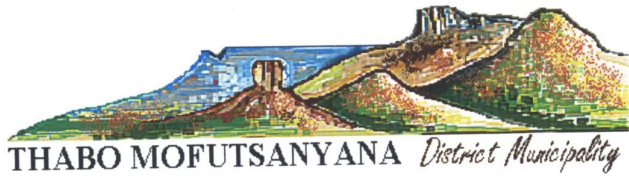


APRIL 2023

TMDM COUNCIL MEETING

ANNEXURE "D"



**REPORT OF THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL
 THIRD 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 31 March 2023.

2. BUSINESS PLAN

None

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

Good governance

4. POLICY

TMDM Financial Management Policy

5. ANNEXURE

THIRD 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 46 273 272
The total operating expenditure amounts to	R 37 580 560
The total capital expenditure amounting to	R 19 750

10. STAFF IMPLICATIONS

None

11. RISK IMPLICATIONS

Non-compliance with MFMA sec. 52(d)

12. RECOMMENDATION

It is recommended that

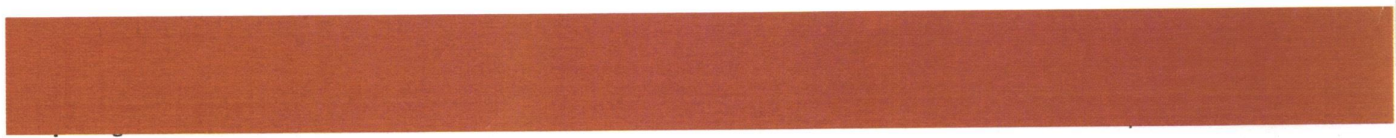
- ✚ Council approves the section 52(d) report for the quarter ended 31 March 2023 be noted and accepted.

13. RECOMMENDED FOR SUBMISSION



Cllr. AC Msibi
Executive Mayor

**MFMA Section 52D
Performance Report –
Quarter 3
2022/2023**



-1 INTRODUCTION

This report presents performance activities of the third 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 January to 31 March 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 January, February and March 2023 as required by section 71 of the MFMA. In this section, a report on the financial state of the municipality is presented.

The third 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 January 2023 to 31 March 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 – ME Ngobese
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 31 March 2023.

Description	Approved Budget	Approved Adjustment Budget	Quarter Results	Year to date (YTD)	%
INCOME					
Operating Revenue	178 494 245	181 282 856	46 273 272	157 601 232	87%
EXPENDITURE					
Operating Expenditure	(174 492 245)	(177 185 857)	(37 580 560)	(112 192 785)	63%
Capital Expenditure	(4 002 000)	(4 097 000)	(19 750)	(878 228)	21%
TOTAL EXPENDITURE	(178 494 245)	(181 282 856)	(37 600 310)	(113 071 013)	62%
Surplus / (Deficit)	-	-	8 672 962	44 530 219	

The municipality received income for the third quarter amounting to R 46 273 272 and the total income received for the year amounts to R 157 601 232 which represents 87% of the total Approved adjustment budget of R181 282 856.

The municipality’s operating expenditure for the third quarter amounts to R 37 580 560 and total expenditure for the year amounts to R 112 192 785 which represents 63% of the total operating expenditure budget of R 177 185 857.

The Capital spending for the third quarter amounts to R 19 750 and the total capital expenditure for the year amounts to R 878 228 which represents 21% 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 3rd Quarter	Actual received for the 3rd Quarter		
Equitable Share	36 529 000	36 529 000	-	NONE
FMG	0	0	-	NONE
EPWP Grant	1 606 000	1 606 000	-	NONE
Rural Assets Man	772 000	772 000	-	NONE
Energy Efficiency & Demand Grant	4 000 000	4 000 000	-	NONE
Interest Received	980 859	1 052 539	71 681	A large sum of investment was made which yielded in higher interest being received for the quarter.
Other Revenue	1 032 823	2 313 733	1 280 910	Other revenue increased due to VAT refund received for the quarter.
TOTAL INCOME	44 920 682	46 273 272	1 352 910	

2.3 Short term Investments as of 31 March 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	936 690	-	-	17 962 556
ABSA	Call Account 2	3 185 318	145 152	-	(80 0000)	3 250 471
ABSA	Call Account 3	6 789 401	1 126 998	45 000 000	(35 000 000)	17 916 400

NEDBANK	Fixed Deposit 32-Days	-	-	-	-	-
NEDBANK	Call Account	6 250 767	288 139	-	-	6 538 905
TOTAL		33 251 415	2 496 980	45 000 000	(35 080 000)	45 668 395

At the end of the Third quarter the municipality showed a positive bank balance of R 45 668 395 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 3rd Quarter		
Employee Cost	102 484 838	98 132 217	25 621 210	22 419 140	66 121 120	67%
Councillors Allowance	9 110 477	9 344 542	2 336 136	2 170 461	6 488 209	69%
General Expenditure	58 775 138	65 587 306	16 396 827	12 209 717	37 357 328	57%
Property, Plant and Equipment	4 002 000	4 097 000	1 024 250	19 750	878 228	21%
Depreciation	4 121 792	4 121 792	1 030 449	781 242	2 226 129	54%
TOTAL	178 494 245	181 282 857	45 320 714	37 600 310	113 071 013	62%

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	1 055 222.13	496 840.37	68%
Office of the Chief Whip	162 825.50	138 576.14	24 249.36	85%
MAYCO and Council	2 600 564.25	2 315 479.49	285 084.76	89%
Office of the Executive Mayor	3 385 945.00	2 564 698.92	821 246.08	76%
Municipal Manager	6 582 558.00	5 836 394.80	746 163.20	89%
Governance and Strategic support	615 704.00	514 910.09	100 793.91	84%
LED and Tourism	1 138 303.50	990 572.45	147 731.05	87%
Budget and Treasury	5 432 938.00	3 885 840.86	1 547 097.14	72%
Corporate Services	9 052 060.25	7 968 772.50	1 325 030.75	88%
Community Services	6 509 265.25	6 176 001.84	333 263.41	95%
Infrastructure	7 386 322.75	5 367 112.23	2 019 210.52	73%
Rural Development and Agricultural	902 165.24	786 728.40	115 436.84	87%
	45 320 714.14	37 600 309.85	7 844 536.15	83%

Legends

- ❖ The 32% underspending in the Office of the Speaker is due to the task grading system as the budgeted amount for salaries is not the same as the actual spending to date.
- ❖ The 24% underspending in the Office of the Executive Mayor is due to some projects/votes e.g. external bursary, poverty alleviation not being utilized in the third quarter.