Lydenburg Head Office:
Tel: 013 235 7300
Fax: 013 235 1108

Sabie Unit:
Tel: 013 235 7444
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Graskop Unit:
Tel: 013 767 7448
Fax: 013 767 1611

www.tclm.gov.za

THABA CHWEU
LOCAL MUNICIPALITY

24 Hors Emergency no:
Tel: 013 235 1788
013 235 7370
Toll free: 0800 007 222

PO Box 61
Lydenburg 1120
Cnr. Viljoen & Sentraal Streets

All Correspondence to be directed
To the Municipal Manager

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Mr KP Mashego

DATE: 14 DECEMBER 2022

The Executive Mayor: CLLR MF Nkadimeng
Thaba Chweu Municipality
P O Box 61
Lydenburg
1120

Dear Madam

SUBJECT: ACKNOWLEDGEMENT OF RECIEPT: SECTION 71 REPORT FOR NOVEMBER 2022

We hereby submit the Section 71 report for the month of November 2022 as stated in the MFMA that the accounting officer of a municipality must submit by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for the month and for the financial year up to the end of that month.

Trust, you find the above in order.

Yours Sincerely

Ms K.P Molapo
Manager Budget and Treasury

MR K.K Rakgatla
Secretary of the Executive Mayor
Acknowledgement of receipt
Date: 16/01/2023

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MEMORANDUM

TO : **MR. MP MANKGA (THE ACTING MUNICIPAL MANAGER)**
FROM : **MR. KP MASHEGO (THE DEPUTY CHIEF FINANCIAL OFFICER)**
DATE : **14 DECEMBER 2022**
SUBJECT : **MFMA MONTHLY REPORT**

Dear Sir

S71 of the MFMA states that;

1. The accounting officer of a municipality must by no later than 10 working days after the end of each month, submit the municipality and the relevant provincial treasury a statement in the prescribed format on the municipality's budget reflecting the following particulars for the month and the financial year up to the end of the month;

- Service Charges
- YTD Budget Collection Rate (year to date)
- Debtors Age Analysis by Consumer Group
- Revenue Raised from Conditional Grants.
- Capital Expenditure Performance
- Operating Expenditure Performance
- Bank Balances

Attached hereto is the report for the month of NOVEMBER 2022.

I trust you will find the above in order.

Kind Regards

Mr. KP MASHEGO
THE DEPUTY CHIEF FINANCIAL OFFICER
Date: 14/12/2022

THABA CHWEU LOCAL MUNICIPALITY

SECTION 71 REPORT FOR THE MONTH OF NOVEMBER 2022-2023 FY

FINANCE REPORT ON SECTION 71 OF THE MFMA

MONTHLY BUDGET STATEMENT FOR NOVEMBER 2022

1. PURPOSE

1.1. The purpose of the item is to report to the executive mayor about the state of the municipality`s budget in terms of section 71 of the MFMA.

2. LEGISLATIVE FRAME WORK

2.1. Constitution of the Republic, Act 108 of 1996
2.2. Municipal Systems Act, Act 32 of 2000
2.3. Municipal Finance Management Act, Act 56 of 2003
2.4. Division of Revenue Act 2013

3. BACKGROUND

3.1. The monthly budget statement is done and compiled in a prescribed format and it relates to the state of municipality`s budget, among others reflecting the following particulars:

- Actual revenue per revenue source
- Actual expenditure per vote
- Actual capital expenditure per vote
- Amount of any allocation received, and
- Actual expenditure on those allocations.

3.2. It is the legislative requirement that an explanation of any material variance in terms of the income and expenditure projections as well as the service delivery and budget implementation plan (SDBIP) must be provided.

3.3. The mentioned explanations must be accompanied by the remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality`s approved budget.

4. INTRODUCTION

4.1. The monthly budget statement is hereby presented in terms of section 71 of the municipal finance management Act, Act 56 of 2003; its purpose is to reflect among others the general financial performance considering what has been budgeted for at the beginning of the financial year.

5. DELIBERATIONS/ DISCUSSION

The municipality`s monthly budget statement for the period of NOVEMBER 2022 is hereby summarised and presented as follows:

5.1 SERVICE CHARGES

Type	BudgetedRevenue	Special Adjustment MFMA s28(2)g	MonthlyBilling	Monthly Collection	Collection Rate
Property Rates	R 116 112 863.00	R 116 112 863.00	R 8 378 736.58	R 5 607 280.77	67%
Water	R 59 721 324.00	R 59 721 324.00	R 3 234 211.86	R 2 930 055.73	91%
Sewerage	R 21 978 044.00	R 21 978 044.00	R 1 162 803.64	R 759 108.41	65%
Electricity	R 235 879 021.00	R 235 879 021.00	R 14 195 468.86	R 13 667 126.93	96%
Refuse	R 25 791 150.00	R 25 791 150.00	R 1 479 472.49	R 981 842.85	66%
TOTAL	**R 459 482 402.00**	**R 459 482 402.00**	**R 28 450 693.43**	**R 23 945 414.69**	**84%**

- The monthly collection rate for services is less than the norm (95%) of the billed revenue.

5.2 YTD BUDGET COLLECTION RATE (YEAR TO DATE):

Own Revenue Category	Annual Budget	Special Adjustment MFMA s28(2)g	YTD Collection
Rates and Service Charges	R 459 482 402.00	R 459 482 402.00	R 120 460 519.41
Other Revenue	R 35 821 154.00	R 35 821 154.00	R 8 457 357.29
Transfers and subsidies (grants)	R 308 773 000.00	R 308 773 000.00	R 122 277 000.00
Interest on outstanding debtors	R 24 215 752.00	R 24 215 752.00	R 1 305 200.29
Interest earned on external investment	R 491 694.00	R 491 694.00	R 397 733.96
TOTAL	**R 828 784 002.00**	**R 828 784 002.00**	**R 252 897 810.95**

5.3 DEBTORS AGE ANALYSIS BY CONSUMER GROUP (R'000):

ACCOUNT_TYPE	202212 (Current)	202211 (30 Days)	202210 (60 Days)	202209 (90 Days)	202208 (120 Days)	202207 (150 Days)	202206 (180 Days)	202205-202201 (210	202112+ (Ove	Total	Written Of
AGRICULTURAL	-18971.88	1286043.38	-1061643.01	511480.02	1128215.44	1127142.71	-19286.58	4873187.98	83452792.39	91278960.45	0
BUSINESS	19313.93	4393527.34	1225696.1	1257844.78	1078716.3	1051950.85	1016682.77	2834135.17	19773143.23	32651010.47	23395.01
INDUSTRIAL	522.65	874885.3	440067.74	406561.99	376369.11	189055.64	306423.69	1974602.35	12383407.17	16951895.64	0
MINING	0	672.21	672.21	672.21	672.21	883.2	842.88	4214.4	26743.14	35372.46	0
MULTIPLE USE P	-33649.76	879604.54	111103.82	657488.75	682847.98	679885.77	642426.91	2335064.49	30756722.45	36711494.95	0
PUBLIC BEN ORG	-1003	224682.21	75564.28	47637.27	46747.19	56863.55	36179.07	179662.29	1458224.45	2124557.31	0
PROTECTED AREA	0	2534.45	2534.45	2357.63	2357.63	2357.63	2180.82	10078.89	506564.59	530966.09	0
PUBLIC SERVINFR	-174.18	46728.43	45984.31	41566.42	41673.46	41213.37	39704.08	171609.93	2041810.35	2470116.17	0
PUBLIC SERVPURP	-6869.8	-231230.85	-5398082.86	182851.11	305714.66	233935.77	-1744141.31	260313.06	-2505346.6	-8902856.82	23000
RESIDENTIAL	-1088947.74	10243156.31	7284961.37	7672435.18	7192775.56	7202078.35	6251835.09	29129700.75	252225947.8	326113942.7	-1769861
RESIDENTIAL OTH	-13772.28	1191998.32	613946.74	290379.27	554977.71	555578.64	484209.67	1848580.9	10327934.14	15853833.11	0
UNDEVELOPED	-37988	2014787.55	1383458.7	1870758.49	1670946.76	1575855.46	1500107.94	7863460.74	74227529.77	92068917.41	-4024.64
TOTAL	-1181540.06	20927389.19	4724263.85	12942033.12	13082014.01	12716800.94	8517165.03	51484610.95	484675472.9	607888209.9	-1727491

- The municipality debtor's book increased with R 10 Million when compared to previous month. Residential households owe the municipality around 56%.

5.4 REVENUE RAISED FROM CONDITIONAL GRANTS:

Grant Description	Original Allocation	Grant Received to Date	Value of Condition met	Liability Balance	Expenditure in %
Equitable Share	R 187 934 000	R 73 294 000	R 73 294 000	R -	100%
Finance Management Grant (FMG)	R 3 000 000	R 3 000 000	R 548 132	R 2 451 868	18%
Expanded Public Works Programme (EPWP)	R 1 932 000	R 483 000	R 1 507 969	-R 1 024 969	312%
Municipal Infrastructural Grant (MIG)	R 53 907 000	R 33 000 000	R 12 255 968	R 20 744 032	37%
Water Service Infrastructure Grant (WSIG)	R 40 000 000	R 3 000 000	R -	R 3 000 000	0%
Regional Bulk Infrastructure	R 2 000 000	R 1 000 000	R -	R 1 000 000	0%
Integrated National Electrification	R 20 000 000	R 8 500 000	R 564 816	R 7 935 184	7%
GRANT TOTAL	**R 308 773 000**	**R 122 277 000**	**R 88 170 885**	**R 34 106 115**	**72%**

- The municipality realized 100% spending on Equitable Share.

5.5 OPERATING EXPENDITURE PERFORMANCE:

TYPE	ORIGINAL BUDGET	SPECIAL ADJUSTMENT MFMA s28(2)g	ACTUAL NOVEMBER 2022	YTD EXPENDITURE	%
Employee Costs	R 254 915 983.00	R 254 915 983.00	R 19 178 434.23	R 94 904 927.66	37%
Councillors Remuneration	R 14 122 691.00	R 14 122 691.00	R 1 027 661.57	R 5 318 706.76	38%
General Expenses	R 535 642 525.00	R 535 642 525.00	R 36 985 835.10	R 226 693 376.38	42%
Repairs & Maintenance	R 80 370 000.00	R 80 370 000.00	R 7 415 699.77	R 26 894 146.51	33%
TOTAL	**R 885 051 199.00**	**R 885 051 199.00**	**R 64 607 630.67**	**R 353 811 157.31**	**40%**

5.6 CAPITAL EXPENDITURE PERFORMANCE:

The following information relates to capital expenditure incurred through Own Funding and Conditional grants:

PROJECTS BY VOTE	ORIGINAL BUDGET	SPECIAL ADJUSTMENT MFMA s28(2)g	ACTUAL EXPENDITURE NOVEMBER 2022	YTD EXPENDITURE	% YTD/BUDGET
WATER PROJECTS	R 31 119 857.00	R 7 362 410.92	R 665 874.63	R 2 350 441.26	32%
ELECTRICITY	R 20 000 000.00	R 20 000 000.00	R 564 815.84	R 564 815.84	3%
SANITATION PROJECTS	R 61 313 114.00	R 62 335 613.47	R 1 957 780.93	R 2 740 402.78	4%
ROADS	R 778 729.00	R 23 513 675.18	R -	R 5 728 434.41	24%
VEHICLE	R 1 000 000.00	R 1 000 000.00	R -	R -	0%
MACHINERY & EQUIPMENT	R 4 450 000.00	R 4 450 000.00	R 28 500.00	R 58 105.00	1%
MINI SUBSTATIONS & TRANSFOMERS	R 7 200 000.00	R 7 200 000.00	R -	R 3 217 672.95	45%
TOTAL	**R 125 861 700.00**	**R 125 861 699.57**	**R 3 216 971.40**	**R 14 659 872.24**	12%

5.7. INVESTMENT PORTFOLIO AND BANK BALANCES:

BANK	-
Standard Bank Primary Account	26 017 750.69
Standard Bank Call 1 : POST OFFICE GUARANTEE	131 983.51
Standard Bank Call 2 : MIG CALL ACCOUNT	**109 248.97**
Standard Bank Call 3 : MWIG CALL ACCOUNT	13 441.58
Standard Bank Call 4 : RINGFENCE ELEC CALL ACCOUNT	5 517.77
Standard Bank Call 7 : INVESTMENT ACCOUNT	1 633.02
TOTAL BANK BALANCE	**26 279 575.54**

IMPLICATIONS:

6.1. Legal implications

Compilation and submission of the monthly budget statement to the executive is a legislative requirement, the non-submission thereof has implications.

6.2. Financial implications

There are no financial implications since the monthly budget statement is done in house.

6. CONCLUSION:

It should be noted that monthly budget statement is prepared in terms of Section 71 of the MFMA

8.1. RECOMMENDATIONS BY THE MUNICIPAL MANAGER

It is recommended that the monthly budget statement for the month of NOVEMBER 2022 be approved.