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Quarterly financial statistics of selected municipalities

September 2020

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Please note:

1. With effect from this quarter (September 2020), Statistics South Africa (Stats SA) has reduced the scope of the Quarterly financial statistics of municipalities (P9110) from 257 municipalities to the 130 largest municipalities. Consequently, the publication name and number have changed to Quarterly financial statistics of selected municipalities and P9110.1 respectively. Please refer to notes 2 and 3 on page 14 for an explanation. For further information contact Malibongwe Mhemhe at (012) 310 6928 / 082 906 8964 or MalibongweM@statssa.gov.za.
2. For the purpose of comparability over time, the figures for previous quarters have been revised to be for the 130 largest municipalities only.

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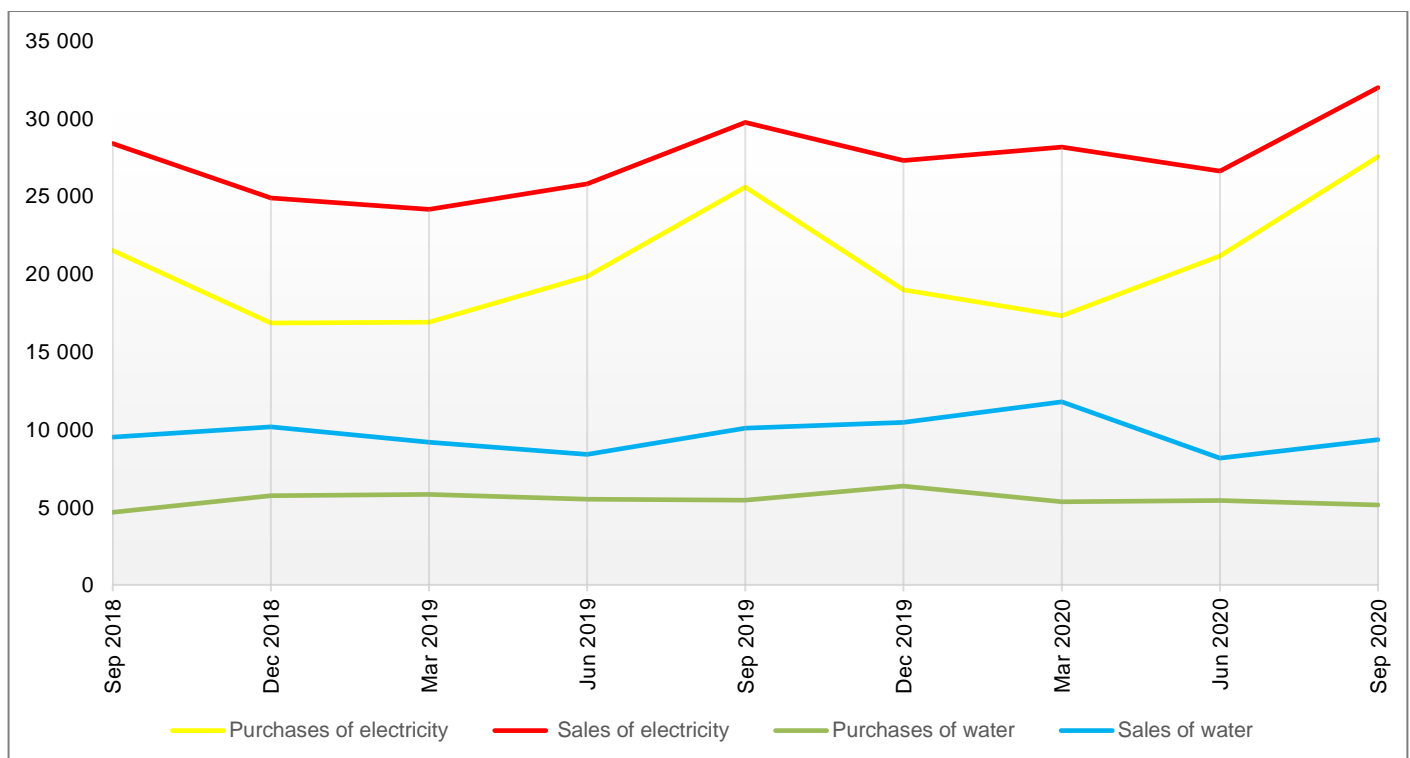
Key findings

Table A – Purchases and sales of water and electricity

Item	Quarter ended:					
	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
	Year-on-year % change					
Purchases of water	9,3	16,5	10,8	-7,9	-1,4	-7,0
Sales of water	-6,0	6,0	2,9	28,4	-2,8	-7,3
Purchases of electricity	12,4	19,0	12,7	2,5	6,7	8,1
Sales of electricity	6,6	4,8	9,6	16,6	3,1	8,0

Table A shows annual growth rates in the purchases and sales of water and electricity. From the September 2019 quarter to the September 2020 quarter, purchases and sales of water decreased by 7,0% and 7,3% respectively. Purchases and sales of electricity increased by 8,1% and 8,0% respectively over the same period.

Figure A – Purchases and sales of water and electricity for nine quarters ending September 2020 (R million)



Risenga Maluleke
Statistician-General

Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended September 2019, December 2019, March 2020, June 2020 and September 2020: Expenditure – South Africa

Expenditure	September 2019	December 2019	March 2020	June 2020	September 2020	Quarter-on-quarter difference between Jun. 2020 and Sep. 2020	Year-on-year difference between Sep. 2019 and Sep. 2020
	R million						
Employee-related costs	24 498	26 198	27 388	27 312	28 437	1 125	3 939
Remuneration of board of directors/councillors	747	741	803	860	818	-42	71
Interest paid	1 806	2 220	2 250	2 624	1 563	-1 061	-243
Loss on the disposal of property, plant and equipment	7	3	39	127	2	-125	-5
Bad debts	4 105	4 005	4 247	7 162	5 110	-2 052	1 005
Contracted services	5 277	7 561	7 894	10 076	6 437	-3 639	1 160
Collection costs	78	101	152	147	112	-35	34
Depreciation and amortisation	4 637	5 694	5 877	6 568	4 755	-1 813	118
Impairment loss (PPE)	0	0	4	4	12	8	12
Repairs and maintenance	883	1 346	1 197	1 500	960	-540	77
Bulk purchases:							
Purchases of water	5 437	6 352	5 346	5 423	5 054	-369	-383
Purchases of electricity	25 579	18 969	17 303	21 147	27 661	6 514	2 082
Other bulk purchases	41	51	5	97	0	-97	-41
Grants and subsidies paid to:							
Other local government institutions	11	19	18	32	56	24	45
Tertiary institutions of higher learning	1	1	1	1	0	-1	-1
Households or individuals	100	177	145	381	113	-268	13
Non-profit institutions serving households	75	101	2	3	13	10	-62
Other	322	556	639	1 012	323	-689	1
General expenditure:							
Accommodation, travelling and subsistence	134	181	150	118	122	4	-12
Advertising, promotions and marketing	90	136	102	120	72	-48	-18
Audit fees	64	404	209	132	46	-86	-18
Bank charges	124	101	156	237	107	-130	-17
Cleaning services	60	115	128	96	62	-34	2
Consultancy and professional fees	237	636	616	564	307	-257	70
Entertainment costs	9	11	7	8	6	-2	-3
Fuel and oil	322	400	400	321	261	-60	-61
Hiring of plant and equipment	398	578	818	711	264	-447	-134
Insurance costs	496	256	265	204	566	362	70
Pharmaceutical	30	60	52	58	5	-53	-25
Postal and courier services	61	66	76	47	46	-1	-15
Printing and stationery	127	133	128	131	55	-76	-72
Rebates for property rates	820	788	782	780	18	-762	-802
Rebates for service charges	236	233	223	221	122	-99	-114
Rental of land, buildings and other structures	165	231	1 449	407	618	211	453
Rental of office equipment	99	124	151	342	103	-239	4
Security services	501	769	501	645	451	-194	-50
Subscriptions and membership fees	181	72	86	144	210	66	29
Telecommunication services	152	206	220	242	161	-81	9
Training and education	105	123	134	106	60	-46	-45
Transport costs	73	88	131	76	63	-13	-10
Other expenditure	6 117	8 908	9 911	10 044	7 494	-2 550	1 377
Surplus	40 405	25 589	34 569	21 610	43 978	22 368	3 573
Total expenditure	124 610	114 303	124 574	121 840	136 623	14 783	12 013

Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended September 2019, December 2019, March 2020, June 2020 and September 2020: Income – South Africa

Income	September 2019	December 2019	March 2020	June 2020	September 2020	Quarter-on-quarter difference between Jun. 2020 and Sep. 2020	Year-on-year difference between Sep. 2019 and Sep. 2020
	R million						
Property rates from:							
Residential	12 972	10 003	10 479	10 854	12 494	1 640	-478
Commercial or business	5 755	3 718	5 002	4 414	4 997	583	-758
State	1 461	921	946	1 006	1 452	446	-9
Other (includes agricultural, municipal, etc.)	1 297	775	1 001	877	3 812	2 935	2 515
Property rates - penalties imposed and collection charges	31	26	227	88	75	-13	44
Service charges							
Sales of water	10 067	10 449	11 767	8 148	9 328	1 180	-739
Sales of electricity	29 730	27 268	28 149	26 593	32 094	5 501	2 364
Refuse removal charges	3 014	2 829	3 006	2 885	3 309	424	295
Sewerage and sanitation charges	4 110	4 103	4 542	3 937	4 406	469	296
Other service charges (e.g. fresh produce market)	0	0	0	0	0	0	0
Interest earned from:							
External investments	1 007	951	1 026	1 359	665	-694	-342
Outstanding debtors	1 797	1 989	2 256	1 853	1 592	-261	-205
Dividends received	6	27	42	23	25	2	19
Fines	979	1 015	1 183	1 660	750	-910	-229
Licences and permits	199	185	158	160	210	50	11
Income for agency services	537	504	990	567	523	-44	-14
Rental of facilities and equipment	510	530	887	529	575	46	65
Bad debts recovered	6	6	6	7	1	-6	-5
Public contributions and donations (including PPE)	72	101	102	88	59	-29	-13
Gains on the disposal of property, plant and equipment	22	55	37	101	67	-34	45
Grants and subsidies from:							
National government	23 420	19 714	23 372	11 099	26 695	15 596	3 275
Provincial government	298	500	478	473	293	-180	-5
Local government	0	1	1	1	14	13	14
Other	26	72	81	20	7	-13	-19
Spent conditional grant	2 134	5 256	6 636	13 643	2 913	-10 730	779
Other income	3 985	4 408	3 871	9 438	4 539	-4 899	554
Deficit	21 175	18 897	18 329	22 017	25 728	3 711	4 553
Total income	124 610	114 303	124 574	121 840	136 623	14 783	12 013

Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2019, December 2019, March 2020, June 2020 and September 2020: Expenditure – South Africa

Expenditure	September 2019	December 2019	March 2020	June 2020	September 2020	Quarter-on-quarter difference between Jun. 2020 and Sep. 2020	Year-on-year difference between Sep. 2019 and Sep. 2020
	R million						
Employee-related costs	15 766	16 564	17 739	17 544	17 996	452	2 230
Remuneration of board of directors/councillors	747	741	803	860	818	-42	71
Interest paid	1 299	1 499	1 631	1 722	1 156	-566	-143
Loss on the disposal of property, plant and equipment	6	3	2	18	1	-17	-5
Bad debts	1 606	1 451	1 786	3 661	1 727	-1 934	121
Contracted services	1 985	3 019	3 217	3 747	2 169	-1 578	184
Collection costs	77	100	149	144	89	-55	12
Depreciation and amortisation	1 294	1 687	2 062	2 269	1 495	-774	201
Impairment loss (PPE)	0	0	4	1	11	10	11
Repairs and maintenance	81	199	232	332	149	-183	68
Grants and subsidies paid to:							
Other local government institutions	11	19	18	32	20	-12	9
Tertiary institutions of higher learning	1	1	1	1	0	-1	-1
Households or individuals	27	48	45	243	30	-213	3
Non-profit institutions serving households	75	101	2	3	12	9	-63
Other	231	313	347	595	134	-461	-97
General expenditure:							
Accommodation, travelling and subsistence	110	148	118	81	64	-17	-46
Advertising, promotions and marketing	71	109	87	103	54	-49	-17
Audit fees	54	369	194	117	41	-76	-13
Bank charges	120	97	150	233	104	-129	-16
Cleaning services	24	44	62	37	26	-11	2
Consultancy and professional fees	157	334	442	372	194	-178	37
Entertainment costs	9	11	6	8	6	-2	-3
Fuel and oil	196	238	243	190	148	-42	-48
Hiring of plant and equipment	57	133	291	212	103	-109	46
Insurance costs	419	186	204	148	488	340	69
Pharmaceutical	30	60	47	56	5	-51	-25
Postal and courier services	60	65	73	44	44	0	-16
Printing and stationery	95	105	108	94	37	-57	-58
Rebates for property rates	820	788	782	780	18	-762	-802
Rental of land, buildings and other structures	133	209	521	145	226	81	93
Rental of office equipment	49	69	88	182	61	-121	12
Security services	259	434	325	417	263	-154	4
Subscriptions and membership fees	177	69	79	127	198	71	21
Telecommunication services	116	161	181	199	126	-73	10
Training and education	91	103	117	84	48	-36	-43
Transport costs	56	56	122	68	43	-25	-13
Other expenditure	2 270	3 471	3 673	4 415	2 857	-1 558	587
Surplus	27 896	17 681	20 453	9 743	30 819	21 076	2 923
Total expenditure	56 475	50 685	56 404	49 027	61 780	12 753	5 305

Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2019, December 2019, March 2020, June 2020 and September 2020: Income – South Africa

Income	September 2019	December 2019	March 2020	June 2020	September 2020	Quarter-on-quarter difference between Jun. 2020 and Sep. 2020	Year-on-year difference between Sep. 2019 and Sep. 2020
	R million						
Taxes on property							
Property rates from:							
Residential	12 972	10 003	10 479	10 854	12 494	1 640	-478
Commercial or business	5 755	3 718	5 002	4 414	4 997	583	-758
State	1 461	921	946	1 006	1 452	446	-9
Other (includes agricultural, municipal, etc.)	1 297	775	1 001	877	3 812	2 935	2 515
Property rates – penalties imposed and collection charges	31	26	227	88	75	-13	44
Interest earned from:							
External investments	993	929	1 005	1 337	624	-713	-369
Outstanding debtors	977	1 189	1 074	962	784	-178	-193
Dividends received	6	7	7	8	25	17	19
Fines	948	969	1 137	1 495	723	-772	-225
Licences and permits	42	49	52	57	59	2	17
Income for agency services	210	191	257	153	96	-57	-114
Rental of facilities and equipment	241	242	508	227	284	57	43
Bad debts recovered	6	6	6	6	0	-6	-6
Public contributions and donations (including property, plant and equipment)	3	20	5	4	6	2	3
Gains on the disposal of property, plant and equipment	17	53	36	24	66	42	49
Grants and subsidies from:							
National government	17 874	14 783	16 453	8 126	19 680	11 554	1 806
Provincial government	124	223	190	192	126	-66	2
Local government	0	1	1	1	14	13	14
Other	8	6	12	5	4	-1	-4
Spent conditional grants	947	2 261	2 910	4 049	1 398	-2 651	451
Other income	2 561	2 874	2 501	2 248	2 629	381	68
Deficit	10 002	11 439	12 595	12 894	12 432	-462	2 430
Total income	56 475	50 685	56 404	49 027	61 780	12 753	5 305

Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2019, December 2019, March 2020, June 2020 and September 2020: Expenditure – South Africa

Expenditure	September 2019	December 2019	March 2020	June 2020	September 2020	Quarter-on-quarter difference between Jun. 2020 and Sep. 2020	Year-on-year difference between Sep. 2019 and Sep. 2020
	R million						
Employee-related costs	8 732	9 634	9 649	9 768	10 441	673	1 709
Interest paid	507	721	619	902	407	-495	-100
Loss on disposal of property, plant and equipment	1	0	37	109	1	-108	0
Bad debts	2 499	2 554	2 461	3 501	3 383	-118	884
Contracted services	3 292	4 542	4 677	6 329	4 268	-2 061	976
Collection costs	1	1	3	3	23	20	22
Depreciation and amortisation	3 343	4 007	3 815	4 299	3 260	-1 039	-83
Impairment loss (PPE)	0	0	0	3	1	-2	1
Repairs and maintenance	802	1 147	965	1 168	811	-357	9
Bulk purchases:							
Purchases of water	5 437	6 352	5 346	5 423	5 054	-369	-383
Purchases of electricity	25 579	18 969	17 303	21 147	27 661	6 514	2 082
Other bulk purchases	41	51	5	97	0	-97	-41
Grants and subsidies paid to:							
Other local government institutions	0	0	0	0	36	36	36
Tertiary institutions of higher learning	0	0	0	0	0	0	0
Households or individuals	73	129	100	138	83	-55	10
Non-profit institutions serving households	0	0	0	0	1	1	1
Other	91	243	292	417	189	-228	98
General expenditure:							
Accommodation, travelling and subsistence	24	33	32	37	58	21	34
Advertising, promotions and marketing	19	27	15	17	18	1	-1
Audit fees	10	35	15	15	5	-10	-5
Bank charges	4	4	6	4	3	-1	-1
Cleaning services	36	71	66	59	36	-23	0
Consultancy and professional fees	80	302	174	192	113	-79	33
Entertainment costs	0	0	1	0	0	0	0
Fuel and oil	126	162	157	131	113	-18	-13
Hiring of plant and equipment	341	445	527	499	161	-338	-180
Insurance costs	77	70	61	56	78	22	1
Pharmaceutical	0	0	5	2	0	-2	0
Postal and courier services	1	1	3	3	2	-1	1
Printing and stationery	32	28	20	37	18	-19	-14
Rebates for service charges	236	233	223	221	122	-99	-114
Rental of land, buildings and other structures	32	22	928	262	392	130	360
Rental of office equipment	50	55	63	160	42	-118	-8
Security services	242	335	176	228	188	-40	-54
Subscriptions and membership fees	4	3	7	17	12	-5	8
Telecommunication services	36	45	39	43	35	-8	-1
Training and education	14	20	17	22	12	-10	-2
Transport costs	17	32	9	8	20	12	3
Other expenditure	3 847	5 437	6 238	5 629	4 637	-992	790
Surplus	12 509	7 908	14 116	11 867	13 159	1 292	650
Total expenditure	68 135	63 618	68 170	72 813	74 843	2 030	6 708

Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2019, December 2019, March 2020, June 2020 and September 2020: Income – South Africa

Income	September 2019	December 2019	March 2020	June 2020	September 2020	Quarter-on-quarter difference between Jun. 2020 and Sep. 2020	Year-on-year difference between Sep. 2019 and Sep. 2020
	R million						
Interest earned from:							
External investments	14	22	21	22	41	19	27
Outstanding debtors	820	800	1 182	891	808	-83	-12
Dividends received	0	20	35	15	0	-15	0
Fines	31	46	46	165	27	-138	-4
Licences and permits	157	136	106	103	151	48	-6
Income for agency services	327	313	733	414	427	13	100
Rental of facilities and equipment	269	288	379	302	291	-11	22
Bad debts recovered	0	0	0	1	1	0	1
Public contributions and donations (including property, plant and equipment)	69	81	97	84	53	-31	-16
Gains on the disposal of property, plant and equipment	5	2	1	77	1	-76	-4
Service charges:							
Sales of water	10 067	10 449	11 767	8 148	9 328	1 180	-739
Sales of electricity	29 730	27 268	28 149	26 593	32 094	5 501	2 364
Refuse removal charges	3 014	2 829	3 006	2 885	3 309	424	295
Sewerage and sanitation charges	4 110	4 103	4 542	3 937	4 406	469	296
Other service charges (e.g. fresh produce market)	0	0	0	0	0	0	0
Grants and subsidies from:							
National government	5 546	4 931	6 919	2 973	7 015	4 042	1 469
Provincial government	174	277	288	281	167	-114	-7
Local government	0	0	0	0	0	0	0
Other	18	66	69	15	3	-12	-15
Spent conditional grants	1 187	2 995	3 726	9 594	1 515	-8 079	328
Other income	1 424	1 534	1 370	7 190	1 910	-5 280	486
Deficit	11 173	7 458	5 734	9 123	13 296	4 173	2 123
Total income	68 135	63 618	68 170	72 813	74 843	2 030	6 708

Annexure A – Purchases and sales of water

Quarter ended	Purchases		Sales	
	R million	Year-on-year % change	R million	Year-on-year % change
Jun 2016	3 928		7 430	
Sep 2016	4 202		8 082	
Dec 2016	3 088		5 746	
Mar 2017	5 000		9 837	
Jun 2017	4 544	15,7	8 459	13,8
Sep 2017	4 184	-0,4	8 284	2,5
Dec 2017	4 722	52,9	8 828	53,6
Mar 2018	4 625	-7,5	8 923	-9,3
Jun 2018	5 035	10,8	8 916	5,4
Sep 2018	4 667	11,5	9 493	14,6
Dec 2018	5 732	21,4	10 156	15,0
Mar 2019	5 806	25,5	9 167	2,7
Jun 2019	5 502	9,3	8 385	-6,0
Sep 2019	5 437	16,5	10 067	6,0
Dec 2019	6 352	10,8	10 449	2,9
Mar 2020	5 346	-7,9	11 767	28,4
Jun 2020	5 423	-1,4	8 148	-2,8
Sep 2020	5 054	-7,0	9 328	-7,3

Annexure B – Purchases and sales of electricity

Quarter ended	Purchases		Sales	
	R million	Year-on-year % change	R million	Year-on-year % change
Jun 2016	16 985		22 437	
Sep 2016	19 681		28 397	
Dec 2016	11 179		16 797	
Mar 2017	19 781		28 334	
Jun 2017	16 915	-0,4	23 772	5,9
Sep 2017	20 156	2,4	27 880	-1,8
Dec 2017	15 687	40,3	23 566	40,3
Mar 2018	15 496	-21,7	22 738	-19,8
Jun 2018	17 637	4,3	24 178	1,7
Sep 2018	21 493	6,6	28 378	1,8
Dec 2018	16 835	7,3	24 875	5,6
Mar 2019	16 886	9,0	24 137	6,2
Jun 2019	19 827	12,4	25 785	6,6
Sep 2019	25 579	19,0	29 730	4,8
Dec 2019	18 969	12,7	27 268	9,6
Mar 2020	17 303	2,5	28 149	16,6
Jun 2020	21 147	6,7	26 593	3,1
Sep 2020	27 661	8,1	32 094	8,0

Annexure C – Top 130 largest municipalities in terms of total expenditure

Rank based on total expenditure (2017/18)	Municipality	Type	Category	Province
1	City of Johannesburg MM	METRO	A	Gauteng
2	City of Cape Town MM	METRO	A	Western Cape
3	eThekweni MM	METRO	A	KwaZulu-Natal
4	Ekurhuleni MM	METRO	A	Gauteng
5	City of Tshwane MM	METRO	A	Gauteng
6	Nelson Mandela Bay MM	METRO	A	Eastern Cape
7	Mangaung MM	METRO	A	Free State
8	Emfuleni LM	Secondary City / Top 19	B	Gauteng
9	Buffalo City MM	METRO	A	Eastern Cape
10	The Msunduzi LM	Secondary City / Top 19	B	KwaZulu-Natal
11	Rustenburg LM	Secondary City / Top 19	B	North West
12	Polokwane LM	Secondary City / Top 19	B	Limpopo
13	City of Mbombela LM	Secondary City / Top 19	B	Mpumalanga
14	Emalaheni (MP) LM	Secondary City / Top 19	B	Mpumalanga
15	Matjhabeng LM	Secondary City / Top 19	B	Free State
16	Mogale City LM	Secondary City / Top 19	B	Gauteng
17	City of Matlosana LM	Secondary City / Top 19	B	North West
18	City of uMhlathuze LM	Secondary City / Top 19	B	KwaZulu-Natal
19	Newcastle LM	Secondary City / Top 19	B	KwaZulu-Natal
20	Madibeng LM	Secondary City / Top 19	B	North West
21	Drakenstein LM	Secondary City / Top 19	B	Western Cape
22	Rand West LM	Local	B	Gauteng
23	Govan Mbeki LM	Secondary City / Top 19	B	Mpumalanga
24	Sol Plaatje LM	Secondary City / Top 19	B	Northern Cape
25	George LM	Secondary City / Top 19	B	Western Cape
26	JB Marks LM	Secondary City / Top 19	B	North West
27	Merafong City LM	Local	B	Gauteng
28	O.R. Tambo DM	District	C	Eastern Cape
29	Amathole DM	District	C	Eastern Cape
30	Steve Tshwete LM	Secondary City / Top 19	B	Mpumalanga
31	Vhembe DM	District	C	Limpopo
32	Stellenbosch LM	Secondary City / Top 19	B	Western Cape
33	KwaDukuza LM	Local	B	KwaZulu-Natal
34	King Sabata Dalindyebo LM	Local	B	Eastern Cape
35	Mopani DM	District	C	Limpopo
36	Greater Tzaneen LM	Local	B	Limpopo
37	Chris Hani DM	District	C	Eastern Cape
38	Bushbuckridge LM	Local	B	Mpumalanga
39	Midvaal LM	Local	B	Gauteng
40	Ugu DM	District	C	KwaZulu-Natal
41	Mogalakwena LM	Local	B	Limpopo
42	Ray Nkonyeni LM	Local	B	KwaZulu-Natal
43	Metsimaholo LM	Local	B	Free State
44	Saldanha Bay LM	Local	B	Western Cape
45	Overstrand LM	Local	B	Western Cape

46	Sekhukhune DM	District	C	Limpopo
47	Breede Valley LM	Local	B	Western Cape
48	Lekwa LM	Local	B	Mpumalanga
49	Makhado LM	Local	B	Limpopo
50	Mossel Bay LM	Local	B	Western Cape
51	Moses Kotane LM	Local	B	North West
52	Mahikeng LM	Local	B	North West
53	Fetakgomo/Tubatse LM	Local	B	Limpopo
54	Alfred Duma LM	Local	B	KwaZulu-Natal
55	Moqhaka LM	Local	B	Free State
56	Dihlabeng LM	Local	B	Free State
57	Nkomazi LM	Local	B	Mpumalanga
58	Msukaligwa LM	Local	B	Mpumalanga
59	Ngwathe LM	Local	B	Free State
60	King Cetshwayo DM	District	C	KwaZulu-Natal
61	UMgungundlovu DM	District	C	KwaZulu-Natal
62	Knysna LM	Local	B	Western Cape
63	Lesedi LM	Local	B	Gauteng
64	Mookgopong/Modimolle LM	Local	B	Limpopo
65	Maluti-A-Phofung LM	Local	B	Free State
66	Mkhondo LM	Local	B	Mpumalanga
67	Kouga LM	Local	B	Eastern Cape
68	Enoch Mgijima LM	Local	B	Eastern Cape
69	Thembisile Hani LM	Local	B	Mpumalanga
70	Capricorn DM	District	C	Limpopo
71	Dawid Kruiper LM	Local	B	Northern Cape
72	Uthukela DM	District	C	KwaZulu-Natal
73	iLembe DM	District	C	KwaZulu-Natal
74	Ngaka Modiri Molema DM	District	C	North West
75	Zululand DM	District	C	KwaZulu-Natal
76	Langeberg LM	Local	B	Western Cape
77	Thulamela LM	Local	B	Limpopo
78	Oudtshoorn LM	Local	B	Western Cape
79	Swartland LM	Local	B	Western Cape
80	Bitou LM	Local	B	Western Cape
81	Joe Gqabi DM	District	C	Eastern Cape
82	Setsoto LM	Local	B	Free State
83	Umkhanyakude DM	District	C	KwaZulu-Natal
84	Thaba Chweu LM	Local	B	Mpumalanga
85	Dr JS Moroka LM	Local	B	Mpumalanga
86	Moretele LM	Local	B	North West
87	Witzenberg LM	Local	B	Western Cape
88	Greater Giyani LM	Local	B	Limpopo
89	Ba-Phalaborwa LM	Local	B	Limpopo
90	Lephalale LM	Local	B	Limpopo
91	Dr Ruth Segomotsi Mompati DM	District	C	North West
92	Abaqulusi LM	Local	B	KwaZulu-Natal
93	Inkosi Langalibalele LM	Local	B	KwaZulu-Natal
94	Elias Motsoaledi LM	Local	B	Limpopo
95	Harry Gwala DM	District	C	KwaZulu-Natal

96	Makana LM	Local	B	Eastern Cape
97	Alfred Nzo DM	District	C	Eastern Cape
98	Victor Khanye LM	Local	B	Mpumalanga
99	Ditsobotla LM	Local	B	North West
100	Theewaterskloof LM	Local	B	Western Cape
101	Makhuduthamaga LM	Local	B	Limpopo
102	Chief Albert Luthuli LM	Local	B	Mpumalanga
103	Bela-Bela LM	Local	B	Limpopo
104	Lepelle-Nkumpi LM	Local	B	Limpopo
105	Sedibeng DM	District	C	Gauteng
106	uMngeni LM	Local	B	KwaZulu-Natal
107	Umzinyathi DM	District	C	KwaZulu-Natal
108	Gert Sibande DM	District	C	Mpumalanga
109	Umzimvubu LM	Local	B	Eastern Cape
110	Maquassi Hills LM	Local	B	North West
111	Ga-Segonyana LM	Local	B	Northern Cape
112	uMlalazi LM	Local	B	KwaZulu-Natal
113	Dr Beyers Naude LM	Local	B	Eastern Cape
114	Nala LM	Local	B	Free State
115	Gamagara LM	Local	B	Northern Cape
116	Nketoana LM	Local	B	Free State
117	Hessequa LM	Local	B	Western Cape
118	Nkangala DM	District	C	Mpumalanga
119	Mantsopa LM	Local	B	Free State
120	West Rand DM	District	C	Gauteng
121	Raymond Mhlaba LM	Local	B	Eastern Cape
122	Garden Route DM	District	C	Western Cape
123	Ulundi LM	Local	B	KwaZulu-Natal
124	Naledi LM	Local	B	North West
125	Cape Winelands DM	District	C	Western Cape
126	Musina LM	Local	B	Limpopo
127	Kopanong LM	Local	B	Free State
128	Matatiele LM	Local	B	Eastern Cape
129	West Coast DM	District	C	Western Cape
130	Dr. Pixley Ka Isaka Seme LM	Local	B	Mpumalanga

Notes

Forthcoming issue	Issue	Expected release date
	December 2020	April 2021
Purpose of survey	The <i>Quarterly financial statistics of selected municipalities</i> (QFSSM) (statistical release P9110.1) is a quarterly survey that obtains financial information from those institutions determined to be municipalities in terms of the Local Government Municipal Structures Act, 1988 (Act 117 of 1998). The results of the survey are used to compile national accounts in order to determine the gross domestic product (GDP) and its components; by the fiscal and monetary authorities for policy formulation; and for the analysis of local government finances.	
Response rates	September 2019 quarter: 90% (of 130) December 2019 quarter: 94% (of 130) March 2020 quarter: 81% (of 130) June 2020 quarter: 82% (of 130) September 2020 quarter: 95% (of 130)	
Imputation	Imputation was performed for 6 municipalities (5%) that did not respond or whose responses were not usable.	
Cautionary note	The <i>Quarterly financial statistics of selected municipalities</i> (QFSSM) survey provides quarterly updates based on preliminary figures from selected municipalities. For a more complete report please refer to the annual <i>Financial census of municipalities</i> (Statistical release P9114) which in most cases is based on audited figures.	

Reporting of negative figures by municipalities

Some municipalities pass adjusting journal entries to correct previously recorded figures. In some cases this results in municipalities reporting negative income or expenditure figures.

Implementation of Municipal Standard Chart of Accounts (MSCOA)

The implementation of MSCOA resulted in some municipalities experiencing difficulties with their newly upgraded or acquired systems. Amongst others the following are the most common issues across all municipalities:

- i. Municipalities not being able to integrate the old systems (such as a payroll system) into the newly upgraded MSCOA-compliant system; and
- ii. Municipalities struggling and being behind with the capturing of figures into the new system – this is a problem for municipalities which had to move to a new system altogether.

These difficulties have resulted in the following issues for QFSSM:

- i. Some municipalities could not provide employee-related figures. This was also seen in the income and expenditure reports generated by the municipalities and sent to Statistics South Africa (Stats SA);
- ii. Some municipalities recorded very low figures as they had not finished capturing all the three months of the quarter;
- iii. The systems of some of the municipalities were generating reports with erroneous figures that could not be used; and
- iv. There were municipalities who could not provide figures at all. Some of them faced challenges with their new system and could not yet generate reports while others did not yet have figures captured into their new system.

Stats SA is working with the affected municipalities and other stakeholders to address the issues described above.

Explanatory notes

- Introduction** 1 The purpose of the quarterly financial statistics survey of municipalities is to provide stakeholders with information for allowing analysis and assessment of the state of local government finances.
- This publication contains estimates for the quarters ended September 2019, December 2019, March 2020, June 2020 and September 2020. The survey is designed to obtain financial information of local government institutions relating to:
- the consolidated statement of financial performance of municipalities;
 - the consolidated statement of financial performance of municipalities – rates and general services; and
 - the consolidated statement of financial performance of municipalities – housing and trading services.
- Survey methodology and design** 2 For the first time in the history of local government data collection, Stats SA has conducted a quarterly survey which focuses on the largest 130 municipalities, which are metropolitan municipalities, secondary cities, other large local municipalities and district municipalities (see Annexure C on page 10 for full list of these municipalities). The ranking of municipalities from largest to smallest was done in terms of total expenditure of each municipality from the annual financial statements versus total expenditure of all municipalities. A similar survey called Financial Census of Municipalities (P9114) inclusive of the remainder of other municipalities is conducted annually. This quarterly survey represents approximately 85 percent of the total value when the full scope of municipalities is surveyed. Data for all municipalities are available with effect from September 2007.
- Scope of the survey** 3 This survey covers quarterly financial information of selected 130 municipalities as indicated above (note 2). This new scope was part of the population of 257 municipalities collected, processed, analysed and published as Quarterly Financial Statistics of Municipalities (P9110), hence the availability of comparative information for it.
- Classification and accounting standards** 4 For the purposes of classification of local government institutions according to activities Statistics South Africa (Stats SA) used the *Standard Industrial Classification of All Economic Activities* (SIC), Fifth Edition, Report No.09-90-02 of January 1993, Activities of local government institutions also adhere to the accounting standards and requirements in terms of the Generally Recognised Accounting Practice (GRAP).
- The Municipal Standard Chart of Accounts (MSCOA) was initially rolled out (piloted–tested) in 2016 in some municipalities. MSCOA has since been implemented in all municipalities from the beginning of the 2017 municipal financial year. This is a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.
- Survey methodology and design** 5 The statistical unit for the collection of information is the municipality.
- Imputation** 6 The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures after being appraised for its suitability.
- Revised figures** 7 Estimates for the current quarter are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and also if the data were received late by Stats SA (after the cut-off date for submitting their questionnaires).
- Rounding off figures** 8 The figures in the tables have been rounded off to the nearest digit shown and as a result there may be slight discrepancies between the sums of the constituent items and the totals shown.

Related publications	9	Users may wish to refer to the following Stats SA publications: <ul style="list-style-type: none">• P9110 <i>Quarterly financial statistics of municipalities;</i>• P9101 <i>Capital expenditure of the public sector;</i>• P9114 <i>Financial census of municipalities;</i>• P9119.4 <i>Financial statistics of consolidated general government;</i>• P0441 <i>Gross domestic product; and</i>• P0277 <i>Quarterly employment statistics.</i>
Symbols and abbreviations used	10	GRAP Generally Recognised Accounting Practice MSCOA Municipal Standard Chart of Accounts QES Quarterly Employment Statistics SIC Standard Industrial Classification of All Economic Activities Stats SA Statistics South Africa 0 Nil or not applicable

Glossary of the selected terms

Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance (previously referred to as income statement) reports the institution's financial performance during a specific period in time. This statement covers all the revenue and expenditure of an entity over a specific period in time.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the institution including interest paid, compensation of employees, grants and subsidies paid and depreciation but excluding the acquisition of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus) and the total expenditure of housing and trading services (excluding the surplus).
District municipality	District municipality refers to a municipality that has a municipal executive and legislative authority in an area that includes more than one municipality and which is described in section 155(1) of the Constitution as a category C municipality. Refer to the Local Government: Municipal Structures Act 1998 (Act No.117 of 1998).
Employee-related costs	<p>Employee-related costs include payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue capital or any other account.</p> <p>Employee-related costs also include:</p> <ul style="list-style-type: none">• basic compensation;• allowances;• contributions to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen's compensation, etc. which may be looked upon as a form of insurance and would appear under general expenditure) and other benefits such as housing subsidies; and• uniform and clothing allowances (clothing, boots, overalls etc. supplied to uniformed employees).• Also refer to the Quarterly employment statistics (QES – P9027) which measures employment and gross earnings of all employees on a given municipal payroll.
General expenditure	The following are included in general expenditure: accommodation, travelling and subsistence; advertising; audit fees; bank charges; cleaning services; consultancy fees; fuel and oil; hiring of plant and equipment; insurance costs; membership fees; pharmaceutical expenses; postage and stamps; printing and stationery; security fees; rental of land, buildings and other structures; rental of office equipment; telecommunication services; training and education; and transport costs.
Housing services	Housing includes all activities associated with the municipal provision of housing.
Local municipality	Local municipality refers to municipalities that share municipal executive and legislative authority in its area with a district municipality within whose area it falls that is described in section 155(1) of the Constitution as a category B municipality. Refer to the Local Government: Municipal Structures Act 1998 (Act No.117 of 1998).

Metropolitan municipality	Metropolitan municipality refers to an institution that has municipal executive and legislative authority in an area that includes more than one municipality and which is described in section 155(1) of the Constitution as a category A municipality. Refer to the Local Government: Municipal Structures Act 1998 (Act No.117 of 1998).
Municipality	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and includes district, local and metropolitan municipalities. A municipality is an institution consisting of a municipal council (elected political representatives) and the municipal administration (appointed officials). Refer to the Local Government: Municipal Structures Act 1998 (Act No.117 of 1998).
Other expenditure	<p>The following are included in other expenditure:</p> <ul style="list-style-type: none">• departmental charges/fees;• books and magazines;• consumables;• licences and trade licences;• workshops;• refreshments; and• sundries.
Rates and general services	Rates and general services refer to municipal services that are not economically self-supporting and are financed by imposing assessment and other rates the receipt of subsidies and other contributions. This includes ambulance services, fire control (or fire-fighting), health services (clinics, old-age homes), roads and storm water drainage, parks and recreation (libraries, cultural activities, museums, sport administration, community halls, swimming pools, sports grounds, nature reserves, etc.), sewerage and cleansing, traffic (licensing offices) and other services (city engineers, administration, personnel, legal services, city treasurer, etc.).
Repairs and maintenance	Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the municipality. Where considered necessary the cost of repairs in respect of the various types of assets, e.g. buildings, plant, may be subdivided. Where repairs and maintenance have been charged to a 'provision for repairs account' the actual expenditure incurred during the current year has been reflected under this subdivision and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.
Trading services	Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). These include waste management (refuse removal, solid waste disposal (landfill sites), street cleaning, recycling etc.), waste water management (sewerage, storm water management and public toilets), water (water distribution, water storage, etc.), electricity (electricity distribution, electricity generation, street lighting, etc.) etc.

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