

**FINANCE COMMITTEE**

**REPORT TO FINANCE COMMITTEE ON SEC 71 REPORTS AS PER MFMA – DECEMBER 2017**

**Date** : 09 January 2018

**Levels** : 1<sup>st</sup> Level: Finance Committee – 11 January 2018

**1. Author** : Budget Manager: MP

**2. PURPOSE**

Report to Finance Committee Sec 71 reports as per MFMA

**3. LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act

**4. AUTHORITY**

Finance Committee

**5. BACKGROUND AND REASONING**

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the Municipality's budget.

This report is a summary of the main budget issues arising from the monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). Section 54 of the MFMA requires the Mayor to consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

***Actual Revenue***

Actual revenue received as a percentage of total budgeted revenue is as follows

Rates	44%
Refuse	39%
Traffic fines	38 %

Drivers Licences	30%
Licence Commission	39%
Interest on Investment	66%

**Actual Expenditure**

Electrification Expenditure	40 %
Internal Funded	1 %
Overall Capital Expenditure	29 %
Operating Expenditure	45%

**Actual Borrowings**

There are no borrowings

**Debtors**

Debtors by customer group as at 31 December 2017 are as follows:

Government	6 347 415
Business	8 440 436
Household	9 122 297
Other	9 022
	<u>23 919 170</u>

**Creditors**

We have managed to pay creditors within 30 days as per the legislation.

**6. STAFF IMPLICATIONS**

None

**7. FINANCIAL IMPLICATIONS**

None

**8. OTHER PARTIES CONSULTED**

Office of the Municipal Manager

**9. RECOMMENDATIONS:**

1. That the Finance Committee notes the Section 71 report as per MFMA- report December 2017

**Monthly Budget Monitoring Report – December 2017**

To The Mayor

In accordance with Section 71(1) of the Municipal Finance Management Act, I submit the required statement on the state of Ubuhlebezwe Municipality's budget reflecting the particulars up until the end of December 2017.

Section 54(1) of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

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**G.M. Sineke**  
**Municipal Manager**  
**December 2017**