

MUTALE MUNICIPALITY



**2011/2012
BUDGET ADJUSTMENT**

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MAYORS BUDGET ADJUSTMENT SPEECH

MADAM SPEAKER

Senior Traditional Leaders

Councillors

Members of Ward Committees

Fellow Partners in service delivery

Managers

Comrades, Ladies and Gentlemen

Good Morning

Madam Speaker, I am very happy to welcome all councillors and officials back from the festive season. A new year gives us an opportunity to face reality and put Mutale Local Municipality first. We want to have a Municipality which has a modern infrastructure and a vibrant, economy and where the quality of life is high.

Madam Speaker, Section 28 of Municipal Finance Management Act (MFMA) Provides that a Municipality may revise an approved annual budget through an adjustment budget.

The adjusted budget must focus on the followings:

- Revenue and expenditure estimates downward if there is material under collection of revenue during the current year.
- May authorize the utilizations of projected saving in one vote towards ending spending another vote.
- May authorized the spending of funds that may unspent
- May correct any errors in the annual budget and may provide other expenditure within the prescribed format

Therefore, Madam Speaker, the council should approve the adjustments budget for 2011 / 2012 Financial year in order for the Mutale Local Municipality to comply with the provisions of section 28 (1-7) The purpose of this adjustment budget, Madam speaker, is to carry our mandate as outlined in our vision that say, **“A developmental Municipality that ensures, Sustainable economic growth and equitable service delivery”**

Since last year, 2011, when the ruling party, the African National Congress (ANC) deployed us hereto fulfill the mandate of working together we can do more, things have changed tremendously. Services are being rendered to the Communities fast and quicker than ever before.

BUDGET

Madam Speaker, our 2011/2012 budget is adjusted as follows:

	Budget	Adjustment budget
Our income is estimated at	R96 153 821 million	R97 923 933
Our operational budget is estimated at	R78 546 366 million	R69 031 935

Therefore, our capital budget for 2011/2012 is aimed at addressing the following strategic focus areas:

NO	NAME OF PROJECTS	BUDGET	ADJUSTMENT BUDGET
1	Electrification projects	R 3 000 000	R 3 000 000
2	Grader	R 720 000	R 240 000
3	TLB	R 600 000	R 525 000
4	Land and Buildings	R -	R 25 000
5	Khakhu to Mangwele Road	R -	R 3 500 000
6	Tshidongololwe to Vuvha Road	R 6 656 914	R 7 815 852
7	Culverts	R-	R 300 000
8	Thengwe to Tshandama road	R2 000 000	R 8 871 718
9	Masisi Streets	R 1000 000	R 2 973 136
10	Tshilamba Streets	R 3 638 336	R 500 000
11	Equipment	R 130 000	R 50 000
12	Softwares	R 116 292	R 616 292
13	Furniture	R 211 000	R 300 000
14	Vehicle	R -	R 75 000
15	Landscaping	R 150 000	R 100 000
Total		R 18 222 542	R 28 891 998

Our main sources of income are: Property rates, Water, Sewer, Rental, Licensing and few tourism centers. For us to implement the above budget we need co-operation from the community as a whole, our customers must pay for this services we are providing. This is so, for us to expand the service and to improve on these services.

Working together with the local communities, we can do more.

Madam speaker

I thank you.

Budget Resolutions

The Council resolves:

- 1 That in terms of section 24 of the Municipal Finance Management Act ,56 of 2003,the annual budget of Mutale Municipality for the financial year 2011/2012; and indicative allocations for the two projected outer years 2012/2013and 2013/2014 ;and the multi year and single year capital appropriations are approved as set-out in the following tables:**
 - 1.1 Budgeted financial performance (revenue and expenditure by standard classification);
 - 1.2 Budgeted financial performance (revenue by source and expenditure by municipal vote);
 - 1.3 Budgeted financial performance (revenue by source and expenditure by type); and Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.

- 2 That the financial position ,cash flow ,cash backed reserve accumulated surplus ,asset management and basic services delivery targets are adopted as set-out in the following tables:**
 - 1.1 Budgeted financial position
 - 1.2 Budgeted cash flows
 - 1.3 Cash backed reserves and accumulated surplus reconciliation;
 - 1.4 Asset management; and
 - 1.5 Basic service delivery

- 3 That in terms of section 24(2) (c)(i) and (ii) of the Municipal Finance Management Act,56 of 2003 and sections 74 and 75A of the Local Government :Municipal Systems Act ,Act 32 of 2000 as amended ,the tariffs for the supply of Water ,Electricity, Waste services, sanitation services and property rates as set out in Budget Chapter 21 and annexure C is used to prepare the estimates of revenue by source ,are approved with effect from 1 July 2011.**

- 4 That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) as set out in budget Chapter 19 and Annexure D is approved.
- 5 That in terms of section 24(2)(C)(iii) of the Municipal Finance Management Act, 56 of 2003 ,the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in supporting table SA7 are approved
- 6 That in terms of section 24(2)(C)(iv) of the Municipal Finance Act ,56 of 2003,the amendments to the integrated development plan as set out in Budget Chapter 17 are approved.
- 7 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act,56 of 2003 ,The budget-related policies ,including any amendments as set out in Budget Chapter 19 are approved for the budget year 2011/2012.
- 8 The Basic Services Package as set out in budget is approved for the budget year 2011/2012.

NETSHIPISE LIVHUWANI
SPEAKER

DATE

3. Executive Summary

The budget has been compiled and funded in terms section 28 of Municipal Finance Management Act. The adjustment budget has been approved by council on 25 January 2011

The revenue sources to fund both operating and capital expenditure for 2011/2012 financial year are as follows

	Budget	Adjustment budget
Grants and Subsidies	R79, 586 million	R80, 118 million
Accumulated Funds [own/other income]	R17, 187 million	R17, 806 million
External Borrowings	<u>R = nil</u>	
Total Income Budget	R96, 773 million	R97, 924 million

The Adjusted Capital budget for 2011/2012 financial year is R28, 892 million

The operating budget for 2011/2012 is subdivided as follows:

	Budget	Adjustment budget
Employee related costs	R44, 491 million	R41, 326 million
Councillors remuneration	R 6,211 million	R 6, 681 million
Repairs & Maintenance	R 7,733 million	R6, 477 million
General Expenditure	<u>R20, 111 million</u>	<u>R14, 548 million</u>
Total operating expenditure	R78, 546 million	R69, 032 million

4. 1 Adjustment budget tables

The adjustment budget tables are detailed in **annexure A**. It includes the following:

Number	Description
Table B1	Adjustments Budget Summary
Table B2	Adjustments Budget Financial Performance (standard classification)
Table B3	Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)
Table B4	Adjustments Budget Financial Table Performance(revenue and expenditure)
Table B5	Adjustments Budget Capital Expenditure by vote and funding
Table B6	Adjustments Budget Financial Position
Table B7	Adjustments Budget Cash Flows
Table B8	Cash backed reserves/accumulated surplus reconciliation
Table B9	Asset management
Table B10	Basic service delivery measurement

5. SUPPORTING DOCUMENTATION

The budget is accompanied by supporting documents in terms of section 17 (3) of the MFMA.

*See supporting tables SB1 –SB 20 in **annexure B***

5.1 Municipal manager’s quality certification

Refer to **Annexure C**
