



**REPORT OF THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL  
FOURTH QUARTER PERFORMANCE REPORT (Municipal Finance Management Act,  
Section 52(d))**

**1. EXECUTIVE SUMMARY**

The purpose of this item is to report to Council on progress made in terms of the quarterly performance report for the quarter ended 30 June 2023.

**2. BUSINESS PLAN**

None

**3. COMPLIANCE WITH STRATEGIC OBJECTIVE**

Good governance

**4. POLICY**

TMDM Financial Management Policy.

**5. ANNEXURE**

Fourth Quarter Performance Report

**6. DELEGATED AUTHORITY**

Council

**7. LEGAL REQUIREMENTS**

Municipal Finance Management Act No. 56 of 2003

**8. BACKGROUND**

Municipal Finance Management Act Sec. 52(d), the Executive Mayor of a municipality must within 30 days of the end of each quarter, submit a report to Council on the implementation of the budget and financial state of affairs of the municipality.

**9. FINANCIAL IMPLICATIONS**

The total operating income received amounts to	R 3 354 793
The total operating expenditure amounts to	R 38 303 889
The total capital expenditure amounting to	R 320 117

**10. STAFF IMPLICATIONS**

None

**11. RISK IMPLICATIONS**


Non-compliance with MFMA sec. 52(d)

**12. RECOMMENDATION**

It is recommended that

- Council approves the section 52(d) report for the quarter ended 30 June 2023 (April to June 2023) be noted and accepted.

**13. RECOMMENDED FOR SUBMISSION**

  
Cllr. AC Msibi  
Executive Mayor

**MFMA Section 52D  
Performance Report –  
Quarter 4  
2022/2023**

## -1 INTRODUCTION

This report presents performance activities of the fourth quarter of 2022/2023 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 2022/2023 Service Delivery and Budget Implementation Plan (SDBIP) as adopted by council.

The report encompasses respective departmental performance from period 01 April to 30 June 2023. 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 2023 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 2023 to 30 June 2023.

Department (VOTE)	Responsible Official
Office of the Municipal Manager (Vote: Executive and Council)	Me. TPM Lebenya
Chief Financial Officer (Vote: Finance and Administration)	Acting CFO – Mr. MD Mhlahlo
Corporate Services (Vote: Finance and Administration: HR, Admin.)	Acting Director Corporate Services – Mr B Ngwenya
Infrastructure Services (Vote: Water, Sanitation, Roads and Electricity)	Mr. MB Mphahlele
Local Economic Development (Vote: LED)	Mr. MS Lengoabala
Community Services (Vote: Community Services)	Mr. MS Lengoabala
Rural Development and Agriculture	Mr. MS Lengoabala

**PART 2: FINANCIAL STATE OF THE MUNICIPALITY****2.1 The overall operating results for the quarter ending 30 June 2023.**

Description	Approved Budget	Approved Adjustment Budget	Quarter Results	Year to date (YTD)	%
<b>INCOME</b>					
Operating Revenue	178 494 245	181 282 856	3 354 793	160 956 025	90%
<b>EXPENDITURE</b>					
Operating Expenditure	(174 492 245)	(177 185 857)	(38 303 889)	(150 831 795)	85%
Capital Expenditure	(4 002 000)	(4 097 000)	(320 117)	(1 183 674)	29%
<b>TOTAL EXPENDITURE</b>	<b>(178 494 245)</b>	<b>(181 282 856)</b>	<b>(38 624 006)</b>	<b>(152 015 469)</b>	<b>84%</b>
Surplus / (Deficit)	-		-35 269 213	8 940 556	

The municipality received income for the fourth quarter amounting to R 3 354 793 and the total income received for the year amounts to R 160 956 025 which represents 90% of the total Approved adjustment budget of R181 282 856.

The municipality's operating expenditure for the fourth quarter amounts to R 38 303 889 and total expenditure for the year amounts to R 150 831 795 which represents 85% of the total operating expenditure budget of R 177 185 857.

The Capital spending for the third quarter amounts to R 320 117 and the total capital expenditure for the year amounts to R1 183 674 which represents 29% of the total capital budget of R 4 097 000.

## 2.2 Actual Revenue, per revenue source

Source of Income	Revenue		Variance	Explanation of material differences
	Projected for 4th Quarter	Actual received for the 4th Quarter		
Equitable Share	0	0	-	NONE
FMG	0	0	-	NONE
EPWP Grant	0	0	-	NONE
Rural Assets Man	0	0	-	NONE
Energy Efficiency & Demand Grant	0	0	-	NONE
Interest Received	980 859	1 221 035	240 177	A large sum of investment was made which yielded in higher interest being received for the quarter.
Other Revenue	1 032 823	2 133 757	1 100 934	Other revenue increased due to VAT refund received for the quarter.
<b>TOTAL INCOME</b>	<b>2 013 682</b>	<b>3 354 792</b>	<b>1 341 110</b>	

## 2.3 Short term Investments as of 30 June 2023

Banking Institution	Type of Account	Capital Invested	Interest Received	Investment Made	Amount withdrawn	Closing
ABSA	Fixed Deposit 32-Days	-	-	-	-	-
ABSA	Fixed Deposit Liquidity Plus	62.94	-	-	-	62.94
ABSA	Call Account 1	17 025 866	1 313 705	-	-	18 339 571
ABSA	Call Account 2	3 185 318	207 731	-	(80 0000)	3 313 049
ABSA	Call Account 3	6 789 401	1 503 204	45 000 000	(50 000 000)	3 292 446



NEDBANK	Fixed Deposit 32-Days	-	-	-	-	-
NEDBANK	Call Account	6 250 767	413 692	-	-	6 664 459
<b>TOTAL</b>		<b>33 251 415</b>	<b>3 438 332</b>	<b>45 000 000</b>	<b>(50 080 000)</b>	<b>31 609 587</b>

At the end of the fourth quarter the municipality showed a positive bank balance of R 331 609 587 on all investment accounts

#### 2.4 Actual Expenditure per category

Operating Expenditure per Category	Approved Budget	Approved Adjustment Budget	Expenditure		(YTD) Expenditure	% Exp to date
			Projected per quarter	Actual per 4th Quarter		
Employee Cost	102 484 838	98 132 217	25 621 210	22 679 302	89 352 980	91%
Councillors Allowance	9 110 477	9 344 542	2 336 136	2 413 909	8 958 670	96%
General Expenditure	58 775 138	65 587 306	16 396 827	12 744 259	49 973 620	76%
Property, Plant and Equipment	4 002 000	4 097 000	1 024 250	320 117	1 183 674	29%
Depreciation	4 121 792	4 121 792	1 030 449	466 419	2 546 524	62%
<b>TOTAL</b>	<b>178 494 245</b>	<b>181 282 857</b>	<b>46 408 872</b>	<b>38 624 006</b>	<b>152,015,468</b>	<b>84%</b>

## 2.5 Actual Expenditure per Vote including Capital.

Department	Expenditure		Variance	%Exp
	Projected per Quarter	Actual Results per quarter		
Office of the Speaker	1 552 062.50	1 686 451.87	-134 389.37	109%
Office of the Chief Whip	162 825.50	143 978.28	18 847.22	88%
MAYCO and Council	2 600 564.25	2 503 424.96	97 139.29	96%
Office of the Executive Mayor	3 385 945.00	2 926 351.55	459 593.45	86%
Municipal Manager	6 582 558.00	5 181 742.82	1 400 815.18	79%
Governance and Strategic support	615 704.00	573 946.80	41 757.20	93%
LED and Tourism	1 138 303.50	1 006 422.10	131 881.40	88%
Budget and Treasury	5 432 938.00	3 221 984.24	2 210 953.76	59%
Corporate Services	9 052 060.25	7 159 512.56	1 892 547.69	79%
Community Services	6 509 265.25	6 854 048.09	-344 782.84	105%
Infrastructure	7 386 322.75	6 669 736.22	716 586.53	90%
Rural Development and Agricultural	1 026 297.00	696 406.56	329 890.44	68%
	45 444 846.00	38 624 006.05	6 820 839.95	85%

### Legends