

TSOLWANA MUNICIPALITY



THE 2010/2011 MULTI-YEAR OPERATIONAL AND CAPITAL BUDGET

Medium term Revenue and Expenditure Framework

APPROVED AT COUNCIL MEETING 31 MAY 2010

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**2. Section 2
GLOSSARY**

Adjustments Budget – prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – the financial plan of the municipality

Budget related policy – policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy, etc

Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the municipality's balance sheet.

Cash flow statement – a statement showing when actual cash will be received and spent by the municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from National to Local government.

Equitable share – a general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GAAP – General Accepted Accounting Principles. World Wide Accepted Standards

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the municipality

KPI's – Key Performance Indicators. Measures of service output and / or outcome.

MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure – spending on the day to day expenses of the municipality such as salaries and wages.

Rates – Local government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – the main priorities of the municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – generally, spending without, or in excess of, and approved budget.

Virement – a transfer of budget

Virement Policy – The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be taken and approved by Council.

Vote – one of the main segments into which a budget is divided, usually at directorate / department level.

Section 3
3. MAYORAL BUDGET SPEECH

Honourable Councillors,
Senior Managers
Traditional Leaders
Ward Committees and CDW's
Rate-Payers
Leadership of the ANC in Tsolwana
Labour movement and the Alliance
Municipal Staff
Community members and Friends

I am very privileged to be standing in front of you today to give the State of the Local Municipality address to the people of Tsolwana. I am delivering this address at a very crucial point of our liberation movement (ANC) where we have entered our last term since 2006. The ANC has always been consistent and honest to the people of South Africa by leading them through tough and challenging moments. As the ANC led Council we have had our fair share of challenges which needed strong leadership and commitment hence the following:

We have been able to confront some of the critical challenges facing our municipality during the past financial 2009/10 as follows:

All our people are receiving basic services like water, sanitation, electricity, refuse removal every month.

We have completed the municipal Indigent register which has got all our indigent people on it with the hope of providing them with necessary support as local municipality in terms of subsidizing them. We have recorded an improvement in our AG report which moved from Disclaimer to a qualified report during the latest Audit year though this is not enough but we are proud of this achievement.

We have managed to keep all our Senior Management position filled to provide Strategic direction to the municipality and also the fact that the ANC have assisted us in filling the vacant PR Councillor position which was there for the past 12 months.

We have seen new streetlights being installed in both Wards 4 and 5 respectively with Hofmeyer Ward 5 topping the list on electrification of both new RDP houses and street lighting and we have seen a new power station being erected in Tsolwana and Tarkastad Network being upgraded.

We have seen close to 2000 new RDP houses being completed in Ntabethemba. We have also seen the municipality completing the long awaited Town Planning programme where all our areas are now properly designed and planned.

We have seen a lot of roads being re-gravelled in all our 5 wards through the MIG. Since our municipality is having a youthful population we have responded to that by erecting sport fields and community halls in ward 1, 2, 3 and 5 respectively.

We have also seen local people being trained on LED within the municipality.

NEW PROJECTS FOR 2010\11

- Office Space – R1m
- Access Roads for Ntabethemba – R3.042m

- Road Machinery external loan – R3.6m
- Zola Sport field upgrade – R1.5m
- Thornhill sportfield upgrade – R1.5m
- Twinsville community hall – R1.5m

I sincerely want to thank all Councillors, the Municipal Manager and his staff, all stakeholders and government departments, members of the public for their inputs so that we could finally arrive at a this budget document. I invite now this council to approve the 2010/2011 Medium Term Revenue and Expenditure Framework (budget) of Tsolwana Municipality.

I thank you all for your attention.

Councillor
M. Bennett
Mayor

Section 4

4. BUDGET RELATED RESOLUTIONS

Council resolves

- 4.1 That the Operational Budget to the amount of R39, 308,000 and the Capital Budget to the amount of R12,307,000 **BE CONSIDERED and Approved**
- 4.2 That the consolidated three years Capital and Operational Budget **BE ACKNOWLEDGED.**
- 4.3 That the final budget document for the 2010/2011 financial year **BE TABLED** to Council on before 31 May 2010.
- 4.4 That a budget workshop **BE ARRANGED** for Councillors at which to present the various departmental budgets.
- 4.5 That the Draft Service Delivery and Budget Implementation plan **BE DISCUSSED** at the workshop mentioned in point four.
- 4.6 That the relevant reports as prescribed in Chapter 4 of the MFMA **BE TABLED** to National Treasury.
- 4.7 That all the prescriptions of Chapter 4 of the **MFMA BE ADHERED TO** with the implementation of the budget.
- 4.8 That the following tariffs **BE CONSIDERED**

ASSESSMENT RATES

All property taxes as per the 2009/2010 tariff, plus 6%

SEWERAGE

All sewerage charges as per the 2009/2010 tariff, plus 6%
(This function and tariffs is determine and approve by Chris Hani District Municipal Council as the water services authority for implementation by Tsolwana Municipality as the water services provider)

REFUSE

All refuse charges as per the 2009/2010 tariff, plus 6%

WATER

All consumption charges as per the 2009/2010 tariff, plus 6%
(This function and tariffs is determine and approve by Chris Hani District Municipal Council as the water services authority for implementation by Tsolwana Municipality as the water services provider)

ELECTRICITY

All basic electricity charges as per the 2009/2010 tariff, plus 6%

All consumptions charges as per the 2009/2010 tariff, plus 22%

DEPOSIT

Electricity:

Township (domestic): R123.60 no VAT is applicable

Town areas (domestic): R432.59 no VAT is applicable

Businesses: R842.70 no VAT is applicable

Water:

Town and Townships : R74.16 no VAT is applicable

Above deposits is based on three months average consumption and size of connection.

RECONNECTION FEES

Full explanation and determination can be found as per attached tariff list.
(Attached as Annexure 1)

MISCELANEOUS TARIFFS

- ✓ As per the 2009/2010 tariff plus 6% unless stated otherwise
- ✓ These include all tariffs that are not included in the tariffs as defined above and not used by all consumers
- ✓ These are tariffs that are used on a needs basis
- ✓ All tariffs excluded VAT except in the case of assessment rates that are zero-rate

INTEREST / CAPITALIZED ARREARS

- ✓ No interest will be levied on those arrears once consumer made formal arrangements and fully adhered to for the full duration of the agreement
- ✓ Interest will only be levied on those arrears for which no formal arrangement exist and /or arrear as a result of not complying with the said arrangements
- ✓ Interest rates will be levied at market related rates from 2010/2011 financial year and prime rate + 1% as at the beginning of the financial year are recommended.

INDIGENT SUPPORT

Income limit for households

- Pensioners R2 000,00 p.m.
- Other R2000,00 p.m.

Indigents package

- Water 6kl
- Electricity 50kwh units free
20Amps (include free basic charges)
- Refuse removal
- Sewerage
- Rates and Taxes to an improvement and land value market related value of up to R45 000-00 (This include the first R15 000-00 threshold as per Municipal Property Rates Act) for residential property holders ONLY.

Section 5

5. OVERVIEW OF THE BUDGET

5.1 Balanced and Credible Budget

The following Nation Treasury guidelines have been taken into consideration when preparing the budget:

- Tabling a balance and credible budget that is based on realistic estimates of revenue to be collected, taking into account both actual revenue collected in the past financial year, and revenue projects for the current financial year.
- The inclusion of all grants in the annual budget, on both the revenue and expenditure side;
- The presentation of three year capital and operating budgets;
- The revision of the IDP to be consistent with the three year budget
- The maximum expenditure growth limit of 6.2% as determined by National Treasury. The growth limit applies to own revenue sources only and exclude intergovernmental grants, for both the capital and operating budgets.
- Increases in rates and taxes have been kept within inflation targets, in support of government's macro economic objectives and investor confidence.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous year's surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget

Achievement of these requirements in totality effectively means that council has "balanced" its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Credible Budget

Amongst other things, the following has been taken into consideration to ensure that this is a credible budget;

- Only activities consistent with the revised IDP have been included in the budget, taking into consideration the financial constraints of the municipality;
- It is achievable in terms of the agreed services delivery and budget implementation plan and performance targets;
- Contains revenue and expenditure projection that are consistent with current and past performance

- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term; and
- Provided managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

The budget sets out certain service delivery levels and associated financial implications, therefore the community should realistically expect to receive these promised service delivery levels and understanding the associated financial implications.

5.2 Government Priorities Considered

THE MTREF

The budget has been prepared based on the new requirements and significant progress has been made on the implementation thereof. However, some processes are still being developed to ensure full compliance, which include activity based costing, asset management, system shortcomings, human capacity building amongst others.

Although the fact that our municipality is categorized as Low Capacity Municipality, it is also of outmost importance to ensure that Council complies with all legislative requirements, this entails the channelling of fund which would ordinarily be utilized for services delivery to the implementation of the legislative requirements.

The Minister of Finance in his budget speech during February 2010 highlighted certain objectives which guided government budget policy in response to the global economic crisis and general socio-economic condition currently within our country:

- Improving the quality of education
- Upgrading health care
- Promoting public safety
- Supporting rural development
- Creating decent jobs
- Building sustainable human settlement
- And encouraging efficient government

Therefore, in framing this budget, priority has been given to objectives and priorities of government.

We are facing a Global economic crisis which in our opinion has already filtered down to our community with reference to our poor payment rate which averaging around 70%.

It has been difficult to balance the budget due to the huge salary increase in 2009/2010 as per the salary and wage agreement within the Bargaining Council processes.

Remuneration of councillors and its increases are not yet known at this moment of time.

A bulk electricity purchase has increased drastically over the past two year as result of NERSA and ESCOM tariff increases.

By addressing the poor, as well as the successful implementation of the indigent campaign, the provision of free basic services and indigent subsidy, will see increase in budget in this area in comparison to previous financial years.

Provision has been made for critical positions and certain new post as a result of the last strategic workshop outcomes and capacity matters within departments. After affecting all requests in the budget the result was that the budget had shortfall that had be worked out before this draft budget could be tabled. Expenditure requests had to be reduced to balance the budget.

The area of focus in the coming financial year will be mainly in collecting revenue, which will include sundry revenue as well, to ensure the financial viability of the municipality.

More budget related polices/strategies will be developed to assist the municipality to control its revenue and expenditure in future.

More effort must be put on the development of the Service Delivery and Budget implementation Plans (SDBIP) of departments, in order to ensure that plans form part of the final budget to be tabled to council by the 31st of May 2010.

Section 6

6. EXECUTIVE SUMMARY

The main objective of the budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the approved IDP.

The draft budget has also been prepared in accordance with chapter 4 of the Municipal Finance Management Act (MFMA Act no 56 of 2003), the Municipal Budget and Reporting Regulations, 23 January 2009 and all relevant prescriptions received via National Treasury Circulars.

The following aspects are some of the important issues addressed when preparing the 2010/2011 MTREF:

- In levying rates and tariffs the local economic conditions and affordability levels have been taken into account.
- A three year Operations and Capital Budget has been compiled in accordance with National Treasury uniform formats, and is linked to the performance targets for each vote on the budget, through the Service Delivery and Budget implementation Plan (SDBIP). The SDBIP will be approved within 28 days after the approval of the final budget.
- The budget reflects all revenue anticipated to be received and recognized during the 2010/2011 year and beyond. All sources of realistically anticipated revenues such as own revenue, grants, subsidies, agency receipts have been included.

6.1 Key Budget assumptions

Budgets are prepared in an environment of uncertainty. To prepare a meaningful budget, assumptions are made about internal and external factors that could influence the Annual Budget.

Assumptions and guidelines used in the compilation of the multiyear budgets are:

Capital Budget

The following conditions must be met for projects to be included in the capital budget:

- the project must be included in the Integrated Development Plan
- Financing of the project is secured
- A project not completed and is of major importance/compulsory and essential

- Community property and advantages and in normal circumstances will be funded by :
- Capital Replacement Reserve (CRR – Finding from own revenue) which must be cash backed
- External Financial fund, which relates to external borrowing
- Grant received from Nations, Provincial government and District Municipality.

Overview of Budget assumptions

	2010/2011	2011/2012	2012/2013
Revenue	%	%	%
Water tariff increase (as per District Municipality Guideline)	6	6	6
Sanitation tariff increase (as per District Municipality Guideline)	6	6	6
Refuse tariff increase	6	6	6
Electricity tariff increase	22	19	19
Rates	6	6	6
Expenditure			
Salary increase	8.6	9.1	Unknown
Increase in bulk purchase of electricity	24.8	25.8	25.9
Other			
Headline CPI Inflation	5.7	6.2	5.9

6.2 Service delivery

As part of the improvement of service delivery, more strategies will need to be developed and implemented by the department technical services in repairing faulty metres (water & electricity) due to the high volume of broken /non functioning of meters, which have a negative effect on councils finances.

6.3 Implementation of GRAP

One of the challenges facing the Finance Department is to ensure that the change over from fund accounting system to the GRAP format be completed during the financial year 2010/2011. Funding of the change will mostly come from FMG to be received from National Treasury.

The project involves the review of the current Asset Management Policy to be aligned to GRAP standards. The major challenge of this project is the unbundling of Capital assets, in other words, assets need to be broken down to major components, e.g. current Asset – Sewer Purification plant, need to be broken down to, Dam, Pump, Building, Pipe, Electrical works, etc.

Capital Assets are to be unbundled, classified in accordance to standards in force and revaluation of all non-current assets to current replacement costs, the

implementation of a comprehensive assets management system and asset management procedure manual.

6.4 Internal Charges

The current method of cost recovery between service departments must be reviewed in terms of Activity Based Costing Principles and Standards. Activity based costing principles if correctly applied, will ensure that all costs applicable to a specific service are recorded. This means that tariff setting will be improved. Our current financial system cannot perform this function and due to capacity problems within the finance department, this function will be on hold until the new organogram can be implemented.

6.5 Functions outsourced and functions performed on agency basis

- No municipal services have been contracted out to section 21 or Proprietary Limited companies.
- Agent for Department of Roads and Transport on certain eNatis transactions.
- Water Service Provider for the Chris Hani District Municipality

6.6 OPERATING BUDGET

The 2010/2011 draft operating budget amounts to R39, 308,000
(Including grant funding)
Supporting Tables A3 and A4 gives more detail.

6.7 CAPITAL BUDGET

The 2010/2011 draft capital budget amounts to R12, 307,000
(Including MIG grant funding)
Supporting tables A5 and SA36 gives more detail around the capital programme/budget.

Section 7

7.1 BUDGET TABLES

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- 7.2.4** SA4 Reconciliation to IDP strategic objectives and budget (revenue)
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- 7.2.35** AS34c Repairs and maintenance expenditure by asset class
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- 7.2.37** SA36 detailed capital budget
- 7.2.38** SA37 Projects delayed from previous financial years

Section 8

8. OVERVIEW OF THE ANNUAL BUDGET PROCESS

Budget Process Overview

Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]

The Act requires the formal budget process to start with the tabling by the Mayor in Council of a schedule showing the key budget deadlines. This was prepared and tabled during a Council meeting in August 2009.

Political oversight of the budget process

Section 53 of the MFMA requires that the Mayor provides general political guidance over the budget process and the priorities that must guide the preparation of the budget.

Process used to integrate the review of the IDP & preparation of the budget

Departments were required to give input and their needs to the budget. The budget process is integrated with the review of the IDP through the IDP review mechanism. The outcome of consultation feeding into the IDP review is taken into account in the budget process.

This budget had also better input from government departments in compared to previous years

Process for tabling the budget in Council for consultation

A statutory period of consultation follows the tabling of the budget in Council on 30 March 2010. Meetings with the local community were advertised in the local press following the tabling of the draft budget.

The Mayor had considered the outcomes of these consultation meetings.

Process for approving the budget

The budget must be approved by Council by 31 May.

Process and media used to provide information on the budget to the community

All budget documentation, the MTREF together with tariffs and policies, was made available at Council libraries and offices for inspection.

Advertisements informing the public about the availability of these documents and the schedules for the IDP/Budget public hearings was published in all local newspapers and put up at municipal offices and libraries.

Section 9

9. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN

The IDP has been prepared for the Medium Term Revenue and Expenditure period which includes instances up to 2012/2013. A Budget and IDP Process Plan was developed and approved by Council during August 2009 Council meeting. The whole development of the Budget and IDP was based on the Budget and IDP Process Plan.

All the wards were visited and community needs and inputs were sought. All relevant stakeholders were consulted through the Intergovernmental Relations and Steering Committee meetings

The Integrated Development Plan of 2010/11 was developed in partial response to:

- The requirements of compliance with the Local Government Municipal Systems Act (MSA) 32 of 2000 which prescribes for the review of municipal integrated development plan (IDP), in which it prescribes for the municipality to:
 - a) Identify the gaps that warrant review in its IDP and revise accordingly
 - b) Review its performance and incorporate the outcomes of the review in its IDP review
- Comments raised by MEC on the previous IDP
- Queries raised by the auditor general in the municipality's annual statements which bear relevance for IDP and PMS linkages

A gap analysis conducted on the current IDP document pointed to the following key areas for specific attention and improvement during the formulation of this IDP.

9.1 Updating of the planning data

Updated statistical information has been sourced from Global Insight 2008 and used to improve our demographic projections. Further, we have collected updated planning information from sector departments and that has necessitated few changes in the document.

The planning information is also updated to accommodate recent changes in government restructuring which took place after the April 2009 elections.

9.2 Response to comments raised during MEC assessment

After the adoption of our previous IDP, a copy was submitted to EC DLGH for MEC assessment. A set of findings were given based on the outcome of the assessment highlighting key areas that needed attention in order to improve credibility of our IDP.

In response to the issues rose by MEC and in an attempt to ensure that our IDP Review 2010/11 meets the CREDIBLE IDP status as envisaged in the DPLG GUIDE for IDP assessment, this document has considered the following amendments:

- Expression on the spatial development framework
- Improvement of the financial viability section of the situation analysis in line with comments by the assessment team of last year

9.3 Response to issues raised by AG relating to IDP & PMS linkages

Auditor General has raised concern over shortfalls in certain aspects of our planning process. In particular, key concerns were raised relating to the alignment of PMS and IDP. This IDP has been designed to ensure clear alignment between its IDP KPAs, development objectives and Targets. The document provides both the framework adopted for managing our performance management and the actual commitments in terms of the scorecards describing a set of indicators and targets for our performance management.

Section 10

10. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

10.1 Lack of office space

The municipal assessment of how to improve its service delivery has found that the lack of office space surely has an impact on service delivery. Staff cannot be appointed and community stand in long queues when visiting the municipal offices for whatever reason. To address this matter, **R1000 000-00 from own funds**, has been budgeted for under the capital programme to start to address the problem of the lack of office space.

10.2 Rehabilitation of internal roads

The condition of the internal road was also identified as a priority for Tsoelwana Municipality. The roads in especially previously disadvantaged areas and rural areas need much attention to bring it up to an acceptable level.

An amount of R1 521 412 each for roads in the two areas of Rocklands and Bacclesfarm have been budgeted for from the MIG allocation for 2010/2011. This will result in a gravel road surface of about 3.5km in each of the areas.

An amount of R1 830 000 was also budgeted from MIG allocation for 2011/2012 for 4.5 km gravel road surface in other areas of rural Rocklands.

The municipality does not have any real roads plant. The municipality will apply for an external loan to help address the shortage of a road plant. The municipality undertake to take up an external loan of R3 600 000 in 2010/2011 for the purchase of a grader, roller and tip truck. The purchase of road machinery will help to address the quality of roads within the municipality.

10.3 Electricity

In certain areas crime can be linked to the unavailability of streetlights. It is very dark in these areas. An amount of R1 830 00 in the 2011/2012 financial year from MIG allocation will be utilised to put up streetlights in Matyhantya area of Zola Township.

10.4 Sport and recreation

There is lack of activities to keep especially the youth busy and away from crime. In the rural and previously disadvantaged areas there are no or they are in a very poor state of affair, when it comes to community halls and sports facility.

In the 2010/2011 financial year an amount of R1 521 412 for each of the following were budgeted for from MIG allocation:

- Ivanlew sports facility
- Construction of Twinsville Community Hall
- Construction of Thornhill Sports field

In the 2011/2012 financial year an amount of R1 830 00 for each of the following were budgeted for from MIG allocation:

- Sports field in Zola
- Community hall in Khayaletu
- Renovation of Town Hall in Hofmeyr
-

Section 11

11. OVERVIEW OF BUDGET RELATED POLICIES AND AMENDMENTS

Listed below with a brief description are the municipality's budget related policies. The **detailed policies** are not included in this budget documentation. However, they are available at the Council's office in 21 Murray Street, Tarkastad.

This section is trying to give a the user of this budget document a broad overview of the budget policy framework and highlights the amended policies by council resolution.

We will start with the the polies that have been previously approved and adopted and who **did not need any changes**:

11.1 Budget Policy

Purpose/Basic areas covered by policy/main objective

The objectives of the budgeting policy is to set maximum expenditure limits for the budget or each component thereof, for the Municipality.

A Municipality may only incur expenditure in accordance with its approved budget.

Date of council approval:

With previous budget (31 MARCH 2009)

11.2 Tariff Policy

Purpose/Basic areas covered by policy/main objective

The purpose of this tariff policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by Tsolwana Municipality.

Date of council approval:

With previous budget (31 MARCH 2009)

11.3 Credit Control and Debt Collection Policy

Purpose/Basic areas covered by policy/main objective

The Local Government: Municipal Finance Management Act, 2003, Act 56 of 2003 contains legal prescriptions for sound and sustainable management of the financial affairs of municipalities. Section 97 deals with revenue management, inter alia with effective revenue collection systems and the preparation of accounts for service charges.

A Credit Control and Debt Collection Policy is required in order to give effect to requirements of Act 56, generally and specifically with revenue collection.

Date of council approval:

With previous budget (28 May 2008)

11.4 Cash Management and Investment Policy

Purpose/Basic areas covered by policy/main objective

In order to ensure sound and sustainable management of the cash resources of the municipality this policy addresses all principles and processes involved in cash and investment management

Date of council approval:

With previous budget (31 March 2009)

The following policy **had minor adjustments.**

11.5 Property rates policy

Setting of criteria for establishing rates tariffs.

Minor change:

Sect 6 (c) of the policy as approved on 31 March 2009 should be replace/repealed with the following sentence/phrase

- (6)(c) A 12.5% rebate due to the fact that the municipality is not required providing fire fighting services. This rebate can only be granted to organise fire fighting organisations and its members.

Date of council approval:

With budget (31 May 2010)

The following **policies should be approved with the approval of this budget** during council meeting of 31May 2010. This is due to major changes identified during budget reviewed workshops and the possible non-existence of it.

11.6 Accounting Policy

Purpose/Basic areas covered by policy/main objective

Accounting policy guides the preparation of the Annual Financial Statements and is reviewed each year during the preparation to ensure compliance with GRAP standards and any guiding principles issued by Accounting Standards Board and National Treasury.

Date of council approval:

With budget (31 May 2010)

11.7 Virement Policy

Purpose/Basic areas covered by policy/main objective

The virement policy establishes the framework for managers to manage their respective budgets within certain limitations. It also ensure good budgeting practices en effective financial management.

Date of council approval:

With budget (31 May 2010)

11.8 Supply Chain Policy

Purpose/Basic areas covered by policy/main objective

Dictates procedures for the procurement of goods and services.

Date of council approval:

With budget (31 May 2010)

11.9 Borrowing Policy

Purpose/Basic areas covered by policy/main objective

The objective of this policy is to ensure that the Municipality's borrowing practices at all times comply with the relevant laws and best practices.

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk.

Date of council approval:

With budget (31 May 2010)

11.10 Fixed Assets Management Policy

Purpose/Basic areas covered by policy/main objective

The fixed assets management policy is designed to ensure management of Municipal assets in efficient and effective manner with regard to acquisition, utilisation, control, maintenance and disposal of assets. The policy guides directorates/departments and staff in their responsibility and duties for control of their assets.

Date of council approval:

With budget (31 May 2010)

11.11 Funding and Reserves Policy

Purpose/Basic areas covered by policy/main objective

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

Date of council approval:

With budget (31 May 2010)

11.12 Policy On The Use and Application of Information Technology

Purpose/Basic areas covered by policy/main objective

The purpose of this policy is to provide guidance to all current and future users of the information technology (IT) network, consisting of a variety of servers, personal computers, network printers and direct printers, to ensure that the system is properly managed, optimally used, applied to the best advantage of the municipality, and to prevent abuse of the system.

This policy cannot lay down rules to cover every possible situation. Instead, it is designed to express the municipality's philosophy and set out the general principles that employees should apply when using computers.

Date of council approval:

With budget (31 May 2010)

Section 12

12. OVERVIEW OF BUDGET FUNDING AND FUNDING COMPLIANCE

12.1 Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

12.2 A credible budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

12.3 Fiscal Overview of Tsolwanan Municipality

Over the past financial years via sound and strong financial management, Tsolwana Municipality has moved internally to a position of relative financial stability. There is also a high level of compliance with the Municipal Finance Management Act and other legislation directly affecting financial management.

For the first time in years the municipality received a qualified audit report from the Auditor-General. The municipality also adopted GRAP standards in 2008/2009 and also prepared its AFS for 2008/2009 as per GRAP standards.

12.4 Long term financial planning

The municipality's financial position is sound and this budget further ensures that it stays sound. However, the council resolved in the current year to raise an external in 2010/2011 in order to address the bad condition of the internal roads by buying road machinery for a road plant.. The positive effect of this investment will by far outweigh the cost of the investment.

The municipality plans to continue exercising strict financial management and ensuring a cash flow which meets the requirements.

Since the 2008/2009 financial year, the municipality received its MIG allocation directly and not via Chris Hani District Municipality. This implies that that most of our capital funding are funded from MIG allocation.

The council also intends to take up an external loan in 2010/2011 financial year to fund road plant and to buy road machinery. It also want to use own funds of about R1 million for extension of office space. It has also undertaken a huge indigent drive in rural areas for to extent indigent support for free electricity to those areas. The latter three issues financial impact will only be felt in future years to come.

As earlier mentioned, the municipality also adopted GRAP standards in 08/09 financial year. The requirements of GRAP standards like for example the effect of depreciation will be seen in future budgets.

12.5 Sources of funding

The main sources of funding can be found under SA table 1.

However, the main own funding sources of the municipality comes from property rates and sale of electricity. The municipality is very dependent on the Equitable Share allocation as a funding source of its operating budget. The municipality does not have **any investments** and all money is needed on a real "immediate" scenario. This is why money is rather put in call accounts to obtain a better interest rate then to leave it in cheque account.

12.6 Sale of assets

The municipality is in the process of updating its assets register. New valuation roll has also been compiled during 08/09 financial year for implementation in 2009/10. Municipality is in the process to make land available to ease huge housing need for middle income people. Municipality will also use annual stock and asset count to determine absolute and redundant assets and to make a recommendation to council on what to do with it.

12.7 Borrowing

The MFMA prescribes the conditions within which municipalities may borrow through either short or long term debt.

The Act stipulates that short term debt can be used to meet immediate cash flow needs but that it must be fully repaid within the financial year in which it was incurred. Long term debt can only be incurred for capital expenditure or to re-finance existing long term debt. Proposals to incur long term debt must go through a public consultation process.

The cash flow projections will determine the likely need to borrow short term. It is not projected that any short term borrowing will be required over the MTREF period.

The ratios as set out in the Cash and Management Investment policy are used to establish prudential levels of borrowing in terms of affordability and the overall indebtedness of the Municipality.

Based on these measures of affordability, the Municipality has made the following budgeted provisions for new borrowing for capital expenditure over the MTREF.

R '000	2009/10	2010/11	2011/12
Long-term borrowing	0	R3 600 0000	0

Section 13

13. GRANT EXPENDITURE AND ALLOCATIONS

The grants programme its expenditure on transfers can be found under SA table 19.

Details of each grant are shown in the schedule that follows:

National and Provincial Conditional Grant Allocations 2010/11to 2012/13

Name of Grant	Operating/capital	Allocation authority/department	Amount 2009/10 R'000	Amount 2010/11 R'000	Amount 2011/12 R'000	Purpose of grant
Library Services	Operating	Province/ Cultural Affairs and Sport	535	567	580	To enable public libraries to render an improved service by addressing staffing shortages and operating needs. However, no formal correspondence received on any allocation that will be transferred to municipality
Councillor remuneration	Operating	National Treasury	927	985	1 034	To assist municipalities with the cost of cllr remuneration
Local Government Financial Mng grant (FMG)	Operating	National Treasury	3 000	1 250	1 500	To promote and support reforms in financial mng by building capacity in municipalities to implement MFMA
Municipal Systems Improvement Grant (MSIG)	Operating	COGTA	750	840	800	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems
Municipal Infrastructure Grant (MIG)	Operating/ Capital	COGTA	8 007	9 631	11 710	To supplement capital finance for basic municipal infrastructure. The operating portion is utilised for project management

						8unit.
Equitable Share	Operating	National Treasury	18 104	20 424	22 492	The equitable share of national revenue in accordance with the requirements of the Constitution.
Capacity	Operating	Provincial Public works	134	134	141	To assist with the implementation of MPRA

Section 14

14. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Any allocation made to an outside body must comply with the requirements of section 67 of the MFMA. This stipulates that before transferring funds to an outside organisation the Municipal Manager, as Accounting Officer, must be satisfied that the organisation or body has the capacity to comply with the agreement and has adequate financial management and other systems in place.

National Treasury further indicated in MFMA circular 51 that no more “discretionary” funds may be appropriated in the budget due to such funds not being transparent during the consultation process.

The municipality did not budget to make any grant transfers to any outside organisation/body.

Section 15

15. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Supporting tables SA 22 and SA 23 summarises the salary, allowances and benefits over the MTREF.

Section 16

16. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The Municipality’s service delivery and budget implementation plan can be found under the Municipality’s final IDP reviewed document for 2010/11 under section 16 pages 167-209.

Section 17

17. INVESTMENTS

The municipality does not have any money that makes the definition of investment. However, most money is easily needed on an ‘immediate’ sort of scenario. That’s why money not immediately needed is put in call accounts to attract a better interest rate than what you might get from a current account.

Section 18

18. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The municipality does not have any roll – over contracts with budget implications, other than the delivery of water and sanitation as a Water Service Provider as per arrangement with the Chris Hani District Municipality.

Section 19

19. CAPITAL EXPENDITURE AND PREVIOUSLY DELAYED PROJECTS

Capital expenditure details are listed in supporting tables 34 to SA37

The municipality do not have any projects that were delayed in previous financial years.

Section 20

20. ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS- MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

20.1 Entities

The municipality does not have any entities.

20.2 Other External Service Delivery Mechanisms.

The municipality has no other service delivery agreements with external parties for the delivery of the Municipality’s services.

The municipality provides the water – and sanitation functions as the Water Service Provider on behalf of the Chris Hani District Municipality who is the Water Services Authority.

Section 21

21. LEGISLATION COMPLIANCE STATUS

Municipal Finance Management Act - No 56 of 2003

The MFMA became effective on 1st July 2004. The Act modernises budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Tsolwana has been designated as a medium capacity municipality.

The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

The budget preparation process

The Mayor must lead the budget preparation process through a co-ordinated cycle of events that commences at least ten months prior to the start of each financial year.

Overview

The MFMA requires a Council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and any particulars on borrowings, investments, municipal entities, service delivery agreements, grant allocations and details of employment costs.

The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable is prepared by senior management and tabled by the Mayor for Council adoption by 31 August (ten months before the commencement of the next budget year).

Budget preparation and review of IDP and policy

The Mayor must co-ordinate the budget preparation process and the review of Council's IDP and budget-related policy, with the assistance of the municipal manager.

The Mayor must ensure that the IDP review forms an integral part of the budget process and that any changes to strategic priorities as contained in the IDP document have realistic projections of revenue and expenditure. In developing the budget, the management must take into account national and provincial budgets, the national fiscal and macro-economic policy and other relevant agreements or Acts of Parliament. The Mayor must consult with the relevant district Council and all other local municipalities in that district as well as the relevant provincial treasury and the National Treasury when

preparing the budget, and must provide the National Treasury and other government departments with certain information on request.

This process of development should ideally occur between August and November, so that draft consolidated three-year budget proposals, IDP amendments and policies can be made available during December and January. This allows time during January, February and March for preliminary consultation and discussion on the draft budget.

Tabling of the draft budget

The initial draft budget must be tabled by the Mayor before Council for review by 31 March.

Publication of the draft budget

Once tabled at Council, the Municipal Manager must make public the appropriate budget documentation and submit it to National Treasury and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

Opportunity to comment on draft budget

When the draft budget is tabled, Council must consider the views of the local community, the National Treasury and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

Opportunity for revisions to draft budget

After considering all views and submissions, Council must provide an opportunity for the Mayor to respond to the submissions received and if necessary to revise the budget and table amendments for Council's consideration.

Following the tabling of the draft budget at the end of March, the months of April and May should be used to accommodate public and government comment and to make any revisions that may be necessary. This may take the form of public hearings, Council debates, formal or informal delegations to the National Treasury, provincial treasury and other municipalities, or any other consultative forums designed to address stakeholder priorities.

Adoption of the annual budget

The Council must then consider the approval of the budget by 31 May and must formally adopt the budget by 30 June. This provides a 30-day window for Council to revise the budget several times before its final approval.

If a Council fails to approve its budget at its first meeting, it must reconsider it, or an amended draft, again within seven days and it must continue to do so until it is finally approved – before 1 July.

Once approved, the Municipal Manager must place the budget on the municipality's website within five days.

BUDGET IMPLEMENTATION

Implementation management – the Service Delivery and Budget Implementation Plan (SDBIP)

The Municipal Manager must within fourteen days of the approval of the annual budget (by 14 July at the latest) submit to the Mayor for approval a draft SDBIP and draft annual performance agreements for all pertinent senior staff.

An SDBIP is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The Mayor must approve the draft SDBIP within 28 days of the approval of the annual budget (by 28 July at the latest).

This plan must then be monitored by the Mayor and reported on to Council on a regular basis.

Managing the implementation process

The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Variation from budget estimates

Generally, Councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if Council has approved the project.

Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

Revision of budget estimates – the adjustments budget

It may be necessary on occasion for a Council to consider a revision of its original budget, owing to material and significant changes in revenue collections, expenditure patterns, or forecasts thereof for the remainder of the financial year.

In such cases a municipality may adopt an adjustments budget, prepared by the municipal manager and submitted to the Mayor for consideration and tabling at Council for adoption.

The adjustments budget must contain certain prescribed information, it may not result in further increases in taxes and tariffs and it must contain appropriate justifications and supporting material when approved by Council.

Requirements of the MFMA relating to the contents of annual budgets and supporting documentation

Section 17 of the MFMA stipulates that an annual budget of a municipality must be a schedule in the prescribed format and sets out what must be included in that format. In its MFMA circular 48, National Treasury set out detailed guidance on the contents of budget documentation and the supporting schedules. Tsolwana Municipality has made every effort to comply with the circular.

The following table shows how Tsolwana Municipality complies with the disclosure requirements of section 17 of the MFMA.

Requirement	Disclosure in budget documentation
Schedule of reasonably anticipated revenue for the budget year from each revenue source	A4
Schedule showing appropriations of expenditure for the budget year under the different votes of the Municipality	A3
Schedule setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year	A3 and A4
Schedule setting out- (i) estimated revenue and expenditure by vote for the current year and (ii) Actual revenue and expenditure by vote for the financial year preceding the current year.	A3 and A4
Draft resolutions - (i) approving the budget of the Municipality	Section 4

(ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year and (iii) Approving any other matters that may be prescribed.	
Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the Municipality's Integrated Development Plan.	Section 22 and SA 7
Projection of cash flow for the budget year by revenue source broken down per month	SA 25 – SA 26
Proposed amendments to the Municipality's integrated development plan following the annual review of the IDP in terms of section 34 of the Municipal Systems Act	Section 9
Particulars of the Municipality's investments	Section 17 and SA 16
Any prescribe information on municipal entities under the sole or shared control of the Municipality	N/a
Particulars of all proposed new municipal entities which the Municipality intends to establish or in which the Municipality intends to participate	N/a
Particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements	Section 20
Particulars of any proposed allocations or grants by the municipality to- (i) other municipalities (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers (iii) any other organs of state (iv) any organisations or bodies referred to in section 67 (1) (bodies outside Government)	Section 14
The proposed cost to the municipality for the budget year of the salary, allowances and benefits of- (i) each political office bearer of the Municipality (ii) Councillors of the municipality (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager	Section 15

The proposed cost for the budget year to a municipal entity under the sole or shared control of the Municipality of the salary, allowances and benefits of- (i) each member of the entity's board of directors and (ii) the chief executive officer and each senior manager of the entity	N/a
The proposed cost for the budget year to a municipal entity under the sole or shared control of the Municipality of the salary, allowances and benefits of- (i) each member of the entity's board of directors and (ii) the chief executive officer and each senior manager of the entity	N/a
Any other supporting documentation as may be prescribed	SA forms

Other Legislation

In addition to the MFMA, the following legislation also influences municipal budgeting;
The Division of Revenue Act 2010 and Provincial Budget Announcements

Three year national allocations to local government are published per municipality each year in the Division of Revenue Act. The Act places duties on municipalities in addition to the requirements of the MFMA, specifically with regard to reporting obligations.

Allocations to the Municipality from Provincial Government are announced and published in the Provincial budget.

Section 18 of the MFMA states that annual budgets may only be funded from reasonably anticipated revenues to be collected. The provision in the budget for allocations from National and Provincial Government should reflect the allocations announced in the DORA or in the relevant Provincial Gazette.

The Municipal Systems Act - No 32 of 2000 and Municipal Systems Amendment Act no 44 of 2003

One of the key objectives of the Municipal Systems Act is to ensure financially and economically viable communities. The requirements of the Act link closely to those of the MFMA. In particular, the following requirements need to be taken into consideration in the budgeting process;

- Chapters 4 and 5 relating to community participation and the requirements for the Integrated Development Planning process.
- Chapter 6 relates to performance management which links with the requirements for the budget to contain measurable performance objectives and quarterly performance targets in the Service Delivery and Budget Implementation Plan.
- Chapter 8 relates to the requirement to produce a tariff policy.

Section 22**22. OTHER SUPPORTING DOCUMENTS**

More details on the budget can be found in the supporting tables SA 1 – SA 3

Section 23**23 MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

I, S.J. Dayi, Municipal Manager of Tsohwana Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.



.....

S.J. Dayi

Municipal Manager of Tsohwana Municipality (EC 132)

Date: 31 May 2010

**All budgets are available at the Municipal office:
21 Murray Street
Tarkastad
5370**

Municipal annual budget and MTREF & supporting tables

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national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

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TSOLWANA MUNICIPALITY

BUDGET APPROVAL

APPROVED BY COUNCIL – 31 May 2010

SIGNED BY



.....
Mrs M Bennett
(Mayor)



.....
Mr SJ Dayi
(Municipal Manager)

31 May 2010

.....
Date

31 May 2010

.....
Date

EC132 Tsolwana - Table A7 Budgeted Cash Flows

Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other			19 284	5 501	18 960	30 440	32 971	30 767
Government -	1			35 134	6 257	10 201	3 039	3 039
Government -	1			-	14 167	14 167	-	-
Interest				957	930	930	660	660
Dividends				-				
Payments								
Suppliers and employees			(17 786)	(17 846)	(25 938)	(25 507)	(10 490)	(24 529)
Finance charges				(0)	(444)	(444)	(26)	(26)
Transfers and	1			(22 242)	(6 249)	(26 817)	(7 099)	(7 099)
NET CASH FROM/(USED) OPER		-	1 498	1 504	7 683	2 971	19 056	2 813
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE			-	4	-	-	-	-
Decrease (Increase) in non-current debtors			2 379	(3 083)	-	-	-	-
Decrease (increase) other non-current receivables			(291)	(804)				
Decrease (increase) in non-current investments					-			
Payments								
Capital assets			(2 693)	(5 712)	(14 212)	-	-	-
NET CASH FROM/(USED) INVES		-	(605)	(9 595)	(14 212)	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans			-	-				
Borrowing long term/refinancing			-	-	-	-	-	-
Increase (decrease) in consumer deposits			5	2	-	-	127	-
Payments								
Repayment of borrowing					-	-	-	-
NET CASH FROM/(USED) FINAN		-	5	2	-	-	127	-
NET INCREASE/ (DECREASE) IN		-	898	(8 088)	(6 529)	2 971	19 183	2 813
Cash/cash eq	2	13 639	13 639	14 537	6 448	(81)	2 890	(81)
Cash/cash eq	2	13 639	14 537	6 448	(81)	2 890	22 073	2 732

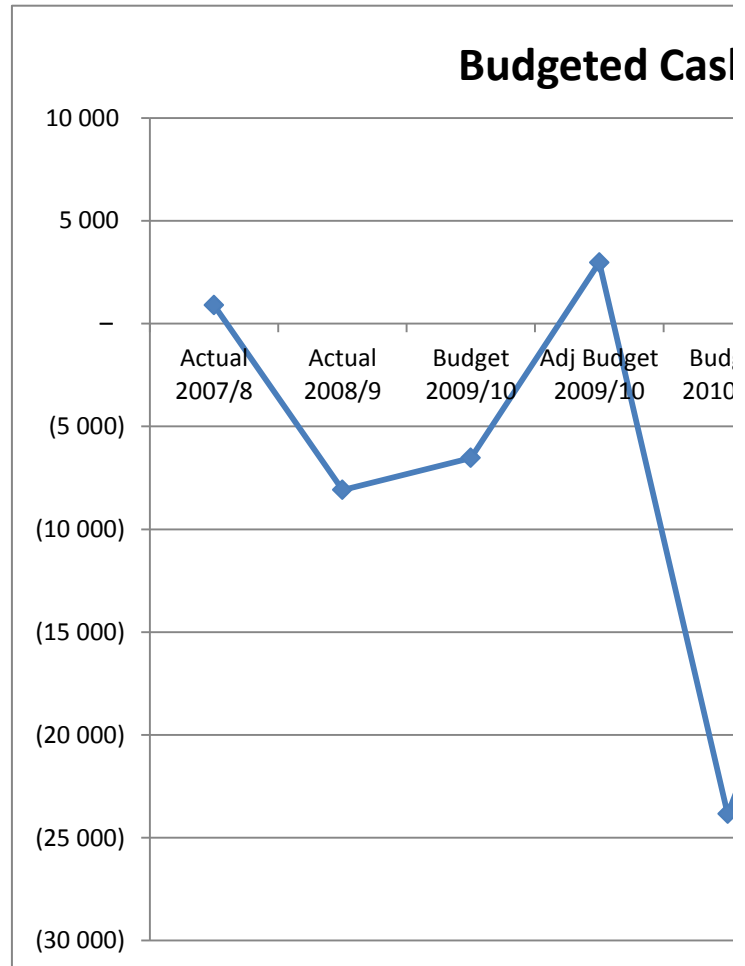
References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

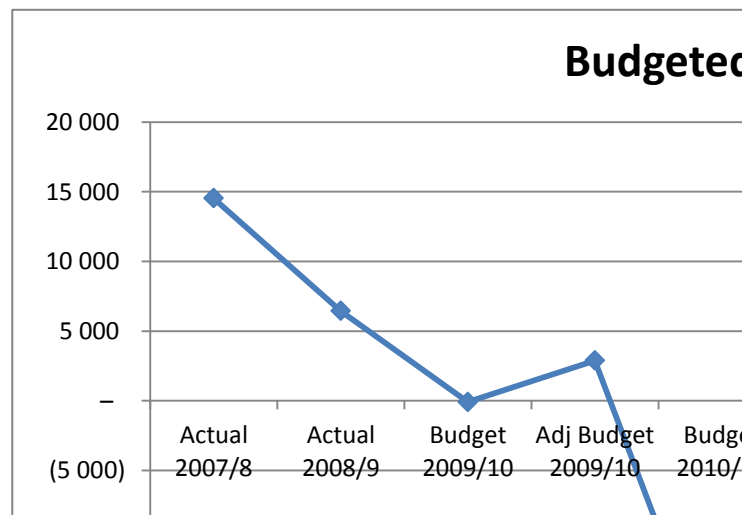
Total receipts	-	21 372	37 710	40 313	55 738	36 670	34 466
Total payments	-	(20 479)	(45 800)	(46 843)	(52 767)	(17 614)	(31 653)
	-	893	(8 091)	(6 529)	2 971	19 056	2 813
Borrowings & investments & c.depr	-	5	2	-	-	127	-
Repayment of borrowing	-	-	-	-	-	-	-
	-	898	(8 088)	(6 529)	2 971	19 183	2 813
	-	-	-	-	-	-	-

2010/11 Medium Term Revenue & Expenditure Framework		
Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
24 506	27 230	29 715
5 612	3 272	3 606
7 607	9 150	-
860	912	966
(37 117)	(25 013)	(25 030)
(50)	(53)	(56)
(15 799)	(14 358)	(5 435)
(14 381)	1 140	3 766
-	-	-
-	-	-
(12 307)	(9 150)	-
(12 307)	(9 150)	-
2 971	-	-
(127)	-	-
-	-	-
2 844	-	-
(23 844)	(8 010)	3 766
2 732	(21 112)	(29 122)
(21 112)	(29 122)	(25 356)

Actual 2007/8	Actual 2008/9	Budget 2009/10	Adj Budget 2009/10	Budget 2010/11
898	(8 088)	(6 529)	2 971	(23 844)
14 537	6 448	(81)	2 890	(21 112)



38 585	40 564	34 287
(65 273)	(48 574)	(30 522)
(26 688)	(8 010)	3 766
2 844	-	-
-	-	-
(23 844)	(8 010)	3 766
-	-	-



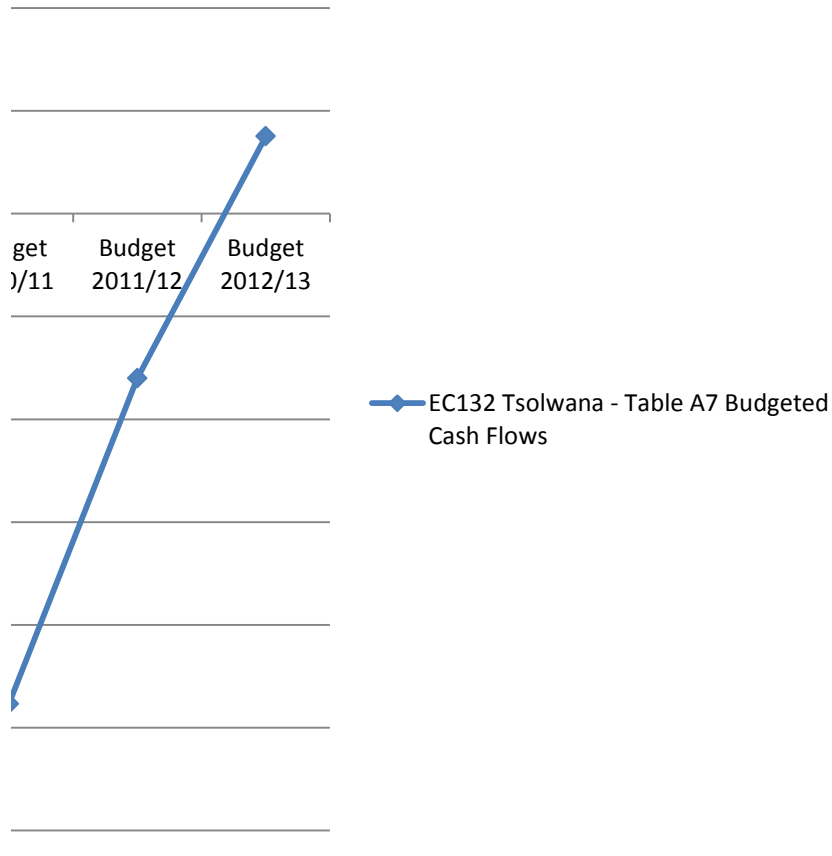


Budget 2011/12	Budget 2012/13
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(8 010) 3 766

(29 122) (25 356)

Cash Flows Rm



Cash Position

