ITEM NO.	SUBJECT	REF
	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK(MTREF) 2012/2013 – 2014/2015	

REPORT TO : **COUNCIL**

DATE : **6 JUNE 2012**

DIRECTORATE : **BUDGET AND TREASURY OFFICE**

AUTHOR : **MANAGER – BUDGETS & COMPLIANCE**

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1. PURPOSE

To table for consideration before the Council the Medium-Term Revenue and Expenditure Framework for 2012/2013 as well as 2013/2014 and 2014/2015 in terms of section 16 of the Municipal Finance Management Act, No 56 of 2003.

2. MAYOR'S REPORT

A quick overview of the provincial economy on a quarterly basis in 2011 indicates a continuous modest slowdown in growth performance during 2011. In the first quarter of 2011, the economy indicated a 4.6 per cent growth rate and this declined to 2.93 per cent in the fourth quarter driven largely by the negative growth in the agriculture, electricity and water sectors. ILembe District was in no way immune to the harsh economic realities associated with this negative growth. Some of the impacts are cash flow challenges that are being experienced by the District due to, amongst other things, loss of jobs which caused an unstable collection rate and a decline when you look at the historic expenditure patterns.

Management, within the local government has a considerable role to play in re-enforcing the tie between the citizen and government's overall priorities and spending plans. The objective should be to do more with the available resources to enhance service delivery aimed at improving the quality of life for all people within the iLembe District. As a result, budgeting is essentially about choices that the municipality has to make between competing priorities and fiscal realities. As a District we need to remain focused on the effective and efficient delivery of core municipal services. The application of sound financial management principles is critical, to ensure that the District remains financially viable, and that sustainable municipal services are provided to all communities.

The District adopted a District Wide Turnaround Strategy to improve service delivery. This strategy includes:

- financial viability and sustainability,
- transformation of aged infrastructure,
- organisational review and change management,
- reinforcement of public participation on matters of governance, and
- good corporate governance.

Significant progress has been made on the above-listed areas; however there is still room for improvement.

In January 2010, Cabinet adopted twelve outcomes within which to frame public-service delivery priorities and targets. A detailed delivery agreement has since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities. Ilembe District municipality's financial plan has taken these twelve outcomes into consideration in developing its MTREF for 2012/2013 fiscal period. In line with these outcomes, iLembe District must perform the following;

- Develop and implement water management plans to reduce water losses;
- Ensure effective maintenance and rehabilitation of infrastructure;
- Create an enabling environment for investments;
- Continue to develop performance monitoring and management systems;
- Review municipal expenditures to eliminate wastage;
- Ensure councillors behave in ways to restore community trust in the District;
- Facilitate the development of local markets for agricultural produce;
- Ensure effective spending of grants for funding extension of access to basic services;
- Promote home production to enhance food security;
- Ensure capital budgets are appropriately prioritised to maintain existing services and extend services;
- Ensure ward committees are represented and fully involved in community consultation processes around IDP, budget and other strategic service delivery issues;
- Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.

As a District, we are aware of several weaknesses in infrastructure capacity. A need to improve planning and management of capital projects is more critical. In doing this and other measures, job creation is cardinally imperative, for the payment of services and poverty alleviation. This means that EPWP must be implemented and monitored and a report be submitted to council on monthly basis so as allow Councillors to exercise oversight. Under spending on grant funded projects cannot be tolerated, whatever the reasons maybe.

National and Provincial Treasury will be pro-actively monitoring the spending on grants in order to ensure value for money, adherence to Expanded Public Works Programme targets and implementation of operational and maintenance programmes. The Municipal Infrastructure Support Agency will be established by the Minister this year, focusing on rural municipalities that lack planning capacity. Special attention must be given to the procurement process for major infrastructure projects, to ensure both value for money and development of local suppliers and support emerging industries. Training programmes have a critical role to play in addressing capacity constraints. Professionalism, hard work and commitment are preconditions for successful project delivery. There can be no compromise on the basic principles of sound financial management in ensuring that resources are mobilised efficiently to serve the people. A capable government focussed on delivery requires passionate and patriotic municipal officials, without those few individuals whose only desire is to profit from the District.

In the preparation of the 2012/12 MTREF, the district has considered the circulars provided by National Treasury as a guide in the preparation of the budget, in particular circular 58 and the recent circular 59. These circulars, like previous ones, stress the importance of eliminating the nice to have items within the budget and focussing more on the core business of the district, and that is the provision of water and sewerage services and the extension of these services to the poor of the poorer.

A portion of the equitable share will be used to cater for provision of basic services as well as the free basic services in the case of indigents. Also, the issue of grant funding and spending of such is fundamental and will be a priority in the district.

The wage agreement has come to an end in 2012/13, therefore, as per the advice of National Treasury; the district has applied 5% increase on the cost of living on the salaries budget.

Council will exercise their oversight in the implementation of the 2012/13 budget and will monitor the service delivery and implementation plan to ensure that quarterly targets are met as indicated and that the performance management system is properly implemented and evaluated. As a district, we are committed to uplifting our communities.

3. EXECUTIVE SUMMARY

In terms of chapter 4, section 16 of the Municipal Finance Management Act, No 56 of 2003, the DRAFT operational and capital budgets was tabled by the Mayor at a council meeting on 30 March 2012, to kick start the public participation process.

Section 24 of the MFMA further requires that the municipal council must approve the budget before the start of the budget year. It is for this purpose that the budget is hereby tabled.

The budget report is set out under the following broad headings:

- Final Draft budgets:
  - Operational budgets
  - Budget assumptions
  - Capital budget
- Proposed tariff structures
- Measurable performance objectives for revenue
- Municipal entity
- Service agreements
- New budget regulations
- Budget related policies
- Public input
- Publication of budgets
- Draft resolutions

The budget and IDP process plan adopted by the Council in August 2011 ensured that the said process was highly interactive and consultative in nature as this is a requirement of the MFMA 56, of 2003 and MSA 32 of 2000. During the month of January 2012, the Mid Term Budget and Performance Assessment was conducted and a report was presented by the Accounting Officer to the Mayor of the District, who then submitted the performance assessment report to Council for consideration on the 31st of January 2012as well as to the National Treasury and the relevant Provincial Treasury in line with section 54(1) (f) of the MFMA.

That report included recommendations that an adjustment budget be prepared for the 2011/2012 financial year for the iLembe District and for the Enterprise iLembe. The adjustments budget was then prepared and tabled by the Mayor to Council in February 2012 in line with section 28 of the MFMA. During this process and where appropriate, funds were transferred from low- to high priority programs so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-core and nice to have items.

It should be noted that the draft budget was discussed in detail with management/Municipal Manager and the Mayor, before being tabled to the full Council for consideration and adoption.

3.1 Operating Budget Summary

The proposed consolidated operational budget contains detailed information for the 2012/2013 financial year and the 2013/2014 and 2014/2015 financial years and is summarised as follows:

Description	Budget Year 2012/2013	Budget Year +1 2013/2014	Budget Year+2 2014/2015
	R'000	**R'000**	**R'000**
Income	(428,563)	(417,683)	(446,367)
Expenditure			
Employee Related Costs	108,909	114,525	120,473
Remuneration of Councillors	6,820	7,311	7,839
Debt Impairment	26,842	23,084	18,611
Other Expenditure	98,305	71,329	81,109
Other Materials	33,993	35,930	37,871
Finance Charges	9,000	8,500	8,000
Transfers and Grants	11,910	7,504	7,920
Depreciation and Assets Impairment	33,360	35,196	37,134
Bulk Purchases	54,948	57,970	61,159
Contracted Services	40,729	41,465	43,704
Total Expenditure	428,484	407,015	428,261
Net (Surplus)/Deficit	(79)	(10,668)	(18,106)

The 2012/2013 Medium Term Revenue and Expenditure Framework focuses on the long and short term objectives and priorities of the District as well as outcomes and outputs, based on the following IDP Priorities:

- Basic Service Delivery;

- Municipal Institutional Development and Transformation;
- Local Economic Development;
- Municipal Financial Viability and Management;
- Good Governance and Public Participation;
- Safe and Secure environment;
- Spatial Development Framework Analysis; and
- Environmental Management.

National treasury's MFMA Circular No 10, 13, 19, 42, 48, 51, 54, 58 and 59 were used to guide the compilation of the 2012/2013 MTREF.

The main challenges experienced during the compilation of the 2012/2013 MTREF can be summarised as follows:

- The need to re-prioritise projects and expenditure within the existing resources envelope given the cash flow realities;
- Ageing infrastructure, quality and quantity of drinkable water;
- The increased cost of bulk water which is pushing the tariffs upwards;
- Wage increases for municipal staff in excess of consumer inflation as well as the need to fill critical vacancies;
- Affordability of Capital Projects;
- The ongoing difficulties in the National and Local economy;
- Availability of affordable capital or borrowing; and
- Rising and unpredictable fuel, oil and energy prices.

The following budget principles and guidelines directly informed the compilation of the 2012/2013 MTREF:

- The 2011/2012 Adjustment Budget priorities and targets, as well as the base line allocations contained in that adjustment budget were adopted as the upper limits for the new baseline for the 2012/2013 draft budget;
- Service level standards were used to inform the measurable performance objectives, targets and backlog eradication;
- That tariff increases must be affordable and be measured against the cost of bulk water. In addition, tariffs need to remain or move towards being cost reflective and should take into account the need to address infrastructure backlogs and maintenance thereof; and

- That all grant funded projects will only be implemented provided that a written confirmation in the form of Division of Revenue Act ("DORA") or otherwise is available and gazetted.

In view of the aforementioned, the following table is a consolidated overview of the proposed draft 2012/2013 Medium Term Revenue and Expenditure Framework:

By category	Budget Year 2012/2013	Budget Year +1 2013/2014	Budget Year+2 2014/2015
	R	R	R
Total operating revenue	428,563	417,683	446,367
Total Operating Expenditure	428,484	407,015	428,261
(Surplus)/Deficit	(79)	(10,668)	(18,106)
Total Capital Expenditure	262 933	294 995	346 045

The internally funded capital budget amounts to R41m, which includes R17m that will be used for the installation of intelligent meters. This initiative is part of revenue enhancement as it will force consumers to pay for water before they use it. This project will fund itself as it will allow the municipality to collect outstanding debt, as arrangements will be entered into should there be outstanding amounts on accounts where meters will be replaced. Amounts collected as part of this initiative will be ring-fenced for this purpose.

3.1.1 Budget Assumptions

In the compilation of the budget, the following influencing factors were considered:

- Normal inflationary increases and pressures;
- That the budget is both zero based and incremental;
- Inflation is 5.6% increase for the 2012/2013;
- A 5% increase as advised by National Treasury for salaries;
- That there will be no changes to the powers and functions of the District during 2012/2013 financial year;
- That more than 75% of revenue budgeted will be collected;
- That all DORA allocations will be received during the year.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District and continued economic development;
- Efficient revenue management, which aims to ensure 75% annual collection rate for key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing /calculating the revenue requirement of each service; and
- The iLembe District municipality's Indigent Policy and rendering of free basic service; and tariff policies of the District.

3.2 Capital Expenditure

The final proposed capital budget reflects the globular sum per capital expenditure category identified as priority areas for capital expenditure during the review of the 2012/2013 IDP and amounts to R 262 932 789.

The final proposed capital budget relates to projects for which the District will be securing funding through, internal capital funds, grants and other sources of funding. Should the funding not materialise, then the capital projects cannot proceed, as prescribed by the MFMA.

An amount of R221 949 000 will be secured through grant funding from National Department and an amount of R40 983 789 will be secured through internally generated revenues as well as vat refunds.

3.2.1 The following table shows Capital Grants allocation and expenditure for the year 2013:

Name of Grant	Amount	Purpose/ Expenditure
Municipal Infrastructure Grant	151, 292	For the provisioning of water and sanitation projects in line with the IDP
Rural Transport Service Grant	1, 776	Provisioning of rural transport related services in line with the MOA
Regional Bulk Infrastructure Grant	56, 576	Provisioning of bulk water infrastructure
Massification Grant	12, 305	New technology on water infrastructure services

These grants will be expended on providing basic services this financial year in line with the conditions of DoRA, Memorandum of Agreements and applicable agreements by allocating Sector Departments.

3.3 Proposed Tariff Structure and Operating Revenue

Tariff-setting is a pivotal and strategic part of the compilation of any municipal budget. When tariffs and other charges were revised, local economic conditions, input costs and affordability of services were taken into account to ensure financial sustainability of the District.

National Treasury continues to encourage municipalities to keep increases in tariffs and other charges as low as possible. However, municipalities must justify in their budget documentation all increases in excess of the 6% upper boundary of the South African Reserve Bank's inflation target.

In 2010/2011 financial year, Umgeni Water tariff was 6.2% and the District tariff was set at 5.7%. As a result of this, the District under-recovered by 0.5% for the 2010/2011 financial year. Given that these tariffs are determined by external agencies, the impact they have on the municipality's water and sanitation service delivery are largely outside the control of the District.

It must also be appreciated that the consumer price index "CPI" ***is not a good measure of the cost increases of goods and services relevant to municipalities***. The basket of goods and services utilised for the calculation of the CPI consists of items such as food, petrol, and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of water and electricity, petrol, diesel, chemicals etc.

The current challenge facing the District is to manage the gap between cost drivers and tariffs levied. Any shortfall must be made up by either operational efficiencies or service level reductions. Within this framework, the District has undertaken the tariff setting process relating to service charges as follows:

3.3.1 Sale of Water and Impact of Tariff Increases

All municipalities are facing similar challenges with regard to water supply as was the case with the electricity. As a result of that, the National Treasury is encouraging municipalities to carefully review the level and structure of their water tariffs. This will ensure that:

- Water tariffs are cost reflective and they include the cost of maintaining and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor;
- That water tariffs are designed to encourage efficient and sustainable consumption;
- That water supplied is clean and drinkable.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. Better maintenance of infrastructure, new reservoirs construction, expanded reticulation and cost reflective tariffs will ensure that the supply of water challenges are managed in future to ensure sustainability.

Furthermore, Eskom has announced a 16 per cent in bulk electricity supply. This has got an impact on the supply of water as water purification plants, reservoirs, water networks and water distribution relies heavily on electricity.

Umgeni Water is currently undertaking a critical assessment of its capital infrastructure requirements. In that regard, Umgeni Water bulk water supply tariff increase was set at 6.5 per cent in year 2011/2012. Tongaat Hulett and WSSA had set a tariff of 9.38% and 8.5% respectively in year 2011/2012. It be noted that the District under-collected in 2010/2011 financial year as the water and sanitation tariff was set at 5.7 per cent.

In view of the above and other outlined challenges, an 8% water tariff increase is proposed, effective from the 1stof July 2012.

3.3.2 Sanitation and Impact of Tariff Increases

A tariff of 8% for sanitation effective from 1 July 2012 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contribute significant portion of waste water treatment input costs, therefore the higher than the CPI. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage of water discharged.
- Free sanitation will be applicable to registered indigents and the total revenue anticipated in rendering this service amounts to R 17, 2 million.

Mostly, and in view of the above assumptions, deliberations and observations, it is proposed that the District's tariff and other charges be increased as follows and be advertised to the general public for implementation with effect from 1 July 2012:

Type of Service	Proposed Tariff Increase
Water charges	8%
Sewer charges	8%
Miscellaneous tariffs	Various

A concern was raised regarding the tariff charged for schools being the same as the one business are charged by the budget and audit steering committee as well as at public participation meetings. Guidance needs to be given so that the tariff policy as well as the tariff of charges can be amended accordingly.

Tariff for hire of the auditorium has been included on the tariff of charges.

Details of the amended tariffs are annexed hereto and marked as annexure B.

3.4 Operating Transfers and Grant Receipts

The operating grants and transfers amount to R275, 9 million in the 2012/2013 financial year. Below is the table of grant allocations and expenditure:

Expenditure on Grant Transfers and Grant Programme for 2012/13 year (rounded off to the nearest R'000)

Name of Grant	Amount	Expenditure Purpose
Equitable Share	228,010	Provisioning of basic services including indigents
Finance Management Grant	1,250	Provision of Internship program and other institutional expenses
Municipal Systems Improvement Grant	1,000	Provision of institutional capacity related programs in order to enhance service delivery

Water Services Operating Subsidy	7,642	Operational subsidy for the provision of Water related programs
EPWP Incentive	1,000	Expanded Public Works Programme Incentive grant
MIG Grant Operational	28,000	This grant will fund operational requirements of infrastructure
District Growth and Development Summit	400	All expenses relative to the Growth and Development Summit
Sports and Recreation Grant	1,050	To cover expenses relative to sports
Restoration of Beaches	4,800	Restoration of beaches in line with the MOA
Poverty Alleviation Grant	1,000	Poverty alleviation Grant to those affected arrears

The above grants will be spent this financial year for the purposes outlined in the memorandum of agreements and as set out in DoRA. More details can be obtained on budgetary line items as disclosed in budget supporting documentation for 2012/13.

3.5 Operating Expenditure Framework

In preparing the 2012/13 MTREF, the following were considered:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constrains which means that operating expenditure should not exceed operating revenue unless there are existing uncommitted cash-backed reserves to fund any shortfall or deficit;
- Funding of the budget over the medium-term as informed by section 18 and 19 of the MFMA;
- The capital programme is aligned to the renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The final proposed budget allocation for employee related cost including Councillor Allowance is R108, 9 million for 2012/2013 MTREF. It should be noted that this is a preliminary allocation based on the 5% increase as per National Treasury, as the applicable municipal wage curve has not yet been finalised. This provision might have to be adjusted during the adjustments budget processing depending on the outcome of the wage negotiations. **For**

more details on Councillor and Board Allowances as well as employee related costs, please refer to SA22, SA23 and SA24 respectively.

An amount for contracted services and grant transfers of about R44 million and R4,8 million are proposed respectively.

The final proposed budget allocation for other expenses amounts to R98, 3 million for the2012/2013 financial year. The breakdown of other expenses can be viewed on supporting table SA1.

Other materials are budgeted at R37, 6 million for 2012/2013. In terms of Municipal Budgeting and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver, but an outcome of other expenditures such as remuneration, purchases of materials and contracted services.

A proposed provision for bad debts totals to R 26, 8 million. Whilst this expenditure is a non cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenue, as it absorbs the portion that might not be collected (based on the budgeted collection rate). This is in compliance with GRAP requirements.

Provision for depreciation and asset impairment of about R33 million is informed by the Fixed Asset Policy of the District. It should be noted that the implementation of GRAP 17 accounting standard has brought in assets that were not previously included in the asset register. This has resulted to a significant increase in depreciation relative to previous year.

Finance charges consists primarily the repayment of interest in long-term borrowings and set at R9 million.

The budget for bulk purchases is set at R54.9 million, an increase of R 2 million from prior year.

An amount of R11, 9million has been disclosed as transfers and grants. This is in respect of R4, 8million which will be transferred to KwaDukuza Municipality in respect of a grant that was received for restoration to beaches;

an amount of R5, 6million in respect of indigents and R1, 5million which will be transferred to Siza Water for the areas that are indigents which they service on behalf of the municipality.

3.6 Measurable Performance Objectives

The performance objectives of the significant revenue streams of the District are recommended as follows:

Area	Performance Target
Water sales	Collection ratio in excess of 75%
Sewer charges	Collection ratio in excess of 75%
Miscellaneous tariffs	Collection ratio in excess of 75%

3.7 Municipal Entity

iLembe District municipality has one municipal entity, Enterprise iLembe which focuses mostly on the local economic development within the district.

An amount of R6 334 000 has been allocated to Enterprise Ilembe for the 2012/13 financial year; the amount will be transferred at the beginning of the financial year.

3.8 Service Agreements

Adequate provision has been made on the operational budget to meet the expected expenditure for the following significant service providers:

Supplier	Nature of Service
CICS (Pty) Ltd	Software maintenance contract
Aon Risk Services	Short-term insurance
KwaDukuza Municipality	Electricity
Telkom	Tele-communication
Siza Water	Water and sewer
Umgeni Water	Water
Debis Fleet Management	Lease of vehicle
McCarthy Fleet	Lease of vehicle

3.9 Budget Related Policies

The following proposed budget related policies were tabled in March together with the budget and were later circulated for Council workshop and there have been no changes since. The policies will have to be adopted for the 2012/13 financial year:

- Tariff policy
- Fixed Assets Management Policy
- Banking, Cash Management & Investments Policy

- Inventory Management Policy
- Indigent Management Policy
- Petty Cash Policy
- Credit Control & Debt Collection Policy
- Supply Chain Management Policy
- Virement Policy
- Unauthorized, Irregular, Fruitless & Wasteful Expenditure Policy
- Budget Policy
- Customer Care and Management Policy

3.10 Public Consultation and Publication of 2012/13 Proposed Budget

In terms of section 22 of the MFMA and in accordance with chapter 4 of the Municipal Systems Act, the Accounting Officer of the municipality must make public the annual budget, invite local community to submit representations in connection with the budget.

After the budget was tabled in March, public participation meetings were set in order to allow the communities to comment on the budget and to allow the Mayor the opportunity to respond to any queries. The public meetings took place in May, on various dates where representations were made by sector departments, ward committees, business people, ratepayers and municipal officials.

There were not many issues that directly impacted on the budget but changes were made to accommodate certain discrepancies identified during the public participation process.

The budget was also submitted to National and Provincial Treasury as per the requirements of the MFMA. The municipality received comments from the Provincial Treasury, which have been addressed and some concerns raised will continuously be addressed.

3.11 Consultations

- Chief Financial Officer
- The Accounting Officer
- His Worship, the Mayor, Cllr S.W Mdabe

- All Directorates
- The National Treasury
- The Provincial Treasury
- General Public

4. RECOMMENDATIONS

It is recommended **THAT**

1. That the consolidated iLembe Municipality and Enterprise iLembe operating budget for the 2012/2013 financial year and the ensuing budgets for the 2013/2014 and 2014/2015 financial years, as well as the capital budget for the 2012/2013 financial year and the ensuing financial years, circulated under cover of Council Circular 23 of 2012 dated 12 June 2012, be approved and adopted in terms of section 16 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

2. That the Tariffs of Charges of the iLembe District Municipality for the 2013/2014 financial year circulated under cover of Council Circular 23 of 2012 approved and adopted.

3. That it be noted that in respect of Capital Expenditure estimates:-

   (i) in those instances where information has been provided in terms of section 19(2)(b) of the Local Government : Municipal Finance Management Act, 2003, the consideration and adoption of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget; and

   (ii) in those instances where information has not been provided in terms of section 19(2)(b) of the Local Government : Municipal Finance Management Act, 2003, specific project approval must be sought from the Council during the course of the financial year.

4. That the draft policies circulated under cover of Council Circular 21of 2012 be noted and approved, subject to the policies being processed through the

normal Council processes.

5. That in compliance with section 22 of the Local Government: Municipal Finance Management Act, 2003 the budgets be published in the local press, it being noted that the Corporate Governance Department of the Municipality will attend to that aspect.

6. That It be noted that the Accounting Officer of the Municipality will submit to the Mayor the proposed Service Delivery and Budget Implementation Plan for 2012/2013 no later than fourteen days after the approval of the budget.

7. That the Mayor ensure that the Service Delivery and Budget Implementation Plan is approved within 28 days after the approval of the budget as per the requirements of section 53(1)(c)(ii) of the Local Government : Municipal Finance Management Act, 2003

………………………….

SIGNATURE OF AUTHOR

SUPPORTED / NOT SUPPORTED at KwaDukuza on the …….. of ………… 2012.

…………………………..

CHIEF FINANCIAL OFFICER'S SIGNATURE

…………………………..

ACCOUNTING OFFICER'S SIGNATURE