REPORT OF FINANCE DEPARTMENT

FOR

FINANCE PORTFOLIO COMMITTEE

12 NOVEMBER 2026

REPORT BASED ON THE SECTION 71 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 56 OF 2003(MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING OCTOBER 2026

1 Purpose

To inform the committees of monthly budget statements, expenditure on staff benefits and submissions on section 71 reports for compliance purposes as per MFMA.

2 Background

71. Monthly budget statements

(1) 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 treasury 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 expenditure, per vote;

(d) actual capital expenditure, per vote;

(e) the amount of any allocations 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—

(i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

(ii) any material variances from the service delivery and budget implementation plan; and

(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

(2) The statement must include—

(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(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' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

Therefore, I submit the attached Section 71.

REVENUE

- **OWN REVENUE**

Property rates and refuse removal billing in the 4th month is R 2 867 963.18

The total collection in the 4th month is R 3 115 566.39

Property rates is R 2 564 734,13
Refuse removal is R 54 278.81
Other is R 496 553.45

- **GRANTS RECEIVED**

  - None

EXPENDITURE

- **OPERATIONAL EXPENDITURE**
  - **STAFF BENEFITS**

Expenditure on staff benefit for the 4th month is R 22 824 982.78 which is equivalent to 32% of the budget for employee related cost.

COUNCILLORS ALLOWANCES

Expenditure on councillors' allowances for the 4th month is R 2 333 478.20 which is equivalent to 29% of the budget for Councillors remuneration.

REPAIRS AND MAINTANANCE

Expenditure on repairs and maintenance reflects R 1 642 156.67 equivalent to 21% spending as of 31 October 2026 the 4th Month of 2026/2027 financial year.

CAPITAL EXPENDITURE

- **MIG EXPENDITURE**

Expenditure on MIG is R 5 888 930.58 equivalent to 21% in the 4th month of 2026/27 financial year.

- **ELECTRIFICATION GRANT EXPENDITURE (INEP)**

Expenditure on Electrification Projects (INEP) is R 3 943 561.02 equivalent to 62% spending in the 4th month of 2026/27 financial year.

- **ENERGY EFFICIENCY AND DEMAND**

Expenditure on Energy Efficiency and Demand Grant is R 416 000.00 equivalent to 14% spending in the 4th month of 2026/27 financial year.

- **WARD 2 ELECTRIFICATION GRANT EXPENDITURE (COGTA)**

Expenditure on Ward 2 Projects is R0 equivalent to 0% spending in the month 4th month of 2026/27 financial year. With an opening balance of R 22 633.13

BANK RECONCILIATION

The bank statement shows a closing balance of R 787 845.94 with no outstanding payments and no outstanding deposits, the cash book balance is R 787 845.94

CASH FLOW STATEMENT

Cash balance is R 11 076 281.11 made up of call and primary bank account.

The available cash is R 11 076 281.11.

VAT refund for October 2026 is 0

CONSUMER DEBTORS

Consumer debtors are sitting at R 42 640 385.52 and the debtor's collection rate is 336% as at 31 October 2026.

CREDITORS

Outstanding creditors are sitting at R 3 383 013.08 as per system creditors age.

All valid invoices received were paid within 30 days from date of receipt of such invoices.

3 Legal/ statutory implications

Section 71 of the Municipal Finance Management Act, 56 of 2003.

4 Financial implications

None

5 Recommendations

IT IS RECOMMENDED:

a) It is hereby recommended that the committee to note Section 71 report for October 2026.

b) It is hereby recommended that the committee to send the report to EXCO

SIGNATURE: _____

MR TE GAMBU

CHIEF FINANCIAL OFFICER