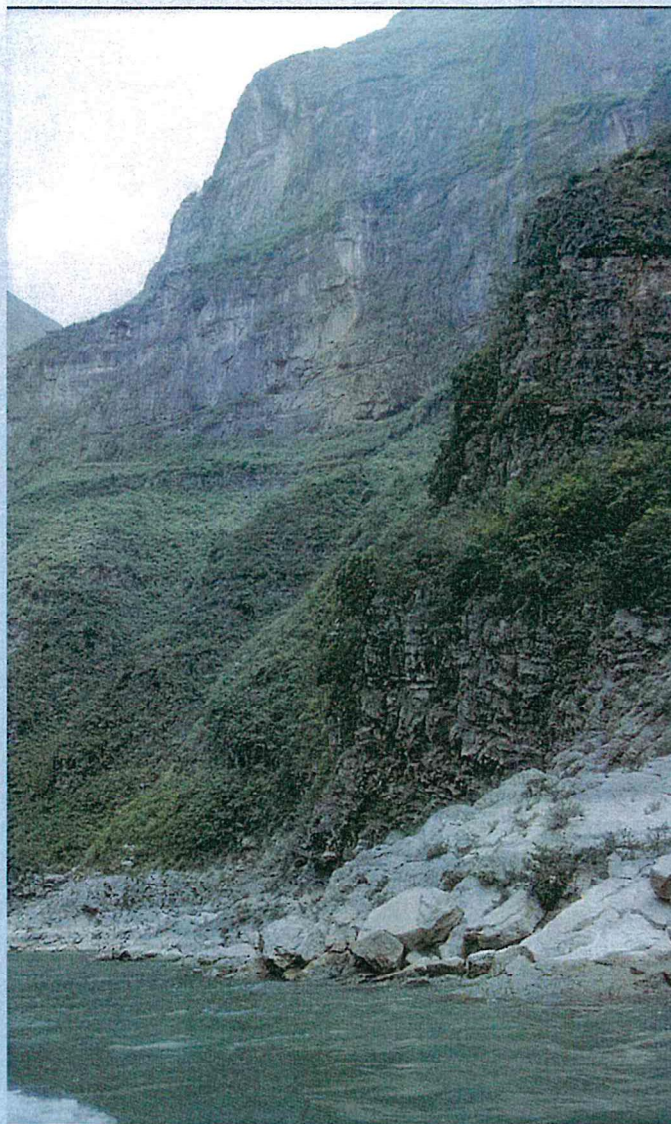


THABO MOFUTSANYANA DISTRICT MUNICIPALITY

FIRST QUARTER REPORT
for the quarter ended SEPTEMBER 2016



1 INTRODUCTION

These report present performance activities of the fourth quarter of 2016/2017 financial year. The report is a requirement as per section 52 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which provide 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 2016/2017 Service Delivery and Budget Implementation Plan (SDBIP) as adopted by council.

The report encompasses respective departmental performance from period 01 July 2016 to 30 September 2016. Six (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 of July, August and September 2016 as required by section 71 of the MFMA. In this section a report on the financial state of the municipality is presented.

The second section of the report contains supply chain management implementation report for the period.

The third section is a report on the performance targets and indicators as captured in the municipal Top Layer SDBIP and Technical SDBIPs of individual departments.

SECTION 1: PERFORMANCE REPORT

Department (VOTE)	Responsible Official
Office of the Municipal Manager (Vote: Executive and Council)	Ms.TPM Lebenya
Chief Financial Officer (Vote: Finance and Administration)	Mr. H Lebusa
Corporate Services (Vote: Finance and Administration: HR, Admin.)	Mr. SK Khote
Infrastructure Services (Vote: Water, Sanitation, Roads and Electricity)	Mr. B Mphahlele
Local Economic Development (Vote: LED)	Ms. T Mlotha
Community Services (Vote: Community Services)	Mrs. P Selepe
Rural Development and Agriculture	Mr. W Mosholiba

SECTION 1: FINANCIAL STATE OF THE MUNICIPALITY

2.1 The overall operating results for the quarter ending 30 September 2016

Description	Approved Budget	First Quarter Results	Year to date (YTD)	%
INCOME				
Operating Revenue	107 116 166	42 687 913	42 687 913	40%
EXPENDITURE				
Operating Expenditure	104 704 078	27 150 433	27 150 433	26%
Capital Expenditure	2 412 088	7 600	7 600	0%
TOTAL EXPENDITURE	107 116 166	27 158 033	27 158 033	28%
Surplus/Deficit	-	15 529 880	15 529 880	

The municipality received income for the first quarter amounting to R42,687,913 and the total income received for the year amounts to R42,687,913 which represents 40% of the total budgeted income of R107,116,166.

The municipality operating expenditure for the first quarter amounts to R 27,150,433 and total expenditure for the year amounts to R 27,150,433 which represents 26% of the total operating expenditure budget of R104,704,078.

The Capital spending for the First quarter amounts to R7,600 and the total capital expenditure for the year amounts to R7,600 which represents 0% of the total capital budget of R2,412,088.

2.2 Actual Revenue, per revenue source

Source of Income	Revenue		Variance	Explanation of material differences
	Projected to date	Actual per 1st Quarter		
Equitable Share	R 40 718 000	R 40 718 000	R 0	None
F M G	R 1 250 000	R 1 250 000	R 0	None
EPWP Grant	R 280 000	R 280 000	R 0	None
Rural Roads Assets Management Grant	R 1 110 000	R 1 110 000	R 0	None
Interest Received	R 316 063	R 422 833	R 106 770	Investment with high return on investment rate
Other Revenue	R 862 729	R 33 349	(R 829 380)	The variance is made of non-cash items such as depreciation
TOTAL INCOME	R 44 526 792	R 43 804 182	(R 722 610)	

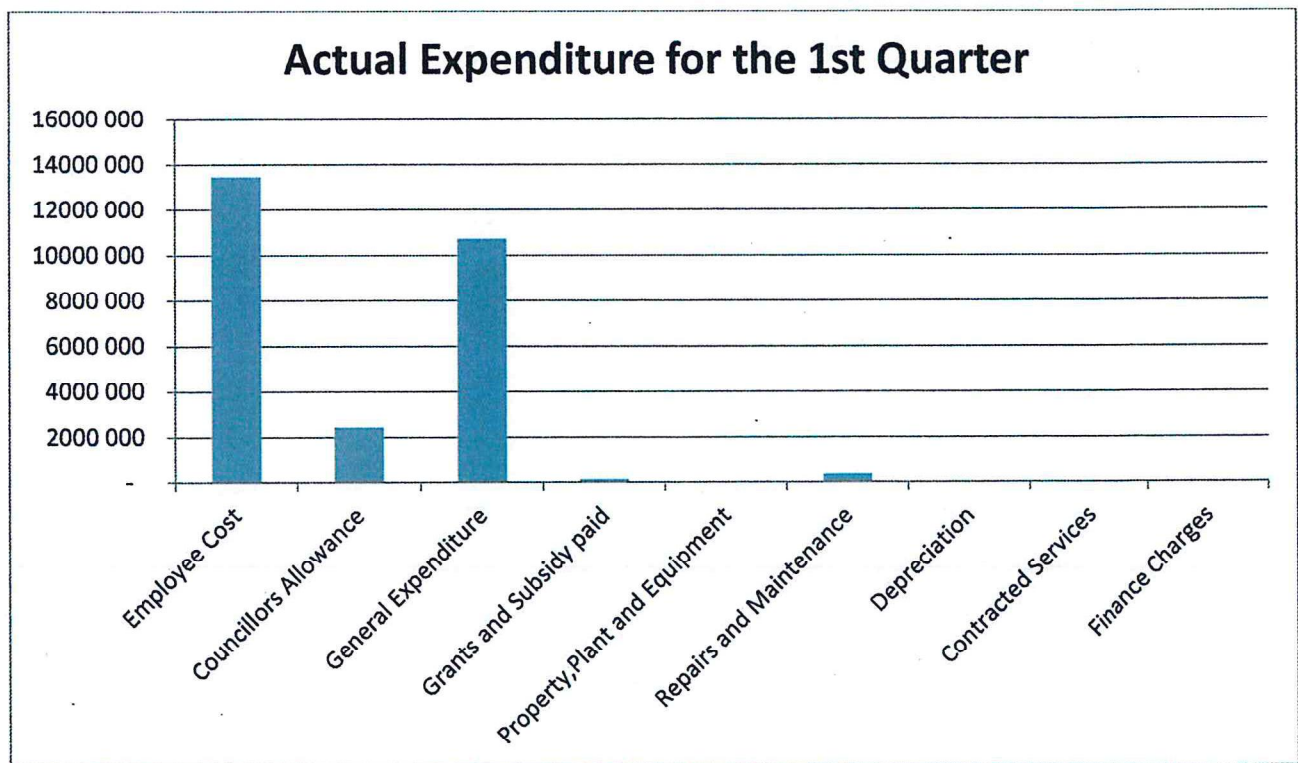
2.3 Short term Investments as at 30 September 2016

Banking Institution	Type of Account	Capital Invested	Interest Received	Investment Made	Investment withdrawn	Closing
ABSA	Fixed Deposit	78 445	118 926	19 000 000	(15 100 000)	4 097 371
ABSA	Call Account	-	-	-	-	-
FNB	Fixed Deposit	563 188	9 994	-	-	573 182
ABSA	Fixed Deposit 32-Days	61 013	264 053	17 000 000	(3 000 000)	14 325 066
TOTAL						18 995 619

At the end of the First quarter the municipality showed bank balance of R18,995,619 on all investments accounts

2.4 Actual Expenditure per category

Operating Expenditure per Category	Approved Original Budget	Expenditure		(YTD) Expenditure	% Exp to date
		Projected per quarter	Actual per 1st Quarter		
Employee Cost	53 175 346	13 293 837	13 461 190	13 461 190	25%
Councillors Allowance	9 252 044	2 313 011	2 445 083	2 445 083	26%
General Expenditure	36 904 232	9 226 058	10 729 074	10 729 074	29%
Grants and Subsidy paid	-	-	140 000	140 000	0%
Property, Plant and Equipment	2 412 088	603 022	7 600	7 600	0%
Repairs and Maintenance	1 625 000	406 250	355 231	355 231	22%
Depreciation	3 272 416	-	-	-	0%
Contracted Services	400 000	100 000	-	-	0%
Finance Charges	75 040	18 760	19 855	19 855	26%
TOTAL	107 116 166	25 960 938	27 158 033	27 158 033	26%



2.5 Actual Expenditure per Vote including Capital

Department	Expenditure			
	Projected per Quarter	Actual Per Quarter	Variance	% Exp
Office of the Speaker	511 612	498 781	-12 831	97%
Whippery Office	110 481	100 339	-10 142	91%
MAYCO and Council	2 646 503	2 759 687	113 184	104%
Office of the Executive Mayor	2 186 154	2 522 941	336 787	115%
Municipal Manager	3 809 631	4 263 871	454 240	112%
Budget and Treasury	3 224 025	2 524 856	-699 169	78%
Corporate Services	4 771 423	4 857 967	86 545	102%
Community Services	5 419 476	3 958 847	-1 460 629	73%
Infrastructure	1 572 720	2 771 542	1 198 822	176%
LED and Tourism	1 047 375	1 688 214	640 839	161%
Governance and Strategic support	872 685	1 208 793	336 108	139%
Rural Development and Agricultural	606 957	2 195	-604 762	0%
	26 779 042	27 158 033	378 992	



**SECTION 2: SUPPLY CHAIN MANAGEMENT REPORT:
01 JULY 2016 TO 30 SEPTEMBER 2016**

Date: 13 OCTOBER 2016

PURPOSE

The purpose of this report is to submit to the Council the Supply Chain Management implementation report of all bids awarded competitive bidding during the months July to September 2016.

BACKGROUND

In terms of the Supply Chain Management Regulation section 6(1) read together with 6(2), the council of the municipality must maintain an oversight role over the implementation of supply chain management policy.

The accounting officer has established Bids Committees in discharging supply chain management responsibilities; these committees consist of officials with delegated authority to evaluate bids in accordance with the terms of reference.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) as amended, the Preferential Regulations published in terms of Government Gazette No. 22549, Broad Base Black Economic Empowerment Act (Act No. 53 of 2000) and also in terms of the criteria set out in the Construction Industry Development Board (Act No. 38 of 2000)

The tables below illustrate all bid procured through competitive bidding, deviation and none compliance to supply chain policy. The tables also demonstrate the total number of bids awarded to BBBEE and the costs of the total bids.

i. Competitive bidding awards: R30,000 up to R200,000

Service Provider	Project discretion	Department	Amount
Tirisano Enterprise & Multi service	Exhibition Stand	LED & Tourism	R 104,000.00
Wandile Catering	Catering (Inter-active with Community)	Executive Mayor Office	R 80,000.00
Motswako Production	P.A System (Inter-active with Community)	Executive Mayor	R 74,500.00
Bam Nhlapo Catering	Catering O.R Tambo	Community Services	R74,500.00

II. Competitive bidding awards: R200,000 above

Service Provider	Project discretion	Department	Amount
NONE			

III. Awards made in terms of Supply Chain Management Regulation, Section 32 (Goods and service under the contracts secured by an organ of state)

Service Provider	Project discretion	Department	Amount
NONE			

IV. Deviation awards

The following is a list of deviation which occurred during this second Quarter (**JULY – SEPT 2016**)

DEVIATION	AMOUNT
Not applicable	
Total Amount	

Prepared



Mr. H I Lebusa
Chief Financial Officer