



**LIMPOPO**

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**PROVINCIAL TREASURY**

Enq: Mulenga S

Date: 01 July 2010

Director-General: National Treasury  
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0001

**Fax: (012) 315 5230**

Attention: Mr. J. Hattingh

**MUNICIPAL FINANCE MANAGEMENT ACT (ACT 56 OF 2003)(MFMA): IN-YEAR-MONITORING: SECTION 71 (6) REPORTING: MAY 2010**

1. In terms of section 71(6) of the MFMA the Provincial Treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
2. Attached please find the Limpopo Provincial Treasury's MFMA section 71(6) consolidated statements and a related narrative report as at 31<sup>st</sup> May 2010.

  
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**HEAD OF DEPARTMENT**  
**PROVINCIAL TREASURY**

**LIMPOPO PROVINCIAL TREASURY**  
**Municipal Budget Performance**  
**Consolidated Statement as at 31<sup>st</sup> May 2010**

**INTRODUCTION**

This consolidated budget statement and report covers the financial performance of municipalities for the period ending 31<sup>st</sup> May 2010.

The consolidated statement assesses the in-year financial performance of municipalities against their budgeted revenue and expenditure. The assessment of the in-year financial performance will be based on the s71 returns which include capital and operating budgets as well as debtors, creditors and cash flow that were submitted by the municipalities. The focus of this assessment is on the credible implementation of municipal budgets in relation to the IDP and SDBIP.

**LEGISLATIVE FRAMEWORK**

In terms of section 71(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasuries a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- a) Actual revenue, per revenue source;
- b) Actual borrowings;
- c) Actual operating expenditure, per vote;
- d) Actual capital expenditure, per vote;
- e) The amount of any allocation received;
- f) Actual expenditure on those allocations, excluding expenditure on –
  - i. Its share of the local government equitable share; and
  - ii. Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph and;
- g) When necessary, an explanation of –
  - iii. Any material variance from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
  - iv. Any material variance from the service delivery and budget implementation plan; and
  - v. Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remains within the municipality's approved budget.

Furthermore, according to section 71(6) the Provincial Treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the Municipalities' budget.

## **OVERVIEW OF THE PROVINCE**

### **COMPLIANCE WITH SUBMISSION OF RETURNS, AND TO TIMEFRAMES**

Table 1 below shows the submission trend of the s71 reports for May 2010 reports. The MFMA requires that the S71 reports be submitted in both electronic and hard copy no later than 10 working days after closure of the relevant month. It can be noticed from this table that in April 2010; Seven municipalities which are Capricorn , Makhuduthamaga , Fetakgomo, Greater Letaba, Waterberg, Lephalale and Modimolle submitted a hard copy of the S71 reports as required by MFMA S71(4). As indicated in the previous report this trend is not improving though PT engaged the municipalities in this regard during the 2009 budget workshops. However, non-compliance in this regard mean more work still needs to be done.

According to the NT's prescribed S71 reporting formats, municipalities are required to send five returns on a monthly basis, being the CAA- capital revenue and expenditure, OSA- operating revenue and expenditure, AD- debtors age list, AC- Creditors age list and CFA- cash flow. The table below clearly indicates the returns submitted by each municipality.

There is a huge improvement in terms of submission regarding S71 reports, for the month of May 2010 all thirty municipalities submitted their reports though some did not submit all the five reports and there were some municipalities that submitted their reports late after the due date. Municipalities that did not submit their May 2010 reports on time are Maruleng and Mutale. Letters of non-compliance were sent due to incomplete returns and none submission

Table 1 : Summary of returns submitted on 31<sup>st</sup> May 2010

Municipality	May-10			Documents sent
	Old/new version	Date of submission		
		Electronic	Hard copy	
DC 35 - CAPRICON	NEW	10.06.2010	10.06.2010	CFA, AC, AD, CAA, OSA
LIM 351 - BLOUBERG	NEW	18.06.2010		AC,AD,CAA
LIM 352 - AGANANG	NEW	14.06.2010		CFA, AC, AD, CAA, OSA
LIM 353 - MOLEMOLE	NEW	14.06.2010		CFA, AC, AD, CAA, OSA
LIM 354 - POLOKWANE	NEW	08.06.2010		CFA, AC, AD, CAA, OSA
LIM 355 - LEPELLE-NKUMPI	NEW	15.06.2010		CFA, AC, AD, CAA, OSA
DC - 47 - GREATER SEKHUKHUNE	NEW	15.06.2010		CFA, AC, AD, CAA, OSA
LIM 471 - EPHRAIM MOGALE	NEW	09.06.2010		CFA, AC, AD, CAA, OSA
LIM 472 - ELIAS MOTSOLEDI	NEW	14.06.2010		CFA, AC, AD, CAA, OSA
LIM 473 - MAKHUDUTHAMAGA	NEW	14.06.2010	14.06.2010	CFA, AC, AD, CAA, OSA
LIM 474 - FETAKGOMO	NEW	14.06.2010	14.06.2010	CFA, AC, AD, CAA, OSA
LIM 475 - GREATER TUBATSE	NEW	07.06.201		CFA, AC, AD, CAA, OSA
DC 33 - MOPANI	NEW	08.06.2010		CFA, AC, AD, CAA, OSA
LIM 331 - GREATER GIYANI	NEW	16.06.2010		CFA, AC, AD, CAA, OSA
LIM 332 - GREATER LETABA	NEW	14.06.2010	14.6.2010	CFA, AC, AD, CAA, OSA
LIM 333 - GREATER TZANEEN	NEW	11.06.2010		CFA, AC, AD, CAA, OSA
LIM 334 - BA- PHALABORWA	NEW	09.06.2010		CFA, AC, AD, CAA, OSA
LIM 335 - MARULENG				
DC 36 - WATERBERG	NEW	11.06.2010	11. 06.210	CFA, AC, AD, CAA, OSA
LIM 361 - THABAZIMBI	NEW	02.06.2010		OSA, CAA,AD,AC,CFA
LIM 362 - LEPHALALE	NEW	14.06.2010	14.06.2010	CFA, AC, AD, CAA, OSA
LIM 364 - MOOKGOPONG	NEW	14.06.2010		OSA, CAA, AD, AC
LIM 365 - MODIMOLLE	NEW	14.06.2010	14.6.2010	CFA, AC, AD, CAA, OSA
LIM 366 - BELA-BELA	NEW	15.06.2010		CFA, AC, AD, CAA, OSA
LIM 367 - MOGALAKWENA	NEW	14.06.2010		AC, AD, CAA, OSA,CFA
DC 34 - VHEMBE	NEW	09.06.2010		CFA, AC, AD, CAA, OSA
LIM 341- MUSINA	NEW	14.06.2010		CFA, AC, AD, CAA, OSA
LIM 342 - MUTALE				
LIM 343 - THULAMELA	NEW	24.06.2010		AC,AD
LIM 344 - MAKHADO	NEW	07.06.2010		CFA, AC, AD, CAA, OSA

## **IMPLEMENTATION OF MUNICIPAL BUDGETS**

### **Financial Performance**

This section of the report focuses on the financial health of the municipality as reflected in the May 2010 monthly budget statement submitted. Information regarding revenue collection and expenditure is detailed in this section.

### **Operating Revenue**

The operating revenue performance for the month of May reflects that municipalities generated an amount of R 1,305 million and an accumulated amount R 9,683 billion or 112 per cent of the total adjusted operating revenue budget of R8.623 billion.

The result in the above paragraph is informed by the performance of the five districts, from which analysis shows that Sekhukhune district has performed the worst at 39 per cent. The good performance by Makhuduthamaga which collected 100% of its budget and Greater Tubatse which collected 96% is clouded by the poor performance of the other municipalities within the Sekhukhune District; especially the district municipality itself; which has not made any collection thus far.

On the other hand, the highest performing district is Vhembe (214%) whereby the district itself has to date collected 334% of the budgeted annual revenue. This might not be a true reflection for the district or else they might be serious under budgeting by the district municipality and its locals; which as per expectation, should have been rectified during the adjustment budget processes.

District performance shows that of the R 1,305 million generated for the month of April, Sekhukhune collected 3 percent , Mopani 13 per cent, Vhembe 59 per cent, Capricorn 19 per cent and Waterberg 5 per cent. Mopani, Capricorn and Waterberg show good and acceptable performance and there is an increase in their performance as compared to the month of April 2010.

While Vhembe shows outstanding performance and it also shows an increase in revenue performance for April it was 68 percent and it decreased to 59 percent in May 2010. Sekhukhune district is under performing and it shows no improvement because its revenue performance for April 2010 was 3 percent and remained the same for May 2010.

Table 2: Operating revenue 31<sup>st</sup> May 2010

Code	Municipality	Financial Performance			
		Total Revenue			
		Original/ad justed budget	Actual receipts for the month	Actual receipts year to date	Actual receipts to date as % of budget
R million					
NP03a2	Makhuduthamaga	112	–	111	100%
NP03a3	Fetakgomo	43	2	26	61%
NP03a4	Greater marble Hall	108	7	59	55%
NP03a5	Greater Tubatse	145	12	140	96%
NP03a6	Elias Motsoaledi	236	18	123	52%
DC47	Greater Sekhukhune	536	–	0	0%
<b>Sekhukhune</b>		<b>1,174</b>	<b>39</b>	<b>460</b>	<b>39%</b>
NP331	Greater Giyani	117	3	102	87%
NP332	Greater Letaba	119	29	146	122%
NP333	Greater Tzaneen	587	57	523	89%
NP334	Ba-Phalaborwa	273	12	190	70%
NP335	Maruleng	65	13	90	139%
DC33	Mopani District	481	59	421	88%
<b>Mopani District</b>		<b>1,643</b>	<b>172</b>	<b>1,472</b>	<b>90%</b>
NP341	Musina	93	12	123	132%
NP342	Mutale	92	4	62	68%
NP343	Thulamela	373	28	438	118%
NP344	Makhado	481	22	362	75%
DC34	Vhembe District	1,036	709	3,466	334%
<b>Vhembe</b>		<b>2,076</b>	<b>773</b>	<b>4,452</b>	<b>214%</b>
NP351	Blouberg	107	1	186	174%
NP352	Aganang	47	0	52	110%
NP353	Molemole	58	11	85	148%
NP354	Polokwane	1,652	99	1,044	63%
NP355	Lepelle-Nkumpi	261	6	198	76%
DC35	Capricorn District	190	33	566	298%
<b>Capricorn</b>		<b>2,316</b>	<b>252</b>	<b>2,132</b>	<b>92%</b>
NP361	Thabazimbi	167	1	88	53%
NP362	Lephalale	205	7	358	174%
NP363	Mookgophong	80	6	73	92%
NP364	Modimolle	157	17	123	78%
NP365	Bela-Bela	140	13	132	94%
NP366	Mogalakwena	566	23	317	56%
DC36	Waterberg District	99	1	75	76%
<b>Waterberg</b>		<b>1,414</b>	<b>69</b>	<b>1,167</b>	<b>83%</b>
<b>Total</b>		<b>8,623</b>	<b>1,305</b>	<b>9,683</b>	<b>112%</b>

**The performance of the individual items is as follows:**

- Property Rates: The total adjusted budget amounts to R603 million, while the year to date revenue generated amounts to R493 million or 82 percent of the total adjusted budget. The monthly collection is R46 million or 8 percent of the total adjusted budget.
- Service Charges: The total adjusted budget amounts to R 2,205 billion, while the year to date revenue generated amounts to R1, 711 billion or 78 percent of the total adjusted budget. The monthly collection is R163 million or 7 percent of the total adjusted budget.
- Investment revenue: The total adjusted budget amounts to R 241 million, while the year to date revenue receipts stands at R 201 million or 83 percent of the total adjusted budget. The monthly collection is R15 million or 6 percent of the total adjusted budget.
- Transfer recognized: The total adjusted budget amounts to R 4,613 billion, while the year to date revenue generated amounts to R6, 259 billion or 136 percent of the total adjusted budget. The monthly collection is R970 million or 21 percent of the total adjusted budget.
- Other Revenue: The total adjusted budget amounts to R 968 million, while the year to date receipts amounts to R1, 020 million or 105 percent of the total adjusted budget. The monthly collection is R111 million or 11 percent of the total adjusted budget.

**Operating Expenditure**

The operating expenditure performance for the month of April reflects that municipalities expended an amount of R1, 196 million and expended an accumulated R5.393 billion or 82 per cent of the total operating revenue budget of R6.565 billion.

## I Consolidated Summary

Code	Municipality	Total Expenditure			
		Original/adjusted budget	Actual expenditure for the month	Actual expenditure year to date	Actual spent to date as % of budget
R million					
NP03a2	Makhuduthamaga	93	2	42	45%
NP03a3	Fetakgomo	16	2	9	57%
NP03a4	Greater marble Hall	182	0	11	6%
NP03a5	Greater Tubatse	48	3	50	102%
NP03a6	Elias Motsoaledi	154	5	71	46%
DC47	Greater Sekhukhune	453	29	364	80%
<b>Sekhukhune</b>		<b>1,067</b>	<b>44</b>	<b>371</b>	<b>35%</b>
NP331	Greater Giyani	126	9	281	224%
NP332	Greater Letaba	114	7	71	62%
NP333	Greater Tzaneen	495	33	368	74%
NP334	Ba-Phalaborwa	288	16	214	74%
NP335	Maruleng	49	–	58	118%
DC33	Mopani District	481	29	250	52%
<b>Mopani District</b>		<b>1,553</b>	<b>194</b>	<b>1,242</b>	<b>80%</b>
NP341	Musina	93	13	124	134%
NP342	Mutale	65	203	48	73%
NP343	Thulamela	190	18	270	142%
NP344	Makhado	481	21	221	46%
DC34	Vhembe District	355	286	1,365	384%
<b>Vhembe</b>		<b>1,184</b>	<b>542</b>	<b>2,028</b>	<b>171%</b>
NP351	Blouberg	83	201	51	62%
NP352	Aganang	37	3	37	100%
NP353	Molemole	57	6	36	62%
NP354	Polokwane	1,086	83	670	62%
NP355	Lepelle-Nkumpi	136	5	55	41%
DC35	Capricorn District	190	21	204	107%
<b>Capricorn</b>		<b>1,591</b>	<b>318</b>	<b>1,054</b>	<b>66%</b>
NP361	Thabazimbi	133	9	129	98%
NP362	Lephalale	205	12	209	102%
NP363	Mookgophong	80	6	59	74%
NP364	Modimolle	133	18	106	79%
NP365	Bela-Bela	135	8	109	81%
NP366	Mogalakwena	413	25	(98)	-24%
DC36	Waterberg District	71	20	185	261%
<b>Waterberg</b>		<b>1,169</b>	<b>98</b>	<b>698</b>	<b>60%</b>
<b>Total</b>		<b>6,565</b>	<b>1,196</b>	<b>5,393</b>	<b>82%</b>

## **Performance per District:**

**Sekhukhune District:** Overall operating expenditure stands R371 million or 35 per cent of the total adjusted budget of R1.067 billion. Greater Marble Hall is the worst of them all with a year to date percentage of 6.

**Mopani District:** The district has reflected a year to date spending of 80 per cent or R1,242 billion of a budget of R1.553 billion. Greater Giyani and Maruleng are overspending at 221% and 118% and respectively, in this regards there may have been serious under budgeting or over allocation by the district and its local locals, which as per expectation , should have been rectified during the adjustment budget process, though Maruleng didn't submit their May reports.

**Vhembe District:** Expenditure for the year to date stands at 171 per cent or 2,028 billion of the total adjusted budget of R1.184 billion. The district reflects a R286 million or 53 per cent spending for the month. Vhembe District seems to be overspending their expenditure budget. The district, Musina and Thulamela have over spent their annual budget. Mutale and Makhado on the other hand are spending well on their operating expenditure budget.

**Capricorn District:** Expenditure for the year to date stands at 66 per cent or R1, 054 million of the total adjusted budget of R1.591 billion. The monthly spending stands at R318 million or 20 per cent. Lepelle-Nkumpi are under spending their operating expenditure budget as their performance to date is below 50% with the exception of Aganang and the district; whereby the district is overspending its annual budget as it stands at 107 per cent and Aganang stands at 100%.

**Waterberg District:** The district's operating expenditure for the year to date stands at 60 per cent or R698 million of the total adjusted budget of R1.169 billion. Monthly spending stands at R98 million or 8 per cent of the total budget. Mookgophong and Bela- bela are spending well while the district is overspending their operating expenditure, and Mogalakwena shows negative spending of 24%. The district is overspending its budget.

## **The performances of the individual items are as follows:**

- **Employee Related Costs:** The adjusted budget amounts to R2.315 billion, while the expenditure to date amounts to R2.604 billion or 112 per cent of the adjusted budget. The monthly expenditure is R637 million or 28 per cent of the total adjusted line budget.
- **Remuneration of Councilors:** The adjusted budget amounts to R293 million, while the expenditure to date amounts to R187 million or 64 per cent of the adjusted budget. The monthly expenditure is R 22 million or 8 per cent of the total adjusted line budget.
- **Debt impairment:** The adjusted budget amounts to R94 million, while the year to date expenditure amounts to minus five. The monthly expenditure is null.
- **Depreciation or amortization:** The adjusted budget amounts to R350 million, while the year to date expenditure amounts to R32 million or 9 per cent of the adjusted

budget. The monthly expenditure is R 2 million of the total adjusted line budget reflecting an under expenditure.

- **Finance charges:** The adjusted budget amounts to R53 million, while the year to date expenditure amounts to R5 million. The monthly expenditure is negative 8.
- **Materials and bulk Purchases:** The adjusted budget amounts to R1.491 billion, while the expenditure to date amounts to R1, 018 million or 68 per cent of the budget. The monthly expenditure is R 121 million or 8 per cent.
- **Other expenditure:** The adjusted budget amounts to R1,969 billion, while the year to date expenditure amounts to R1.552 billion or 79 per cent of the budget. The monthly expenditure is R 212 million or 11 per cent of the total adjusted line budget.

### **Capital Funding Source and Expenditure**

This section of the report focuses on the capital base of the municipality as reflected in the monthly budget statement submitted. Information regarding capital funding and expenditure is detailed in this section.

#### **Capital Revenue: Sources of Finance**

Capital revenue represents the sources of finances utilised to fund capital expenditure. There are a number of sources from which capital revenue is sourced; the major source of capital financing is from Government Grants and Subsidies since most municipalities have very small own revenue bases or sources.

Table: 4 Capital Revenue 31 May 2010

I Consolidated Summary

Code	Municipality	Capital expenditure			
		Total sources of Funding			
		Original/adjusted budget	Actual receipts for the month	Actual receipts year to date	Actual receipts to date as % of budget
R million					
NP03a2	Makhuduthamaga	50	2	26	53%
NP03a3	Fetakgomo	16	-	4	22%
NP03a4	Greater marble Hall	16	-	-	
NP03a5	Greater Tubatse	49	-	48	100%
NP03a6	Elias Motsoaledi	82	-	9	11%
DC47	Greater Sekhukhune	329	29	402	122%
<b>Sekhukhune</b>		<b>542</b>	<b>31</b>	<b>489</b>	<b>90%</b>
NP331	Greater Giyani	32	1	22	70%
NP332	Greater Letaba	50	4	42	83%
NP333	Greater Tzaneen	155	5	81	53%
NP334	Ba-Phalaborwa	41	-	-	
NP335	Maruleng	34	-	-	
DC33	Mopani District	111	7	43	38%
<b>Mopani District</b>		<b>422</b>	<b>18</b>	<b>188</b>	<b>45%</b>
NP341	Musina	32	2	8	23%
NP342	Mutale	27	0	11	39%
NP343	Thulamela	214	7	61	29%
NP344	Makhado	111	5	35	32%
DC34	Vhembe District	789	356	1,460	185%
<b>Vhembe</b>		<b>1,173</b>	<b>370</b>	<b>1,575</b>	<b>134%</b>
NP351	Blouberg	38	-	-	
NP352	Aganang	38	4	12	32%
NP353	Molemole	20	-	6	32%
NP354	Polokwane	1,322	-	718	54%
NP355	Lepelle-Nkumpi	124	-	-	
DC35	Capricorn District	406	23	386	95%
<b>Capricorn</b>		<b>1,948</b>	<b>28</b>	<b>1,123</b>	<b>58%</b>
NP361	Thabazimbi	49			
NP362	Lephalale	32	2	22	68%
NP363	Mookgophong	40	2	19	47%
NP364	Modimolle	56	4	14	25%
NP365	Bela-Bela	20	1	7	36%
NP366	Mogalakwena	149	(10)	(83)	-56%
DC36	Waterberg District	29		2	8%
<b>Waterberg</b>		<b>374</b>	<b>(1)</b>	<b>(19)</b>	<b>-5%</b>
<b>Total</b>		<b>4,459</b>	<b>445</b>	<b>3,355</b>	<b>75%</b>

The overall performance for all the districts stands at 75 per cent or R3,355 billion in monetary terms against a budget of R4,459 billion.

**For the period to date, the performance per district was;**

**Sekhukhune District:** R489 million or 90 per cent of the total district adjusted budget of R542 million was receipted by the district municipalities for the ten months ending 31 May 2010. The month receipts amount to R million or 6 per cent.

**Mopani District:** The district receipted a total of R188 million or 45 per cent of the total capital revenue of R422 million. The month receipts amount to R18 million or 4 per cent. With the correct signage of the revenue amounts, performance of this district is above 30 percent.

**Vhembe District:** Receipted R1.575 billion of the total adjusted capital budget of R1.173 billion or an equivalent of 134 in percentage terms which means there may have been serious under budgeting or over allocation by the district and its local locals, which as per expectation , should have been rectified during the adjustment budget process. The monthly receipt amounts to R370 million or 32 per cent.

**Capricorn Districts:** The district shows a 58 per cent or R1.123 billion receipted accumulated over ten months. The month receipts amount to R28 million or 1 per cent.

**Waterberg District:** Reflect a negative 19 performance resulting from negative figures on actual receipts for the month and actual receipts year to date.

The individual sources of finance reflected the following current month performance:

- i. **External loans** reflect 13 per cent or R 15 million from an adjusted budget of R117 million has been receipted.
- ii. **Asset Financing Reserve** reflect that 59 per cent or R342 million from a budget of R580 million has been receipted in total. The monthly receipts amount reflects a nil
- iii. **Surplus cash** showed a 38 per cent or R262 million availability against a budget of R399 million. The monthly receipts amount to R10 million.

- iv. **Grants and Subsidies** reflect R2.213 billion or 88 per cent has been received in total. The month receipts amount to R424 million or 14 per cent.
- v. **Other Sources** reflect a 49 per cent receipt from a budget R169 million and the current month's collection stands at R8 million.

### Capital Expenditure

For the month under review, the accumulated performance is at R3, 428 billion translating into 81 per cent of the total adjusted capital budget of R4.206 billion.

#### I Consolidated Summary

Code	Municipality	Capital expenditure			
		Total Capital Expenditure			
R million		Original/adjusted budget	Actual expenditure for the month	Actual expenditure year to date	Actual spent to date as % of budget
NP03a2	Makhuduthamaga	93	2	42	45%
NP03a3	Fetakgomo	16	2	9	57%
NP03a4	Greater marble Hall	182	0	11	6%
NP03a5	Greater Tubatse	48	3	50	102%
NP03a6	Elias Motsoaledi	65	5	27	41%
DC47	Greater Sekhukhune	453	29	364	80%
<b>Sekhukhune</b>		<b>857</b>	<b>41</b>	<b>502</b>	<b>59%</b>
NP331	Greater Giyani	39	1	22	56%
NP332	Greater Letaba	68	4	42	62%
NP333	Greater Tzaneen	155	5	79	51%
NP334	Ba-Phalaborwa	56	1	38	68%
NP335	Maruleng	37	—	22	61%
DC33	Mopani District	143	7	44	31%
<b>Mopani District</b>		<b>497</b>	<b>19</b>	<b>248</b>	<b>50%</b>
NP341	Musina	13	2	9	67%
NP342	Mutale	27	0	10	38%
NP343	Thulamela	193	7	68	35%
NP344	Makhado	143	5	35	25%
DC34	Vhembe District	63	356	1,416	2248%
<b>Vhembe</b>		<b>439</b>	<b>370</b>	<b>1,538</b>	<b>351%</b>
NP351	Blouberg	38	2	27	71%
NP352	Aganang	38	4	18	49%
NP353	Molemole	20	3	17	85%
NP354	Polokwane	1,322	81	719	54%
NP355	Lepelle-Nkumpi	124	2	239	192%
DC35	Capricorn District	479	23	264	55%
<b>Capricorn</b>		<b>2,021</b>	<b>28</b>	<b>1,123</b>	<b>56%</b>
NP361	Thabazimbi	33	0	29	0
NP362	Lephalale	32	1	25	77%
NP363	Mookgophong	40	2	17	44%
NP364	Modimolle	56	4	14	25%
NP365	Bela-Bela	19	1	8	44%
NP366	Mogalakwena	183	(10)	(77)	-42%
DC36	Waterberg District	29	0	2	8%
<b>Waterberg</b>		<b>392</b>	<b>(1)</b>	<b>18</b>	<b>5%</b>
<b>Total</b>		<b>4,206</b>	<b>456</b>	<b>3,428</b>	<b>81%</b>

## Performance per District:

**Sekhukhune District:** Overall expenditure stands at R502 million or 59 per cent of the total adjusted budget of R857 million. The month expenditure stands at R41 million or 5 per cent of the total adjusted budget.

**Mopani District:** Overall expenditure stands R248 million or 50 per cent of the total adjusted budget of R497 million. The month expenditure stands at R19 million or 4 per cent of the total adjusted budget.

**Vhembe District:** Overall expenditure stands R 1.538 billion or 351 per cent of the total adjusted budget of R439 million. The month expenditure stands at R370 million or 84 per cent of the total adjusted budget.

**Capricorn District:** Overall expenditure stands R1.123 billion or 56 per cent of the total adjusted budget of R2.021 billion. The month expenditure stands at R28 million.

**Waterberg District:** Overall expenditure stands R18 billion or 5 per cent of the total adjusted budget of R392 billion.

## Debtors

The total outstanding debtor's book, for the municipalities in the Province for the month of May amounts to R1. 763 million.

Debtors per district	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Total
<b>Debtors Age analysis</b>								
Sekhukhune	11	8	6	78	24	0	0	128
Mopani	17	69	29	22	228	154	136	656
Vhembe	11	23	15	17	50	105	46	266
Capricorn	64	21	20	45	273	5	19	447
Waterberg	11	23	15	17	50	105	46	266
	114	144	84	179	625	369	248	1,763

Debtors owing between 0-30 days amounts to R114 million, 31-60 days amounts to R144 million. Debtors owing between 121-150 days are the most significant with R625 million or 35 per cent, the debt owed at 151-180 days amounts to R369 million while 181days to one year amounts to R248 million.

## Creditors

The total accounts payable for the month of May owed by municipalities' amount to R159 million.

Creditors per district	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Total
<b>Creditors Age analysis</b>								
Sekhukhune	2	0	0	1	-	-	-	3
Mopani	47	7	5	5	0	0	-	64
Vhembe	10	3	3	9	0	3	-	28
Capricorn	40	-	-	0	-	-	-	40
Waterberg	23	0	0	0	-	-	0	24
	<b>122</b>	<b>10</b>	<b>8</b>	<b>15</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>159</b>

The current debt owed by municipalities collectively is R159 million. Four districts being Capricorn, Vhembe, Mopani and Waterberg are reflecting amounts owing in the category above 0-30 days.

## Cash-flows

Not all municipalities in the province completed the cash flow statement. Analysis of the cash flow return has revealed that municipalities are not completing this document correctly and therefore it distorts the analysis. Municipalities seem not to be ready to engage in the exercise of projecting their revenue and expenditure; they rather prefer to capture the actual performance on a month to month basis, thereby defeating the purpose of the CFA return form, as such some formulas they don't pick correct figures in this regard. Provincial Treasury will engage some of these municipalities when they do their monitoring in assisting these municipalities to complete the CFA correctly.

## **CONCLUSION**

Though there was a general improvement in submission, the May submissions reveal that most municipalities managed to send all the returns except Maruleng and Thulamela and those that did not sent all the returns. We have however noted the improved performance when it comes to the collection of own revenue in the operating budget, though the same cannot be said about the operating expenditure which is under spending. A general observation again is that Vhembe District as a whole seems to be over performing in all areas, which can be translated to poor/under budgeting. The quality of reports submitted has improved considerably. Performance on the capital budget is not satisfactory, proper analysis of this performance is hindered by the incredibility of the CAA return forms submitted. Provincial Treasury will engage with municipalities further regarding the correct completion of the CAA and CFA return forms as well as the importance of compliance to MFMA S71.