

ITEM 72/2019

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY SECTION 71 REPORT AND QUARTERLY SECTION 52(D) FINANCIAL REPORT FOR SEPTEMBER 2019:

COUNCIL MEETING: 29 OCTOBER 2019

1. PURPOSE

To comply with Section 71 and 52(d) of the Municipal Finance Management Act, for the provision of a report within 30 days of the end of each quarter to the Council on the implementation of the budget and the financial state of affairs of the municipality.

2. BACKGROUND

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 National and Provincial Treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.

The Executive Mayor must within 30 days of the end of the each quarter, submit a report to council on the implementation of the budget and the financial affairs of the municipality.

For the reporting period ended 30<sup>th</sup> September 2019, the ten working day reporting limit expires on the 14<sup>th</sup> October 2019.

3. DISCUSSION

The detailed report is discussed from page 2 until page 34 of the report. The municipality experienced serious challenges with reference to cash flow.

4. ORGANISATIONAL AND PERSONNEL IMPLICATIONS

None

5. COMMUNICATIONS IMPLICATIONS

The report will be submitted to Provincial and National Treasury as required.

6. CONSTITUTIONAL AND LEGAL IMPLICATIONS

Monthly report in terms of section 71 and section 52(d) of the MFMA

7. FINANCIAL IMPLICATIONS

The municipality is having difficulty in meeting its financial commitments

RECOMMENDED:

- i) The Council notes the statement reflecting certain financial particulars for the month of September 2019 and the quarter ended 30<sup>th</sup> September 2019.
- ii) That Council approves the Section 71 and 52(d) report as at 30 September 2019.
- iii) In order to comply with Section 71 and 52(d) of the MFMA, the Accounting Officer must submit the statement to National and Provincial Treasury, in both a signed document format and in electronic format.