

**MFMA Section 52D Performance Report –
Fourth Quarter
2023/2024**

-1 INTRODUCTION

This report presents performance activities of the fourth quarter of 2023/2024 financial year. The report is a requirement as per section 52 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which provides for the Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality.

The format of the report should be compliant with the 2023/2024 Service Delivery and Budget Implementation Plan (SDBIP) as adopted by council.

The report encompasses respective departmental performance from period 01 April to 30 June 2024.

Seven (7) departments including the office of the municipal manager are reported on:

- ✚ Office of the Municipal Manager
- ✚ Budget and Treasury Office
- ✚ Corporate Services
- ✚ Community Services
- ✚ Local Economic Development and Tourism Department
- ✚ Infrastructure Service
- ✚ Rural Development and Agriculture

The first section of the report contains the Monthly Budget Statements for the three months April, May and June 2024 as required by section 71 of the MFMA. In this section, a report on the financial state of the municipality is presented.

The second section of the report contains supply chain management implementation report for the period.

PART 1: PERFORMANCE REPORT

The report encompasses respective departmental performance from period 01 April to 30 June 2024.

Department (VOTE)	Responsible Official
Office of the Municipal Manager (Vote: Executive and Council)	Municipal Manager - Me. TPM Lebenya
Chief Financial Officer (Vote: Finance and Administration)	Chief Financial Officer – Mr. MD Mhlahlo
Corporate Services (Vote: Finance and Administration: HR, Admin.)	Director Corporate Services – Mr RS Mokoena
Infrastructure Services (Vote: Water, Sanitation, Roads and Electricity)	Director Technical Services – Mrs M Nkomo
Local Economic Development (Vote: LED)	Director Community Services – Mr MS Lengoabala
Community Services (Vote: Community Services)	Director Community Services – Mr MS Lengoabala
Rural Development and Agriculture	Director Community Services – Mr MS Lengoabala

PART 2: FINANCIAL STATE OF THE MUNICIPALITY

2.1 The overall operating results for the quarter ending 30 June 2024.

Description	Approved Budget	Adjustment Budget	Quarter Results	Year to date (YTD)	%
INCOME					
Operating Revenue	199 209 390	200 172 345	3 189 706	161 390 918	81%
EXPENDITURE					
Operating Expenditure	184 407 390	186 615 370	48 471 910	163 883 474	88%
Capital Expenditure	14 802 000	13 556 975	965 647	1 284 539	9%
TOTAL EXPENDITURE	199 209 390	200 712 345	49 437 557	165 168 013	82%
Surplus / (Deficit)	-	-	(46 247 851)	(3 777 095)	

The municipality received income for the fourth quarter amounting to R 3 189 706 and the total income received for the year amounts to R 161 390 918 which represents 81% of the total Approved budget of R200 172 345.

The municipality's operating expenditure for the fourth quarter amounts to R 49 437 557 and total expenditure for the year amounts to R 165 168 013 which represents 88% of the total operating expenditure budget of R 186 615 370.

The Capital expenditure for the fourth quarter amounts to R 965 647 and the total capital expenditure for the year amounts to R1 284 539 which represents 9% of the total capital budget of R 13 556 975.

2.2 Actual Revenue, per revenue source

Source of Income	Revenue		Variance	Explanation of material differences
	Projected for 4 th Quarter	Actual received for the 4 th Quarter		
Equitable Share	-	-	-	NONE
FMG	-	-	-	NONE
EPWP Grant	-	-	-	NONE
Rural Assets Man	-	-	-	NONE
Energy Efficiency & Demand Grant	-	-	-	NONE
AGRI-Seta Grant	0	330 000	(330 000)	Revenue for grant was projected to be received in the 2024-2025 financial year
Interest Received	1 365 884	1 384 129	(18245)	A large sum of investment was made which yielded in higher interest being received for the quarter.
Other Revenue	11 519 242	1 475 578	(10 043664)	Other revenue received is less than the projected revenue due to depreciation being a noncash item and cash back reserves not being utilised.
TOTAL INCOME	13 545 126	3 189 707	(10 391 909)	

2.3 Short term Investments as of 30 June 2024

Banking Institution	Type of Account	Opening Balance	Investment Amount	Interest Earned	Amount Withdrawn	Closing Balance
ABSA	Fixed Deposit	18 339 570	-	1 705 324	10 000 000	10 044 895
ABSA	Call Account	63	15 007 008	306 996	10 007 008	5 307 059
ABSA	Call Account	3 313 049	-	283 635	-	3 596 684
ABSA	Call Account	3 292 446	10 000 000	973 791	-	14 266 236
NEDBAN K	Call Account	6 664 459	-	569 112	-	7 233 571
TOTAL		31 609 587	25 007 008	3 838 858	20 007 008	40 448 445

At the end of the fourth quarter the municipality showed a positive bank balance of R 40 448 445 on all investment accounts

2.4 Actual Expenditure per category

Operating Expenditure per Category	Approved Budget	Expenditure		(YTD) Expenditure	% Exp to date
		Projected per quarter	Actual per 4 th Quarter		
Employee Cost	104 896 351	26 224 088	24 340 017	98 828 124	94%
Councillors Allowance	9 196 504	2 299 126	2 218 474	9 281 823	101%
General Expenditure	69 347 395	17 336 849	21 314 762	53 465 731	77%
Property, Plant and Equipment	13 556 975	3 389 244	965 647	1 284 539	9%
Depreciation	3 175 120	793 780	598 657	2 307 795	73%
TOTAL	200 175 345	50 043 086	49 437 557	165 168 013	83%

2.5 Actual Expenditure per Vote including Capital.

Department	Expenditure		Variance	%Exp
	Projected per Quarter	Actual Results per quarter		
Office of the Speaker	1 576 043	1 299 227	346 819	82%
Office of the Chief Whip	171 198	164 602	6 596	96%
MAYCO and Council	2 578 126	2 298 656	279 470	89%
Office of the Executive Mayor	3 377 132	2 907 521	469 611	86%
Municipal Manager	8 151 849	7 742 942	408 907	95%
IDP	569 246	467 438	101 808	82%
LED	1 255 216	1 015 178	240 038	81%
Budget and Treasury	6 062 534	4 930 685	1 131 848	81%
Corporate Services	15 140 944	14 001 417	4 674 471	92%
Community Services	8 721 744	6 731 697	1 990 047	77%
Infrastructure	8 743 873	5 693 486	3 050 387	65%
Rural Development and Agricultural	2 409 179	2 184 707	224 472	91%
	58 757 084	49 437 557	9 319 528	84%

Variance analysis

- An underspending of 23% in Community service department is a result of procurements not being made in line with the fourth quarter SDBIP project plan.
- An underspending of 35% in Infrastructural & Technical services is due to capital projects not achieved as projected in the fourth quarter SDBIP project plan.