



UMZIMVUBU
— LOCAL MUNICIPALITY —

MTREF
2011/2012

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PART 1 – ANNUAL BUDGET

Mayoral Budget Speech

Mr. Speaker
Exco Members
Whippery
Councillors
Management & Staff
Members of the Public & Media in the Gallery
Ladies & Gentlemen

First and foremost I want extend our sincere apology for the inconvenience caused in respect of the venue for this Special Council Meeting.

We have established very late that the Town Hall in Mount Frere had already been booked. Please accept our apologies.

This Special Council Meeting has been preceeded by the Freedom Day Celebrations that took place yesterday throughout the Republic of South Africa to mark the 17th Anniversary of our Freedom and Democracy.

On Friday the 15th of April 2011 we have hosted the Send-Off Party in the honour of 2006-2011 outgoing Councillors.

We did this as a way of saying “Thank you for the job well done during the term of office.” You discharged your duties diligently and excellently as the true representatives of your communities.

After the 18th of May we will hand over the baton to the next Crop of Councillors with pride and dignity because we have fulfilled our mandate. In this regard, I can say, without any fear of contradiction, that the mission has been accomplished.

Toady’s Special meeting of Council was convened to deal with the 2011/2012 Budget and IDP, PMS Assessment Results for Section 57 Managers and Municipal Manager for 2009/2010 Financial Year, Forfeiture of Interest on Consumer Account and Sundry Debtors.

Although the precise information is contained in the table shown below I would like to make a few high lights on the Budget by dealing briefly with major sources of income and operational expenditure.

Major sources of income can be summarized as follows:

1. Grants and Subsidies: R128 390 000(which constitutes 75% of the Budget)
2. Own revenue: R42 651 035(which constitutes 25%)

The Own Revenue is made up of Property Rates at R8 m, Refuse Removal at R2.7m and Traffic Management which contributes R3.3 m.

I must also indicate that the operational expenditure is R103 901 545 which takes 61% of the Budget. The remaining 39% which is R67 103 634 goes for Capital Expenditure

The Operational Expenditure can further be split as follows:

1. Personnel: R 50 659 297
2. General Expenditure: R45 818 204
3. Grants and Subsidies paid: R3 570 410
4. Repairs and maintenance: R3 853 634

The 2011/12 Capital Budget

The capital budget for next year amounts to R67,1million and included to the amount is R31 157 million which is funded by MIG. This has declined by 39% compared to 2010/11 financial year, this was caused by reserves that the council resolved that all the reserves to be utilised as speedup the service delivery within the municipality. The municipality has adhere to treasury Circular which advises municipalities not to budget for offices, but however the office space s still a challenge. Our rollover projects amount to R 500 000, which we anticipate is to be completed within the first two months of the 2011/12 financial year.

The capital budget can be broken down as follows. Surfacing R31,1 million, Access Roads R16 million, Buildings 9,5 million, Other (Computers, Furniture , Equipment, ICT) R10,4million

Operating Expenditure

As we know that each municipality has to contribute to job creation when revising their own IDPs and preparing budget for 2011/12. Not by employing more staff, but rather by ensuring labour intensive methods are used in services delivery, by service providers and LED projects. Municipalities should participate fully in the Extended Public Works Programme.

We have relooked at our procurement policies and guidelines, and they are now labour intensive as opposed to capital.

The biggest single operating expenditure is on staffing. This amounts to approximately R50,6 million of the operating budget. There will be few new positions, this is the result of the decreased in our revenue by 16% from 2010/11 financial year.

Operating Revenue

Our budget is in essence funded from three sources: assessment rates, revenues from trading services (majority from waste management) and transfer from national government. Approximately 7% of our revenue s from rates and waste management which could translate to 5% and 2% split.

Effect of the annual budget

The annual budget for 2011/12 to 2013/14 is disclosed in 'Section 4: Annual budget tables' and in 'Annexure 2: Supporting budget tables'. Each of the summaries sections below is discussed in more detail later on this document

Mr. Speaker, on behalf of the Executive Committee I submit this report and I further ask Council to consider and adopt all the recommendations we have made.

With those few words I THANK YOU.....

Section 2 – Budget Related Resolutions

The Resolutions approved by Council with the final adoption of the budget in April are:

RESOLVED:

[a] That the annual budget of Umzimvubu Local Municipality for the financial year 2011/2012; and indicative for the two projected years 2012/13 and 2013/14

1.1 **Table A2:** Budgeted Financial Performance (Expenditure by standard classification)

1.2 **Table A3:** Budgeted Financial Performance (expenditure by municipal vote)

1.3 **Table A4:** Budgeted Financial Performance (revenue by source)

1.4 **Table A5:** Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding

[b] The policies for credit control, debt collection and indigents are approved for the budget year 2011/2012 (within the report)

[c] Tariffs and charges reflected in **Annexure 3** are approved for the financial year 2011/2012

[d] Council notes the amended Integrated Development Plan adopted on the April 2011 reflected as summarised in **Section 6**

[e] The budget related policies as summarised in **Section 8** are approved for budget year 2011/12

[f] The measurable performance objectives for each vote introduced in **Section 15** and detailed in Annexure 'Service Delivery and Budget Implementation Plan' are noted for the budget year 2011/12

Section 3 - Executive Summary

The Municipal Finance Management Act (MFMA) require that the council must at least 30 days before the start of the budget year consider the approval of the annual budget, but however Circular 54 was issued as advisor to municipalities pertaining the Local Government elections will take place during the month of May 2011 which this could result to the budgets not approved because of political climates. Umzimvubu Local Municipality chose to approved its budget at the end of April 2011.

.Most of the requirements of the MFMA concerning the budget content and documentation are in place for this budget process and were incorporated into this budget document. Major requirements of the MFMA include:

- 1) the budget must set out 'realistically anticipated revenues' for the year by each revenue source;
- 2) the budget must be generally divided between capital and operating expenditures and each must be set out by 'vote';
- 3) expenditures can only be funded by 'realistic' revenues, surplus cash carried forward and not committed to any other expenditure or borrowed funds (borrowed funds can only be used to fund capital projects).

There are many other format requirements for the budget that are too numerous to mention here, however, a complete listing can be found in section 17 of the MFMA.

The preparation of this budget document evolved the making of critical policy decisions and key strategies and policy directions that were given by the Executive Committee over the past months. A 'baseline' budgets was developed in consultation with the Executive and formed the basis for operating budget discussions. These were given to the Managers to review and revise within given guidelines. These revised baseline budgets returned by the managers then formed the basis for the draft budget which is now on its final stage that is annual budget.

The financial policies used to develop this budget are focused on making Umzimvubu is financially sustainable in the long run. We must not only have sufficient cash available to pay all the creditors that we owe as required by the MFMA but also to allow for a cash reserve to even out sporadic cash flows during the operating year.

Operational Revenues are anticipated to reach R 99, 260 MILLION (including currently known grants received for operational expenditures); operational expenditures funded from cash carry forwards and operating revenues are proposed at R 99, 042 MILLION.

The Capital Budget is funded from a blend of conditional grants, limited own funds and cash carried forward from prior years. Capital expenditures for 2011/12 are estimated to total R67, 103 Million for a variety of projects and purchases.

In preparing the budget many issues emerged that had to be taken into account. Several assumptions were utilized to produce estimates and forecasts. In addition, many policy decisions were incorporated into this budget document. The following list attempts to give the most significant of these.

Operating Revenues

- Revenues are shown on a 'billed' (or accrual) basis where applicable. In many cases revenue billed is much higher than cash actually collected on that billing. An offsetting bad debt expense is also included to cover other services as a single amount and a separate amount to cover waste or refuse. This expense must be considered in any revenue discussion. Allocations for bad debt include the following amounts.
 - Rates and other services R365, 000

- Rates and tariffs in most cases contain proposed increases.
 - Rates 4.8% increase
 - Refuse Collection 4.8% increase

- The Equitable Share Allocation from the National Treasury is R92,993 Million which is an increase from the current budget of R 71,442.

Operating Expenditures

- Employee salaries and related expenses are increased by the level indicated by correspondence from SALGA and CPIX. This amount to an 6,8% increase in 2011/12. In addition, all positions are budgeted to be filled for the entire year. Council salaries are also budgeted to increase by 6.8% .The salary bill makes up 48% of the Operating budget.
- An amount of R 3, 853,634 has been allocated in the operating budget for normal street maintenance and repairs
- An amount R45,818,204 is included in the operating budget for normal operations of the institution
- Grants and subsidies paid by the municipality to NGO's and other organizations amounts to R 3,570 million

Capital Budget

The capital budget reflected in this document utilizes actually anticipated revenues and cash forward to fund the budgeted expenditures of R67,103 million. The portion include the MIG grant (R31,153 million)

Other items in the operating budget

There are various conditional grants/other funded items and programs included within the operating budget. Most of these items (amounting to some R4,2Million) are funded by conditional grants that specify exactly what the money can be expended on.

Effect of the annual budget

The annual budget for 2011/12 to 2013/14 is disclosed in 'Section 4: Annual budget tables' and in 'Annexure 2: Supporting budget tables'. Each of the summaries sections below is discussed in more detail later on this document

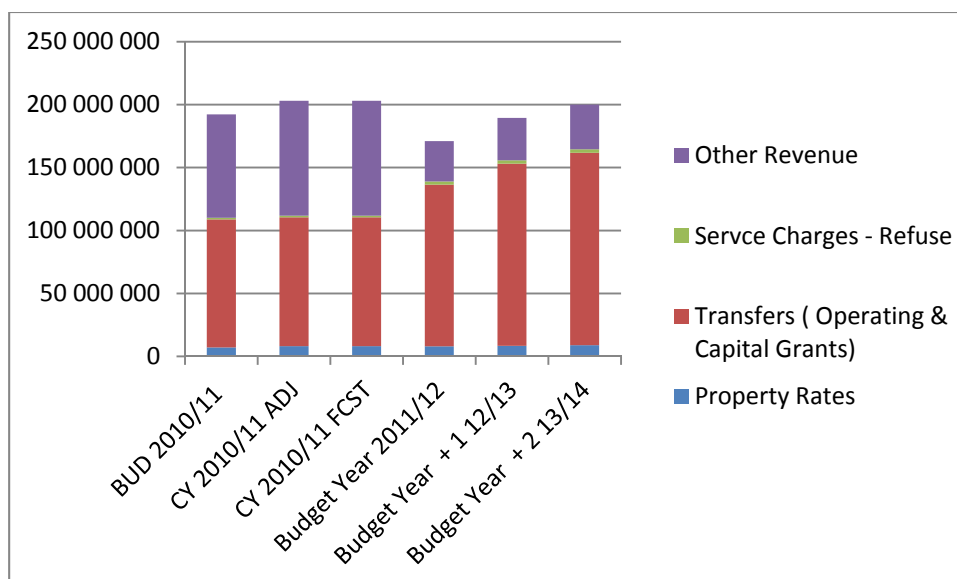
For easy reference, summary tables and graphs are included here.

Financial performance

Revenue by source

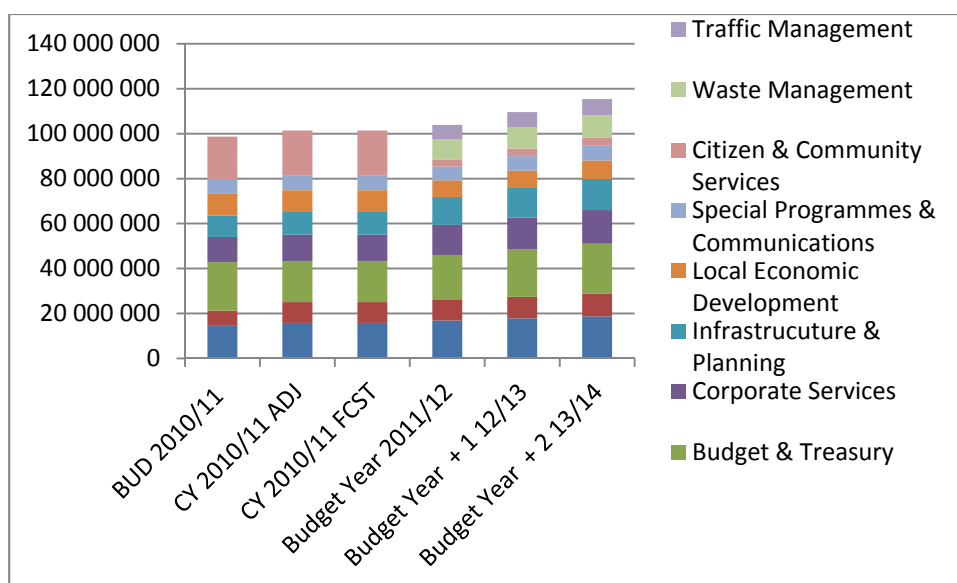
	Forecast 2010/2011 R '000	Budget 2011/2012 R '000	Indicative 2012/2013 R '000	Indicative 2013/2014 R '000
Property Rates	7,160	8,000	8,424	8,887
Transfers (Operating & Capital Grants)	101,672	128,390	144,643	152,802
Service Charges	1,300	2,600	2,737	2,888
Other Revenue	82,119	32,015	33,711	35,498
Total Revenue	192,215	171,005	189,516	200,066

Trends for the major revenue sources over the MTREF period is shown in the chart below



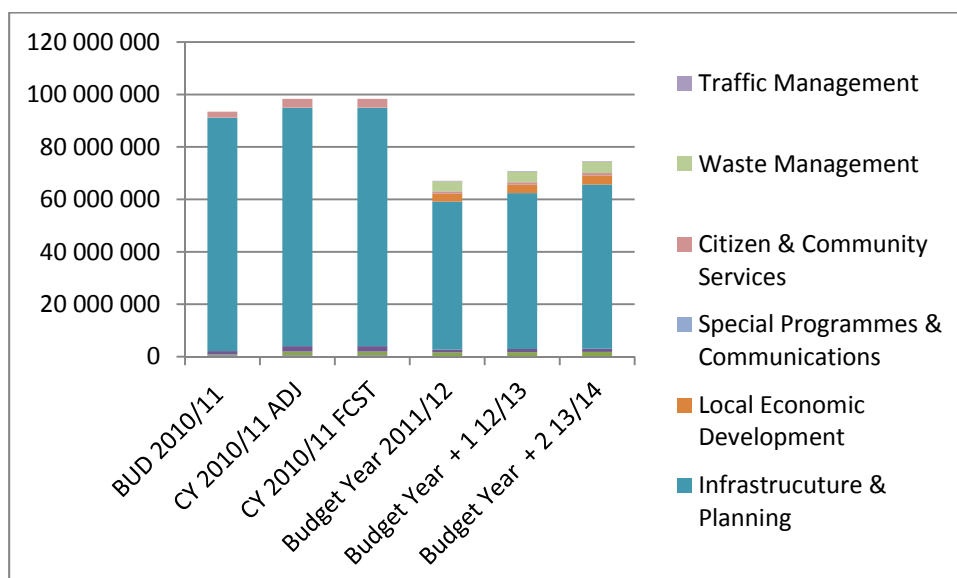
Expenditure by municipal vote

	BUD 2010/11	CY 2010/11 ADJ	CY 2010/11 FCST	Budget Year 2011/12	Budget Year + 1 12/13	Budget Year + 2 13/14
Executive & Council	14,788,383	15,822,819	15,822,819	16,877,269	17,805,519	18,749,211
Municipal Manager	6,485,549	9,225,258	9,225,258	9,084,988	9,584,662	10,092,649
Budget & Treasury	21,540,880	18,125,979	18,125,979	20,004,525	21,104,774	22,223,327
Corporate Services	11,231,639	11,906,575	11,906,575	13,478,079	14,219,373	14,973,000
Infrastructure & Planning	9,536,062	10,054,353	10,054,353	12,429,900	13,113,545	13,808,562
Local Economic Development	9,620,389	9,700,831	9,700,831	7,388,024	7,794,365	8,207,467
Special Programmes & Communications	6,254,237	6,395,751	6,395,751	6,063,474	6,396,965	6,736,004
Citizen & Community Services	19,245,043	20,189,772	20,189,772	3,161,065	3,334,924	3,511,675
Waste Management				8,901,755	9,391,352	9,889,093
Traffic Management				6,512,460	6,870,645	7,234,790
	98,702,182	101,421,338	101,421,338	103,901,539	109,616,124	115,425,778



Capital Expenditure by municipal vote

	BUD 2010/11	CY 2010/11 ADJ	CY 2010/11 FCST	Budget Year 2011/12	Budget Year + 1 12/13	Budget Year + 2 13/14
Executive & Council	500,000	500,000	500,000	100,000	105,550	111,092
Municipal Manager	55,000	55,000	55,000	57,640	60,810	64,033
Budget & Treasury	300,000	1,394,513	1,394,513	1,461,450	1,541,830	1,623,547
Corporate Services	1,280,000	2,080,000	2,080,000	1,140,000	1,202,700	1,266,443
Infrastructure & Planning	88,939,000	90,827,487	90,827,487	56,357,000	59,456,635	62,607,837
Local Economic Development	50,000	50,000	50,000	3,050,000	3,217,750	3,388,291
Special Programmes & Communications	50,000	50,000	50,000	52,400	55,282	58,212
Citizen & Community Services	2,290,000	3,358,095	3,358,095	830,000	875,650	922,060
Waste Management				3,810,000	4,019,550	4,232,586
Traffic Management				245,000	258,475	272,174
	93,464,000	98,315,095	98,315,095	67,103,490	70,794,232	74,546,275



Tariff implications of the annual budget

Assessment rates

The municipal property rates are levied in different categories of consumers, and the budget has increased from 2011/12 financial year by 12%. This will probably increase when we doing adjustment budget as we are now complete with our data cleansing project

Waste Management

We had a 4.8% increase on the tariffs charged for this financial year, and we also devised other revenue mechanism in waste management which were not implemented in the 2010/2011 financial year

We have budgeted a 100% increase on this trading services, this is the result of the new shopping mall.

The budget as presented in this document meets the requirements of the MFMA and is presented to Council for approval.

Section 4 - Annual Budget Tables

The intention of this Section is two-fold

Firstly, the following tables form the basis of the Council resolution approving the annual budget for 2011/2012:

- Table A2: Budgeted Financial Performance (expenditure by standard classification)
- Table A4: Budgeted Financial Performance (expenditure by municipal vote)
- Table A4: Budgeted Financial Performance (revenue by source)
- Table A5: Budgeted Capital Expenditure for both multi-year and single year appropriations by vote, standard classification and funding

Secondly, this section presents and explains the various tables that must be compiled

Table A1 – Budget Summary

EC442 Umzimvubu - Table A1 Budget Summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands										
Financial Performance										
Property rates	4,125	4,018	5,909	7,160	8,160	8,160	5,289	8,000	8,424	8,887
Service charges	2,142	681	1,902	1,308	1,308	1,308	-	2,600	2,738	2,888
Investment revenue	-	8,748	4,388	5,000	-	5,000	-	3,500	3,686	3,888
Transfers recognised - operational	-	-	-	77,734	78,401	78,401	-	97,233	102,581	108,018
Other own revenue	-	1,917	5,900	35,830	35,411	39,761	-	28,515	30,074	31,678
Total Revenue (excluding capital transfers and contributions)	6,267	15,364	18,099	127,032	123,280	132,630	5,289	139,848	147,502	155,359
Employee costs	26,014	20,847	28,865	42,333	34,927	35,727	-	51,372	54,557	57,776
Remuneration of councillors	-	8,400	9,316	11,109	11,766	11,766	-	12,701	13,374	14,109
Depreciation & asset impairment	-	-	200	473	-	473	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	250	2,320	2,320	-	3,620	3,812	4,022
Other expenditure	22,424	14,154	27,635	48,857	45,896	24,289	-	53,642	56,264	59,369
Total Expenditure	48,439	43,402	66,016	103,022	94,909	74,574	-	121,335	128,007	135,276
Surplus/(Deficit)	(42,172)	(28,038)	(47,916)	24,010	28,371	58,056	5,289	18,513	19,495	20,083
Transfers recognised - capital	-	-	-	21,445	21,445	21,445	-	43,939	58,791	65,008
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(42,172)	(28,038)	(47,916)	45,455	49,816	79,501	5,289	62,452	78,286	85,091
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(42,172)	(28,038)	(47,916)	45,455	49,816	79,501	5,289	62,452	78,286	85,091
Capital expenditure & funds sources										
Capital expenditure	40,018	76,420	30,411	93,464	98,315	98,315	-	67,104	70,795	74,688
Transfers recognised - capital	66,629	76,807	92,999	23,939	29,258	29,258	-	31,157	32,871	34,679
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	69,525	68,057	68,057	-	35,857	37,829	39,910
Total sources of capital funds	66,629	76,807	92,999	93,464	97,315	97,315	-	67,014	70,700	74,588
Financial position										
Total current assets	7	66,409	80,688	-	-	-	-	-	-	-
Total non current assets	-	261,277	292,866	369,485	373,086	373,086	-	436,237	502,703	572,833
Total current liabilities	-	-	-	-	-	-	-	-	-	-

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	20,756	12,206	24,769	26,445		26,445		26,445	26,445	26,445
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	(9,625)	52,229	52,229	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	89,274	176,283	161,060	126,672	127,659	132,659	-	131,890	138,880	146,314
Net cash from (used) investing	-	(42,558)	(31,630)	500	-	500	-	100	105	111
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	109,332	243,057	372,487	127,172	127,659	133,159	-	131,990	270,975	417,400
Cash backing/surplus reconciliation										
Cash and investments available	7	55,555	79,946	-	-	-	-	-	-	-
Application of cash and investments	20,756	1,887	34,680	36,356	-	36,356	-	36,356	36,356	36,356
Balance - surplus (shortfall)	(20,749)	53,668	45,266	(36,356)	-	(36,356)	-	(36,356)	(36,356)	(36,356)
Asset management										
Asset register summary (WDV)	-	18,095	18,095	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	200	473	-	473	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	183	183	194	206
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

The highlight of this table relate to increase in employee costs which further broken down in Annexure 2 'Supporting Table SA22: Summary councilor and staff benefits'.

Table A2 – Budgeted Financial Performance (by standard classification)

EC442 Umzimvubu - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue - Standard										
<i>Governance and administration</i>		-	-	-	103,145	104,341	108,541	129,907	136,792	144,315
Executive and council		-	-	-	2,800	-	2,800	-	-	-
Budget and treasury office		-	-	-	98,865	104,271	104,271	129,833	136,714	144,233
Corporate services		-	-	-	1,480	70	1,470	74	77	82
<i>Community and public safety</i>		-	-	-	8,225	8,117	8,117	3,562	3,752	3,958
Community and social services		-	-	-	8,225	8,117	8,117	266	280	296
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	3,297	3,471	3,662
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	80,796	86,428	86,428	34,921	36,772	38,794
Planning and development		-	-	-	5,552	5,522	5,522	2,062	2,171	2,290
Road transport		-	-	-	75,244	80,906	80,906	32,859	34,601	36,504
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	2,615	2,754	2,905
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	2,615	2,754	2,905
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	-	-	192,166	198,886	203,086	171,005	180,069	189,973
Expenditure - Standard	-									
<i>Governance and administration</i>		-	-	-	56,182	51,692	59,110	70,492	74,029	78,096
Executive and council		-	-	-	21,829	25,603	25,603	26,420	27,610	29,128
Budget and treasury office		-	-	-	21,841	19,520	19,520	21,644	22,792	24,045
Corporate services		-	-	-	12,512	6,569	13,987	22,428	23,628	24,923
<i>Community and public safety</i>		-	-	-	27,839	29,994	29,994	16,812	17,700	18,674
Community and social services		-	-	-	27,839	29,994	29,994	9,855	10,374	10,944
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	6,957	7,326	7,729
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	108,145	113,982	113,982	74,798	78,966	83,314
Planning and development		-	-	-	9,670	9,751	9,751	10,438	10,991	11,596
Road transport		-	-	-	98,475	104,231	104,231	64,360	67,975	71,718
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	8,902	9,374	9,889

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Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	8,902	9,374	9,889
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	-	-	192,166	195,668	203,086	171,005	180,069	189,973
Surplus/(Deficit) for the year		-	-	-	0	3,219	0	0	(0)	(0)

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC442 Umzimvubu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote	1									
Vote1 - Council & Executive Committee		-	-	-	4,200	1,453	4,253	56	59	63
Vote2 Budget & Treasury - Budget & Treasury Office		-	-	-	98,865	104,271	104,271	129,833	136,714	144,233
Vote3 Corporate Services - Corporate Services		-	-	-	1,480	70	1,470	74	77	82
Vote4 Infrastructure & planning - Infrastructure & Planning		-	-	-	75,244	80,906	80,906	32,859	34,601	36,504
Vote5 Local Economic Development - Local Economic Development		-	-	-	5,552	5,522	5,522	2,062	2,171	2,290
Vote6 Citizen & Community Services - Citizen & Community Services		-	-	-	6,825	6,664	6,664	210	221	234
Vote7 Waste Management Services - Waste Management Services		-	-	-	-	-	-	2,615	2,754	2,905
Vote8 Public Safety - Public Safety		-	-	-	-	-	-	3,297	3,471	3,662
Example 9 - Vote9		-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	192,166	198,886	203,086	171,005	180,069	189,973
Expenditure by Vote to be appropriated	1									
Vote1 - Council & Executive Committee		-	-	-	28,133	32,049	32,049	32,491	33,999	35,869
Vote2 Budget & Treasury - Budget & Treasury Office		-	-	-	21,841	19,520	19,520	21,644	22,792	24,045
Vote3 Corporate Services - Corporate Services		-	-	-	12,512	6,569	13,987	22,428	23,628	24,923
Vote4 Infrastructure & planning - Infrastructure & Planning		-	-	-	98,475	104,231	104,231	64,360	67,975	71,718
Vote5 Local Economic Development - Local Economic Development		-	-	-	9,670	9,751	9,751	10,438	10,991	11,596
Vote6 Citizen & Community Services - Citizen & Community Services		-	-	-	21,535	23,548	23,548	3,784	3,985	4,204
Vote7 Waste Management Services - Waste Management Services		-	-	-	-	-	-	8,902	9,374	9,889
Vote8 Public Safety - Public Safety		-	-	-	-	-	-	6,957	7,326	7,729
Example 9 - Vote9		-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-

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Example 15 - Vote15		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	192,166	195,668	203,086	171,005	180,069	189,973
Surplus/(Deficit) for the year	2	-	-	-	0	3,219	0	0	(0)	(0)

References

1. Insert 'Vote': e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

Table A4 – Budgeted Financial Performance (revenue and expenditure)

EC442 Umzimvubu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source											
Property rates	2	4,125	4,018	5,909	7,160	8,160	8,160	5,289	8,000	8,424	8,887
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	53	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2,089	681	1,902	1,308	1,308	1,308	-	2,600	2,738	2,888
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			949	1	1,100	1,065	1,065	-	1,175	1,237	1,305
Interest earned - external investments			8,748	4,388	5,000	-	5,000	-	3,500	3,686	3,888
Interest earned - outstanding debtors											
Dividends received											
Fines			111	144	300	-	300	-	400	421	444
Licences and permits				32	60	30	30	-	40	42	44
Agency services			857	4,548	3,550	-	3,550	-	2,850	3,001	3,166
Transfers recognised - operational					77,734	78,401	78,401		97,233	102,581	108,018
Other revenue	2	-	-	1,175	30,320	34,316	34,316	-	23,950	25,267	26,606
Gains on disposal of PPE					500	-	500	-	100	105	111
Total Revenue (excluding capital transfers and contributions)		6,267	15,364	18,099	127,032	123,280	132,630	5,289	139,848	147,502	155,359
Expenditure By Type											
Employee related costs	2	26,014	20,847	28,865	42,333	34,927	35,727	-	51,372	54,557	57,776
Remuneration of councillors			8,400	9,316	11,109	11,766	11,766	-	12,701	13,374	14,109
Debt impairment	3				200	365	365		365	384	405
Depreciation & asset impairment	2	-	-	200	473	-	473	-	-	-	-
Finance charges											
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services											
Transfers and grants					250	2,320	2,320		3,620	3,812	4,022
Other expenditure	4, 5	22,424	14,154	27,635	48,657	45,531	23,924	-	53,277	55,880	58,964
Loss on disposal of PPE											
Total Expenditure		48,439	43,402	66,016	103,022	94,909	74,574	-	121,335	128,007	135,276
Surplus/(Deficit)		(42,172)	(28,038)	(47,916)	24,010	28,371	58,056	5,289	18,513	19,495	20,083

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Transfers recognised - capital				21,445	21,445	21,445		43,939	58,791	65,008	
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(42,172)	(28,038)	(47,916)	45,455	49,816	79,501	5,289	62,452	78,286	85,091
Taxation											
Surplus/(Deficit) after taxation		(42,172)	(28,038)	(47,916)	45,455	49,816	79,501	5,289	62,452	78,286	85,091
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(42,172)	(28,038)	(47,916)	45,455	49,816	79,501	5,289	62,452	78,286	85,091
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(42,172)	(28,038)	(47,916)	45,455	49,816	79,501	5,289	62,452	78,286	85,091

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding

EC442 Umzimvubu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital expenditure - Vote Multi-year expenditure to be appropriated	2										
Vote1 - Council & Executive Committee		-	-	-	559	600	600	-	500	528	557
Vote2 Budget & Treasury - Budget & Treasury Office		774	3	1,503	8,939	3,136	3,136	-	3,950	5,950	4,700
Vote3 Corporate Services - Corporate Services		140	-	-	2,395	2,845	2,845	-	2,847	3,800	2,050
Vote4 Infrastructure & planning - Infrastructure & Planning		38,969	76,302	28,909	32,504	45,004	45,004	-	56,939	58,791	65,008
Vote5 Local Economic Development - Local Economic Development		135	115	-	1,039	2,104	2,104	-	3,240	6,950	12,600
Vote6 Citizen & Community Services - Citizen & Community Services		-	-	-	1,039	2,104	2,104	-	3,240	6,950	12,600
Vote7 Waste Management Services - Waste Management Services		-	-	-	11,809	9,544	9,544	-	2,075	3,320	2,900
Vote8 Public Safety - Public Safety		-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	40,018	76,420	30,411	58,286	65,338	65,338	-	72,791	86,289	100,415
Single-year expenditure to be appropriated	2										
Vote1 - Council & Executive Committee		-	-	-	-	-	-	-	-	-	-
Vote2 Budget & Treasury - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote3 Corporate Services - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote4 Infrastructure & planning - Infrastructure & Planning		-	-	-	-	-	-	-	-	-	-
Vote5 Local Economic Development - Local Economic Development		-	-	-	-	-	-	-	-	-	-
Vote6 Citizen & Community Services - Citizen & Community Services		-	-	-	-	-	-	-	-	-	-
Vote7 Waste Management Services - Waste Management Services		-	-	-	-	-	-	-	-	-	-
Vote8 Public Safety - Public Safety		-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-

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Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		40,018	76,420	30,411	58,286	65,338	65,338	-	72,791	86,289	100,415
Capital Expenditure - Standard											
<i>Governance and administration</i>		914	3	1,503	2,080	3,975	3,975	-	2,701	2,850	3,007
Executive and council					500	500	500		100	106	111
Budget and treasury office		774	3	1,503	300	1,395	1,395		1,461	1,542	1,627
Corporate services		140			1,280	2,080	2,080		1,140	1,203	1,269
<i>Community and public safety services</i>		135	115	-	2,290	3,358	3,358	-	1,075	1,134	1,197
Community and social services		135	115		2,290	3,358	3,358		830	876	924
Sport and recreation									245	258	273
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>		38,969	76,302	28,909	88,989	90,877	90,877	-	59,407	62,674	66,121
Planning and development		38,969	76,302	28,909	50	50	50		3,050	3,218	3,395
Road transport					88,939	90,827	90,827		56,357	59,457	62,727
Environmental protection					-	-	-		-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	3,810	4,020	4,241
Electricity											
Water											
Waste water management									3,810	4,020	4,241
Waste management											
<i>Other</i>					105	105	105		110	117	123
Total Capital Expenditure - Standard	3	40,018	76,420	30,411	93,464	98,315	98,315	-	67,104	70,795	74,688
Funded by:											
National Government		66,629	76,807	92,999	23,939	29,258	29,258		31,157	32,871	34,679
Provincial Government											
District Municipality											
Other transfers and grants					-	-	-		-	-	-
Transfers recognised - capital	4	66,629	76,807	92,999	23,939	29,258	29,258	-	31,157	32,871	34,679
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					69,525	68,057	68,057		35,857	37,829	39,910
Total Capital Funding	7	66,629	76,807	92,999	93,464	97,315	97,315	-	67,014	70,700	74,588

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year

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3. *Capital expenditure by standard classification must reconcile to the appropriations by vote*
4. *Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)*
5. *Must reconcile to Budgeted Financial Performance (revenue and expenditure)*
6. *Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17*
7. *Total Capital Funding must balance with Total Capital Expenditure*
8. *Include any capitalised interest (MFMA section 46) as part of relevant capital budget*

Table A6 – Budgeted Financial Position

EC442 Umzimvubu - Table A6 Budgeted Financial Position

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
ASSETS											
Current assets											
Cash		7	66,006	79,946	75,188	85,283	85,283		85,735	86,983	88,294
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		-	-	-					-	-	-
Current portion of long-term receivables		-	-	-							
Inventory	2		404	742	742	742	742		742	783	824
Total current assets		7	66,409	80,688	75,930	86,025	86,025	-	86,477	87,766	89,118
Non current assets											
Long-term receivables		-	-	-							
Investments		-	-	-	-						
Investment property		-	18,095	18,095	18,095	18,095	18,095		18,095	19,090	20,101
Investment in Associate		-	-	-							
Property, plant and equipment	3	-	243,182	274,771	369,485	373,086	373,086	-	436,237	502,703	572,833
Agricultural		-	-	-							
Biological		-	-	-							
Intangible		-	-	-							
Other non-current assets		-	-	-							
Total non current assets		-	261,277	292,866	387,580	391,181	391,181	-	454,331	521,793	592,934
TOTAL ASSETS		7	327,686	373,553	463,510	477,205	477,205	-	540,808	609,559	682,052
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	10,451	-							
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-							
Trade and other payables	4	20,756	1,755	24,769	26,445	-	26,445	-	26,445	26,445	26,445
Provisions		-	-	-	-						
Total current liabilities		20,756	12,206	24,769	26,445	-	26,445	-	26,445	26,445	26,445
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-	-

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Total non current liabilities		-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		20,756	12,206	24,769	26,445	-	26,445	-	26,445	26,445	26,445
NET ASSETS	5	(20,749)	315,480	348,784	437,065	477,205	450,760	-	514,363	583,114	655,607
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		(9,625)	52,229	52,229	444,793	458,324	458,324		522,034	589,365	660,399
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	(9,625)	52,229	52,229	444,793	458,324	458,324	-	522,034	589,365	660,399

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

Table A7 - Budgeted Cash Flows

EC442 Umzimvubu - Table A7 Budgeted Cash Flows

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			97,732	98,935	-	-	-	-	-	-	-
Government - operating	1			-	97,733	98,401	98,401	-	97,233	102,386	107,813
Government - capital	1				23,939	29,258	29,258		31,157	32,808	34,613
Interest		2,820	8,748	4,388	5,000	-	5,000	-	3,500	3,686	3,888
Dividends											
Payments											
Suppliers and employees		86,454	69,812	57,745	-	-	-	-	-	-	-
Finance charges			(9)	(8)							
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		89,274	176,283	161,060	126,672	127,659	132,659	-	131,890	138,880	146,314
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			(42,440)	(31,589)	500	-	500		100	105	111
Decrease (Increase) in non-current debtors			(118)	(41)							
Decrease (increase) other non-current receivables			-								
Decrease (increase) in non-current investments			-	-							
Payments											
Capital assets		-									
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(42,558)	(31,630)	500	-	500	-	100	105	111
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		89,274	133,725	129,431	127,172	127,659	133,159	-	131,990	138,985	146,425
Cash/cash equivalents at the year begin:	2	20,058	109,332	243,057						131,990	270,975
Cash/cash equivalents at the year end:	2	109,332	243,057	372,487	127,172	127,659	133,159	-	131,990	270,975	417,400

Table A8 – Cash backed reserves/ accumulated surplus

EC442 Umzimvubu - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash and investments available											
Cash/cash equivalents at the year end	1	109,332	243,057	372,487	127,172	127,659	133,159	-	131,990	270,975	417,400
Other current investments > 90 days		(109,325)	(187,502)	(292,542)	(51,984)	(42,377)	(47,877)	-	(46,255)	(183,992)	(329,107)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	7	55,555	79,946	75,188	75,188	85,283	85,283	-	85,735	86,983	88,294
Application of cash and investments											
Unspent conditional transfers		-	132	9,911	9,911	-	9,911	-	9,911	9,911	9,911
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	20,756	1,755	24,769	26,445	-	26,445	-	26,445	26,445	26,445
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		20,756	1,887	34,680	36,356	-	36,356	-	36,356	36,356	36,356
Surplus(shortfall)		(20,749)	53,668	45,266	38,833	85,283	48,927	-	49,379	50,628	51,938

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Overview of annual budget process

Annual Planning Process

Budget planning follows a number of processes to enable us to achieve the final position. The starting point is obviously the IDP and it should be noted that this is the first IDP of the current IDP cycle.

The operating budget for 2011/12 has been driven totally on the premise of consumer affordability, as the municipality has a number of indigents.

This budget was compiled based on the strategic meeting held after the appraisal of the first six months performance of the 2010/11 financial year, and was presented to the Executive Mayoral Committee this year regarding the rate and tariff increases

This budget has concentrated on delivering previously agreed priorities and projects and completing and implementing these timeously. There is therefore little that is new in the process.

Budget Process 2011/12

The budget process followed the requirements of the MFMA. The budget timetable and major deadlines as approved by the Mayor in terms of section 21(1)(b) of the MFMA were followed,

A schedule of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August 2010, which the budget was to be approved by 31 May 2011, section 24 MFMA, however Circular 54 gave guidance to municipalities concerning municipal elections which will take place during the budget process, however Umzimvubu Local Municipality opted to approved its budget by end April 2011.

Public meetings were held in all 24 wards:

IDP OUTREACH PROGRAMME
04/04 /2011 – 09/04/ 2011

DATE	TEAM A	TEAM B	TEAM C	TEAM D	TEAM E	TEAM F	TEAM G	TEAM H
04/04/2011	Ward 1 Cllr Tshekela <i>Invited</i> Councilors : Cllr Sishuba <i>Team</i> leader: Cllr Jeke <i>Deployed</i> PR Cllr Ndabambi Official: Mr Lwana	Wards 2 Cllr Mataka <i>Invited</i> Councilors : Cllr Makaula <i>Team</i> leader: Cllr Gcadinja <i>Deployed</i> PR Cllr Dandala Official: Mr Maqungo	Ward 3 Cllr Phangwa <i>Invited</i> Councilors : Cllr Mabhumbulu <i>Team</i> leader: Cllr Mnukwa <i>Deployed</i> PR Cllr Magaya Official: M. Hloba	Ward 4 Cllr Mzaza <i>Invited</i> Councilors: Cllr Mgoqozi <i>Team</i> leader: Mayor <i>Deployed</i> PR Mpephandu ku Official: S. Kulu	Ward 5 Cllr Senzela <i>Invited</i> Councilors : Cllr Mkanda <i>Team</i> leader: Cllr Ngalonkulu <i>Deployed</i> PR Cllr Msindwana Official: Mr Sineke	Ward 6 Cllr Gwebani <i>Invited</i> Councilors : Cllr Cezula <i>Team</i> leader: Cllr Cllr Mdzinwa <i>Deployed</i> PR Cllr Garane Official: Mr Funani	Ward 7 Cllr Ntsengwane <i>Invited</i> councilors : Cllr Msindwana <i>Team</i> Leader: Nqasha <i>Deployed</i> PR. Cllr Sonqishe Official: Nota and Msuthu	Ward 8 Cllr Mjokane <i>Invited</i> Councilors: Cllr Mathaka <i>Team</i> Leader: Cllr Ndevu <i>Deployed</i> PR Cllr Fikeni Official: Mr Kweleta
05/04/2011	Ward 9 Cllr Myingwa <i>Invited</i> councilors : Cllr Mzaza <i>Team</i> leader: Cllr Gwebani <i>Deployed</i> PR Cllr Fikeni Official: T. Maphumulo	Ward 10 Cllr Sishuba <i>Invited</i> Councilors : Cllr Lungu <i>Team</i> leader: Cllr Speaker <i>Deployed</i> PR Cllr Mgoqozi Official: Mr S Nkake - Nqhome	Ward 11 Cllr Mnukwa <i>Invited</i> Councilors : Cllr Garane <i>Team</i> leader: Cllr Gcadinja <i>Deployed</i> PR Cllr Jona Official: Ms Skenjana	Ward 12 Cllr Cezula <i>Invited</i> Councilors: Cllr Makaula <i>Team</i> leader: Cllr Jeke <i>Deployed</i> PR Thingathinga Official: Ms Siwahla	Ward 13 Cllr Makaula <i>Invited</i> Councilors : Cllr Mbedu <i>Team</i> leader: Mayor <i>Deployed</i> PR Sonqishe Official: Ms Batyi	Ward 14 Cllr Ngqaimbana <i>Invited</i> Councilors : Cllr Senzela <i>Team</i> leader: Cllr Ndevu <i>Deployed</i> PR Msindwana Official: Sineke	Ward 15 Cllr Khwaphuna <i>Invited</i> Councillors: Cllr Mzaza <i>Team</i> Leader: Cllr Ngalonkulu <i>Deployed</i> PR Cllr Duba Official: S.P Ntonga	Ward 16 Cllr Mabhumbulu <i>Invited</i> Councilors: Cllr Bulana <i>Team</i> Leader Cllr Nqasha <i>Deployed</i> PR Cllr Mphephandu Official: Mr Keto
06/04/2011	Ward 17 Cllr Diko <i>Invited</i> Councilors : Cllr Khwaphuna <i>Team</i> leader: Cllr	Ward 18 Cllr Socikwa <i>Invited</i> Councilors : Cllr Duba <i>Team</i> leader: Cllr Ngalonkul	Ward 19 Cllr Jeke <i>Invited</i> Councilors : Cllr Gcadinja <i>Team</i> leader: Cllr Gwebani	Ward 20 Cllr Lungu <i>Invited</i> Councilors: Cllr Makanda Cllr Duba <i>Team</i> leader: Cllr Gcadinja	Ward 21 Cllr Mapekula <i>Invited</i> Councilors : Cllr Nqaimbana <i>Team</i> leader:	Ward 22 Cllr Makanda <i>Invited</i> Councilors : Cllr Mabhumbulu <i>Team</i> leader:	Ward 23 Cllr Mbedu <i>Invited</i> Councillors: Cllr Mzaza <i>Deployed</i> PR <i>Team</i> leader: Mnukwa	Ward 24 Cllr Bulana <i>Invited</i> Councilors: Cllr Yingwa <i>Team</i> Leader: Cllr Gcadinja

Gwebani Deployed PR Cllr Magaya Official: Mlenzana	u Deployed PR Mbele Official: Mr G.P.T. Nota and Msuthu	Deployed PR Cllr Mandlana Official: T Maphumul o	Deployed PR Official: N. Kubone	Cllr Cllr Ndevu Deployed PR Cllr Mpanda Official: Nkume	Mayor Deployed PR Cllr Thingathin ga Official: Mr Kulu	Deployed PR Cllr Ndabambi Official: Mandlana	Deployed PR Cllr Garane Official: N Qaba
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The final budget has to be approved by council by the end of April 2011

The municipality's budget is prepared on a three year basis. This takes into account the National and Provincial three year allocations to the municipality. The MFMA requires municipalities to prepare three year budgets to ensure more thorough financial planning and provide for seamless service delivery.

Operating expenditure in 2011/12 is R103.9 million, a 5.27% increase of the full year forecast for 2010/11 financial year

The municipality sets out measurable performance objectives to link the financial inputs of the budget to service delivery on the ground. This is done in a form of quarterly service targets and monthly financial targets that are contained in the Service Delivery and Budget Implementation Plan (SDBIP). The plan must be agreed by the Mayor within 28 days of the approval of the final budget and forms the basis Municipality's in year monitoring. The SDBIP is attached

Section 6 – Overview of alignment of the annual budget with the Integrated Development Plan

Introduction

Municipalities are required to develop five year Integrated Development Plans which must be reviewed annually. It is also required that such plans must find expression in the budget. The IDP and Budget are inter-related documents. The IDP is the budget in words, just as the budget is IDP in figures. In the past years comprehensive efforts have been made towards ensuring that the two documents are closely link.

Umzimvubu's vision: A municipality that is known to put its community first. We will render quality services through our employees and create a platform for vital economic activity which will create sustainable financial viability and development for a better life for all.

Key challenges facing Umzimvubu

1. Sustainable Infrastructure

The rapid growth of the municipality has put a lot of pressure on the areas' infrastructure. Infrastructural needs are growing at an unprecedented rate which the municipality is struggling to match.

2. The challenge of promoting Local Economic Development

The need for the diversification of local economy through facilitation the emergency of previous underperforming sectors is an important catalyst for economic development. Our Local Economic Development strategy focuses on mainstreaming the previously disadvantage people. Crucial to this will be the need to work in partnership with relevant stakeholders in boosting employment and fostering SMMEs

3. The challenge of ensuring municipal viability

The municipality lives and dies by its ability to balance needs with resources. Umzimvubu cannot generate sufficient resources to properly satisfy all needs. Therefore those needs will have to be managed and dealt with in a financially sustainable manner .

4. The challenge of municipal transformation and institutional development

Staff development is a crucial to meet the challenges of Umzimvubu. The Employment Equity imperatives have to be assessed continual to ensure the Umzimvubu Municipality's transformation agenda of South Africa.

5. Public Participation

Public Participation is an important feature of any democratic environment. Although the legislative environment provides adequately for public participation, Umzimvubu Municipality is a challenged to ensure that it continues to build on its successes over the last few years

Section 7 – Measurable performance objectives and indicators

The list below are financial indicators and ratios:

- Borrowing management
- Safety of capital
- Liquidity
- Debtors' and creditors' management
- Mix of expenditure types
- Mix of revenue sources
- Unaccounted for losses in respect of services rendered

It is not the intention to go through each of the various indicators etc, but merely to highlight the fact that National Treasury now has the ability to monitor a budget with a cursory glance. These indicators are taken in conjunction with specifically to afford National Treasury the ability to monitor and take reasoned view on financial position of a municipality and in so doing they can either support the Council's approval of the budget.

Challenges

The challenges, as mentioned, are for capital funding to provide the additional community facilities and access roads to meet the growth of Umzimvubu and its infrastructure. Grant funding is used and also portion of Equitable share, the management is seeking funding in all avenue to have infrastructure as to pave a way for Local Economic Development, as LED is the priority of the municipality

Section 8 – Overview of budget related policies

The detailed policies themselves are not included in this section of the budget documentation

Policies are also available at the Council offices in 813 Main Street for viewing as well as on the internet at www.umzimbubum.gov.za. This section gives a broad overview of the budget policy framework and highlights the amended policies to be approved by Council resolution

Name of policy	Type	Date of Council adoption	Purpose/Basic areas covered by the Policy	Summary of changes	Responsible Official
REVENUE RELATED					
Tariff	Unchanged		Setting criteria for establishing service tariffs		XN Nkume
Rates	Unchanged	31 May 2009	Setting criteria for establishing rates tariffs		XN Nkume
Credit Control	Unchanged		Principles and guidelines to be followed with respect to arrear consumer debt control		XN Nkume
Revenue Collection	No formal policy	n/a	n/a	n/a	XN Nkume
Indigent support	Unchanged		Guidelines and procedures for the subsidizing of rates and basic services to indigent households		XN Nkume
BUDGET & EXPENDITURE RELATED					
Supply Chain	Unchanged		Dictates procedures for the procurement of goods and services	n/a	S. Lwana
Budget	Unchanged	31 May 2009	n/a		S. Kweleta
Virement	No formal policy	n/a	n/a	n/a	S. Kweleta
Petty Cash	Amended	n/a	To purchase emergency items which are less than R2000.00	n/a	NF Siwahla

Section 9 – Overview of budget assumptions

Introduction

Budget Assumption

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumption need to be made about internal and external factors that influence the budget. The section provides a comprehensive summary of the assumptions used in preparing the budget.

The budget is premised on a 72% payment level. This is in line with all our trends in the last 18 months and reflects similar outcome as at June 2010. This is below as compared to the the outcomes of previous years.

External factors (population migration, employment, etc)

Over the recent years Umzimvubu has experienced rapid population growth. This must be seen as against the backdrop of developable land, a sensitive environment and a lack of new jobs being created in the local economy. This presents a serious challenge to Council to improve the efficiency of its systems.

The fact is that the population is growing faster and we have limited resources for service delivery and unemployment demands.

General inflation outlook and its impact on the municipal activities

The headline CPI forecast for 2011,2012 and 2013 are 4.8%, 5.5% and 5.3% respectively. The growth parameters apply to tariff increases for property rates, user and charges raised by municipalities, this is to ensure that all spheres of government support the national macroeconomic policies. Any increase that is above the forecast must be fully communicated to the community.

Rates, tariffs, charges and timing of revenue collection

	Budget 2011/12 R '000	Indicative 2012/13 R '000	Indicative 2013/14 R '000
Rate	8,000	8,424	8,887
Refuse	2,600	2,737	2,888

Collection rates for each revenue source and customer type

The Municipality has in place a fair rigorous credit control policy and has not been implement fully. Furthermore, its policy on indigent support and social rebates means that many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the municipal debt.

It is a fact that there will always be an element of the total amount billed that will remain uncollected. The municipality is the same as any other business in this regard. Provision has to be made in the budget for any bad debts based on assumptions on collection rates

The following bad debt provision and collection rates are assumed in the MTREF for rates and tariffs

	Budget 2011/12 R '000	Indicative 2012/13 R '000	Indicative 2013/14 R '000
Provision for bad debts			
Table A4: Debt impairment			
Assumed collection rate			
Supporting Table: SA10: Cash receipts % of ratepayers and other revenue			

Trends in demand for free or subsidised basic services

Umzimvubu's criteria for supporting free or subsidised basic services are set out in the indigent support policy. The Government allocates revenue via the Division of Revenue Act (DORA) in the form of Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the Equitable share are met by the Municipality.

	Budget 2011/12 R '000	Indicative 2012/13 R '000	Indicative 2013/14 R '000
Cost of free basic services	1,048	1,103	1,164
Revenue cost of free services and all other rebate provided	772	813	858

Impact of national, provincial and local policies

Umzimvubu sees itself as working in partnership with national, provincial and district municipality spheres of Government in meeting the priority service needs of its people

Section 10 – Overview of budget funding

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 'balance' its budget by ensuring that budgeted outflows will be offset by a combination of inflows. Refer to Section 4 and 'Supporting Table SA10: Funding measurement'

Fiscal Overview of Umzimvubu Municipality

There is a high level of compliance with the Municipal Finance Management Act and other legislation directly affecting financial management.

For the past years the municipality received an adverse from Auditor General, and in the 2009/10 financial year has received qualified audit report with exceptions. The shift from IMFO to GRAP has had a huge ramifications not least amongst the professional staffing at a local government level. Umzimvubu municipality cannot afford salaries that are prerequisite to GRAP. There is already a lack of qualified accountants in South Africa and the complexities that are GRAP in local government are such that in rural municipalities it is highly unlikely that qualified accountants are going to work at the salaries on offer internally and Umzimvubu has to take steps to manage this situation rather better than currently is.

Long term financial planning

The moderate growth of Umzimvubu coupled with the migration of people to the area has increased service delivery challenges for municipality. Financial management and budget planning is sound, but it has to managed within narrow financial parameters given the challenges and limited financial resources. Umzimvubu municipality is funding its capital expenditure by grants and internal funding, however the municipality is contemplating on other funding models.

Section 11 - Expenditure on allocations and grant programmes

Disclosure on expenditure on allocation and grant programmes is done by way of Annexure, "Supporting Table SA18: Transfers and grants receipts, Supporting Table SA19: Expenditure on transfers and grant programme and Supporting Table SA20: Reconciliation of transfers, grant receipts and unspent funds"

Expenditure for each grant for 2011/12 to 2013/14 is summarised in the table below. Note that the expenditures include the Vat portion that is recognised

Grant Name	Allocation Authority/Department	Budget 2011/12 R '000	Indicative 2012/13 R '000	Indicative 2013/14 R '000	Purpose
Equitable Share	National Government	92,993	102,906	109,667	
Finance Management Grant	National Government	1,450	1,500	1,500	To promote and support reforms in financial management by building capacity in municipalities to implement Municipal Finance Management Act
Municipal Systems Improvement Grant	National Government	790	800	850	To assist municipalities in building in house to perform their functions and stabilise institutional and government systems
Municipal Infrastructure Grant	National Government	31,157	37,883	39,967	To supplement capital finance for basic municipal structure for poor households, micro enterprise and social institution. The operating portion is utilised for Project

UMZIMVUBU MUNICIPALITY

					Management Unit
Dedea	Provincial Government	2,000			To assist municipalities with implementation of LED project

Section 12 - Allocations and grants made by the Municipality

Allocations made by the Municipality

Refer to " Supporting Table SA21: Transfer and grants made by the municipality. The main allocation is to Alfred Nzo Community Radio which is budgeted to receive R250 000 in 3011/12.

Any allocation made to an outside body must comply with the requirements of section 67 of 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

Revenue cost of rebates given	Budget 2011/12 R'000	Indicative 2011/12 R'000	Indicative 2011/12 R'000
Indigent Support	772	813	858

Section 13 – Councillor allowances and employee benefits

'Supporting table SA22: Summary councillor and staff benefits and 'Supporting Table SA23: Salaries, allowances and benefits (political office bearers/ councillors/senior managers).

Umzimvubu municipality's councillors' allowances are paid at a grade 3, and an increment of 6.8% has been effected on this 2011/12 budget. The budget for councillors' allowances has increased as the number of councillors has increased from 47 to 54 because of the demarcation.

Umzimvubu has employed 240 employees in order to carry out service delivery. Employee cost has been calculated at an estimated CPI 4.8% increase plus 2% per the SALGA. The municipality is fully implementing the outcomes of job evaluation which started last year on the 1 July 2010, and some of the posts were frozen because of the non affordability by the municipality. However any projected savings will be prioritised for the use against frozen posts that have been identified as critical to fill before 1 January 2011 as to accelerate current service delivery programmes. These changes to salary budget will be tabled before council for approval as part of Adjustment Budget in February 2012

Section 14 – Monthly targets for revenue, expenditure and cash flow

Disclosure on monthly targets for revenue, expenditure and cash flow in the following Supporting Tables

Monthly operating budget revenue and expenditure projections

'Table SA25: Budgeted monthly revenue and expenditure' reflects consolidated projections of revenue by source and expenditure by type for the budget year broken down for the budget year, and shown in total for the following two years

'Table SA26: Budgeted monthly revenue and expenditure (municipal vote)' and 'Table SA27 Budgeted monthly revenue and expenditure (standard classification)' reflect revenue and expenditure broken down per month for the budget year, and shown in total for the following two years

Monthly capital budget revenue and expenditure projections

'Table SA28: Budgeted monthly capital expenditure (municipal vote)' and 'Table SA29: Budgeted monthly capital expenditure (standard classification)' shows capital expenditure broken down per month for the budget year, and shown in total for the following two years

Monthly cash flow projections

'Table SA30: Budgeted monthly cash flow' set up receipts by source or payments by type both operating and capital, broken down per month for budget year, and shown in total for the following two years

Section 15 – Annual budgets and service delivery and budget implementation plans – internal departments

Adoption of the Service Delivery and Budget Implementation Plan

In terms of section 53(1)(c)(ii) of the MFMA and the Service Delivery and Budget Implementation Plan must be approved by the Mayor within 28 days after the final approval of the budget.

Contents of the SDBIP

The SDBIP must contain monthly projections of income and expenditure and quarterly projections of measurable performance objectives.

SDBIP requirements

The SDBIP is essentially a business plan and is an integral part of the financial planning process. Although its approval is required after the budget, its preparation occurs in tandem with the budget process. The SDBIP is the connection between strategic planning, IDP, budget and management performance agreements, and includes detailed information on how the budget will be implemented, by means of forecast cash flows and service delivery targets and performance indicators.

National and Provincial Government refer to five national KPAs they regard as essential to Local Authorities meeting their responsibilities these are:

1. Institutional Transformation and Financial Viability
2. Environmental Planning and Management
3. Infrastructure Development
4. Community Services
5. Local Economic Development

Section 16 – Annual budgets and service delivery agreements – municipal entities and other external mechanisms

'Table SA31 municipal entities' the table shows that the municipality doesn't have entities

Table SA32: List of external mechanism' the municipality doesn't have service delivery contracts .

Section 17 - Contracts having future budgetary implications

‘Supporting Table SA: Contract having future budgetary implications’ Annexure 2 discloses all contracts which will impose financial obligations on the municipality beyond the three years covered in the annual budget

Since Umzimvubu falls in a category of municipalities with approved revenue of R171million, have no contracts beyond the three years covered in the annual budget.

Section 18 – Capital expenditure details

Capital details are shown in the Annexure

- 'Supporting Table SA6: Reconciliation of IDP strategic objectives and budget (capital expenditure)
- 'Supporting Table SA34a: Capital expenditure on new assets by asset class'
- 'Supporting Table SA34b: Capital expenditure on the renewal of existing assets by asset class'
- 'Supporting Table SA24c Repairs and maintenance expenditure by asset class'
- 'Supporting Table SA36: Detailed capital budget'

Section 19 – Legislation compliance status

The disclosure on legislation compliance must provide a brief summary of the status of the implementation of legislation applicable to municipalities including the progress made or delays experienced in implementation

Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act modernises budget and financial management practises 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 designated financial management capacity of municipalities. Umzimvubu has been designated as medium capacity municipality.

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

The MFMA and the budget

The following explains the budgeting process in terms of the requirement in the MFMA. It is based on the National Treasury Budget Regulations.

The budget preparation process

The mayor must lead the budget preparation process through a coordinated cycle of events that commences at least ten months before the start of each financial year.

Overview

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

These budget 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, particulars of borrowings, investments, municipal entities, services delivery agreements, grants allocations and employment costs.

The budget must be funded only from reasonable estimates of revenue and cash backed surplus funds from previous year and borrowing (the borrowings are only for capital items)

Budget preparation timetable

The budget preparation time table is prepared by senior management and tabled by Mayor for council adoption on 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 and integral part of the budget process and that any changes to strategic priorities as contained in the IDP have realistic projections of revenue and expenditure. In developing the budget, the management has to take account the National and Provincial, the National fiscal and macro-economic policy. The Mayor must consult with the district

Council and all other local municipalities within the district as well as the relevant provincial treasury and other government departments.

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 with National Treasury, the relevant Provincial Treasury. And other 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 the draft budget

When the draft is tabled, Council must consider the views of local community, NT,PT other municipalities and government department that may have made submission on the budget.

Opportunity for the revision 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 consideration.

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

Adoption of the annual budget

Council must consider the approval of the budget thirty day before the start of the budget year.

BUDGET IMPLEMENTATION

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

The Municipal Manager must within 14 days of the approval of annual budget submit to the Mayor for approval 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 services delivery targets and performance indicators.

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

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

Managing then implementation process

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

Variation from budget estimates

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

Expenditure incurred outside of the above parameters may be considered to be unauthorised or, in some cases, irregular or fruitless or wasteful.

Unauthorised expenditure must be reported and may result in criminal proceedings.

Revision of budget estimates – adjustment budget

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

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

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

Requirements of MFMA relating to annual budget and supporting documentation

Section 17 of the MFMA stipulates that annual budget of the municipality must be a schedule in prescribed format and sets out what must be included in that format. The various tables detailed in Section 4 and those additionally attached comply with the requirements

Other Legislation

In addition to the MFMA, the following legislation also influences Municipality's budgeting;

The Division of Revenue Act 2011 and Provincial Budget Announcements

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

Allocations to municipality from Provincial Treasury are announced and published in the Provincial budget

Section 18 of the MFMA states that annual budgets may only be funded from reasonable anticipated revenues to be collected. The provision in the budget for allocation from National and Provincial Government should reflect the allocations announced or published 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 MSA is to ensure financially and economically viable communities. The requirement of the Act link closely to those of MFMA. In particular, the following requirements need to be taken to consideration in the budget process;

- Chapter 4 and 5 relating to community participation and the requirements for the Integrated Development Plan 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 20 – Other supporting documents

Various supporting documents are attached to enable the reader a full understanding of various processes involved. These are the following:

Annexure 1 – Main Budget Tables

Tables A1 to A10

Annexure 2 – Supporting Budgets Tables

Supporting Tables SA1 to SA37

Annexure 3 – Tariffs, Charges and Fees for 2011/12

Annexure 4

Municipal Budget Circular for the 2010/11 MTREF – MFMA Circular 54 & 55

Annexure 5

Process Plan 2011/12

Annexure 6 – Policies

- *Property rates*
- *Credit control*
- *Indigent & rebate*
- *Tariff*
- *Petty Cash*
- *Supply Chain Management*
- *Lost Control*
- *Mayoral Vehicle*
- *Budget*

Annexure 7

Service Delivery and Budget Implementation Plan

Section 21 – Municipal Manager’s quality certification

An annual budget and supporting documentation must be covered by quality certificate in the format as per page 68 of the Government Gazette 32141 – 17 April 2009

QUALITY CERTIFICATE

I, GPT Nota, municipal manager of Umzimvubu Municipality, hereby certify that 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

Print Name _____

Municipal Manager of Umzimvubu Municipality [EC 442]

Signature _____

Date _____