



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Ref: 12/1/3

Enq: Mulenga S

Date: 26 June 2009

Director-General: National Treasury
Private Bag x115
PRETORIA
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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 2008/09

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 30 June 2009.

RWN TOOLEY

HEAD OF DEPARTMENT

DATE:

LIMPOPO PROVINCIAL TREASURY
Municipal Budget Performance
Consolidated Statement as at 31 May 2009

Introduction

This consolidated budget statement and report covers the financial performance of municipalities for the month ending 31 May 2009.

The consolidated statement assesses the in-year financial performance of municipalities' against their budgeted revenue and expenditure. Credibility of this report depends to a large extent on the reasonability of the municipal budget and the consistent submission of compliant statements and reports. The assessment of the capital and operating budgets as well as debtors, creditors and cash flow gives effect to the in-year financial performance of municipalities. The assessments of the reporting tools is not limited to budgets, but also provides an update on related areas of the MFMA that impacts on the sustainability and effectiveness of a municipality e.g. compilation of Annual Financial Statements, internal audits and risk management.

Legislative Framework

In terms of section 71(1) of the Municipal Finance Management Act (Act 56 of 2003)(MFMA) the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to, amongst others, the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget. Section 74 of the MFMA requires accounting officers to submit such information, returns, documents and motivations as may be required.

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.

MFMA IMPLEMENTATION RELATED MATTERS

Compliance to submission of s71 on due date

The table below indicates the dates and type of s71 reports that the municipalities submitted for the month ending 31 May 2009. S71 (4) of the MFMA states that the statement to the provincial treasury must be in the format of a signed document and in electronic format.

Table 1 below shows the trend of submission of the s71 reports by municipalities for the month of May 2009. It is clear from the table that some municipalities are finding it difficult to comply with legislation which impacts on the provincial treasuries processes of reporting. A matter of concern is that none of the municipalities sent a signed copy (Quality certificate).

Table 1 S71 Submission

According to the submission schedule compiled by Provincial Treasury, the following six municipalities did not submit the s71 reports or the reports were received very late after the schedule was closed off.

Municipalities concerned are as follows;

- Fetakgomo, Giyani, Maruleng, Thabazimbi, Mookgopong and Mutale
- Eight (8) municipalities submitted incomplete set of reports as can be seen in the table below. Submission of incomplete reports is considered as non-compliance, as it affects reporting. The following municipalities' submissions were incomplete;
- Marble Hall – Creditors report not submitted
- Mogalakwena – Cash flow report not submitted
- Tubatse – Operating performance, debtors and creditors reports not submitted
- Vhembe – creditors report not submitted
- Bela Bela – Cash flow report not submitted
- Lepelle-nkumpi submitted cash flow and capital reports for month eight in May
- Makhuduthamaga – debtors operating performance and creditors reports not submitted
- Modimolle submitted cash flow report for month ten in May

Municipalities' inconsistency in reporting affects the credibility of the consolidated report published and Provincial Treasury.

Municipality	Apr-09			May-09			Jun-09					
	Old/New version	Date of submission		Documents received	Old/new version	Date of submission		Documents received	Old/new version	Date of submission		Documents received
		Electronic	Hard copy			Electronic	Hard copy			Electronic	Hard copy	
DC 35 - CAPRICORN	New	14/5/2009		OSA, CFA, CAA, AD, AC	New	12/6/2009		OSA, CAA, CFA, AC, AD				
NP 351 - BLOUBERG	New	25/5/2009		OSA, CAA, CFA, AC, AD	New	12/6/2009		OSA, CAA, CFA, AD, AC				
NP352 - AGANANG	New	15/5/2009		OSA, CAA, CFA, AC, AD	New	11/6/2009		OSA, CAA, CFA, AD, AC				
NP 353 - MOLEMOLE	New	19/5/2009		AC, AD, CFA, CAA, OSA	New	11/6/2009		OSA, CAA, CFA, AD, AC				
NP 354 - POLOKWANE	New	8/5/2009		CAF, OSA, AD, AC, CAA	New	10/6/2009		OSA, CAA, CFA, AD, AC				
NP 355 - LEPELLE-NKUMPI	New	18/5/2009		AD, AC	New	15/06/2009		OSA, CAA, CFA, AC, AD				
DC - 47 - GREATER SEKHUKHUNE	New	22/5/2009		AD, CAA, CFA, OSA	New	11/6/2009		OSA, CAA, CFA, AC, AD				
NP 03a2 - MAKHUDUTHAMAGA	New	19/5/2009			New	17/06/2009		CFA, CAA				
NP 03a3 - FETAKGOMO												
NP 03a4 - MARBLE HALL	New	12/5/2009		OSA, CFA, CAA, AD, AC	New	11/6/2009		OSA, CAA, CFA, AD				
NP 03a5 - ELIAS MOTSOALEDI	New	14/5/2009		OSA	New	12/6/2009		OSA, CAA, CFA, AD, AC				
NP 03a6 - GREATER TUBATSE	New	8/5/2009		AC, CAA, CFA, OSA, AD	New	1/6/2009		CAA, CFA				
DC 33 - MOPANI	New	8/5/2009		OSA, CFA, AC, AD, CAA	New	12/6/2009		OSA, CAA, CFA, AC, AD				
NP 331 - GREATER GIYANI												
NP 332 - GREATER LETABA	New	12/5/2009		OSA, AC, AD, CAA, CFA	New	17/06/2009		OSA, CAA, CFA, AD, AC				
NP 333 - GREATER TZANEEN	New	14/5/2009		OSA, CFA, CAA, AD, AC	New	12/6/2009		OSA, CAA, CFA, AD, AC				
NP 334 - BA- PHALABORWA	New	14/5/2009		CFA, AC, AD	New	16/06/2009		OSA, CAA, CFA, AD, AC				
NP 335 - MARULENG	New	25/5/2009		CFA, AC, AD, CAA, OSA								
DC 36 - WATERBERG	New	13/5/2009		OSA, CAA, CFA, AC, AD	New	12/6/2009		OSA, CAA, CFA, AD, AC				
NP 361 - THABAZIMBI	New	22/05/2009		AD, AC, CFA, CAA								
NP 362 - LEPHALALE					New	14/06/2009		OSA, CAA, CFA, AC, AD				
NP 364 - MOOKGOPONG												
NP 365 - MODIMOLLE	New	15/5/2009		AC, AD, CFA, CAA, OSA	New	12/6/2009		OSA, CAA, CFA, AD, AC				
NP 366 - BELA-BELA	New	14/5/2009		AC, AD, OSA, CAA	New	17/06/2009		OSA, CAA, AC, AD				
NP 367 - MOGALAKWENA	New	15/5/2009		OSA, CAA, AD, AC	New	12/6/2009		OSA, CAA, AD, AC				
DC 34 - VHEMBE	New	19/5/2009		AD, CAA, CFA, OSA	New	12/6/2009		OSA, CAA, CFA, AD				
NP 341- MUSINA	New	14/5/2009		OSA, CFA, CAA, AC, AD	New	12/6/2009		OSA, CAA, CFA, AD, AC				
NP 342 - MUTALE												
NP 343 - THULAMELA	New	12/5/2009		AC, AD, CAA, CFA, OSA	New	12/6/2009		OSA, CAA, CFA, AD, AC				
NP 344 - MAKHADO	New	15/5/2009		OSA, CAA, CFA, AC, AD	New	13/06/2009		OSA, CAA, CFA, AD, AC				

Capital and Operating Budgets

Table 2 below shows the performance by the five districts on capital budget for the month ending 31 May 2009. The column headed actual indicates performance for the current month, while the column actual to date indicates cumulative spending from July 2008 to 31 May 2009.

Table 2: Summary of municipal Capital Budget: May 2009

Code	Municipality	Capital Budget			Expenditure		Variance	
		Original budget	Adjustments	Adjusted Capital budget	Actual for the month	Actual to date	Adjusted budget vs Actual to date	% Variance
NP03a2	Makhuduthamaga	39,625,000		39,625,000	6,258,266	8,011,544	31,613,456	20%
NP03a3	Fetakgomo	9,273,077		9,273,077	-	1,217,306	8,055,771	13%
NP03a4	Greater marble Hall	23,712,520		23,712,520	-	1,962,290	21,750,230	8%
NP03a5	Greater Tubatse	30,887,000		30,887,000	(5,338,823)	(5,338,823)	36,225,823	-17%
NP03a6	Elias Motsoaledi	82,425,000		82,425,000	2,868,933	10,375,531	72,049,469	13%
DC47	Greater Sekhukhune	513,771,797		513,771,797	38,069,850	38,069,850	475,701,947	7%
	Sekhukhune	699,694,394		699,694,394	41,858,226	54,297,698	645,396,696	8%
NP331	Greater Giyani	33,696,000		33,696,000	12,861,976	18,103,226	15,592,774	54%
NP332	Greater Letaba	41,765,100		41,765,100	19,347,123	37,645,443	4,119,657	90%
NP333	Greater Tzaneen	69,605,000		69,605,000	5,613,674	20,249,431	49,355,569	29%
NP334	Ba-Phalaborwa	20,123,000		20,123,000	-	5,241,250	14,881,750	26%
NP335	Maruleng	38,362,000		38,362,000	-	5,241,250	33,120,750	14%
DC33	Mopani District	488,299,000		488,299,000	14,937,407	22,304,287	465,994,713	5%
	Mopani District	691,850,100		691,850,100	52,760,180	108,784,887	583,065,213	16%
NP341	Musina	13,870,000		13,870,000	899,300	5,006,428	8,863,572	36%
NP342	Mutale	10,258,707		10,258,707	1,088,938	6,330,188	3,928,519	62%
NP343	Thulamela	250,124,000		250,124,000	8,972,903	23,370,270	226,753,730	9%
NP344	Makhado	107,539,600		107,539,600	4,620,197	9,901,675	97,637,925	9%
DC34	Vhembe District	885,461,159		885,461,159	-	122,189,069	763,272,090	14%
	Vhembe	1,267,253,466		1,267,253,466	15,581,338	166,797,630	1,100,455,836	13%
NP351	Blouberg	32,487,000		32,487,000	1,860,918	3,785,263	28,701,737	12%
NP352	Aganang	39,686,737		39,686,737	2,401,956	9,768,836	29,917,901	25%
NP353	Molemole	84,579,684		84,579,684	300,322	542,202	84,037,482	1%
NP354	Polokwane	1,244,109,000		1,244,109,000	110,096,201	237,051,776	1,007,057,224	19%
NP355	Lepelle-Nkumpi	92,929,186		92,929,186	2,411,528	4,798,203	88,130,983	5%
DC35	Capricorn District	537,791,802		537,791,802	26,648	321,824	537,469,978	0%
	Capricorn	2,031,583,409		2,031,583,409	117,097,573	252,482,841	1,779,100,568	12%
NP361	Thabazimbi	56,696,000		56,696,000	-	5,241,250	51,454,750	9%
NP362	Lephalale	25,504,400		25,504,400	2,240,259	2,652,539	22,851,861	10%
NP363	Mookgophong	31,565,000		31,565,000	1,431,217	3,579,045	27,985,955	11%
NP364	Modimolle	52,768,000		52,768,000	5,977,022	15,291,148	37,476,852	29%
NP365	Bela-Bela	12,478,000		12,478,000	340,310	2,498,782	9,979,218	20%
NP366	Mogalakwena	160,120,000		160,120,000	(14,788,639)	(34,030,658)	194,150,658	-21%
DC36	Waterberg District	24,737,000		24,737,000	13,609	883,224	23,853,776	4%
	Waterberg	363,868,400		363,868,400	(4,786,222)	(11,778,459)	375,646,859	-3%
	Total	5,054,249,769	-	5,054,249,769	222,511,096	570,584,597	4,483,665,172	11%

For the month under review, the cumulative performance for the eleven months period ending 31 May indicates spending R570 million spent or 11 per cent of the total adjusted capital budget of R5.054 billion. Expenditure for the month of May 2009 stands at R222 million. Performance for the month of May clearly indicates that the cumulative performance of R570 million is not correct.

The monthly spending trend shows that on average, the cumulative spending in the province should be around 92 per cent of the adjusted budget. Clearly there is a challenge of inconsistent reporting and credibility of data.

Table 3: Summary of municipal Capital Budget: May 2009 cont....

Code	Municipality	Source of financing							Actual for the month	Actual to date
		External loans	Asset financing reserve	Surplus cash	Public contributions/donations	Government Grants and Subsidies	Other			
NP03a2	Makhuduthamaga	-	-	-	-	6,258,266	-	-	6,258,266	8,011,544
NP03a3	Fetakgomo	-	-	-	-	-	-	-	-	-
NP03a4	Greater marble Hall	-	-	-	-	-	-	-	-	-
NP03a5	Greater Tubatse	-	-	-	-	-	-	-	-	-
NP03a6	Elias Motsoaledi	-	-	2,149,372	-	719,561	-	-	2,868,933	10,375,531
DC47	Greater Sekhukhune	-	-	-	-	32,817,644	5,252,206	-	38,069,850	38,069,850
	Sekhukhune	-	-	2,149,372	-	39,795,471	5,252,206	-	47,197,049	56,456,925
NP331	Greater Giyani	-	-	-	-	12,252,388	609,588	-	12,861,976	19,054,114
NP332	Greater Letaba	-	-	-	-	14,374,196	4,972,927	-	19,347,123	37,645,443
NP333	Greater Tzaneen	2,671,699	-	-	-	1,521,794	-	-	4,193,493	8,253,116
NP334	Ba-Phalaborwa	-	-	-	-	-	-	-	-	-
NP335	Maruleng	-	-	-	-	-	-	-	-	-
DC33	Mopani District	-	-	-	-	14,901,231	36,173	-	14,937,404	14,937,404
	Mopani District	2,671,699	-	-	-	43,049,609	5,618,688	-	51,339,996	79,890,077
NP341	Musina	-	-	-	-	899,300	-	-	899,300	4,525,420
NP342	Mutale	-	-	-	-	1,088,938	-	-	1,088,938	1,088,938
NP343	Thulamela	-	-	1,506,186	-	7,466,717	-	-	8,972,903	18,129,020
NP344	Makhado	124,012	-	697,444	-	3,798,742	-	-	4,620,198	12,014,786
DC34	Vhembe District	-	-	-	-	-	-	-	-	87,103,319
	Vhembe	124,012	-	2,203,630	-	13,253,697	-	-	15,581,339	122,861,483
NP351	Blouberg	-	-	-	-	-	-	-	-	-
NP352	Aganang	-	-	-	-	-	-	-	-	-
NP353	Molemole	-	-	-	-	652,184	65,642	-	717,826	824,588
NP354	Polokwane	-	19,908,176	-	-	90,188,025	-	-	110,096,201	243,068,004
NP355	Lepelle-Nkumpi	-	-	-	-	-	-	-	-	-
DC35	Capricorn District	-	-	-	-	-	-	-	-	-
	Capricorn	-	19,908,176	-	-	90,840,209	65,642	-	110,814,027	243,892,592
NP361	Thabazimbi	-	-	-	-	-	-	-	-	-
NP362	Lephalale	-	-	-	-	-	-	-	-	1,333,668
NP363	Mookgophong	-	1,076,562	-	-	354,664	-	-	1,431,226	3,133,262
NP364	Modimolle	-	-	216,087	-	5,760,935	-	-	5,977,022	19,220,022
NP365	Bela-Bela	328,140	-	12,170	-	262,633	-	-	602,943	2,519,535
NP366	Mogalakwena	-	(4,421,174)	-	-	(10,019,776)	(347,688)	-	(14,788,639)	(34,030,658)
DC36	Waterberg District	-	-	-	-	13,609	-	-	13,609	883,224
	Waterberg	328,140	(3,344,612)	228,257	-	(3,627,935)	(347,688)	-	(6,763,839)	(6,940,947)
	Total	3,123,851	16,563,564	4,581,259	-	183,311,051	10,588,848	-	218,168,572	496,160,130

Capital Revenue: Sources of Finance

Table 3 above depicts the sources of finances acquired to fund capital expenditure.

For the month under review, the performance per source item shows a combined total of R496 million in collections. These collections by individual items are relatively balanced to the spent in table 1 above. If all the municipalities were consistent in the submission of s71 reports, the performance would show a very different picture which is far much better than what is being reported in the table above.

Summary of operating Budgets

Table 4: Summary of municipal Operating Budget: 31 May 2009

Code	Municipality	Operating Expenditure						
		Original Budget	adjustments	Adjusted budget	Actual for the month	Actual expenditure to date	Variance Budget - Expenditure	% Variance
NP03a2	Makhuduthamaga	62,619,706		62,619,706		-	62,619,706	0%
NP03a3	Fetakgomo	28,123,149		28,123,149	-	3,952,326	24,170,823	14%
NP03a4	Greater marble Hall	106,764,430		106,764,430	(16,308,576)	(26,669,159)	133,433,589	-25%
NP03a5	Greater Tubatse	142,392,110		142,392,110	(10,275,908)	(10,275,908)	152,668,018	-7%
NP03a6	Elias Motsoaledi	109,170,000	2,996,000	112,166,000	(8,501,186)	12,813,027	99,352,973	11%
DC47	Greater Sekhukhune	801,352,682		801,352,682	18,544,352	18,544,352	782,808,330	2%
	Total	1,250,422,077	2,996,000	1,253,418,077	840,915	15,746,871	1,237,671,206	1%
NP331	Greater Giyani	108,670,000		108,670,000		5,514,568	103,155,432	5%
NP332	Greater Letaba	124,555,755	2,525,580	127,081,335	60,356,351	60,356,351	66,724,984	47%
NP333	Greater Tzaneen	413,717,098	14,341,260	428,058,358	29,219,186	29,219,186	398,839,172	7%
NP334	Ba-Phalaborwa	201,820,180		201,820,180	-	-	201,820,180	0%
NP335	Maruleng	43,796,300		43,796,300	-	-	43,796,300	0%
DC33	Mopani District	234,447,076		234,447,076	30,550,273	30,550,273	203,896,803	13%
	Total	1,127,006,409	16,866,840	1,143,873,249	120,125,810	125,640,378	1,018,232,871	11%
NP341	Musina	104,907,000	10,880,000	115,787,000	6,611,790	21,626,975	94,160,025	19%
NP342	Mutale	42,178,794		42,178,794	4,505,227	19,520,412	22,658,382	46%
NP343	Thulamela	222,134,235		222,134,235	(14,851,195)	163,990	221,970,245	0%
NP344	Makhado	339,965,989		339,965,989	20,505,249	58,983,019	280,982,970	17%
DC34	Vhembe District	428,109,722		428,109,722	30,415,989	45,431,174	382,678,548	11%
	Total	1,137,295,740	10,880,000	1,148,175,740	47,187,060	145,725,570	1,002,450,170	13%
NP351	Blouberg	58,253,500		58,253,500	(4,680,584)	(12,659,162)	70,912,662	-22%
NP352	Aganang	38,172,630		38,172,630	2,223,059	6,982,704	31,189,926	18%
NP353	Molemole	52,912,694		52,912,694	(3,319,772)	(9,164,589)	62,077,283	-17%
NP354	Polokwane	1,448,744,600		1,448,744,600	551,094,031	551,094,031	897,650,569	38%
NP355	Lepelle-Nkumpi	80,008,781		80,008,781	-	7,796,413	72,212,368	10%
DC35	Capricorn District	162,065,492		162,065,492	17,691,460	22,191,741	139,873,751	14%
	Total	1,840,157,697	-	1,840,157,697	563,008,194	566,241,138	1,273,916,559	31%
NP361	Thabazimbi	142,229,236		142,229,236	3,538,153	3,538,153	138,691,083	2%
NP362	Lephalale	162,929,040		162,929,040	10,785,016	30,444,386	132,484,654	19%
NP363	Mookgophong	64,641,000		64,641,000	4,891,890	16,937,565	47,703,435	26%
NP364	Modimolle	148,255,000		148,255,000	7,447,018	24,089,418	124,165,582	16%
NP365	Bela-Bela	122,401,685		122,401,685	7,588,097	19,633,772	102,767,913	16%
NP366	Mogalakwena	322,476,000	14,338,000	336,814,000	(24,759,751)	(54,853,865)	391,667,865	-16%
DC36	Waterberg District	60,822,479		60,822,479	3,681,157	19,040,452	41,782,027	31%
	Total	1,023,754,440	14,338,000	1,038,092,440	13,171,580	58,829,881	979,262,559	6%
	Grand Total	6,378,636,363	45,080,840	6,423,717,203	229,043,557	396,893,835	6,026,823,368	6%

The total operating expenditure budget for the period from July 2008 to May 2009 is below satisfactory. The challenge of not including all s71 information from the municipalities in the reporting clearly shows the effect it has on meaningful interpretation.

Municipalities by their standards have performed relatively better than what is being reported above. Cumulative spend of R396.9 million or mere 6 per cent in the eleventh month is by no means incorrect.

Table 5: Summary of municipal Operating Budget: 31 May 2009

Code	Municipality	Operating revenue						
		Original Budget	Adjustments	Adjusted revenue budget	Actual for the month	Actual to date	Variance Budget - Actual	% variance
NP03a2	Makhuduthamaga	62,616,706		62,616,706	-	-	62,616,706	0%
NP03a3	Fetakgomo	28,384,704		28,384,704	-	-	28,384,704	0%
NP03a4	Greater marble Hall	106,780,660		106,780,660	2,728,782	2,728,782	104,051,878	3%
NP03a5	Greater Tubatse	142,392,117		142,392,117	4,168,385	4,168,385	138,223,732	3%
NP03a6	Elias Motsoaledi	191,691,000	3,558,000	195,249,000	-	-	195,249,000	0%
DC47	Greater Sekhukhune	803,043,642		803,043,642	5,476,772	5,476,772	797,566,870	1%
	Total	1,334,908,829	3,558,000	1,338,466,829	12,373,939	12,373,939	1,326,092,890	1%
NP331	Greater Giyani	108,670,000		108,670,000		18,827,325	89,842,675	17%
NP332	Greater Letaba	125,739,327	2,525,580	128,264,907	106,808,568	164,958,605	(36,693,698)	129%
NP333	Greater Tzaneen	444,750,986	14,341,260	459,092,246	32,345,828	107,752,813	351,339,433	23%
NP334	Ba-Phalaborwa	208,065,060		208,065,060	-	-	208,065,060	0%
NP335	Maruleng	59,847,300		59,847,300	-	-	59,847,300	0%
DC33	Mopani District	511,189,000		511,189,000	26,004,688	26,004,688	485,184,312	5%
	Total	1,458,261,673	16,866,840	1,475,128,513	165,159,084	317,543,431	1,157,585,082	22%
NP341	Musina	109,907,000	5,880,000	115,787,000	7,268,193	21,804,475	93,982,525	19%
NP342	Mutale	68,866,971		68,866,971	1,131,880	1,131,880	67,735,091	2%
NP343	Thulamela	472,258,560		472,258,560	4,821,875	4,821,875	467,436,685	1%
NP344	Makhado	339,997,819		339,997,819	18,938,893	118,669,890	221,327,929	35%
DC34	Vhembe District	428,109,722		428,109,722	60,518,862	60,518,862	367,590,860	14%
	Total	1,419,140,072	5,880,000	1,425,020,072	92,679,703	206,946,982	1,218,073,090	15%
NP351	Blouberg	90,740,500		90,740,500	3,237,764	39,777,292	50,963,208	44%
NP352	Aganang	38,172,630		38,172,630	3,237,764	5,922,244	32,250,386	16%
NP353	Molemole	6,500,000		6,500,000	3,309,913	4,865,953	1,634,047	75%
NP354	Polokwane	1,448,744,600		1,448,744,600	84,619,500	84,619,500	1,364,125,100	6%
NP355	Lepelle-Nkumpi	140,303,015		140,303,015	1,884,175	34,758,543	105,544,472	25%
DC35	Capricorn District	162,065,492		162,065,492	90,210,501	90,210,501	71,854,991	56%
	Total	1,886,526,237	-	1,886,526,237	186,499,617	260,154,033	1,626,372,204	14%
NP361	Thabazimbi	137,655,619		137,655,619	8,490,203	8,490,203	129,165,416	6%
NP362	Lephalale	162,942,461		162,942,461	25,130,107	51,552,589	111,389,872	32%
NP363	Mookgophong	64,641,000		64,641,000	4,892,098	4,892,098	59,748,902	8%
NP364	Modimolle	148,328,000		148,328,000	24,903,741	31,274,199	117,053,801	21%
NP365	Bela-Bela	122,583,297		122,583,297	13,189,349	13,189,349	109,393,948	11%
NP366	Mogalakwena	439,279,000	13,819,000	453,098,000	25,423,515	80,728,072	372,369,928	18%
DC36	Waterberg District	75,280,800		75,280,800	2,708,052	28,866,120	46,414,680	38%
	Total	1,150,710,177	13,819,000	1,164,529,177	104,737,065	218,992,630	945,536,547	19%
	Grand Total	7,249,546,988	40,123,840	7,289,670,828	561,449,408	1,016,011,014	6,273,659,814	14%

Limpopo municipalities originally budgeted to collect R7. 250 billion for the financial year 2008/09; the adjusted budget amounted to R7 .290 billion. By the end of the eleventh month of the financial year, it was expected for municipalities to have collected about 92 per cent of the budget based on the straight line comparison. The information available shows collection at 14 per cent, which can be attributed to challenges of poor report submission and data credibility from a number of municipalities.

Summary of municipal Debtor's book

Table 6: Summary of municipal Debtor's book: 31 May 2009

Code	Municipality	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
NP03a2	Makhuduthamaga	3,595,195	3,994,752	3,877,912	4,198,708	70,445,820	-	-	-	86,112,387
NP03a3	Fetakgomo	-	-	-	-	-	-	-	-	-
NP03a4	Greater marble Hall	2,015,508	748,974	971,647	634,968	-	-	-	-	4,371,097
NP03a5	Greater Tubatse	3,903,777	3,258,724	2,511,612	33,267,697	-	-	-	-	42,941,810
NP03a6	Elias Motsoaledi	4,282,791	696,203	482,822	334,326	4,583,540	-	-	-	10,379,682
DC47	Greater Sekhukhune	-	14,152,976	8,956,286	-	5,531,650	-	-	-	28,640,912
	Sub-Total	13,797,271	22,851,629	16,800,279	38,435,699	80,561,010	-	-	-	172,445,888
NP331	Greater Givani	1,459,300	2,229,468	2,513,309	2,020,056	1,556,742	3,277,492	7,527,952	41,785,081	62,369,400
NP332	Greater Letaba	4,579,675	737,857	540,286	535,583	450,374	32,650,840	-	-	39,494,615
NP333	Greater Tzaneen	511,149	21,422,854	8,287,934	4,556,930	4,163,875	3,927,078	105,213,923	-	148,083,743
NP334	Ba-Phalaborwa	6,777,269	5,707,469	8,745,622	6,896,586	151,042,670	-	-	-	179,169,616
NP335	Maruleng	-	-	-	-	-	-	-	-	-
DC33	Mopani District	-	-	-	-	-	-	-	3,206,432	3,206,432
	Sub-Total	13,327,393	30,097,648	20,087,151	14,009,155	157,213,661	39,855,410	112,741,875	44,991,513	432,323,806
NP341	Musina	1,242,274	1,035,754	816,556	824,592	18,797,377	-	-	-	22,716,553
NP342	Mutale	-	-	-	-	-	-	-	-	-
NP343	Thulamela	7,453,348	6,669,749	7,145,204	7,372,410	5,688,891	6,511,024	33,625,634	204,811,318	279,277,578
NP344	Makhado	1,495,012	11,942,306	6,516,979	5,302,829	4,599,000	79,423,018	-	-	109,279,144
DC34	Vhembe District	516,477	1,236,397	676,818	709,610	6,642,049	-	-	-	9,781,351
	Sub-Total	10,707,111	20,884,206	15,155,557	14,209,441	35,727,317	85,934,042	33,625,634	204,811,318	421,054,626
NP351	Blouberg	167,140	-	162,262	2,047,622	-	-	-	-	2,377,024
NP352	Aganang	557,196	547,839	547,839	547,839	1,643,517	547,839	547,839	-	4,939,908
NP353	Molemole	524,230	346,399	312,093	13,353,326	-	-	8	-	14,536,056
NP354	Polokwane	54,213,194	17,722,183	12,516,144	12,952,570	168,210,210	-	-	-	265,614,301
NP355	Lepelle-Nkumpi	4,143,759	3,445,095	3,902,222	3,823,049	74,146,028	-	-	-	89,460,153
DC35	Capricorn District	-	-	-	-	-	-	-	24,308,305	24,308,305
	Sub-total	59,605,519	22,061,516	17,440,560	32,724,406	243,999,755	547,839	547,847	24,308,305	401,235,747
NP361	Thabazimbi	2,208,577	1,665,883	2,011,695	2,117,860	40,035,508	-	8	-	48,039,531
NP362	Lephalale	8,462,438	5,573,608	2,664,683	25,116,394	-	-	-	-	41,817,123
NP363	Mookgophong	7,023,402	3,854,166	1,920,926	11,508,527	-	-	-	-	24,307,021
NP364	Modimolle	(4,776,407)	2,040,603	1,455,313	1,309,822	25,635,202	-	-	-	25,664,533
NP365	Bela-Bela	5,231,910	3,436,165	3,184,343	43,647,476	-	-	-	-	55,499,894
NP366	Mogalakwena	28,155,134	5,764,221	4,111,012	142,758,452	-	-	-	-	180,788,819
DC36	Waterberg District	16,080	15,032	5,392	13,002	292,054	-	-	404,135	745,695
	Sub-total	46,321,134	22,349,678	15,353,364	226,471,533	65,962,764	-	8	404,135	376,862,616
	Total	143,758,428	118,244,677	84,836,911	325,850,234	583,464,507	126,337,291	146,915,364	274,515,271	1,803,922,683

The table above reveals that there are difficulties being faced by municipalities in the province in as far as debt collection is concerned. The trend of debt collection over the past months to date has been very slow by any standards. Most municipalities are unable to collect revenue because of the economic and social dynamics within the communities that they service.

Summary of municipal Creditors' book

Table 7: Summary of municipal Creditors' Book: 31May 2009

Code	Municipality	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
NP03a2	Makhuduthamaga	-	-	-	-	-	-	-	-	-
NP03a3	Fetakgomo	-	-	-	-	-	-	-	-	-
NP03a4	Greater marble Hall	-	-	-	-	-	-	-	-	-
NP03a5	Greater Tubatse	340,081	4,374,363	258,498	285,249	-	-	-	-	5,258,191
NP03a6	Elias Motsoaledi	122,790	-	-	-	-	-	-	-	122,790
DC47	Greater Sekhukhune	90,000	-	-	-	-	-	-	-	90,000
	Sub-Total	552,871	4,374,363	258,498	285,249	-	-	-	-	5,470,981
NP331	Greater Giyani	-	-	-	-	-	-	-	-	-
NP332	Greater Letaba	8,383,942	-	-	-	-	-	-	-	8,383,942
NP333	Greater Tzaneen	-	-	-	-	-	-	-	-	-
NP334	Ba-Phalaborwa	-	-	-	-	-	-	-	-	-
NP335	Maruleng	-	-	-	-	-	-	-	-	-
DC33	Mopani District	42,901	441,874	206,915	754,667	873,778	52,878	159,399	-	2,532,412
	Sub-Total	8,426,843	441,874	206,915	754,667	873,778	52,878	159,399	-	10,916,354
NP341	Musina	509,807	449,461	83,607	165,015	-	-	-	-	1,207,890
NP342	Mutale	140,857	2,458,639	231,571	312,840	431,678	199,794	-	-	3,775,379
NP343	Thulamela	-	-	-	-	-	-	-	-	-
NP344	Makhado	1,660,200	3,357	1,122	33,444	4,500	-	-	-	1,702,623
DC34	Vhembe District	-	-	-	-	-	-	-	-	-
	Sub-Total	2,310,864	2,911,457	316,300	511,299	436,178	199,794	-	-	6,685,892
NP351	Blouberg	-	-	-	-	-	-	-	-	-
NP352	Aganang	792,399	-	-	-	-	-	-	-	792,399
NP353	Molemole	354,696	-	-	-	-	-	-	-	354,696
NP354	Polokwane	29,390,291	-	-	137,537	-	-	-	-	29,527,828
NP355	Lepelle-Nkumpi	-	-	-	-	-	-	-	-	-
DC35	Capricorn District	4,460,207	-	-	-	-	-	-	-	4,460,207
	Sub-total	34,997,593	-	-	137,537	-	-	-	-	35,135,130
NP361	Thabazimbi	10,009,025	-	-	-	-	-	-	-	10,009,025
NP362	Lephalale	42,447	200,155	47,703	20,263	-	-	-	-	310,568
NP363	Mookgophong	-	-	-	-	-	-	-	-	-
NP364	Modimolle	2,339,302	-	-	-	-	-	-	-	2,339,302
NP365	Bela-Bela	3,185,987	-	-	-	-	-	-	-	3,185,987
NP366	Mogalakwena	-	-	-	-	-	-	-	-	-
DC36	Waterberg District	132,215	-	-	-	-	-	-	-	132,215
	Sub-total	15,708,976	200,155	47,703	20,263	-	-	-	-	15,977,097
	Total	61,997,147	7,927,849	829,416	1,709,015	1,309,956	252,672	159,399	-	74,185,454

The table above reveals that an amount of R74.2 million is owed to the creditors per information submitted by the municipalities.

There is a serious challenge of non compliance to the spirit of paying creditors within the stipulated time of 30 days after receiving the invoice. Municipalities are not just unable to collect what is due to them, but they also are not able to pay their creditors timely.

Summary of municipal Cash flow statement

Table 8: Summary of municipal Cash flow statement: 31 May 2009

Descriptions	Month 9 Mar	Q3 Jan - Mar	Month 10 Apr	Month 11 May	Month 12 Jun	Q4 Apr - Jun
0100 Opening Cash Balance	1,507,472,238	671,054,144	1,204,029,612	962,578,370	851,415,453	1,204,029,612
0200 <i>Add : Receipts</i>						
0300 - Revenue receipts (incl consumer debtors)	153,383,163	464,745,455	150,829,672	164,059,273	98,909,166	413,798,111
0400 - External loans received	0	0	5,698,000	0	0	5,698,000
0500 - Grants and subsidies	75,465,236	1,564,737,715	93,689,553	136,848,757	27,024,568	257,562,878
0600 - Public donations	0	0	0	0	0	0
0700 - Investments redeemed	242,019,617	737,306,582	369,759,756	78,841,969	10,500,000	459,101,725
0800 - Consumer deposits	1,509,345		510,342	1,580,027	1,228,500	
0900 - Receipts from long-term debtors	205,067	517,976	23,943	3,899,653	315,000	4,238,596
1000 - Insurance claims	91,921	206,699	26,651	4,151	20,000	50,802
1100 - Statutory Receipts (incl VAT)	22,002,010	42,312,474	6,426,648	74,958,726	2,000,000	83,385,374
1200 - Other	40,803,966	138,046,682	45,391,831	36,580,553	14,123,058	96,095,442
1300 Sub-Total (Receipts)	535,480,325	2,947,873,583	672,356,396	496,773,109	154,120,292	1,319,930,928
1400 Less : Payments						
1500 - Salaries, wages and allowances	132,036,174	416,750,418	139,002,789	122,955,460	61,266,946	323,225,195
1600 - Cash and creditor payments	136,440,714	391,184,452	111,321,647	119,940,377	75,047,096	306,309,120
1700 - Capital payments	376,136,373	705,842,435	238,855,577	264,756,753	158,523,839	662,136,169
1800 - Investments made	108,094,080	660,737,087	357,091,925	29,776,775	1,000,000	387,868,700
1900 - External loans repaid	9,283,749	13,051,089	17,000	17,000	4,304,126	4,338,126
2000 - Statutory Payments (incl VAT)	7,196,117	26,353,036	9,189,471	6,958,264	4,800,000	20,947,735
2100 - Consumer deposits repaid	844,771	1,009,444	251,504	185,295	250,000	686,799
2200 - Other payments	68,890,973	202,665,190	58,077,725	63,346,102	36,805,230	158,229,057
2300 Sub-Total (Payments)	838,922,951	2,417,593,151	913,807,638	607,936,026	341,997,237	1,863,740,901
2400 Closing Balance	1,204,029,612	1,201,334,576	962,578,370	851,415,453	663,538,508	660,219,639

The cash flow statement for the municipalities shows positive cash balance of R660.2 million at the end of May 2009. The credibility of the submissions makes it difficult for any meaningful analysis of information to be provided.

Conclusion

Analysis of the s71 reports over the eleven month period ending 31 May 2009 has shown that municipalities have potential to spend funds allocated. However, it is also clear that the performance reported has not been credible due to the haphazard submission of reports on the part of the municipalities as well as the credibility of the data in the reports.

Municipalities can perform better than they have done, and it is expected that the Municipal Manager and CFO should be aware of what is being submitted on a monthly basis by just ensuring that they check the work and append their signatures.

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Head of Department
Provincial Treasury