



**MAKANA**  
MUNICIPALITY | EASTERN CAPE  
MASIPALA WASEMPUMAKOLONI  
MUNISIPALITEIT | OOS-KAAP  
*...a great place to be*

## SECTION 71 REPORTS

MAY 2014

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## **Legislative Framework**

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

This report has been prepared in terms of the following framework:

- The Municipal Finance Management Act- No.56 of 2003, Section 71 and
- The Municipal Budget and Reporting Regulations

The objective of these Regulations is to secure sound financial management of the budgeting and reporting practices by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility.

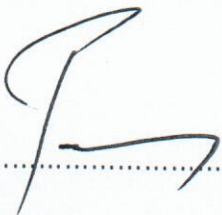
## **Report to the Executive Mayor**

In accordance with Section 71(1) of the MFMA, the Municipal Manager is required to submit statement on the status of Makana Municipality's budget reflecting the particulars up until the end of May 2014.

Section 54(1) of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projects contained in the SDBIP.

## **Recommendations**

- The content of this report and supporting documentation for May 2014 is noted.
- It be noted that the Directors ensure that the budget is implemented in accordance with the SDBIP projections and in accordance with the approved budget.
- It be noted that any material variances will receive remedial or corrective steps.



.....  
T. Mnguni  
Acting Municipal Manager

Date..... 20/06/2014 .....

### QUALITY CERTIFICATE

I, Themba Mnguni, Acting Municipal Manager of Makana Municipality, hereby certify that –

- ✓ The monthly budget statement
- Quarterly report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment

For the month of May 2014 has been prepared in accordance with the MFMA and regulations made under the Act.

Themba Mnguni  
Acting Municipal Manager of Makana Municipality EC104

Signature ..... 

Date ..... 20/06/2014 .....





# cooperative governance & traditional affairs

Department:  
Cooperative Governance and Traditional Affairs  
**REPUBLIC OF SOUTH AFRICA**

Monthly Expenditure Report Municipality Municipal Systems Improvement Grant

Municipality & Code Makana Municipality EC104

Month: M11

Part 1:	Financial Information
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A	B	C	D	E	F
	Received / Transferred to Date	Expenditure this month	Total expenditure for previous months	Overall expenditure to date	Available Balance
2012/13 Allocation R890 000	R890 000	R9 960	R716 717	R726 677	R163 283

**Part 2:** Reasons for variance

	Reasons for variance
1	Community Based Planning – R9 660
2	Automotive PMS System –
3	Upgrading Financial System –

**Part 3:** Progress Information

List of Projects	Amount Budgeted	Progress Details	Remedial Measures if no Progress
Community Base Planning	R290 000	In progress	
Automotive PMS System	R100 000	In progress	
Legal Compliance	R500 000	In progress	

**Part 4: Signature**

MB Klumalo  
CFO Signature

Ms B. Klumalo  
Name & Surname

13/06/2014  
Date



NATIONAL TREASURY (NT)						
MONTHLY REPORT - FINANCE MANAGEMENT GRANT (FMG) - DIVISION OF REVENUE ACT (DoRA)						
<small>Note - Must be faxed to - 012 - 315 5230 &amp; emailed to fmg@treasury.gov.za. The municipality is required to confirm receipt by calling 012 395 6541/6506/6542 or 012 315 5145/5322 012 395 6506/6542</small>						
<small>Note - Fields highlighted in yellow should be completed. Other fields are automated and reserved for comments. The Municipality is required to provide comments and supporting documentation where necessary.</small>						
Name of Municipality		EC104 Makana				
Financial Year		2013/14				
Month		M11 May				
<b>Section A: Previous Financial Year</b>						
Financial Management Grant Received and Expenditure Incurred		2012/13	Rand	Comment		
Total FMG received			1 500 000.00			
Total FMG Expenditure			1 500 000.00			
FMG unspent			0.00	Note - If funds committed, provide supporting documentation by 15 August		
FMG unspent and returned to the National Revenue Fund			0.00			
Total FMG unspent as at end of financial year			0.00	Note - This should be monies approved by NT as rollover		
<b>Section B: Current Financial Year</b>		2013/14	Rand	Comment		
Financial Management Grant Received and Expenditure Incurred						
Total FMG received for current financial year			1 550 000.00			
Total unspent FMG approved for rollover (Refer to Section A: A15)			0.00			
Total FMG received			1 550 000.00			
Total spent year -to-date (See last months return - Section B: A31)			953 750.99			
Total spending this month			58 977.38			
- Interns Stipend/Salary and Training			15 402.00			
- Training in support of Minimum Competency Regulations			43 575.38			
- Towards Budget and Treasury Office (BTO) capacity			0.00			
- Towards SCM/Internal Audit (IA)/Audit Committee capacity			0.00			
- Acquisition, Upgrading and Maintenance of Financial Systems			0.00			
- Preparation and compilation of Financial Statements			0.00			
- Towards implementing corrective actions to address audit findings			0.00			
- Preparation and Implementation of Financial Recovery Plans			0.00			
Total FMG spent			1 012 728.37			
Percentage spent			65.34			
Total FMG unspent for current financial year			537 271.63	Note - AQ/MM must return any unspent FMG allocations not approved for rollover, to the National Revenue Fund		
<b>Section C: (Current Financial Year)</b>						
The municipality is required to compile and submit the MFMA Support Plan to the National Treasury by 15th June, prior to the commencement of the new financial year and any amendments thereafter, within 30 days						
<b>Performance Information: Institutional</b>		Yes/No	Number	CFO Acting Yes/ No	Name of CFO	
Appointment of appropriately skilled CFO consistent with the competency regulations				Yes	Busisiwe Khumalo	
Appointment of appropriately skilled Senior Financial Managers in the BTO		Yes	1			
Appointment of appropriately skilled Internal Audit personnel		Yes	1			
Number of interns appointed			3			
<b>Section D: (Current Financial Year)</b>						
<b>Performance Information: Outputs</b>		Audit Outcome (2011/12)	Audit Outcome (2012/13)	Audit Action Plan Implemented (Yes/No)	Number of Items on Audit Action Plan completed	Number of Items outstanding this month
Audit Outcome achieved		Disclaimer	Disclaimer			
Audit Action Plan Implemented				No	0	0
<b>Internal Audit Units (IA) and Audit Committees (AC)</b>		Yes/No	Shared Outsourced Co- Sourced Inhouse	No of Resolutions and recommendations	Number Implemented	Number Outstanding
Internal Audit Unit Established			Shared			
Audit Committee Established		Yes	Shared			
Resolutions and recommendations of IA				0	0	0
Resolutions and recommendations of AC				0	0	0
<b>Reporting on Key MFMA Activities</b>		YES	NO			
Budget - Key activities for the month completed		YES		Refer to the budget timetable and the budget process		
In-year reporting - Key activities for the month completed		YES		Refer to financial & non-financial inform. for publishing		
Financial Statements - Key activities for the month completed			NO	Preparation of Trial Balance and all Accounts Reconcile		
Annual Report - Key activities for the month completed			NO	Consolidation of financial & non-financial inform. completed		
<b>Confirmation &amp; Authorization from the Accounting Officer &amp; Chief Financial Officer or Delegatee</b>						
Name of the Chief Financial Officer		Ms. B. Khumalo		Signature	Date - 13/6/14	
Name of the Accounting Officer		Theresa Mnguni		Signature	Date - 12/6/14	

**Disaster Relief Grant (DRG)  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

Municipality **EC104 Makana**

Financial Year **2013/14**

Month End **M11 May**

**Financial Accounting for Grant Funds Received and Expended**

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	8 724 000
Received This Month	0
Total DRG Funds Received	8 724 000
Spent Prior Periods (Since Inception) - See Last Months Form	1 872 000
Spent This Month	913 000
Total DRG Funds Spent	2 785 000
Total DRG funds Received and Not Spent	5 939 000
Percentage of Funds Spent	31.92%
Funds Currently Committed but Not Spent	5 939 000
Scheduled Transfers Withheld	0

(Print Name Below)

I, **Theresa Mawani**, The Accounting Officer or Delegate certify that the above information is correct and that this report has been submitted electronically as required.

Signed

Dated

**20/06/2014**

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Save file as: Muncde\_DRG\_ccyy\_Mnn.XLS (e.g. GT411\_DRG\_2009\_M01.xls)

Muncde = Municipality Code , ccyy = Financial Year End , Mnn = M01... M12



**Energy Efficiency and Demand Side Management Grant (EEDG)  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

Municipality

EC104 Makana

Financial Year 2013/14

Month End M11 May

**Financial Accounting for Grant Funds Received and Expended**

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	0
Received This Month	0
Total EEDG Funds Received	0
Spent Prior Periods (Since Inception) - See Last Months Form	0
Spent This Month	0
Total EEDG Funds Spent	0
Total EEDG funds Received and Not Spent	0
Percentage of Funds Spent	0.00%
Funds Currently Committed but Not Spent	0
Scheduled Transfers Withheld	

**Conditions:**

- Implementation of labour intensive methods in accordance with Expanded Public Works Programme (EPWP) guidelines on EEDSM projects

(Print Name Below)

I, Theresa Mnavu  
and that this report has been submitted electronically as required.

, The Accounting Officer or Delegate certify that the above information is correct

Signed

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Save file as: Muncde\_EEDG\_ccyy\_Mnn.XLS (e.g. GT411\_EEDG\_2009\_M01.xls)

Muncde = Municipality Code, ccyy = Financial Year End, Mnn = M01... M12

Dated

28/06/2014

**Finance Management Grant  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

**Municipality** **EC104 Makana**

<b>Financial Year</b>	<b>2013/14</b>
<b>Month End</b>	<b>M11 May</b>

**Financial Accounting for Grant Funds Received and Expended**

	<b>Rand</b>
Received Prior Periods (Since Inception) - See Last Months Form	1 550 000
Received This Month	0
<b>Total FMG Funds Received</b>	<b>1 550 000</b>
Spent Prior Periods (Since Inception) - See Last Months Form	953 750
Spent This Month	58 977
<b>Total FMG Funds Spent</b>	<b>1 012 727</b>
<b>Total FMG funds Received and Not Spent</b>	<b>537 273</b>
<b>Percentage of Funds Spent</b>	<b>65.34%</b>
<b>Funds Currently Committed but Not Spent</b>	<b>596 250</b>

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Save file as: Muncde\_FMG\_ccyy\_Mnn.XLS (e.g. GT411\_FMG\_2005\_M01.xls)

Muncde = Municipality Code , ccyy = Financial Year End , Mnn = M01... M12



**Municipal Infrastructure Grant (MIG)  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

**Municipality** EC104 Makana

<b>Financial Year</b>	2013/14
<b>Month End</b>	M11 May

**Financial Accounting for Grant Funds Received and Expended**

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	20 155 200
Received This Month	0
Total MIG Funds Received	20 155 200
Spent Prior Periods (Since Inception) - See Last Months Form	9 961 738
Spent This Month	4 286 943
Total MIG Funds Spent	14 248 681
Total MIG funds Received and Not Spent	5 906 519
Percentage of Funds Spent	70.69%
Funds Currently Committed but Not Spent	5 906 519
Scheduled Transfers Withheld	

**Conditions:**

- Prioritise residential infrastructure for water, sanitation, refuse removal, street lighting, solid waste, connector and bulk infrastructure, and other municipal infrastructure like roads, in line with the MIG policy framework and/or other government sector policies established before the start of the municipal financial year.
- Compliance with Chapter 5 of the Municipal Systems Act (200). Infrastructure investment and delivery must be based on an Integrated Development Plan that provides a medium to long-term framework for sustainable human settlements and is in accordance with the principles of the national Spatial Development Perspective.
- Municipalities must adhere to the labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines.
- Compliance with the Division of Revenue Act, including additional reporting requirements on spending and projects as approved by National Treasury.

(Print Name Below)

I, Thembeka Mavani  
and that this report has been submitted electronically as required.

, The Accounting Officer or Delegate certify that the above information is correct

**Signed**

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Save file as: Muncde\_MIG\_ccyy\_Mnn.XLS (e.g. GT411\_MIG\_2009\_M01.xls)

Muncde = Municipality Code , ccyy = Financial Year End , Mnn = M01... M12

**Dated**

29/06/2014



**Municipal Systems Improvement Programme Grant (MSIG)  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

**Municipality** EC104 Makana

<b>Financial Year</b>	2013/14
<b>Month End</b>	M11 May

**Financial Accounting for Grant Funds Received and Expended**

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	890 000
Received This Month	0
<b>Total MSIG Funds Received</b>	<b>890 000</b>
Spent Prior Periods (Since Inception) - See Last Months Form	726 167
Spent This Month	9 600
<b>Total MSIG Funds Spent</b>	<b>735 767</b>
<b>Total MSIG funds Received and Not Spent</b>	<b>154 233</b>
<b>Percentage of Funds Spent</b>	<b>82.67%</b>
<b>Funds Currently Committed but Not Spent</b>	<b>154 233</b>
<b>Scheduled Transfers Withheld</b>	<b>0</b>

**Conditions:**

- Submission of signed (only Municipal Manager) activity plan in a prescribed format with detailed budget and time frames on the implementation of prioritised measurable outputs.
- Submission of monthly expenditure reports by the 10th of every month and in accordance with the Division of Revenue Act.

(Print Name Below)

I, Theresa Mwanji  
and that this report has been submitted electronically as required.

, The Accounting Officer or Delegate certify that the above information is correct

**Signed**

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Save file as: Muncde\_MSIG\_ccyy\_Mnn.XLS (e.g. GT411\_MSIG\_2009\_M01.xls)

Muncde = Municipality Code, ccyy = Financial Year End, Mnn = M01... M12

**Dated**

29/06/2014

**Neighbourhood Development Partnership Grant (NDPG)  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

Municipality **EC104 Makana**

Financial Year	2013/14
Month End	M11 May

**Financial Accounting for Grant Funds Received and Expended**

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	5 841 000
Received This Month	0
Total NDPG Funds Received	5 841 000
Spent Prior Periods (Since Inception) - See Last Months Form	5 841 000
Spent This Month	0
Total NDPG Funds Spent	5 841 000
Total NDPG funds Received and Not Spent	0
Percentage of Funds Spent	100.00%
Funds Currently Committed but Not Spent	0
Scheduled Transfers Withheld	14 650 000

**Conditions:**

- The receiving officer must submit a milestone payment schedule with budgets and time frames for project implementation.
- Obtain a council resolution striving to achieve measurable outputs

(Print Name Below)

I, **THEMBA MWAJI**  
and that this report has been submitted electronically as required.

, The Accounting Officer or Delegate certify that the above information is correct

Signed

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Save file as: Muncde\_NDPG\_ccyy\_Mnn.XLS (e.g. GT411\_NDPG\_2009\_M01.xls)

Muncde = Municipality Code , ccyy = Financial Year End , Mnn = M01... M12

Dated

**25/06/2014**



**Expanded Public Works Programme Integrated Grant (PWPG)  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

Municipality

EC104 Makana

Financial Year 2013/14

Month End M11 May

**Financial Accounting for Grant Funds Received and Expended**

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	1 000 000
Received This Month	0
Total PWPG Funds Received	1 000 000
Spent Prior Periods (Since Inception) - See Last Months Form	1 041 515
Spent This Month	183 050
Total PWPG Funds Spent	1 224 565
Total PWPG funds Received and Not Spent	-224 565
Percentage of Funds Spent	122.46%
Funds Currently Committed but Not Spent	-224 565
Scheduled Transfers Withheld	0

Conditions:

(Print Name Below)

I, Theresa Mawani  
and that this report has been submitted electronically as required.

The Accounting Officer or Delegate certify that the above information is correct

Signed

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S  
Save file as: Muncde\_PWPG\_ccyy\_Mnn.XLS (e.g. GT000\_PWPG\_2013\_M01.xls)  
Muncde = Municipality Code , ccyy = Financial Year End , Mnn = M01... M12

Dated

28/06/2014



**Repairs and Maintenance by Expenditure Items  
Monthly Report as per the Division of Revenue Act**

The onus is on the municipality to confirm that the return has been received by NT

**Municipality** EC104 Makana

<b>Financial Year</b>	2013/14
<b>Month End</b>	M10 Apr

Repairs and Maintenance by Expenditure Items	Rand
Employee Related Costs	0
Other Materials	0
Contracted Services	0
Other Expenditure	332 919
<b>Total Repairs and Maintenance Expenditure</b>	<b>332 919</b>

To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Save file as: Muncde\_RME\_ccyy\_Mnn.XLS (e.g. GT411\_RME\_2012\_M01.xls)

Muncde = Municipality Code , ccyy = Financial Year End , Mnn = M01... M12

Expanded Public Works Programme Incentive Grant (EPWP)  
Monthly Report as per the Division of Revenue Act

Municipality	Financial Year Month End	2013/2014 May-14
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Makana Municipality

Financial Accounting for Grant Funds Received and Expended

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Received Prior Months (Current Financial Year)	0	0	0	0	400 000	700 000	700 000	700 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Received in the Current Month	0	0	0	0	0	0	0	0	0	0	0	0	0
Total EPWP Funds Received	0	0	0	0	400 000	700 000	700 000	700 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Spent Prior Months (Current Financial year)	24 171	83 700	107 871	107 871	204 688	242 793	301 828	347 783	448 838	590 750	870 640	1 041 515	1 041 515
Spent in the Current Month	24 171	83 700	107 871	107 871	204 688	242 793	301 828	347 783	448 838	590 750	870 640	1 041 515	1 041 515
Accumulated EPWP Expenditure	24 171	83 700	107 871	107 871	204 688	242 793	301 828	347 783	448 838	590 750	870 640	1 041 515	1 041 515
Total EPWP Funds Received and Not Spent	-24 171	-107 871	-204 688	-157 207	-398 172	-352 217	-251 162	-409 250	-279 890	-170 875	-183 050	-224 565	-224 565
Expenditure Percentage to date	0.00%	0.00%	48.83%	60.70%	43.12%	49.68%	64.12%	59.08%	87.06%	104.15%	122.46%	121.52%	121.52%
Funds Currently Committed but Not Spent													
Scheduled Transfers Withheld													

Comments:

(Print Name Below)

HEBA Ncwane

The Accounting Officer or Delegate certify that the above information is correct

and that this report has been submitted electronically as required.

Signed

Dated

20/06/2014