000	-	20 000 000	20 000 000	-	0%	50 000 000
Total Capital Transfers and Grants	5	471 415 000	575 821 000	575 821 000	-	142 047 000	293 377 000	(151 330 000)	-5158%	575 821 000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 528 849 000	1 759 840 000	1 759 840 000	-	604 160 000	755 490 000	(151 330 000)	-2003%	1 759 840 000

3.2 Grant Payment Allocation

The table below depicts the amount and the date that the payments were made into the municipality's bank account

Date transferred	Equitable shares R'000	MIG R'000	RRAMS R'000	WSIG R'000	FMG R'000	EPWP R'000	Total R'000
06/07/2022	456 463						456 463
15/07/2022		120 395					120 395
18/07/2022			1 652				1 652
28/07/2022				20 000			20 000
03/08/2022						2 650	2 650
26/08/2022					3 000		3 000
Total	456 463	120 395	1 652	20 000	3 000	2 650	604 160

3.3 Performance on conditional Grants

Supporting Table SC 7 Monthly Budget statement -transfer and Grant Expenditure 31 October 2022

Description	2021/22	Budget year 202/23		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget						
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	1 057 434 000	1 184 019 000	1 184 019 000	54 332	460 930 349	240 615 300	220 315 049	92%	1 184 019 000
Local Government Equitable Share	1 044 405 000	1 170 419 000	1 170 419 000	-	456 463 000	237 877 800	218 585 200	92%	1 170 419 000
Finance Management	2 900 000	3 000 000	3 000 000	54 332	1 817 349	750 000	1 067 349	142%	3 000 000
EPWP Incentive	10 129 000	10 600 000	10 600 000	-	2 650 000	1 987 500	662 500	33%	10 600 000
Total operating expenditure of Transfers and Grants:	1 057 434 000	1 184 019 000	1 184 019 000	54 332	460 930 349	240 615 300	220 315 049	92%	1 184 019 000
Capital expenditure of Transfers and Grants									
National Government:	471 415 000	575 821 000	575 821 000	-	42 561 287	133 445 667	(90 884 380)	-68%	575 821 000
Rural Transport Services and Infrastructure	2 255 000	2 361 000	2 361 000	-	423 552	550 667	(127 115)	0%	2 361 000
MIG	436 797 000	523 460 000	523 460 000	-	38 390 857	120 395 000	(82 004 143)	-68%	523 460 000
Water Services Infrastructure Grant	32 363 000	50 000 000	50 000 000	-	3 746 878	12 500 000	(8 753 122)	-70%	50 000 000
Total capital expenditure of Transfers and Grants	471 415 000	575 821 000	575 821 000	-	42 561 287	133 445 667	(90 884 380)	-68%	575 821 000
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	1 528 849 000	1 759 840 000	1 759 840 000	54 332	503 491 636	374 060 967	129 430 669	35%	1 759 840 000

4. Revenue Management

The Municipality's revenue sources are as follows:-

- Water and sewer service charges
- Fire services charges
- Environmental Health service charges
- Air Quality services charges
- Sale of tenders

The main own revenue is water and sewer transaction that are done at the local municipalities on behalf of the District Municipality

4.1. Billing on Water and Sewer Services

Municipality	Water Budget R'000	Sewer Budget R'000	YTD Water Billing R'000	YTD Sewer Billing R'000	YTD Water Collection R'000	YTD Sewer Collection R'000	& YTD Receipts vs Billing
BPM	239 623	32 669	45 378	7 684	22 660	5 354	0
GGM	23 346	3 943	3 844	1 464	597	385	0
GLM	10 986	4 394	1 747	716	822	62	0
GTM	55 931	5 852	9 611	1 857	6 434	1 315	0
MLM	4 610	0	1 877	158	1 314	114	0
TOTAL	334 496	46 858	62 457	11 879	31 827	7 230	0

a) Local Municipalities invoiced as at September 2022

Figure 2: Water account

b) Sewer Billing

The following graph illustrate the performance of the sewer services

Figure 3: Sewer Account

c) Local Municipalities Costs Recovery Report (Expenditures)

Figure 4: Cost recovery

The revenue invoiced on water and sewer for functions performed by local municipalities as per the above two tables. Municipalities has not yet transfer the money to the district municipality. As such further engagements with the local municipalities is critical. The local municipalities need to invoice the district on the total expenditures incurred on the water and sewer transactions.

4.2. DEBTORS AGE ANALYSIS

a) Debt age analysis.

Age Analysis	Sewerage	Water	Total
	R'000	R'000	R'000
Opening Balance	466 671	1 539	2 006
Current	35	383	418
30 days	3 297	18 978	22 275
60 days	2 664	15 410	18 074
90 days	2 324	13 389	15 713
120 days	1 972	11 529	13 501
120 days plus	162 502	1 357 672	1 520 174
TOTAL	172 794	1 417 361	1 590 155

AGEING PER LOCAL MUNICIPALITY			
WATER		SEWER	
MUNICIPALITY	AMOUNT R'000	MUNICIPALITY	AMOUNT R'000
BPM	996 832	BPM	172 624
GGM	118 844	GGM	26 371
GLM	60 578	GLM	48 682
GTM	132 313	GTM	31 590
MLM	2 153	MLM	168
TOTAL	1 310 720	TOTAL	279 435

5. Assets management

1.1.1 Asset Management (MFMA, section 63)

- a) Significant movable / immovable assets under the control of the municipality.
- b) Continuous updates of the asset register. (Assets Acquisitions for the quarter)

This section of the report relates to the asset spend analysis (quantum and rand value) during the past quarter for all asset transactions.

THRESHOLD– OTHER ASSET PURCHASES	QUANTITY	VALUE
Transactions Exceeding R 1 000	2	R 102 552.89

No	Date	Cheque Number	Description of Works	Amount
1	Oct-22	WFG000054259SI	SUPPLY AND DELIVERY OF FURNITURE FOR INTERNAL AUDIT	R 15 772.89
2	Oct-22	MAK0010	SUPPLY AND DELIVERY OF METEOROLOGICAL EQUIPMENT FOR AIR QUALITY MONITOR	R 86 780.00
3				

Total **R**
102 552.89

THRESHOLD– OTHER ASSET PURCHASES	QUANTITY	VALUE
Transactions not Exceeding R 1 000	N/A	0

The various threshold values in the table above, determines the nature of the asset as well as the appropriate accounting treatment as follows:

THRESHOLD– INFRASTRUCTURE ASSET PURCHASES	QUANTITY	VALUE
Transactions Exceeding R 1 000	2	R 2 798 296.50

No	Date	Cheque Number	Description of service	Amount
1	Oct-22	TOURS PHASE1/08	CLAIM NO 8 TOURS WATER RETICULATION 25 VILLAGES PHASE 1	R 1 881 607.50
2	Oct-22	EF016606-0001	CONSTRUCTION OF WATER RETICULATION STORAGE TANKS AND MANHOLES AT SEKGO	R 916 689.00
Total				R 2 798 296.50

2. ASSET DISPOSAL ANALYSIS REPORT:

This section of the report relates to the asset disposals (quantity and rand value) that occurred during the past quarter for all disposal transactions by means of a transfer, donation, and tender or competitive sale process.

THRESHOLD– ASSET DISPOSED	QUANTITY	VALUE	
Asset Disposals through Transfers	N/A	0	
Asset Disposals through Donations	N/A	0	
Asset Disposals through Tender or Sale Process	N/A	0	
TOTAL TRANSACTION VALUE (Including VAT)			

5.3 Fleet Management

5.3.1 Summary listing on fleet operational status.

Location	Number Of Vehicles & Plant	Operational	Non-Operational	Disposal	Accident/ Written Off
Tzaneen	45	23	16	4	2
Ba-Phalaborwa	40	28	11	1	0
Letaba	21	10	9	2	0
Giyani	44	30	7	3	4
Maruleng	22	10	6	5	1
Total	172	103	49	15	7

5.3.2 Fleet maintenance cost

Period	Fuel Expenditure on Vehicles	Fuel Expenditure on Borehole And Generator	Repairs And Maintenance Expenditure	Licensing of Fleet Expenditure	Total Expenditure
July	R767 299,10	R 289 294,45	R543 241,34		R1 599 834,89
August	R915 875,73	R 201 937,85	R855 612,52		R1 973 426,10
September	R951 038,92	R 183 730,50	R 14 770,42		R1 149 539,84
October	R 914 453.34	R 289 453.34	R 897 470.00	R54.762,00	R2 156 138.68
Total					R6 878 939.69

5.3.4 Factors on fleet

- i. The total expenditure on repairs and maintenance for the quarter illustrates prioritization/minimum spending on repairs and maintenance of fleet, this is an indication that budget allocations for repairs and maintenance should be revised to ensure effectiveness of fleet on operations.
- ii. Upon site visits it was discovered that a number of fleet had cracked windows, minor bumps, broken headlights and mirrors which were not reported, leading to the municipality not recovering the cost from Insurance cover
- iii. The Fire Truck allocated to Maruleng Fire Station, which has been taken in for repairs, is still at the dealership awaiting 30% payments prior to works, this is an uncommon practice contravening with policies of the municipality, thus leading to a delay in the repair of the Fire Truck.
- iv. The Fire Truck allocated to Ba-Phalaborwa Fire Station and other operational vehicles which have been repaired and serviced are still at dealerships awaiting payment, due financial constrains the mentioned fleet cannot be released from dealership, leading to a shortage of fleet for core functions in the municipality.
- v. The newly purchased Fire Truck which is not yet operational, the delay for allocating and operating it is due to the licensing process which is yet to be finalized.
- vi. Internal workshop mechanics resorted to servicing light vehicles on minor services as an alternative measure of cost containment for outsourcing such functions.

- vii. Graders and water tankers have been allocated additional areas to conduct operations, as a result the municipality experienced an increase on fuel expenditure in comparison to previous months.
- viii. The vehicles listed below identified by the Governance Oversight Committee were in the process of being repaired during the verification phase conducted by the Governance Oversight Committee, a significant total number additional to those listed have been repaired and replacement of parts were made, they are currently operational.

6

1 SUPPLY CHAIN MANAGEMENT

Demand Management: Supply Chain Management process	October 2022
Description	No
Bids considered / approved by BSC (SCM reg. 27)	38
Bids approved by MM for advertisement from BSC	38
New bids advertised on MDM website/notice board	38
Bids closed / opening register place on MDM website/notice board	0
Bids on Evaluation	01

Acquisition Management: Supply Chain Management process	October 2022
Description	No
Total orders above R100 000 for October 2022	13
Total deviation orders processed for October 2022	0
Bid awarded / approved / appointed by MM (No. Service Providers)	0
SCM Reg. 32 Bid approved / appointed by MM	0
SCM Reg. 36 Bid approved / appointed by MM	0
Bids Awards place on Notice/website	0
Bids Awards reported to Treasury	0
Bids reported to External e.g. CIDB	0

2 Publication of Bids = 38

Publication of bids October 2022

Bid No.	Description	Publication date	Closing Date
MDM 2022/23-26	Thomo Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-27	Thomo Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-28	Kamninginisi Block 2 Reticulation	09 October 2022	09 November 2022
MDM 2022/23-29	Mhlaba Willem Reticulation	09 October 2022	09 November 2022
MDM 2022/23-30	Muyexe Reticulation contract A	09 October 2022	09 November 2022
MDM 2022/23-31	Muyexe Reticulation contract B	09 October 2022	09 November 2022
MDM 2022/23-32	Khakhala reticulation	09 October 2022	09 November 2022
MDM 2022/23-33	Gawula Reticulation	09 October 2022	09 November 2022
MDM 2022/23-34	Mahlathi Reticulation	09 October 2022	09 November 2022
MDM 2022/23-35	Ndindani Reticulation	09 October 2022	09 November 2022
MDM 2022/23-36	Homu 14A Reticulation	09 October 2022	09 November 2022
MDM 2022/23-37	Homu 14B Reticulation	09 October 2022	09 November 2022
MDM 2022/23-38	Nwakhuwani Reticulation	09 October 2022	09 November 2022
MDM 2022/23-39	Mapayeni Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-40	Mapayeni Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-41	Vuhehli Reticulation	09 October 2022	09 November 2022
MDM 2022/23-42	Risinga View Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-43	Risinga View Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-44	Risinga View Reticulation Contract C	09 October 2022	09 November 2022
MDM 2022/23-45	Makoxa Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-46	Makoxa Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-47	Xikukwani Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-48	Xikukwani Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-49	Xikukwani Reticulation Contract C	09 October 2022	09 November 2022
MDM 2022/23-50	Bode Reticulation	09 October 2022	09 November 2022
MDM 2022/23-51	Dzingidzingi Reticulation	09 October 2022	09 November 2022
MDM 2022/23-52	Skhunyani Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-53	Skhunyani Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-54	Bambeni Reticulation	09 October 2022	09 November 2022
MDM 2022/23-55	Mageva Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-56	Mageva Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-57	Maswanganyi Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-58	Maswanganyi Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-59	Maphata Reticulation	09 October 2022	09 November 2022
MDM 2022/23-60	Ngove Reticulation Contract A	09 October 2022	09 November 2022
MDM 2022/23-61	Ngove Reticulation Contract B	09 October 2022	09 November 2022
MDM 2022/23-62	Ngove Reticulation Contract C	09 October 2022	09 November 2022
MDM 2022/23-63	Refurbishment of Giyani Water Treatment Plant	09 October 2022	09 November 2022

3. Progress on Evaluation Bids = 01

Bid No.	Description	User Dept.	Advert date	Closing Date	Evaluation date	Status
MDM 2022/23-20	Pool of Physical Security Services provider for Mopani District Municipality for a period of 36 Months	Municipal Manager	16 Aug 2022	16 Sep 2022	24 October-2022	Awaiting Adjudication

4. Deviations processed

Dates	Business name	Dept. Division	Description	Amount	Reason for deviation
None	None	None	None	None	None

7. Contract Management

7.1 Contract Register

The has been One (1) new appointment in the 2022-23 financial year. MDM has 349 contracts. Please see attached contract register for ease of reference. Please see attached the 2022-23 Contract register.

7.2 Number of expired MDM contracts

The following table outlines the progress on contract that already expired

No	Description	Contract number	Contract appointment date	Contract expiry date	Comments
1	Managed printing service for a period of 3 years	MDM 2017-062	8-Dec 17	7-Dec-2020	The assessment carried out by user department indicated that there is no need to acquire new machineries at the present moment.
2	Provision of Fleet Financial Solution on an Instalment sale Multi-Framework of the MDM	MDM 2017-057	3-Sep 2018	2-Oct-21	The municipality has not budget for fleet acquisition in the current financial year, the bid will not be pursued in the current financial year.
3	Request for Proposals for the Electronic Performance Monitoring System & Cascading Support	MDM 2018-011	18-Oct-2018	17-Nov-21	User department working on developing specifications for bid advertisement.
4	Supply and delivery of water purification chemicals.	MDM 2017-054	31-May-19	1-Jun-22	The bid under-going evaluation process.
5	Telephone management system	MDM 2018-019	10-May-19	9-Apr-22	Contract has been extended on a month to month basis. There municipality does not have sufficient budget to cover the cost of acquisition of new equipment in the current financial year.

6	Panel of Accounting service provider to assist Mopani District Municipality with the preparation of annual financial statements and assets management for a period of 36 months.	MDM 2019-25	6-Feb-19	5-Jan-22	Notice of expiry of contract communicated with end users.
7	Panel of suppliers for supply and delivery of borehole spares	MDM 2017-053	31-May-19	1-Jun-22	The bid under-going evaluation process.
8	Kampersrus Engineers and project Managers	MDM 2019-039	1-Oct-20	30-Aug-21	User department proposed a contract period extension.
9	Lephephane Water Reticulation Phase 1(Part 2 Rasebalana)	MDM2020/21-006	14-Oct-20	13-Jul-21	User department proposed a contract period extension.
10	Lephephane Water Reticulation Phase 1(Part 1 Long Valley)	MDM2020/21-007	14-Oct-20	13-Jul-21	User department proposed a contract period extension.
11	Mametja Sekororo RWS 1B	MDM2019/045	14-Oct-20	13-Jul-21	User department proposed a contract period extension.
12	Tours Water Scheme bulk water refurbishment and reticulation	MDM 2020/21-025	10-Mar-21	9-Feb-22	User department proposed a contract period extension.
13	refurbishment, rehabilitation and upgrading of internal water reticulation network and borehole development in kuranta	MDM2020/21-029	20-May-20	19-Feb-22	User department proposed a contract period extension.
14	Nhlaniki Upgrading of Water Reticulation	MDM2020/21	26-May-20	25-Apr-22	User department proposed a contract period extension.

15	Senwamokgope Village/Township Sewer Bulk Line – Reticulation Upgrade & Electrical Power provision at Sewer Plant	MDM2020/21-031	20-May-20	19-Apr-21	User department proposed a contract period extension.
16	Construction of bulk water line in Khujwana Village	MDM 2020/21-040	7-Apr-21	6-Mar-22	User department proposed a contract period extension.
17	Eco Park (Xikukwane) water reticulation	MDM 2020/21-033	7-Apr-21	6-Mar-22	User department proposed a contract period extension.
18	Refurbishment, rehabilitation and upgrading of internal water reticulation network and borehole in Mokwasele	MDM 2020/21-034	7-Apr-21	6-Mar-22	User department proposed a contract period extension.
19	Ritavi II Sub-Scheme 1 Phase 02	MDM2020/21-037	10-Feb-20	9-Jan-21	User department proposed a contract period extension.
20	makhushane water scheme phase 2	MDM 2019-036	10-Feb-20	9-Jan-21	User department proposed a contract period extension.
21	makhushane water scheme phase 3	MDM 2020/21-027	19-Mar-21	18-Feb-22	User department proposed a contract period extension.
22	Mametja Sekororo RWS	MDM2019/045	29-Oct-20	28-Sep-21	User department proposed a contract period extension.
23	Mametja Sekororo RWS	MDM2019/046	29-Oct-20	28-Sep-21	User department proposed a contract period extension.
24	Sefototse to Ditshosini Bulk Water Supply -2D	MDM 2017-052/013 2D	12-Jul-18	11-Jun-19	User department proposed a contract period extension.
25	Nhlaniki Upgrading of water reticulation	MDM2020/21	26-Mar-21	25-Feb-22	User department proposed a contract period extension.
26	Refurbishment of Middle Letaba WTW Cluster 7	MDM2019/032	07-Feb-20	06-Feb-22	User department proposed a contract period extension.

7.3 Unauthorised, Irregular, Fruitless and Wasteful expenditure.

Description	Opening Balance R`000	Additions***	Total Expenditure R`000
Unauthorised expenditure	1, 128,899	0	1,128,899
Irregular expenditure	1,773,024,052	0	1,773,024,052
Fruitless and wasteful expenditure	439,457	0	439,457

**** No new UIFW was recorded in October 2022.

7.4 List of Active Panels

The table below depicts a list of all active panels of service providers in MDM.

No	Description	Contract Number	Award date	Duration
1	Travel Management Services	MDM 2021/22/011	6-Jun-22	36 Months
2	Panel of attorneys	MDM 2020/21-050	22-Sep-21	36 Months
3	Supply and delivery of General PPE	MDM 2019-008	10-Mar-20	36 Months
4	Supply and installation of Wheels, tyres and batteries	MDM 2019-001	10-Mar-20	36 Months
5	Supply and deliver of Laptops and Desktops	MDM 2019-026	10-Mar-20	36 Months
6	Supply and delivery of Fire services PPE	MDM 2019-007	10-Mar-20	36 Months
7	Psychological, Trauma and counseling	MDM 2019-005	10-Mar-20	36 Months
8	Panel of contractors for CIDB grade 1-3	MDM 2020/21-023	10-Mar-20	36 Months
9	Panel of consultants for infrastructure projects	MDM 2020/21-001	14-Sep-20	36 Months

7.5 LIST OF TERMINATED CONTRACTS

MDM has not terminated any contract during October 2022.

Submitted by

Mathevula SP