



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**PROVINCIAL TREASURY**

Enq: Mulenga S

Date: 06 December 2009

Director-General: National Treasury  
Private Bag x115  
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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: NOVEMBER 2009**

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<sup>th</sup> November 2009.

**HEAD OF DEPARTMENT  
PROVINCIAL TREASURY**

DATE: 19 / 01 / 2010

**LIMPOPO PROVINCIAL TREASURY**  
**Municipal Budget Performance**  
**Consolidated Statement as at 30<sup>th</sup> November 2009**

## **INTRODUCTION**

This consolidated budget statement and report covers the financial performance of municipalities for the period ending on 30<sup>th</sup> November 2009.

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**

The table below shows the reporting format for the submission of the s71 financial reports. The Act requires the report to be submitted in both electronic and hard copy on the 10<sup>th</sup> working day after close of the relevant month. It can be noticed from the table that three municipalities submitted a hard copy. This trend is set to improve after the budget workshops where the importance of a hard copy was emphasized.

Documents sent indicates that municipalities are required to send a minimum of five returns being the CAA- capital expenditure, OSA- operating revenue and expenditure, AD- debtors age list, AC- Creditors age list and CFA- cash flow. The table clearly indicates the returns submitted by each municipality.

It is observed from the table that nine municipalities did not submit the s71 expenditure report for November to Provincial Treasury. This is a set back compared to the previous that had one non-submission.

Municipality	Oct-09				Nov-09			
	Old/new version	Date of submission		Documents sent	Old/new version	Date of submission		Documents sent
		Electronic	Hard copy			Electronic	Hard copy	
DC 35 - CAPRICORN	New	20.11.09	19.11.09	OSA,CFA,AC,AD,CAA	No Submission			
LIM 351 - BLOUBERG	New	13.11.09		OSA,CFA,AC,AD,CAA	No Submission			
LIM 352 - AGANANG	New	13.11.09		OSA,CFA,AC,AD,CAA	No Submission			
LIM 353 - MOLEMOLE	New	11.11.09	11.11.09	OSA,CFA,AC,AD,CAA	New	10.12.09		OSA,CAA,CFA,AC,AD
LIM 354 - POLOKWANE	New	06.11.09		OSA,CFA,AC,AD,CAA	New	8.12.09		AD,CAA,CFA
LIM 355 - LEPALLE-NKUMPI	New	11.11.09		OSA,CFA,AC,AD,CAA	New	8.12.09		AD,CAA,CFA,OSA,AC
DC - 47 - GREATER SEKHUKHUNE	New	17.11.09		CAA,CFA,AD,AC	No Submission			
LIM 471 - MARBLE HALL	New	10.11.09		CAA,CFA,AD,AC,OSA	New	09.12.09		AC,AD,CAA,CFA,OSA
LIM 472 - ELIAS MOTSOLEDI	New	13.11.09		CAA,AD.AC,OSA,CFA	New	09.12.09		AC,AD,CAA,CFA,OSA
LIM 473 - MAKHUDUTHAMAGA	New	18.11.09		OSA,CFA,AD,CAA	New	09.12.09		AC,AD,CAA,CFA,OSA
LIM 474 - FETAKGOMO	New	10.11.09		OSA,CFA,CAA,AD,AC	New	9.12.09		OSA,CAA,CFA,AD,AC
LIM 475 - GREATER TUBATSE	New	17.11.09	23.11.09	AC,AD,CAA,CFA,OSA	New	8.12.09		OSA,CAA,CFA,AD,AC
DC 33 - MOPANI	New	10.11.09		OSA,CAA,CFA,AD,AC	New	8.12.09		OSA,CAA,CFA,AD,AC
LIM 331 - GREATER GIYANI	New	09.12.09		OSA,CAA,CFA,AD,AC	New	9.12.09		OSA,CAA,CFA,AD,AC
LIM 332 - GREATER LETABA	New	06.11.09		OSA,CAA,CFA,AD,AC	No Submission			
LIM 333 - GREATER TZANEEN	New	13.11.09		OSA,CAA,CFA,AD,AC	New	09.12.09		AC,CAA,CFA,OSA,AD
LIM 334 - BA- PHALABORWA	New	13.11.09		OSA,CAA,CFA,AD,AC	New	09.12.09		OSA,CAA,CFA,AD,AC
LIM 335 - MARULENG	New	23/11/09		AC,AD,CAA,CFA,OSA	New	8.12.09		OSA,CAA,CFA,AD,AC
DC 36 - WATERBERG	New	13.11.09		OSA,CAA,CFA,AD,AC	New	8.12.09		OSA,CAA,CFA,AD,AC
LIM 361 - THABAZIMBI	New	24/11/09		CAA,AD,AC	No Submission			
LIM 362 - LEPHALALE	New	13.11.09		OSA,CFA,CAA,AD,AC	New	09.12.09		OSA,CAA,CFA,AD,AC
LIM 364 - MOOKGOPONG	New	13.11.09		OSA,CFA,CAA,AD,AC	New	09.12.09		OSA,CAA,CFA,AD,AC
LIM 365 - MODIMOLLE	New	13.11.09		OSA,CFA,CAA,AD,AC	New	8.12.09		OSA,CAA,CFA,AD,AC
LIM 366 - BELA-BELA	New	16.11.09		OSA,CFA,CAA,AD,AC	No Submission			
LIM 367 - MOGALAKWENA					New	09.12.09		OSA,AD,AC,CAA
DC 34 - VHEMBE	New	10.11.09		OSA,CFA,CAA,AC,AD	New	10.12.09		OSA,CAA,CFA,AD,AC
LIM 341- MUSINA	New	13.11.09		OSA,CFA,CAA,AC,AD	New	09.12.09		OSA,CAA,CFA,AD,AC
LIM 342 - MUTALE	New	11.11.09		AD,CFA,CAA,OSA	No Submission			
LIM 343 - THULAMELA	New	13.11.09		AD,CFA,CAA,OSA,AC	No Submission			
LIM 344 - MAKHADO	New	09.11.09		AD,OSA,CAA,CFA,AD	New	09.12.09		OSA,CAA,CFA,AC,AD

**Financial Performance**

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

**Operating Revenue**

The operating revenue performance for the month of November reflects that municipalities generated an amount of R721 million for the month of November and an accumulated amount R3.378 billion or 39 per cent of the total operating revenue budget of R8.738 billion. This reflects that municipalities underperformed by about 2 per cent in comparison with the straight line projections.

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 17 per cent followed by Mopani district 29 per cent.

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	137	2	67	49%
NP03a3	Fetakgomo	43	1	3	8%
NP03a4	Greater marble Hall	108	6	39	36%
NP03a5	Greater Tubatse	163	10	32	20%
NP03a6	Elias Motsoaledi	230	–	52	23%
DC47	Greater Sekhukhune	491	–	0	0%
<b>Sekhukhune</b>		<b>1,174</b>	<b>19</b>	<b>194</b>	<b>17%</b>
NP331	Greater Giyani	120	–	–	
NP332	Greater Letaba	98	3	47	48%
NP333	Greater Tzaneen	587	28	229	39%
NP334	Ba-Phalaborwa	344	28	100	29%
NP335	Maruleng	61	3	6	9%
DC33	Mopani District	665	0	155	23%
<b>Mopani District</b>		<b>1,875</b>	<b>62</b>	<b>537</b>	<b>29%</b>
NP341	Musina	129	8	70	54%
NP342	Mutale	92	11	35	38%
NP343	Thulamela	373	27	147	39%
NP344	Makhado	462	26	195	42%
DC34	Vhembe District	1,036	163	627	61%
<b>Vhembe</b>		<b>2,092</b>	<b>235</b>	<b>1,074</b>	<b>51%</b>
NP351	Blouberg	107	5	39	37%
NP352	Aganang	47	0	23	48%
NP353	Molemole	58	–	32	55%
NP354	Polokwane	1,652	133	532	32%
NP355	Lepelle-Nkumpi	261	45	115	44%
DC35	Capricorn District	190	85	308	162%
<b>Capricorn</b>		<b>2,316</b>	<b>269</b>	<b>1,049</b>	<b>45%</b>
NP361	Thabazimbi	62	–	20	32%
NP362	Lephalale	205	111	241	117%
NP363	Mookgophong	80	5	29	36%
NP364	Modimolle	157	7	58	37%
NP365	Bela-Bela	140	10	50	36%
NP366	Mogalakwena	537	–	85	16%
DC36	Waterberg District	99	3	41	41%
<b>Waterberg</b>		<b>1,280</b>	<b>136</b>	<b>523</b>	<b>41%</b>
<b>Total</b>		<b>8,738</b>	<b>721</b>	<b>3,378</b>	<b>39%</b>

District performance shows that of the R721 million generated for the month of November, Sekhukhune collected only 3 percent, Mopani 3 per cent, Vhembe 33 per cent, Capricorn 37 per cent and Waterberg 19 percent against the monthly straight line projection of 8.3 per cent.

While the other four districts show a better performance, Sekhukhune and Mopani districts are reflecting a relatively low spending over the five months.

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

- **Property Rates:** The total budget amounts to R629 million, while the year to date revenue generated amounts to R210 million or 33.0 per cent of the budget. The monthly collection is 7 per cent of the total line budget.
- **Service Charges:** The total budget amounts to R1.960 billion, the year to date revenue generated amounts to R643 million or 33. 0 per cent of the budget. The monthly collection is R 119 million or 6 per cent of the total line budget.
- **Investment revenue:** The total budget amounts to R273 million, the year to date receipts stands at R51 million or 19 per cent of the budget. The monthly collection is R 14 million or 5 per cent of the total line budget.
- **Transfers recognised:** The total budget amounts to R4.887 billion, while the current revenue generated to date amounts to R2.172 million or 44, 0 per cent of the budget. The monthly collection is R 485 million or 10 per cent of the total line budget.
- **Other Revenue:** The total budget amounts to R989 million, while the year to date receipts amounts to R301 million or 30 per cent of the budget. The monthly collection is R 56 million or 6 per cent of the total line budget.

## Operating Expenditure

The operating expenditure performance for the month of November reflects that municipalities expended an amount of R460 million and expended an accumulated R1.976 billion or 30 per cent of the total operating revenue budget of R6.599 billion.

Code	Municipality	Financial Performance			
		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	50	11	35	70%
NP03a3	Fetakgomo	16	1	3	18%
NP03a4	Greater marble Hall	182	2	8	4%
NP03a5	Greater Tubatse	48	1	6	13%
NP03a6	Elias Motsoaledi	148	–	21	14%
DC47	Greater Sekhukhune	497	–	109	22%
<b>Sekhukhune</b>		<b>1,025</b>	<b>27</b>	<b>199</b>	<b>19%</b>
NP331	Greater Giyani	126	–	–	
NP332	Greater Letaba	141	7	33	23%
NP333	Greater Tzaneen	495	55	222	45%
NP334	Ba-Phalaborwa	384	13	98	26%
NP335	Maruleng	82	4	22	27%
DC33	Mopani District	378	14	101	27%
<b>Mopani District</b>		<b>1,606</b>	<b>92</b>	<b>476</b>	<b>30%</b>
NP341	Musina	109	9	66	60%
NP342	Mutale	65	4	20	31%
NP343	Thulamela	190	115	175	92%
NP344	Makhado	464	25	123	26%
DC34	Vhembe District	355	35	115	33%
<b>Vhembe</b>		<b>1,183</b>	<b>189</b>	<b>499</b>	<b>42%</b>
NP351	Blouberg	83	5	22	27%
NP352	Aganang	37	4	13	34%
NP353	Molemole	57	–	12	20%
NP354	Polokwane	1,086	73	293	27%
NP355	Lepelle-Nkumpi	136	6	26	19%
DC35	Capricorn District	190	18	75	39%
<b>Capricorn</b>		<b>1,591</b>	<b>106</b>	<b>441</b>	<b>28%</b>
NP361	Thabazimbi	161	–	14	9%
NP362	Lephalale	205	13	103	50%
NP363	Mookgophong	80	7	34	43%
NP364	Modimolle	133	9	50	38%
NP365	Bela-Bela	135	13	53	39%
NP366	Mogalakwena	409	–	(23)	-6%
DC36	Waterberg District	71	4	129	183%
<b>Waterberg</b>		<b>1,194</b>	<b>45</b>	<b>361</b>	<b>30%</b>
<b>Total</b>		<b>6,599</b>	<b>460</b>	<b>1,976</b>	<b>30%</b>

## **Performance per District:**

**Sekhukhune District:** Overall operating expenditure stands R199.0 million or 19 per cent of the total budget R1.025 billion. Greater Tubatse, Greater marble Hall and Elias Motsoaledi are showing serious under spending.

**Mopani District:** The district has reflected a year to date spending of 30 per cent or R476 million of a budget of R1.606 billion. Greater Giyani shows no spending in the month.

**Vhembe District:** Expenditure for the year to date stands at 42 per cent or R499 million of the total budget of R1.183 billion. The district reflects a R189 million or 15 per cent spending for the month.

**Capricorn District:** Expenditure for the year to date stands at 28 per cent or R441 million of the total budget of R1.591 billion. The monthly spending stands at R107 million or 7 per cent under spending by 1.3 per cent against the monthly straight line norm

**Waterberg District:** The district operating expenditure for the year to date stands 30 per cent or R361 million of the total capital budget of R1.194 billion. Monthly spending stands at R45 million or 4 per cent.

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

- **Employee Related Costs:** The budget amounts to R2.253 billion, while the expenditure to date amounts to R904. 0 million or 40.0 per cent of the budget. The monthly expenditure is R 241 million or 11 per cent of the total line budget reflecting a slight under expenditure.
- **Remuneration of Councilors:** The budget amounts to R275.0 million, while the expenditure to date amounts to R66.0 million or 24.0 per cent of the budget. The monthly expenditure is R 14 million or 5 per cent of the total line budget reflecting a under expenditure.
- **Debt impairment:** The budget amounts to R78 million, while the year to date expenditure amounts to minus two. The monthly expenditure is minus one.
- **Depreciation or amortisation:** The budget amounts to R278.0 million, while the year to date expenditure amounts to R15.0 million or 5.0 per cent of the budget. The monthly expenditure is R 3 million or 1 per cent of the total line budget reflecting a slight under expenditure.
- **Finance charges:** The budget amounts to R48 million, while the year to date expenditure amounts to nil. The monthly expenditure is nil.
- **Materials and bulk Purchases:** The budget amounts to R1.519 billion, while the expenditure to date amounts to R454.0 million or 30.0 per cent of the budget. The monthly expenditure is R 92 million or 6 per cent of the total line budget reflecting a slight under expenditure.
- **Other expenditure:** The budget amounts to R2.148 billion, while the year to date expenditure amounts to R539.0 million or 25.0 per cent of the budget. The monthly expenditure is R 110 million or 6 per cent of the total line budget reflecting a slight under expenditure.

## **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.

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	11	26	53%
NP03a3	Fetakgomo	16	1	3	21%
NP03a4	Greater marble Hall	16	-	-	
NP03a5	Greater Tubatse	49	-	48	100%
NP03a6	Elias Motsoaledi	82	-	1	1%
DC47	Greater Sekhukhune	329	-	111	34%
<b>Sekhukhune</b>		<b>542</b>	<b>12</b>	<b>190</b>	<b>35%</b>
NP331	Greater Giyani	32	-	-	
NP332	Greater Letaba	50	6	18	35%
NP333	Greater Tzaneen	155	17	37	24%
NP334	Ba-Phalaborwa	41	-	-	
NP335	Maruleng	34	-	-	
DC33	Mopani District	286	-	23	8%
<b>Mopani District</b>		<b>598</b>	<b>23</b>	<b>77</b>	<b>13%</b>
NP341	Musina	32	2	4	14%
NP342	Mutale	27	0	6	21%
NP343	Thulamela	214	6	17	8%
NP344	Makhado	111	6	19	17%
DC34	Vhembe District	789	38	91	12%
<b>Vhembe</b>		<b>1,173</b>	<b>52</b>	<b>138</b>	<b>12%</b>
NP351	Blouberg	38	-	-	
NP352	Aganang	38	-	-	
NP353	Molemole	20	-	6	32%
NP354	Polokwane	1,322	63	394	30%
NP355	Lepelle-Nkumpi	124	3	3	3%
DC35	Capricorn District	406	69	108	27%
<b>Capricorn</b>		<b>1,948</b>	<b>136</b>	<b>512</b>	<b>26%</b>
NP361	Thabazimbi	49			
NP362	Lephalale	32	1	7	23%
NP363	Mookgophong	40	4	10	26%
NP364	Modimolle	56		5	9%
NP365	Bela-Bela	20		1	4%
NP366	Mogalakwena	149	(6)	(19)	-13%
DC36	Waterberg District	29		1	3%
<b>Waterberg</b>		<b>374</b>	<b>(0)</b>	<b>6</b>	<b>2%</b>
<b>Total</b>		<b>4,635</b>	<b>222</b>	<b>923</b>	<b>20%</b>

The overall performance for all the districts stands at 20 per cent or R923 million in monetary terms against a budget of R4.635 billion.

**For the period to date inclusive of the month of November, the performance per district was;**

**Sekhukhune District:** R190.0 million or 35 per cent of the total district budget of R542 million was receipted by the district municipalities for five months. The month receipts amount to R12 million or 2 per cent.

**Mopani District:** The district receipted a total of R77 million or 13 per cent of the total capital revenue of R598 million. The month receipts amount to R23 million or 4 per cent

**Vhembe District:** Receipted R138 million of the total capital budget of R1.173 million or an equivalent of 12 in percentage terms. The monthly receipt amounts to R52 million or 4 per cent.

**Capricorn Districts:** The district shows a 26 per cent or R512 million receipted accumulated over five months. The month receipts amount to R136 million

**Waterberg District:** Receipted R6 million or 2 percent of the total budget of R374 million. This is not a true reflection of the performance mainly due to Mogalakwena reflecting a negative figure in its report. This negative figure is causing the under counting when in fact the opposite is true.

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

- i. **External loans** reflect 0 per cent of total budget; this implies that municipalities have not gone out to acquire external financing.
- ii. **Asset Financing Reserve reflect** that 28 per cent or R161 million from a budget of R580 million has been receipted in total. The monthly receipts amount to R33 million or 6 per cent.
- iii. **Surplus cash** showed a 15 per cent or R65 million availability against a budget of R425 million. The monthly receipts amount to R45 million or 11 per cent.
- iv. **Grants and Subsidies** reflect R659 million or 20 per cent has been receipted in total. The month receipts amount to R139 million or 4 per cent.
- v. **Other Sources** reflect a 21 per cent receipt from a budget R169 million.

## Capital Expenditure

For the month of November, the accumulated performance is at R956 million translating into 22 per cent of the total capital budget of R4.397 billion.

Code	Municipality	Capital expenditure			
		Total Capital 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	50	11	35	70%
NP03a3	Fetakgomo	16	1	3	18%
NP03a4	Greater marble Hall	182	2	8	4%
NP03a5	Greater Tubatse	48	1	6	13%
NP03a6	Elias Motsoaledi	65	–	6	10%
DC47	Greater Sekhukhune	497	–	109	22%
<b>Sekhukhune</b>		<b>858</b>	<b>15</b>	<b>168</b>	<b>20%</b>
NP331	Greater Giyani	32	–	–	
NP332	Greater Letaba	50	6	18	36%
NP333	Greater Tzaneen	155	17	37	24%
NP334	Ba-Phalaborwa	41	3	21	51%
NP335	Maruleng	34	3	10	29%
DC33	Mopani District	286	2	33	12%
<b>Mopani District</b>		<b>598</b>	<b>32</b>	<b>119</b>	<b>20%</b>
NP341	Musina	32	2	4	14%
NP342	Mutale	27	0	6	21%
NP343	Thulamela	193	5	15	8%
NP344	Makhado	111	6	19	17%
DC34	Vhembe District	–	38	91	#DIV/0!
<b>Vhembe</b>		<b>362</b>	<b>52</b>	<b>136</b>	<b>37%</b>
NP351	Blouberg	38	5	13	34%
NP352	Aganang	38	3	4	12%
NP353	Molemole	20	–	8	43%
NP354	Polokwane	1,322	63	394	30%
NP355	Lepelle-Nkumpi	124	3	11	9%
DC35	Capricorn District	479	69	96	20%
<b>Capricorn</b>		<b>2,021</b>	<b>136</b>	<b>512</b>	<b>25%</b>
NP361	Thabazimbi	48	–	12	0
NP362	Lephalale	32	1	13	40%
NP363	Mookgophong	40	4	10	26%
NP364	Modimolle	97	0	5	5%
NP365	Bela-Bela	19	0	1	4%
NP366	Mogalakwena	183	(6)	(19)	-11%
DC36	Waterberg District	29	0	1	4%
<b>Waterberg</b>		<b>449</b>	<b>(1)</b>	<b>22</b>	<b>5%</b>
<b>Total</b>		<b>4,288</b>	<b>233</b>	<b>956</b>	<b>22%</b>

## **Performance per District:**

**Sekhukhune District:** Overall expenditure stands at R168.0 million or 20 per cent of the total budget of R858 million. The month expenditure stands at R15 million or 2 per cent of the total budget.

**Mopani District:** Overall expenditure stands R119.0 million or 20 per cent of the total budget of R598 million. The month expenditure stands at R32 million or 5 per cent of the total budget.

**Vhembe District:** Overall expenditure stands R136.0 million or 37 per cent of the total budget of R325 million. The month expenditure stands at R52 million or 16 per cent of the total budget.

**Capricorn District:** Overall expenditure stands R512.0 million or 25 per cent of the total budget of R2.021 million. The month expenditure stands at R136 million or 27 per cent of the total budget.

**Waterberg District:** Overall expenditure stands R22.0 million or 5 per cent of the total budget of R858 million.

The performances of the individual items are as follows:

- **Infrastructure:** reflects a budget of R3.067 billion and a cumulative performance of R643.0 million or 21 per cent. The month expenditure stands at R193 million or 6 per cent of the total budget.
- **Community:** reflects a budget of R859 million and a cumulative performance of R277.0 million or 33 per cent. The month expenditure stands at R41 million or 5 per cent of the total budget.
- **Investment properties:** reflects a budget of R9 million and a cumulative performance of R3.0 million or 37 per cent. The month expenditure stands at nil
- **Other assets:** reflects a budget of R427 million and a cumulative performance of R49.0 million or 11 per cent. The month expenditure stands at R8 million or 2 per cent of the total budget.

## Debtors

The total outstanding debtor's book, for the municipalities in the Province for the month of November, amounts to R1.415 billion.

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	8	5	4	41	11	0	0	69
Mopani	23	37	61	14	184	43	109	472
Vhembe	10	28	14	35	23	109	36	256
Capricorn	72	25	14	25	220	-	6	362
Waterberg	10	28	14	35	23	109	36	256
	123	124	108	150	461	262	186	1,415

Debtors owing between 0-30 days amounts to R123 million, 31-60 days constitute R124 million. Debtors owing between 120-150 days are the most significant with R461 million or 34 per cent, while the debt owed falling into the category over 150 and 181 days to a year constitute R262 and R186 million respectively.

## Creditors

The total accounts payable for the month of November owed by municipalities' amount to R145.0 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	0	1	0	0	1	-	-	2
Mopani	42	0	-	-	-	-	-	42
Vhembe	8	5	2	7	0	2	-	24
Capricorn	37	-	-	0	-	-	-	37
Waterberg	38	0	0	0	0	0	-	39
	125	6	3	8	1	2	-	145

The current debt owed by municipalities collectively is R145 million. Municipalities seem to be applying the principle of paying creditors within 30 days after receipt of the invoice. Vhembe is the only district showing outstanding balances over the 0-30 category.

## Cash-flows

<b>Cash flows</b>	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
Opening Cash Balance	468	1,195	1,187	1,001	818	843	755	678	519	825	696	522
Sub-Total (Receipts)	1,420	639	387	406	629	260	268	175	852	216	162	148
Sub-Total (Payments)	632	646	573	589	605	348	338	334	546	345	336	341
<b>Closing Balance</b>	1,256	1,187	1,001	818	843	755	678	519	825	696	522	329

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.

## CONCLUSION

Generally there are changes and improvements for the better. We hope that this improvement will translate into service delivery improvement as well. Municipalities that have issues still outstanding such as compliance and establishing of units are being encouraged to speed processes and adhere to legislation. Provincial Treasury is on a venture of visiting those municipalities that are still having difficulties in complying with s71 (1) of the MFMA. These interactions will assist the process to move on analyzing expenditure credibility.