



ANNUAL BUDGET OF
NKANGALA DISTRICT
MUNICIPALITY
(DC31)

2013/14 TO 2015/16
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading	MEC	Member of the Executive Committee
ASGISA	Accelerated and Shared Growth Initiative	MFMA	Municipal Financial Management Act Programme
BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CBD	Central Business District	MM	Municipal Manager
CFO	Chief Financial Officer	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NDM	Nkangala District Municipality
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental organisations
EM	Executive Mayor	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GDP	Gross domestic product	PBO	Public Benefit Organisations
GDS	Gauteng Growth and Development Strategy	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
k	kilolitre	SALGA	South African Local Government Association
km	kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprises
kWh	kilowatt litre		
LED	Local Economic Development		

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1 Grade in terms of the Remuneration of Public Office Bearers Act.

Part 1 – Annual Budget

1.1 Mayor's Report

It gives me immense pleasure to once again report to our stakeholders that the partnership between Nkangala District Municipality and our local municipalities has once again proved successful in assisting the district to plan its responses to the developmental aspirations of the people for this financial year.

We have steadfastly continued with the trend of consulting on the IDP because we believe that, as the sphere of government that is closest to the people, we carry a pronounced obligation to respond directly and positively to needs of our communities.

We have to frequently reposition our development and service delivery programmes and objectives to ensure that they address the revised needs of our stakeholders and communities and shifting socio-economic dynamics.

Our IDP as well as the budget is thus a direct result of yet another extensive consultation process. They are an expression of the general and specific interests of our people, and a mirror that reflects the Nkangala electorate, as expressed during our consultation and public participation processes.

Armed with the Key Performance beacons contained in our IDP document, Nkangala District Municipality is once more embarking on a development path that is meant to address the needs of our people, to create better lives for all and transform Nkangala District into the kind of home that they aspire for.

Although much still needs to be done to deal with the increasingly obstinate triple challenges of poverty, inequality and unemployment and to create an environment that is conducive for growth, I am confident that this budget will provide us with the necessary vehicle to carry out the mandate we have received from our people.

1.2 Council Resolutions

On 27 March 2013 the draft annual budget was tabled to council. On the 29 May 2013 the final budget was tabled to council for adoption, the Council of Nkangala District Municipality met in the Council Chambers of Nkangala District Municipality to consider the final annual budget of the municipality for the financial year 2013/14. The Council resolved as follows under item **DMS22/05/2013 on 29 May 2013:**

THE EXECUTIVE MAYOR RESOLVED TO RECOMMEND AS FOLLOWS:

- 1 **THAT** the final annual budget for the financial year 2013/14 and the multi-year and single-year capital appropriations attached hereto as **ANNEXURE "I" page 3 to 85** be approved in terms of section 24(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) as set out in the following tables:
 - i. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in **ANNEXURE "I" page 67;**
 - ii. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in **ANNEXURE "I" page 69;**
 - iii. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in **ANNEXURE "I" page 71;** and
 - iv. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained **ANNEXURE "I" page 73.**
- 2 **THAT** the budgeted financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and service delivery targets be approved as set out in the following tables:
 - i. Budgeted Financial Position as contained in **ANNEXURE "I" page 78 and 79;**
 - ii. Budgeted Cash Flows as contained in **ANNEXURE "I" page 80 and 81;**
 - iii. Cash backed reserves and accumulated surplus reconciliation as contained in **ANNEXURE "I" page 82 and 83;**
 - iv. Asset management as contained in **ANNEXURE "I" page 30 to 31.**
- 3 **THAT** the quality certification of the draft budget signed by the Acting Municipal Manager as required by section 5 of the Municipal Budget and Reporting regulations attached hereto as **ANNEXURE "J" page 86** be noted.
- 4 **THAT** the organisation chart attached as **ANNEXURE "K" 87 to 98** be approved.
- 5 **THAT** the Budget timetable for 2014/2015 attached as **ANNEXURE "L" page 99** be approved.
- 6 **THAT** the reviewed policies be approved attached hereto as **ANNEXURE "B" to "H" page 55 to 49**
- 7 **THAT** the Executive Mayor and the Acting Municipal Manager be delegated to deal with matters incidental to the Budget and Organisational Chart.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the District's financial plan is essential and critical to ensure that the District remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The District's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and nice to have items. This has resulted in savings to the municipality of nearly R36 million in the current financial year's adjusted budget (2012/13). Key areas where savings were realized were on operational administrative expenditure.

The District has done a service delivery audit of the past five years. Furthermore, the District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 66 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- É The on-going difficulties in the national and local economy;
- É Aging and poorly maintained water, roads and electricity infrastructure;
- É The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities;
- É Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- É The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- É Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- É There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- É The following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Ad-hoc travelling; and

- Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

Description	Budget year 2012/13	Budget year 2013/14	Budget year 2014/15	Budget year 2015/16
Total Operating Revenue	324 963 000	333 623 091	341 806 500	348 673 875
Total Operating Expenditure	538 992 904	733 470 531	317 241 132	288 962 881
<i>(Surplus)/ Deficit for the year</i>	214 029 904	(399 847 440)	24 565 367	59 710 993
Total Capital Expenditure	36 991 655	56 338 214	32 203 603	36 847 499
Total Loan Redemption	5 060 000	4 874 306	4 643 137	4 871 294

Total operating revenue has grown by 2.66 per cent or R8.660 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 2.45 and 1.97 per cent respectively, equating to a total revenue growth of R23.711 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R733,471 million and translates into a budgeted deficit of R399,847 million, which will be funded from the accumulated operating surpluses. When compared to the 2012/13 Adjustments Budget, operational expenditure has increased by 38.61 per cent in the 2013/14 budget and decreased by 56.75 for the 2014/15 budget and 9.79 per cent for the 2015/16 budget year of the MTREF.

The capital budget of R56,338 million for 2013/14 decreased with 52.30 per cent compared to the 2012/13 Adjustment Budget. The capital programme decreases to R32 204 million in the 2014/15 financial year and increased to R36 847 in 2015/16. The capital budget will be funded from internally generated funds and accumulated surplus.

1.4 Operating Revenue Framework

For Nkangala District Municipality to continue improving the quality of services provided to its citizens and local municipalities it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues.

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

- É National Treasury's guidelines and macroeconomic policy;
- É Growth in the District and continued economic development;
- É Efficient revenue management,;

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description R thousands	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Investment revenue	34 074	31 136	30 257	23 453	18 180	16 013	13 344	18 060	17 435	15 757
Transfers recognised - operational	269 952	284 772	294 912	303 175	303 175	303 175	302 215	313 592	322 354	330 835
Other own revenue	2 894	6 225	4 985	1 576	3 608	3 614	3 395	1 971	2 018	2 082
Total Revenue (excluding capital transfers and contributions)	306 921	322 133	330 153	328 204	324 963	322 801	318 954	333 623	341 807	348 674

Table 3 Percentage growth in revenue by main revenue source

Revenue R thousands	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Investment revenue	18 180	18 060	-0.66	17 435	-3.46	15 757	-9.62
Transfers recognised - operational	303 175	313 592	3.43	322 354	2.71	330 835	2.63
Other own revenue	3 608	1 971	-45.37	2 018	2.38	2 082	3.17
Total Revenue (excluding capital transfers and contributions)	324 963	333 623	-2.66	341 807	2.45	348 674	2.01

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants total R313,592 million and constitute 94.00 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF. The main portion of the operating grants is the RSC Levy Replacement grant, which can be classified as own revenue as well because it replaced the RSC Levies that were abolished in 2006.

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RSC Levy Replacement Grant	256 825	265 446	272 506	280 681	280 681	280 681	289 101	297 774	305 153
Finance Management Grant	750	1 000	1 250	1 250	1 250	1 250	1 250	1 250	1 250
Local Government Equitable Share	11 114	16 858	19 468	19 030	19 030	19 030	19 749	20 446	21 455
Municipal Systems Improvement	735	750	1 000	1 000	1 000	1 000	890	934	967
Rural Roads Asset Management Grant							1 602	1 950	2 010
Other Transfers and Grants	285	596		1 214	1 214	1 214	1 000	-	-
Total Grant Revenue (excluding capital transfers and contributions)	269 708	284 650	294 224	303 175	303 175	303 175	313 592	322 354	330 835

Table 4 Operating Transfers and Grant Receipts

Investment revenue is the second largest revenue source totaling 5.41 per cent or R18,060 million and decreases to R15,757 million by 2015/16. The third largest source is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist 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, petrol, diesel, chemicals, cement etc. The current challenge facing the District is managing the gap between cost drivers and revenue income, as any shortfall must be made up by either operational efficiency gains or service level reductions.

1.5 Operating Expenditure Framework

The District's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- É The roads renewal strategy and the repairs and maintenance plan for Thembisile Hani Local Municipality Roads;
- É Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- É Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- É The contribution to local municipalities is aligned to the asset IDP and backlog eradication plan;
- É Operational gains and efficiencies will be directed to funding the contribution to local municipalities and other core services; and
- É Project lists submitted by local municipalities.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Pre-audit out-come
Employee related costs	29 344	35 556	38 231	82 393	68 444	43 679	121 101	122 486	130 322
Remuneration of councillors	8 529	8 589	10 255	14 504	12 728	9 339	14 579	16 185	17 156
Debt impairment	9	6	18	135	50	-	20	15	16
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	6 288	6 861	7 233	7 461
Finance charges	7 180	6 632	5 973	8 601	5 871	4 035	5 778	5 647	5 930
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	123	151	202	1 180	286	212	709	649	557
Contracted services	1 731	2 368	2 088	7 129	8 707	3 552	10 899	10 048	10 576
Transfers and grants	111 720	175 775	248 857	449 856	368 490	119 586	439 454	41 731	40 550
Other expenditure	10 295	13 529	19 063	40 337	66 541	29 588	134 069	113 247	76 395
Loss on disposal of PPE									
Total Expenditure	174 420	249 225	332 244	610 646	529 176	216 279	733 471	317 241	288 963

The budgeted allocation for employee related costs for the 2013/14 financial year totals R121,101 million, which equals 16.51 per cent of the total operating expenditure. Based on circulars 66 & 67, salary increases have been factored into this budget at a percentage increase of 6.85 per cent for the 2013/14 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF.

Provision has been made in the budget to include positions in the organogram to ensure that the priorities set out in the IDP and matters raised by the Auditor General are adequately attended to. These positions aim to strengthen accelerate Budget expenditure.

Provision has been made in the budget to include all the vacant positions, new positions in the organogram for the Municipal Health function, the wage curve and the rationalisation of salaries.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the District's budget.

The provision of debt impairment was determined based on an annual collection rate of 99 per cent and the Credit Control and Debt Collection Policy of the District. For the 2011/12 financial year this amount equates to R20 thousand. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R6.861 million for the 2013/14 financial and equates to 0.94 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.79 per cent (R5.78 million) of operating expenditure excluding annual redemption for 2013/14 and increases to R5.93 million by 2015/16.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the District's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the District's infrastructure. For 2013/14 the appropriation against this group of expenditure has grown to R709 thousand and constitutes 0.10% of total operating expenditure.

In the 2013/14 financial year, Contracted services expenditure totals R10,9 million and has escalated by just 1.49 per cent. Cost efficiencies ensure that this expenditure decreases to R10.576 million in 2015/16.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Other expenditure increased with 101.48 per cent for 2013/14 and decrease at 15.53 per cent and decreased at 48.24 per cent for the two outer years. Further details relating to contracted services can be seen in table 49 MBRR SA1 (see page 73)

The following graphical presentation gives a breakdown of the main expenditure categories for the 2013/14 financial year.

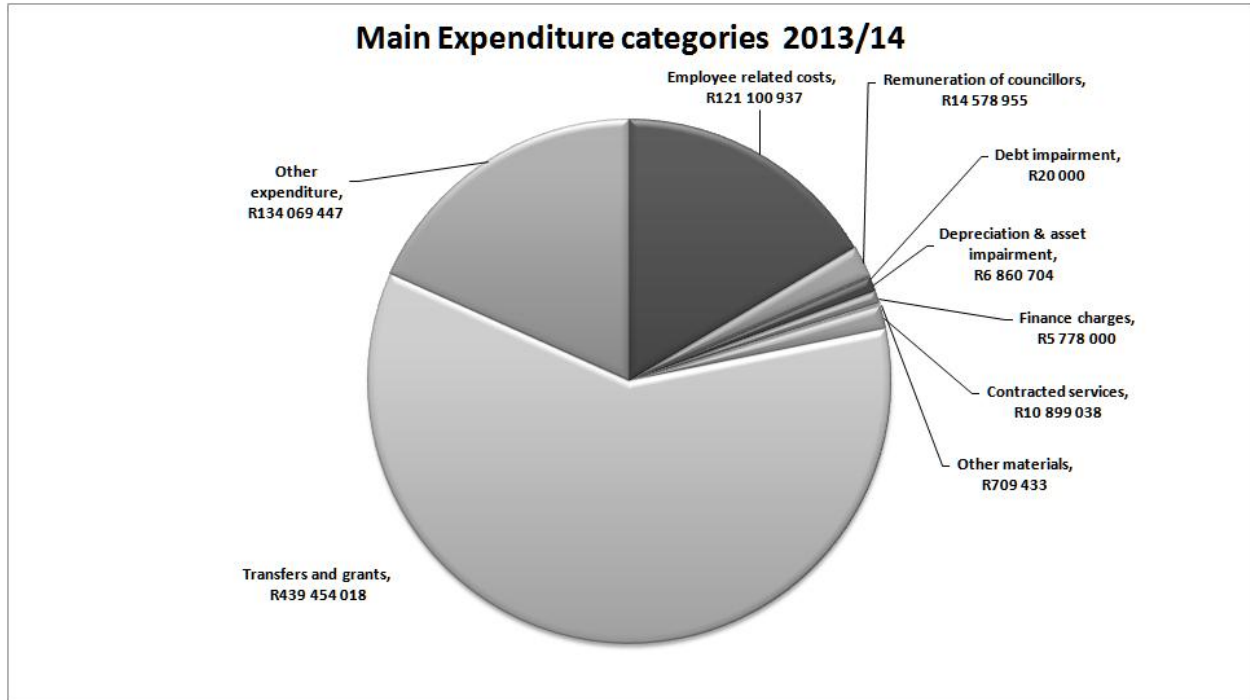


Figure 1 Main operational expenditure categories for the 2013/14 financial year

1.5.1 Priority given to Contribution to Local Municipalities

The prioritised projects submitted by Local Municipalities as contained in the approved 2013/2014 IDP of the District on page 233 to 251 to improve service delivery and eradicate backlogs was the main focus for this expenditure category.

The following table gives a breakdown of the main expenditure categories per Local Municipality for the 2013/14 financial year.

Table 6 Breakdown of the main expenditure categories per Local Municipality

LOCAL MUNI-CIPALITY	WATER	SEWER	ROADS & STORM-WATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	TOTAL
1. Victor Khanye	2,732,264	7,000,000	7,678,260	3,012,131	3,671,826	2,519,658	26,614,140
2. Dr JS Moroka	14,600,788	3,669,052	15,660,117	-	9,400,000	5,062,480	48,392,437
3. Emalahleni	14,992,067	10,781,290	33,116,759	-	9,332,145	21,752,129	89,974,389
4. Steve Tshwete	22,782,575	13,998,925	8,344,352	400,000	-	2,500,000	48,025,852
5. Emakahzeni	8,761,158	7,203,022	5,803,600	-	5,582,898	5,697,619	33,048,298
6. Thembisile Hani	12,817,702	983,191	39,161,478	3,309,611	10,414,358	9,804,358	76,490,699
TOTAL PROJECTS	76,686,554	43,635,480	109,764,565	6,721,743	38,401,227	47,336,244	322,545,813

1.5.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the District's current infrastructure, which amongst others include the roads in Thembisile Hani Local Municipality, the 2013/14 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the District. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering that the only cost driver for the District is contracted services, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 7 Operational repairs and maintenance

The table below provides a breakdown of the repairs and maintenance:

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Depreciation & asset impairment	5 490	6 619	7 557	6 511	7 875	7 545	6 861	7 233	7 461
Repairs and Maintenance	989	1 608	2 335	4 244	6 379	3 566	7 572	6 564	6 896

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 8 2013/14 Medium-term capital budget per asset class

Description R thousand	Current Year 2012/13 Adjusted Budget	2013/14 Medium Term Revenue & Expenditure Framework					
		Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	12 174	15 095	23.99	12 000	-20.50	12 288	2.40
Infrastructure - Road transport	12 174	15 095	23.99	12 000	-20.50	12 288	2.40
Community	5 956	4 845	-18.66	3 415	-29.50	3 497	2.40
Fire, safety & emergency	5 956	4 845	-18.66	3 415	-29.50	3 497	2.40
Other assets	18 861	36 898	543.55	16 788	-388.10	21 062	93.22
General vehicles		1 379			-100.00		
Plant & equipment	276	1 724	525.92	272	-84.20	387	41.94
Computers - hardware/equipment	984	850	-13.66	758	-10.88	795	5.00
Furniture and other office equipment	1431	1232	-13.89	1 138	-7.62	1171	2.85
Other Buildings	10 691	23 018	115.29	11 109	-51.74	15122	36.03
Other	600	90	-85.00	95	5.40	100	5.00
Intangibles – software & programming		2 500					
Specialised vehicles	4 879	5 605	14.88	3 415	-39.07	3 497	2.40
Total Capital Expenditure on new assets	36 992	56 338	548.88	32 204	-438.11	36 847	98.02

For 2013/14 an amount of R15,095 million has been appropriated for the development of Infrastructure-Road transport which represents 23.99 per cent of the total capital budget.

Total new assets represent R56,338 million of the total budget. Further detail relating to asset classes and proposed capital expenditure is contained in Table 20 MBRR A9 (Asset Management) on page 28. In addition to the MBRR Table A9, MBRR Tables SA34a and SA34c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 69 and 70). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- É Roads in Thembisile Hani Local Municipality . R15,095 million;
- É Fire fighting and security and emergency equipment . R4,845 million;
- É Specialised vehicles . R5,605 million

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 48 MBRR SA35 on page 71. This table shows that future operational costs associated with the capital programme totals R56,338 million in 2013/14 and escalates to R32,204 million by 2014/15. This concomitant operational expenditure is expected to escalate to

R36,847 million by 2015/16. It needs to be noted that as part of the 2013/14 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	34,074	31,136	30,257	23,453	18,180	16,013	13,344	18,060	17,435	15,757
Transfers recognised - operational	269,952	284,772	294,912	303,175	303,175	303,175	302,215	313,592	322,354	330,835
Other own revenue	2,894	6,225	4,985	1,576	3,608	3,614	3,395	1,971	2,018	2,082
Total Revenue (excluding capital transfers and contributions)	306,921	322,133	330,153	328,204	324,963	322,801	318,954	333,623	341,807	348,674
Employee costs	29,344	35,556	38,231	82,393	68,444	52,415	43,679	121,101	122,486	130,322
Remuneration of councillors	8,529	8,589	10,255	14,504	12,728	11,205	9,339	14,579	16,185	17,156
Depreciation & asset impairment	5,490	6,619	7,557	6,511	7,875	7,545	6,288	6,861	7,233	7,461
Finance charges	7,180	6,632	5,973	8,601	5,871	4,842	4,035	5,778	5,647	5,930
Materials and bulk purchases	123	151	202	1,180	286	255	212	709	649	557
Transfers and grants	111,720	175,775	248,857	449,856	358,673	140,085	119,586	439,454	41,731	40,550
Other expenditure	12,034	15,903	21,169	47,601	75,299	32,357	33,140	144,988	123,310	86,987
Total Expenditure	174,420	249,225	332,244	610,646	529,176	248,705	216,279	733,471	317,241	288,963
Surplus/(Deficit)	132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Capital expenditure & funds sources										
Capital expenditure	9,062	5,917	12,772	66,365	36,992	19,036	8,667	56,338	32,204	36,847
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9,062	5,917	12,772	66,365	36,992	19,036	8,667	56,338	32,204	36,847
Total sources of capital funds	9,062	5,917	12,772	66,365	36,992	19,036	8,667	56,338	32,204	36,847
Financial position										
Total current assets	660,584	724,459	705,683	657,944	631,631	707,548	777,451	371,168	356,244	429,818
Total non current assets	88,364	121,796	124,649	181,658	180,499	135,916	127,393	143,768	177,451	140,233
Total current liabilities	42,830	71,355	62,963	69,762	69,762	69,762	39,038	42,630	39,659	37,112
Total non current liabilities	56,599	52,473	47,034	47,413	47,413	47,413	42,796	42,011	35,951	29,519
Community wealth/Equity	649,519	722,427	720,335	722,427	694,956	726,289	823,010	430,295	458,085	503,421
Cash flows										
Net cash from (used) operating	60,339	67,461	(1,882)	(275,797)	(196,288)	91,719	71,848	(392,967)	31,813	67,188
Net cash from (used) investing	(5,948)	(40,051)	(10,410)	(66,365)	(36,992)	(19,036)	(9,031)	(50,405)	(36,500)	371
Net cash from (used) financing	(4,444)	(5,651)	(5,811)	(5,060)	(5,060)	(5,060)	(4,238)	(4,874)	(4,643)	(4,875)
Cash/cash equivalents at the year end	444,393	466,152	448,048	118,930	227,812	515,672	524,730	67,425	58,095	120,778
Cash backing/surplus reconciliation										
Cash and investments available	452,578	501,616	486,903	501,616	475,219	554,526	563,584	100,347	95,313	120,778
Application of cash and investments	5,129	47,406	31,008	48,265	47,299	47,251	12,861	21,345	19,840	18,637
Balance - surplus (shortfall)	447,449	454,210	455,895	453,351	427,921	507,276	550,723	79,002	75,474	102,142
Asset management										
Asset register summary (WDV)	80,179	86,332	85,795	142,653	131,311	96,749	128,860	128,860	139,057	156,781
Depreciation & asset impairment	5,490	6,619	7,557	6,511	7,875	7,545	6,861	6,861	7,233	7,461
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	989	1,608	2,335	5,781	7,760	3,566	7,572	7,572	6,564	6,896
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the District's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was paying much attention to managing this aspect of its finances, and consequently all of its obligations are cash-backed. This places the municipality in a very positive financial position. Cash-backed surplus will decrease to R102,142 million in 2015/16, which is an indication that the NDM operational expenditure needs to be carefully scrutinized and either administrative operational expenditure or contributions to Local Municipalities needs to be decreased.

Table 10 Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard	1									
<i>Governance and administration</i>		306,186	321,383	329,153	327,204	323,963	321,801	332,733	340,873	347,707
Executive and council	1	-	-	1	-	-	22	-	-	-
Budget and treasury office		306,185	321,383	329,152	327,204	323,963	321,779	332,733	340,873	347,707
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		735	750	1,000	1,000	1,000	1,000	890	934	967
Planning and development		735	750	1,000	1,000	1,000	1,000	890	934	967
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	306,921	322,133	330,153	328,204	324,963	322,801	333,623	341,807	348,674
Expenditure - Standard										
<i>Governance and administration</i>		45,961	54,036	58,059	107,101	96,559	71,121	162,829	127,237	136,198
Executive and council		27,150	25,297	29,421	45,777	47,001	40,639	73,731	70,375	75,713
Budget and treasury office		10,928	13,592	12,832	36,000	19,674	13,475	37,398	25,681	27,172
Corporate services		7,884	15,147	15,805	25,324	29,885	17,007	51,700	31,181	33,312
<i>Community and public safety</i>		11,482	17,407	18,557	30,023	34,153	20,342	47,138	44,258	42,793
Community and social services		4,243	4,974	5,911	13,504	12,694	6,160	13,639	12,738	13,446
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		7,238	12,433	12,646	16,519	21,458	14,182	33,499	31,520	29,348
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		116,977	177,346	255,496	469,122	394,564	157,113	507,993	145,746	106,072
Planning and development		115,857	175,488	243,455	460,913	375,107	150,468	446,677	86,586	77,678
Road transport		832	710	10,804	2,037	17,268	6,105	33,574	32,276	-
Environmental protection		288	1,148	1,237	6,171	2,189	540	27,741	26,884	28,394
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	436	133	4,400	3,900	129	15,511	-	3,900
Total Expenditure - Standard	3	174,420	249,225	332,244	610,646	529,176	248,705	733,471	317,241	288,963
Surplus/(Deficit) for the year		132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	(399,847)	24,565	59,711

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile the whole of government reports.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**DC31 Nkangala - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		1	-	1	-	-	22	-	-	-
Vote 2 - ADMINISTRATION		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE		306,185	321,383	329,152	327,204	323,963	321,779	332,733	340,873	347,707
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services and PMU		-	-	-	-	-	-	-	-	-
Vote 6 - DPU AND IDP		735	750	1,000	1,000	1,000	1,000	890	934	967
Vote 7 - PLANNING & DEVELOPMENT CONTRIBUT		-	-	-	-	-	-	-	-	-
Vote 8 - LED AGENCY		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	306,921	322,133	330,153	328,204	324,963	322,801	333,623	341,807	348,674
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		27,823	30,482	31,892	52,141	58,983	43,284	181,601	133,142	147,881
Vote 2 - ADMINISTRATION		6,140	8,601	12,112	16,658	15,960	13,139	30,816	23,472	25,111
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE		11,998	14,953	14,055	38,303	21,617	14,698	39,815	28,200	29,836
Vote 4 - COMMUNITY & SOCIAL SERVICES		11,770	18,239	19,794	35,520	35,706	20,879	72,190	70,242	70,287
Vote 5 - Technical Services and PMU		10,860	11,302	23,374	299,345	51,119	24,381	35,686	33,702	1,537
Vote 6 - DPU AND IDP		2,701	1,362	(1,862)	19,902	20,348	9,970	42,317	28,483	14,311
Vote 7 - PLANNING & DEVELOPMENT CONTRIBUT		99,595	157,899	228,034	122,560	301,328	115,882	331,046	-	-
Vote 8 - LED AGENCY		3,533	6,387	4,844	26,217	24,117	6,472	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	174,420	249,225	332,244	610,646	529,176	248,705	733,471	317,241	288,963
Surplus/(Deficit) for the year	2	132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	(399,847)	24,565	59,711

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the District. This means it is possible to present the operating surplus or deficit of a vote.

Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		214	264	256	-	100	104	87	100	128	134
Interest earned - external investments		34,074	31,136	30,257	23,453	18,180	16,013	13,344	18,060	17,435	15,757
Interest earned - outstanding debtors		2	41	21	109	18	5	4	5	5	6
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		269,952	284,772	294,912	303,175	303,175	303,175	302,215	313,592	322,354	330,835
Other revenue	2	2,679	5,920	4,707	1,467	3,490	3,504	3,304	1,866	1,885	1,943
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		306,921	322,133	330,153	328,204	324,963	322,801	318,954	333,623	341,807	348,674
Expenditure By Type											
Employee related costs	2	29,344	35,556	38,231	82,393	68,444	52,415	43,679	121,101	122,486	130,322
Remuneration of councillors		8,529	8,589	10,255	14,504	12,728	11,205	9,339	14,579	16,185	17,156
Debt impairment	3	9	6	18	135	50	-	-	20	15	16
Depreciation & asset impairment	2	5,490	6,619	7,557	6,511	7,875	7,545	6,288	6,861	7,233	7,461
Finance charges		7,180	6,632	5,973	8,601	5,871	4,842	4,035	5,778	5,647	5,930
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	123	151	202	1,180	286	255	212	709	649	557
Contracted services		1,731	2,368	2,088	7,129	8,707	4,262	3,552	10,899	10,048	10,576
Transfers and grants		111,720	175,775	248,857	449,856	358,673	140,085	119,586	439,454	41,731	40,550
Other expenditure	4, 5	10,295	13,529	19,063	40,337	66,541	28,095	29,588	134,069	113,247	76,395
Loss on disposal of PPE											
Total Expenditure		174,420	249,225	332,244	610,646	529,176	248,705	216,279	733,471	317,241	288,963
Surplus/(Deficit)		132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Transfers recognised - capital											
Contributions recognised - capital											
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Taxation											
Surplus/(Deficit) after taxation		132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R333,623 million in 2013/14 and escalates to R348,674 million by 2015/16. This represents a year-on-year increase of 2.66 per cent for the 2013/14 financial year, 2.45 per cent for the 2014/15 and 1.97 per cent for the 2015/16 financial year.
2. Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants total R313,592 million or 94.00 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF. Operating Grants includes the RSC Levy Replacement, local government equitable share and other operating grants from national government.
3. Investment revenue is the second largest revenue source totalling 5.41 per cent or R18,060 million and decreases to R15,757 million by 2015/16. The third largest source is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income.
4. The following graph illustrates the major expenditure items per type.

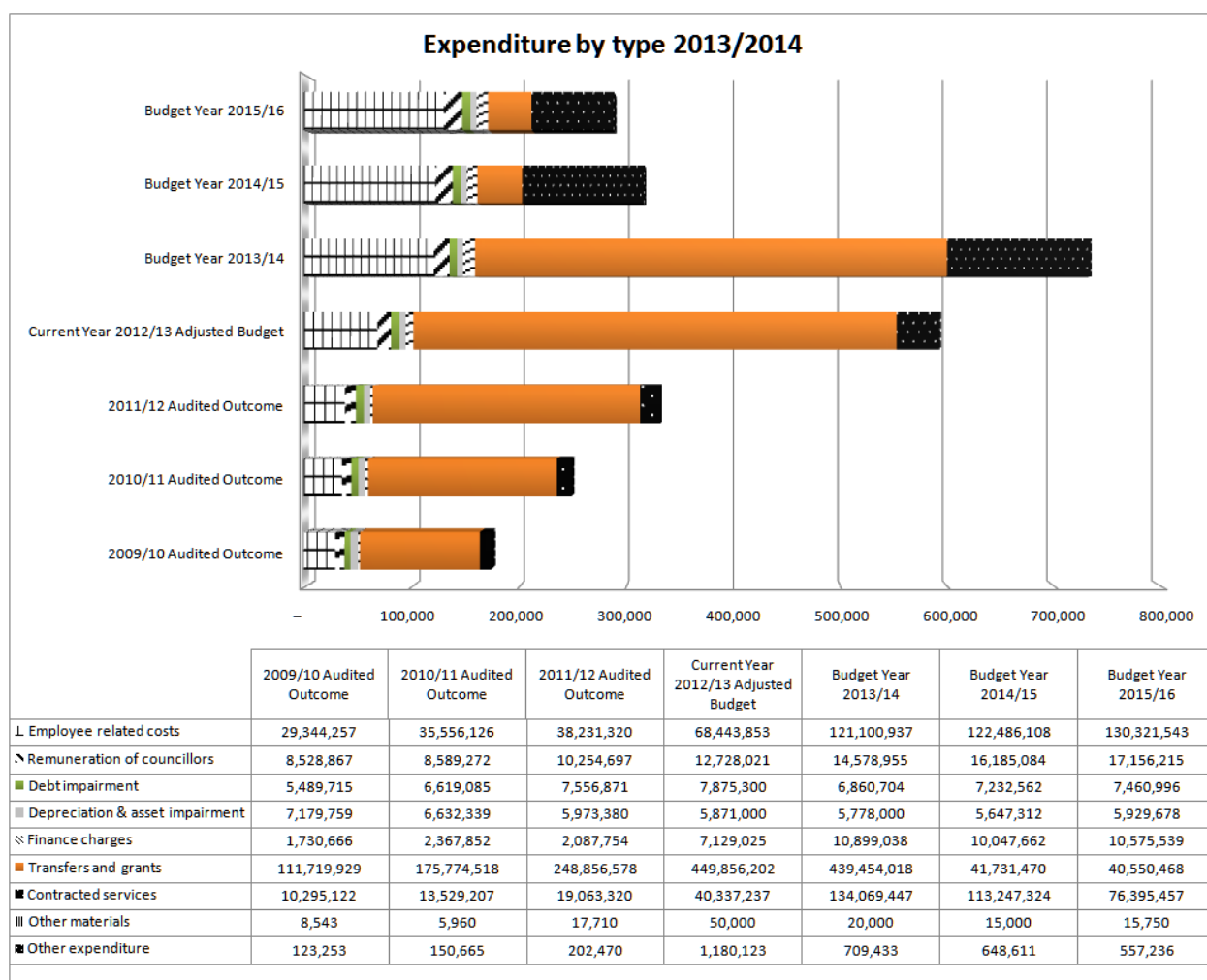


Figure 2 Expenditure by major type

5. Transfers and grants is the main expenditure type, which are the Contribution to Local Municipalities an amounts to R439,454 million for the 2013/14 financial year.

The Contribution to Local Municipalities can be summarised below.

Table 13 Contributions to Local Municipalities per municipality

MUNI-CIPALITY	WATER	SEWER	ROADS & STORM-WATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	TOTAL
1. Victor Khanye	2,732,264	7,000,000	7,678,260	3,012,131	3,671,826	2,519,658	26,614,140
2. Dr JS Moroka	14,600,788	3,669,052	15,660,117	-	9,400,000	5,062,480	48,392,437
3. Emalahleni	14,992,067	10,781,290	33,116,759	-	9,332,145	21,752,129	89,974,389
4. Steve Tshwete	22,782,575	13,998,925	8,344,352	400,000	-	2,500,000	48,025,852
5. Emakahzeni	8,761,158	7,203,022	5,803,600	-	5,582,898	5,697,619	33,048,298
6. Thembisile Hani	12,817,702	983,191	39,161,478	3,309,611	10,414,358	9,804,358	76,490,699
7 General	-	-	-	-	-	116,908,205	116,908,205
TOTAL NEW PROJECTS	76,686,554	43,635,480	109,764,565	6,721,743	38,401,227	164,244,449	439,454,018

The following table illustrates the contribution for local municipalities for the 2013/14, 2014/15 and 2015/16 financial years:

Table 14 Indicative - Contributions to Local Municipalities per municipality

Local Authority	Budget Year +0	Budget Year +1	Budget Year +2
	2013/14	2014/15	2015/16
1. Victor Khanye	26,614,140	-	-
2. Dr JS Moroka	48,392,437	-	-
3. Emalahleni	89,974,389	-	-
4. Steve Tshwete	48,025,852	-	-
5. Emakahzeni	33,048,298	-	-
6. Thembisile Hani	76,490,699	-	-
Total	322,545,813	-	-

6. Employee related costs and contribution to local municipalities are the main cost drivers within the district.

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		421	1,858	386	1,742	1,767	1,025	481	2,590	1,908	1,974
Vote 2 - ADMINISTRATION		35	165	56	126	807	23	11	2,730	250	367
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE		94	714	137	103	185	28	23	236	113	118
Vote 4 - COMMUNITY & SOCIAL SERVICES		1,674	1,851	11,995	23,352	21,521	5,082	3,731	23,653	17,933	22,100
Vote 5 - Technical Services and PMU		-	-	-	40,853	12,292	12,871	4,415	15,095	12,000	12,288
Vote 6 - DPU AND IDP		6,838	1,329	199	170	170	5	4	12,034	-	-
Vote 7 - PLANNING & DEVELOPMENT CONTRIBUTION		-	-	-	-	-	-	-	-	-	-
Vote 8 - LED AGENCY		-	-	-	19	250	3	3	-	-	-
Capital multi-year expenditure sub-total	7	9,062	5,917	12,772	66,365	36,992	19,036	8,667	56,338	32,204	36,847
Capital Expenditure - Standard											
<i>Governance and administration</i>		550	2,737	579	1,971	2,759	1,075	515	5,536	2,054	2,238
Executive and council		421	1,858	386	1,835	1,937	1,042	496	2,794	1,792	1,857
Budget and treasury office		94	714	137	10	15	10	8	12	13	13
Corporate services		35	165	56	126	807	23	11	2,730	250	367
<i>Community and public safety</i>		1,674	1,851	11,995	23,352	21,521	5,082	3,731	35,267	17,933	22,100
Community and social services		1,674	1,851	11,995	68	68	-	-	400	78	80
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	23,285	21,453	5,082	3,731	34,867	17,855	22,020
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6,838	1,329	199	41,041	12,711	12,879	4,422	15,535	12,216	12,510
Planning and development		6,838	1,329	199	278	537	120	100	20	216	222
Road transport		-	-	-	40,763	12,174	12,760	4,322	15,095	12,000	12,288
Environmental protection		-	-	-	-	-	-	-	420	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	9,062	5,917	12,772	66,365	36,992	19,036	8,667	56,338	32,204	36,847
Funded by:											
National Government											
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		9,062	5,917	12,772	66,365	36,992	19,036	8,667	56,338	32,204	36,847
Total Capital Funding	7	9,062	5,917	12,772	66,365	36,992	19,036	8,667	56,338	32,204	36,847

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2013/14 R56,338 million has been allocated of the total budget for capital expenditure and R32,204 million and R36,847 million for the 2013/14 and 2015/16 financial years respectively. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the District. For the purpose of funding assessment of the MTREF.
3. The capital programme is funded from internally generated funds from current year surpluses and accumulated surpluses.

Table 16 MBRR Table A6 - Budgeted Financial Position

DC31 Nkangala - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		18,918	12,825	10,983	12,825	132,572	8,861	8,861	13,861	10,861	12,861
Call investment deposits	1	425,475	453,327	437,065	453,327	307,183	506,811	515,889	53,564	47,234	107,917
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		27,980	13,724	19,161	13,724	13,809	13,809	14,248	11,724	10,224	8,424
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	188,211	244,583	238,474	178,067	178,067	178,067	238,474	292,019	287,924	300,616
Total current assets		660,584	724,459	705,683	657,944	631,631	707,548	777,451	371,168	356,244	429,818
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		8,185	35,464	38,855	35,464	35,464	38,855	38,855	32,922	37,218	0
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	80,179	86,332	85,795	146,194	145,035	97,061	88,539	110,846	140,233	140,233
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		88,364	121,796	124,649	181,658	180,499	135,916	127,393	143,768	177,451	140,233
TOTAL ASSETS		748,948	846,255	830,332	839,601	812,131	843,464	904,844	514,936	533,695	570,051
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	6,422	6,653	6,568	5,060	5,060	5,060	6,568	5,778	5,647	5,930
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	34,811	61,039	50,961	61,039	61,039	61,039	27,109	33,039	30,039	27,039
Provisions		1,597	3,663	5,434	3,663	3,663	3,663	5,361	3,813	3,973	4,143
Total current liabilities		42,830	71,355	62,963	69,762	69,762	69,762	39,038	42,630	39,659	37,112
Non current liabilities											
Borrowing		51,514	45,632	39,906	40,572	40,572	40,572	35,668	34,533	28,313	21,711
Provisions		5,085	6,841	7,128	6,841	6,841	6,841	7,128	7,478	7,638	7,808
Total non current liabilities		56,599	52,473	47,034	47,413	47,413	47,413	42,796	42,011	35,951	29,519
TOTAL LIABILITIES		99,429	123,828	109,997	117,175	117,175	117,175	81,834	84,641	75,610	66,630
NET ASSETS	5	649,519	722,427	720,335	722,427	694,956	726,289	823,010	430,295	458,085	503,421
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		649,519	722,427	720,335	722,427	694,956	726,289	823,010	430,295	458,085	503,421
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	649,519	722,427	720,335	722,427	694,956	726,289	823,010	430,295	458,085	503,421

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as %accounting+ Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - É Call investments deposits;
 - É Property, plant and equipment;
 - É Trade and other payables;
 - É Provisions non-current;
 - É Changes in net assets; and
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 17 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		3,070	6,184	5,190	1,467	3,590	3,608	3,395	1,966	2,013	2,077
Government - operating	1	269,775	284,772	294,685	303,175	303,175	303,175	302,215	313,592	322,354	330,835
Government - capital	1										
Interest		34,076	31,177	30,277	23,562	18,198	16,018	13,344	18,065	17,440	15,762
Dividends											
Payments											
Suppliers and employees		(127,413)	(72,265)	(77,205)	(145,543)	(156,707)	(86,154)	(123,485)	(281,358)	(262,615)	(235,006)
Finance charges		(3,536)	(3,353)	(5,973)	(8,601)	(5,871)	(4,842)	(4,035)	(5,778)	(5,647)	(5,930)
Transfers and Grants	1	(115,633)	(179,054)	(248,857)	(449,856)	(358,673)	(140,085)	(119,586)	(439,454)	(41,731)	(40,550)
NET CASH FROM/(USED) OPERATING ACTIVITIES		60,339	67,461	(1,882)	(275,797)	(196,288)	91,719	71,848	(392,967)	31,813	67,188
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments		(872)	(27,279)	(3,391)	-	-	-	-	5,933	(4,296)	37,218
Payments											
Capital assets		(5,076)	(12,772)	(7,020)	(66,365)	(36,992)	(19,036)	(9,031)	(56,338)	(32,204)	(36,847)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5,948)	(40,051)	(10,410)	(66,365)	(36,992)	(19,036)	(9,031)	(50,405)	(36,500)	371
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(4,444)	(5,651)	(5,811)	(5,060)	(5,060)	(5,060)	(4,238)	(4,874)	(4,643)	(4,875)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4,444)	(5,651)	(5,811)	(5,060)	(5,060)	(5,060)	(4,238)	(4,874)	(4,643)	(4,875)
NET INCREASE/ (DECREASE) IN CASH HELD		49,947	21,759	(18,104)	(347,222)	(238,340)	67,624	58,578	(448,246)	(9,330)	62,683
Cash/cash equivalents at the year begin:	2	394,446	444,393	466,152	466,152	466,152	448,048	466,152	515,672	67,425	58,095
Cash/cash equivalents at the year end:	2	444,393	466,152	448,048	118,930	227,812	515,672	524,730	67,425	58,095	120,778

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the District raised from R394,446 million over the 2009/10 to R448,048 million in 2011/12 period owing directly to a net increase in cash for the 2009/10 and 2011/12 financial years of R53,602 million.
4. The approved 2012/13 MTREF provide for a further net decrease in cash of R227,812 million for the 2012/13 financial year resulting in an overall projected positive cash position of R515,672 million at year end.
5. Cash and cash equivalents totals R67,425 million as at the end of the 2013/14 financial year and escalates to R120,778 million by 2015/16. Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 19 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	444,393	466,152	448,048	118,930	227,812	515,672	524,730	67,425	58,095	120,778
Other current investments > 90 days		0	0	–	347,222	211,943	(0)	(0)	(0)	–	–
Non current assets - Investments	1	8,185	35,464	38,855	35,464	35,464	38,855	38,855	32,922	37,218	0
Cash and investments available:		452,578	501,616	486,903	501,616	475,219	554,526	563,584	100,347	95,313	120,778
Application of cash and investments											
Unspent conditional transfers		809	688	–	688	688	688	960	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	4,320	46,718	31,008	47,577	46,611	46,563	11,901	21,345	19,840	18,637
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		5,129	47,406	31,008	48,265	47,299	47,251	12,861	21,345	19,840	18,637
Surplus(shortfall)		447,449	454,210	455,895	453,351	427,921	507,276	550,723	79,002	75,474	102,142

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 . Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be funded.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2009/10 to 2011/12 the surplus raised from R447,449 million to R455,899 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2013/14 MTREF was sufficiently funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 20 MBRR Table A9 - Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE										
Total New Assets	1	9,062	5,917	12,772	66,365	36,992	19,036	56,338	32,204	36,847
Infrastructure - Road transport		-	1,070	2,459	40,763	12,174	12,760	15,095	12,000	12,288
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	1,070	2,459	40,763	12,174	12,760	15,095	12,000	12,288
Community		-	-	-	6,003	5,956	3,546	4,845	3,415	3,497
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	9,062	4,847	10,313	19,599	18,861	2,730	33,898	16,788	21,062
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	2,500	-	-
Total Capital Expenditure	4									
Infrastructure - Road transport		-	1,070	2,459	40,763	12,174	12,760	15,095	12,000	12,288
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	1,070	2,459	40,763	12,174	12,760	15,095	12,000	12,288
Community		-	-	-	6,003	5,956	3,546	4,845	3,415	3,497
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		9,062	4,847	10,313	19,599	18,861	2,730	33,898	16,788	21,062
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	2,500	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	9,062	5,917	12,772	66,365	36,992	19,036	56,338	32,204	36,847
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		1,034	3,348	2,995	40,459	11,806	14,866	14,775	11,663	11,940
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		1,034	3,348	2,995	40,459	11,806	14,866	14,775	11,663	11,940
Community		27	8,980	120	5,783	11,328	3,272	7,759	10,796	13,904
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		79,118	74,004	82,679	96,411	108,176	78,611	106,327	116,588	130,937
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	80,179	86,332	85,795	142,653	131,311	96,749	128,860	139,057	156,781
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		5,490	6,619	7,557	6,511	7,875	7,545	6,861	7,233	7,461
Repairs and Maintenance by Asset Class	3	989	1,608	2,335	5,781	7,760	3,566	7,572	6,564	6,896
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	989	1,608	2,335	5,781	7,760	3,566	7,572	6,564	6,896
TOTAL EXPENDITURE OTHER ITEMS		6,479	8,228	9,892	12,292	15,636	11,111	14,433	13,797	14,357
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.2%	1.9%	2.7%	4.0%	5.4%	3.7%	6.8%	4.7%	4.9%
Renewal and R&M as a % of PPE		1.0%	2.0%	3.0%	4.0%	6.0%	4.0%	6.0%	5.0%	4.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The District does not meet both these recommendations as the District move into new office buildings in 2006.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the MMC for Finance, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30May 2012. Key dates applicable to the process were:

- É **August 2012.** Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2013/14 MTREF;

- É **January and February 2013.** Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- É **6 to 10 February 2013** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- É **23 January 2013** - Council considered the 2012/13 Mid-year Review;
- É **27 February 2013** - Council considers the 2012/13 Adjustments Budget;
- É **March 2013** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2013/14 MTREF is revised accordingly;
- É **20 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF to Mayoral committee;
- É **27 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF for public consultation;
- É **23 April 2013** . Budget Indaba;
- É **26 April 2013** - Closing date for written comments;
- É **7 to 18 May 2013.** finalisation of the 2013/14 IDP and 2013/14 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- É **29 May 2013** - Tabling of the 2013/14 MTREF before Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the second review of the IDP as adopted by Council in May 2012. It started in September 2012. The reviewed IDP will be tabled to council for approval on the 27 March 2013.

The District's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- É Registration of community needs;
- É Compilation of departmental business plans including key performance indicators and targets;
- É Financial planning and budgeting process;
- É Public participation process;
- É Compilation of the SDBIP, and
- É The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- É District growth
- É Policy priorities and strategic objectives
- É Asset maintenance
- É Economic climate and trends (i.e. inflation, household debt, migration patterns)
- É Performance trends
- É The approved 2012/13 adjustments budget and performance against the SDBIP
- É Cash Flow Management Strategy
- É Debtor payment levels
- É Investment possibilities
- É Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 55, 58, 66 and 67 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2013/14 MTREF as tabled before Council on 27 March 2013 for community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Local Municipalities were utilised to facilitate the community consultation process from 12 February to 7 April 2012, and included six public briefing sessions and the Budget Indaba on the 23 April 2013. The applicable dates and venues was published in all the local newspapers and on average attendance of 150 were per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process. Individual sessions were scheduled with organised business and Imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the finalisation of the 2013/14 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- É Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The District is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- É Several complaints were received regarding poor service delivery, especially the state of road infrastructure and slow implementation of projects in local municipalities;
- É Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- É Environmental problems of the mines and climate change;
- É High levels of poverty and unemployment, which indicate there is a need for skills training. NDM must consider building an university.
- É The district needs to promote the cargo project in Victor Khanye.
- É Non-provision for Municipal Health service that will be transferred to the District
- É Provision should be made for the implementation of the settlement reach with the unions on the wage curve
- É Provision should be made for salary rationalisation.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the

District, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the District strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the District's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- É Green Paper on National Strategic Planning of 2009;
- É Government Programme of Action;
- É Development Facilitation Act of 1995;
- É Provincial Growth and Development Strategy (GGDS);
- É National and Provincial spatial development perspectives;
- É Relevant sector plans such as transportation, legislation and policy;
- É National Key Performance Indicators (NKPIs);
- É Accelerated and Shared Growth Initiative (ASGISA);
- É National 2014 Vision;
- É National Spatial Development Perspective (NSDP);
- É The National Priority Outcomes and
- É The National Development Plan.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

- Local Economic Development
- Infrastructure Development and Service Delivery
- Institutional Development and Municipal Transformation
- Good Governance and Public Participation
- Build more united, non-racial, integrated and safer communities;
- Financial Viability
- Ensure more effective, accountable and clean Local Government that works together with National and Provincial Spheres of Government.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide district planning services; and
 - Maintaining the infrastructure of the District.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the District;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
 - Implementing initiatives to reduce the effect of climate change.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the District. The five-year programme responds to the development challenges and opportunities faced by the District by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- É Strengthening the analysis and strategic planning processes of the District;
- É Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- É Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Object	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Service Delivery & Infrastructure Development	Local Economic Development	KPA 5		-	-	-	-	-	-	-	-	-	
		KPA 3		-	-	-	-	-	-	-	-	-	
		KPA 4		306,185	321,383	329,152	327,204	323,963	321,779	332,733	340,873	347,707	
		KPA 1		-	-	-	-	-	-	-	-	-	
		KPA 2		1	-	1	-	-	22	890	934	967	
		KPA 6		735	750	1,000	1,000	1,000	1,000	-	-	-	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers)				1	306,921	322,133	330,153	328,204	324,963	322,801	333,623	341,807	348,674

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Service Delivery & Infrastructure Development		KPA 5		112,196	177,164	258,632	160,792	354,301	142,866	441,600	105,294	73,254
Local Economic Development		KPA 3		3,533	6,387	4,844	26,217	24,117	6,472	86,114	54,127	63,050
Municipal Financial Viability & Management		KPA 4		10,928	13,592	12,832	36,000	20,310	13,478	39,815	28,200	29,836
Institutional Development & Municipal Transformation		KPA 1		6,552	9,036	12,619	17,417	16,622	13,670	57,548	36,306	38,763
Good Governance, Intergovernmental Relations & Public Participation		KPA 2		28,481	31,409	32,607	53,684	60,264	43,976	73,949	71,403	76,699
Spatial Rationale		KPA 6		12,729	11,637	10,709	316,536	53,563	28,243	34,444	21,911	7,361
Allocations to other priorities												
Total Expenditure				174,420	249,225	332,244	610,646	529,176	248,705	733,471	317,241	288,963

Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Object	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Service Delivery & Infrastructure Development		KPA 5		1,674	1,851	11,995	64,206	33,813	17,952	38,748	30,129	34,588
Local Economic Development		KPA 3		-	-	-	19	250	3	20	21	22
Municipal Financial Viability & Management		KPA 4		94	714	137	103	185	28	236	113	118
Institutional Development & Municipal Transformation		KPA 1		35	165	56	126	807	23	3,429	985	1,138
Good Governance, Intergovernmental Relations & Public Participation		KPA 2		421	1,858	386	1,912	1,937	1,030	1,872	957	982
Spatial Rationale		KPA 6		6,838	1,329	199	-	-	-	12,034	-	-
Allocations to other priorities			3									
Total Capital Expenditure			1	9,062	5,917	12,772	66,365	36,992	19,036	56,338	32,204	36,847

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the District has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

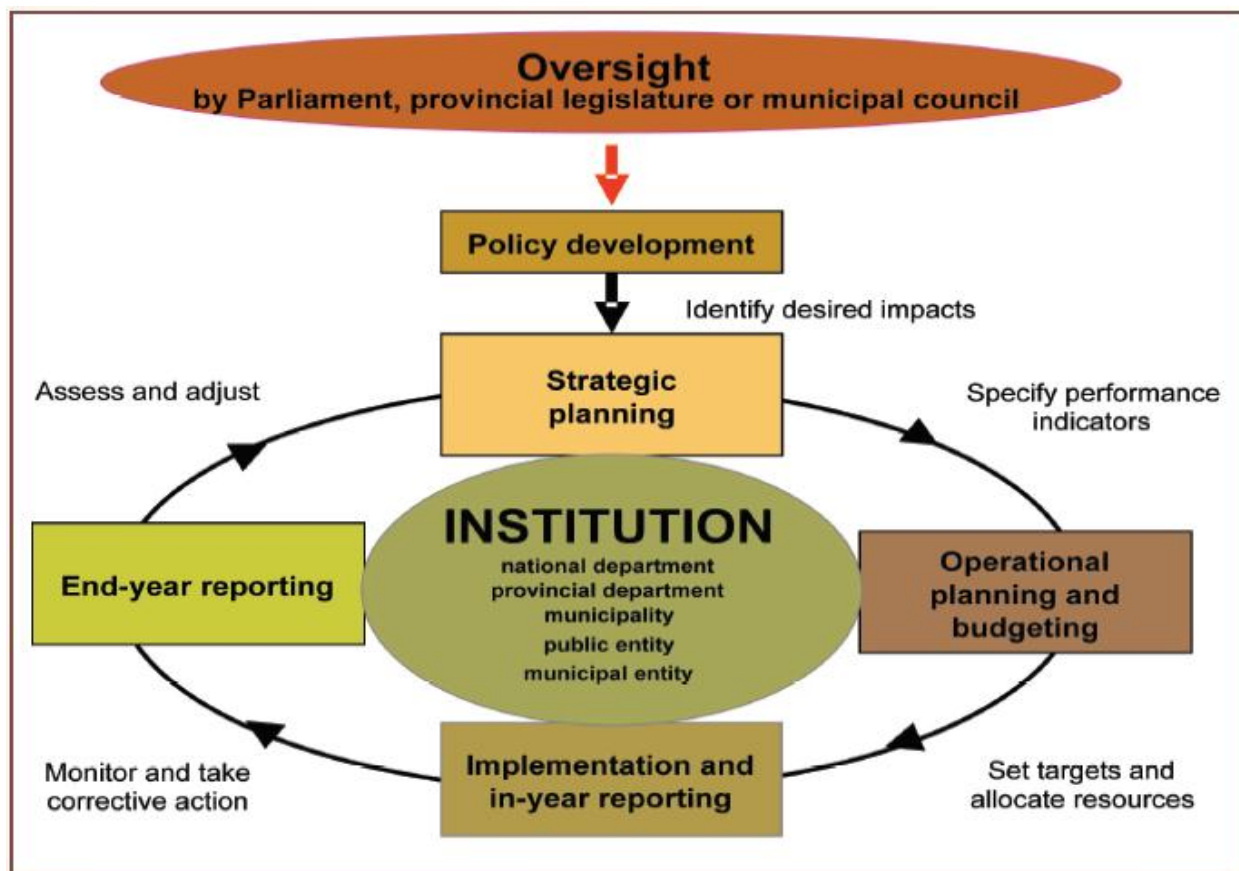


Figure 3 Planning, budgeting and reporting cycle

The performance of the District relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The District therefore has adopted one integrated performance management system which encompasses:

- É Planning (setting goals, objectives, targets and benchmarks);
- É Monitoring (regular monitoring and checking on the progress against plan);
- É Measurement (indicators of success);
- É Review (identifying areas requiring change and improvement);
- É Reporting (what information, to whom, from whom, how often and for what purpose); and
- É Improvement (making changes where necessary).

The performance information concepts used by the District in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

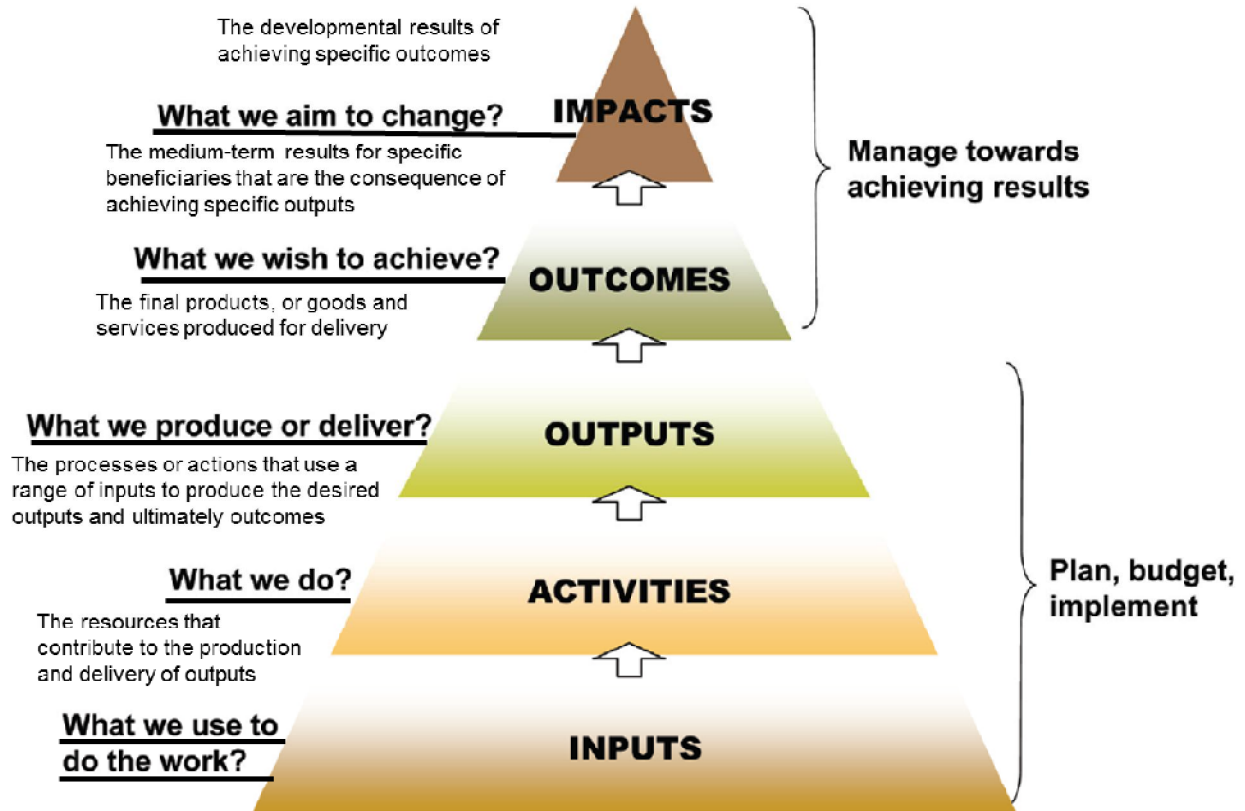


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 23 MBRR Table SA7 - Measurable performance objectives

DC31 Nkangala - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Municipal governance and administration										
EXECUTIVE & COUNCIL										
EXECUTIVE MAYOR										
<i>Insert measure/s description</i>										
MUNICIPAL MANAGER										
<i>Insert measure/s description</i>										
RISK UNIT										
<i>Insert measure/s description</i>										
INTERNAL AUDIT										
<i>Insert measure/s description</i>										
AUDIT COMMITTEE										
<i>Insert measure/s description</i>										
INFORMATION TECHNOLOGY										
<i>Insert measure/s description</i>										
ADMINISTRATION										
CORPORATE SERVICES										
<i>Insert measure/s description</i>										
HUMAN RESOURCES										
<i>Insert measure/s description</i>										
FINANCE - BUDGET & TREASURY OFFICE										
FINANCE										
<i>Insert measure/s description</i>										
INTERNS										
<i>Insert measure/s description</i>										
Community and public safety										
COMMUNITY & SOCIAL SERVICES										
FIRE										
<i>Insert measure/s description</i>										
REGIONAL FIRE										
<i>Insert measure/s description</i>										
CEMETERIES										
<i>Insert measure/s description</i>										
OTHER SOCIAL										
<i>Insert measure/s description</i>										
DISASTER										
<i>Insert measure/s description</i>										
HEALTH										
<i>Insert measure/s description</i>										
Economic and environmental services										
Technical Services and PMU										
PROJECT PLANNING										
<i>Insert measure/s description</i>										
ROADS										
<i>Insert measure/s description</i>										
LED AGENCY										
LED AGENCY										
<i>Insert measure/s description</i>										
TOURISM										
<i>Insert measure/s description</i>										
DPU AND IDP										
IDP										
<i>Insert measure/s description</i>										
PLANNING										
<i>Insert measure/s description</i>										
PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNIS										
DR JS MOROKA LOCAL MUNICIPALITY										
<i>Insert measure/s description</i>										
EMALAHLENI LOCAL MUNICIPALITY										
<i>Insert measure/s description</i>										
THEMBISILE HANI LOCAL MUNICIPALITY										
<i>Insert measure/s description</i>										
EMAKHAZENI LOCAL MUNICIPALITY										
<i>Insert measure/s description</i>										
STEVE TSHWETE LOCAL MUNICIPALITY										
<i>Insert measure/s description</i>										
VICTOR KHANYE LOCAL MUNICIPALITY										
<i>Insert measure/s description</i>										

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

Table 24 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>											
Credit Rating		AA	AA								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.7%	4.9%	3.5%	2.2%	2.1%	4.0%	3.8%	1.5%	3.2%	3.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	31.4%	32.9%	33.4%	54.6%	50.2%	50.5%	49.4%	53.2%	52.9%	60.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital Gearing</u>											
Long Term Borrowing/ Funds & Reserves	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	15.4	10.2	11.2	9.4	9.1	10.1	19.9	8.7	9.0	11.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	15.4	10.2	11.2	9.4	9.1	10.1	19.9	8.7	9.0	11.6
Liquidity Ratio	Monetary Assets/Current Liabilities	10.4	6.5	7.1	6.7	6.3	7.4	13.4	1.6	1.5	3.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		106.1%	99.3%	104.1%	93.1%	99.5%	99.9%	100.0%	99.7%	99.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			106.1%	99.3%	104.1%	93.1%	99.5%	99.9%	100.0%	99.7%	99.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	4.3%	5.8%	4.2%	4.2%	4.3%	4.5%	3.5%	3.0%	2.4%

Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0 %	100.0%	100.0 %	100.0%	100.0%	100.0 %	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		7.7%	12.9%	11.4%	50.7%	26.5%	11.7%	5.0%	49.0%	51.7%	22.4%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Volume Losses (kℓ)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	-	-	-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	9.6%	11.0%	11.6%	25.1%	21.1%	16.2%	13.7%	36.3%	35.8%	37.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	12.3%	13.7%	14.7%	29.5%	25.0%	19.7%		40.7%	40.6%	42.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.3%	0.5%	0.7%	1.8%	2.4%	1.1%		2.3%	1.9%	2.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.1%	4.1%	4.1%	4.6%	4.2%	3.8%	3.2%	3.8%	3.8%	3.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	1.0	1.0	1.2	1.1	1.1	1.1	0.7	0.9	0.9	0.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure	0.0%	5191.7%	7480.3 %	0.0%	13808.8%	13216.8%	16364.1%	11724.1%	8018.9 %	6292.5 %
iii. Cost coverage		114.6	105.6	92.0	11.5	23.3	78.3	92.2	4.0	3.6	7.6

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Nkangala District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the District's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2013/14 MTREF:

- É *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is estimated at 7.83% for 2013/14 and will decrease to 4.85% in 2015/16, as the municipality do not plan to enter into any external funding arrangements to fund its capital requirements over the medium term.
- É *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily decreased from 6.7 per cent in 2009/10 to 2.1 per cent in 2012/13 and projected as 4 per cent for 2013/14. This decrease can be attributed to the fact that the District decided not to take up more loans. It is estimated that the cost of borrowing as a percentage of the operating expenditure will stabilise at 3.7 per cent at the end of the MTREF.
- É *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is zero per cent.

The District's debt profile provides some interesting insights on the District's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the District to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. .

2.3.1.2 Safety of Capital

- É *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of borrowing, creditors and provisions as a percentage of community equity. This ratio is calculated ranging from 19.67% in 2013/14 to 13.24% in 2015/16 over the MTREF.

2.3.1.3 Liquidity

- É *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the District has set a limit of 1, hence at no point in time should this ratio be

less than 1. The 2011/12 current ratio of the District is 11.2 per cent. For the 2013/14 MTREF the current ratio is 8,7 in the 2013/14 financial year and 9.0 and 11.5 for the two outer years of the MTREF respectively.

É *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2012/13 financial year the ratio was 6.3 and decreased to 5.1 in the 2013/14 financial year.

2.3.1.4 Revenue Management

É With the abolishment of the RSC Levies the outstanding debtors has declined to a point where the total outstanding debtors to annual revenue is very positive. The estimated ratio for 2013/14 is 3.5 per cent and remains stable at 3.0 and 2.4 per cent for the two outer years.

2.3.1.5 Creditors Management

É The District has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the District, which is expected to benefit the District in the form of more competitive pricing of tenders, as suppliers compete for the District's business.

2.3.1.6 Other Indicators

É Employee costs as a percentage of operating revenue continues to remain stable at 36.3 per cent for the 2013/14 budget year and 37.4 percentage for the 2015/16 budget year.

É Repairs and maintenance as percentage of operating revenue is very low as the District has only the office building and Thembisile Hani roads as infrastructure assets.

É The filling of vacancies has commenced.

É Measures have been put in place to ensure that relevant officials comply with the extension of the minimum competency requirements;

2.4 Overview of budget related-policies

The District's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy as approved by Council in October 2003 and will be review in the 2013/14 year. While the adopted policy is credible, sustainable, manageable

and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors collection rate of 99 per cent on debtors. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District's cash levels.

2.4.2 Asset Management Policy

The asset management policy was adopted by Council in May 2012. The policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The depreciation and capitalization of assets are dealt with in terms of this policy. Provision has been made to review all budget related policies in the 2013/14 year. Minor changes were made to Asset Management Policy.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in October 2006. An amended policy will be adopted by Council in August 2008. The policy provides for processes to be followed in the procurement of goods and services. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procurement of goods and services, disposing of goods and selection of contractors in the provision of municipal services. Significant changes were made to this policy to include the new 2011 preferential procurement regulations, issues raised in circulars issued by National Treasury, making provision for local procurement to stimulate the local economy.

2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District's system of delegations. The Budget and Virement Policy was reviewed and no changes were made to the policy.

2.4.5 Cash Management and Investment Policy

The policy provides for the management of cash and investment of surplus funds. The aim of the policy is to ensure that surplus cash and investments are adequately managed especially the funds set aside for the cash banking of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks. This policy was reviewed during the budget process in 2013/14, the elimination of the 2.5% discount for early payment and other minor changes were made.

2.4.6 Donation Policy

The policy provides for the conditions and procedures for which donations can be made and accounted for. The policy was reviewed and no changes were made to the policy.

2.4.7 Fleet Management Policy

The purpose of the policy is to provide and maintain an effective and efficient fleet of vehicles, list of machinery and equipment, and manage such fleet in a manner that the Municipality's mission and fleet users' aspired goals are met in a cost effective way.

The policy will further provide for a framework for the use of logbook, petrol cards and vehicle keys. The policy aim to assign accountability and responsibility to relevant officials responsible for fleet assets.

Mainly only cosmetic changes was made to the policy.

All the above policies are available on the District's website.

2.5 Overview of budget assumptions

2.5.1 External factors

The Medium Term Budget Policy Statement 2012 notes that the South African economy is projected to grow by 2.5 per cent in 2012. By 2014 GDP growth is expected to reach 3.8 per cent, supported by expanding public sector investment in infrastructure, the activation of new electricity-generating capacity, improving public sector confidence, relatively low inflation and interest rates and strong growth in the Southern African region.

Specific interventions to achieve this include: investing in strategic infrastructure programmes, including electricity generation and transport capacity needed to open up new mining and industrial opportunities. Linked to this is strengthening municipal finances and investing in residential development and urban infrastructure.

The proposed spending framework approved by Cabinet takes account of the need to control spending growth over the medium term while increasing the efficiency of existing allocations to improve public services. As a result, the fiscus does not increase available funds beyond the 2012 budget baseline.

The labour market has deteriorated. The official unemployment rate rose to 25.5 per cent of the labour force in the third quarter of 2012 from 24.9 per cent in the second quarter according to the latest Quarterly Labour Force Survey. The total number of unemployed people stood at 4.67 million in the three months up to September, from 4.47 million in the second quarter. By the expanded definition of unemployment (including those who have stopped looking for work) unemployment increased to 36.3 per cent, from 36.2 per cent.

Consequently, municipal revenues and cash flows are expected to remain under pressure in 2013/14 and so municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts. Municipalities will have to carefully consider affordability of tariff increases especially as it relates to domestic consumers while considering the level of services versus the associated cost. Municipalities should also pay particular attention to managing revenue effectively and carefully evaluate all spending decisions. In generating capacity for spending on key municipal infrastructure municipalities will have to identify inefficiencies and eliminate non-priority spending.

Headline inflation forecasts:

Financial Year	2011 Actual	2012 Estimate	2013 Forecast	2014 Forecast	2015 Forecast
Headline CPI	5.0%	5.7%	5.5%	5.1%	4.9%
<i>Source: Medium Term budget Policy Statement 2012</i>					

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- É National Government macro economic targets;
- É The general inflationary outlook and the impact on District residents and businesses;
- É The impact of municipal cost drivers; and
- É Municipalities must take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25 per cent for the 2013/14 financial year. 6.85 per cent (5.7 per cent plus 1.25 per cent) and 2014/15 Financial Year 6.5 per cent (5.5 per cent plus 1 per cent)

2.5.3 Credit rating outlook**Table 25 Credit rating outlook**

Security class	Currency	Rating	Annual rating 2009/10	Previous Rating
National Short Term	Rand	F1+	31 March 2011	F1
National Long Term	Rand	AA-	31 March 2011	AA-
International	ZAR	BBB+	31 March 2011	BBB+

The Districts credit rating was done by Fitch Ratings, an international credit rating firm. Fitch's Ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(zaf)' for National ratings in South Africa.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The District engaged in a number of financing arrangements to minimise its interest rate costs and risk. However, in 2013/14 MTREF is based on the assumption that no additional borrowings are undertaken.

2.5.5 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (99 per cent) of budgeted income. Cash flow is assumed to be 99 per cent of budgeted income.

2.5.6 Salary increases

The multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015 is used as the basis. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25 per cent for the 2013/14 financial year. 6.85 per cent (5.7 per cent plus 1.25 per cent) and 2014/15 Financial Year 6.5 per cent (5.5 per cent plus 1 per cent)

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- É Creating jobs;
- É Enhancing education and skill development;
- É Improving Health services;
- É Rural development and agriculture; and
- É Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 60 per cent is achieved on operating expenditure and 60 per cent on the capital programme for the 2013/14 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 26 Breakdown of the operating revenue over the medium-term

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	34,074	31,136	30,257	23,453	18,180	16,013	13,344	18,060	17,435	15,757
Transfers recognised - operational	269,952	284,772	294,912	303,175	303,175	303,175	302,215	313,592	322,354	330,835
Other own revenue	2,894	6,225	4,985	1,576	3,608	3,614	3,395	1,971	2,018	2,082
Total Revenue (excluding capital transfers and contributions)	306,921	322,133	330,153	328,204	324,963	322,801	318,954	333,623	341,807	348,674

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

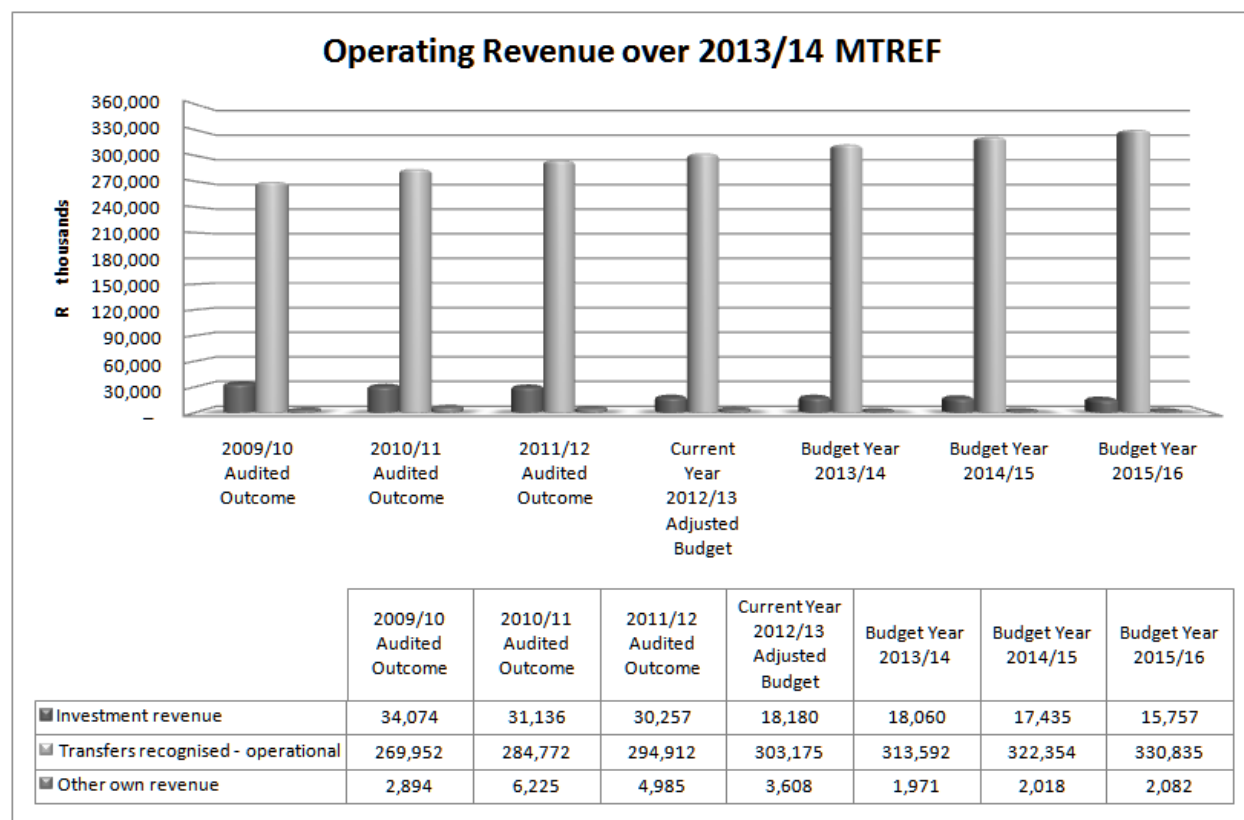


Figure 5 Breakdown operating revenue over the 2013/14 MTREF

Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants totalled R313,592 million or 94.00 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF.

Investment revenue is the second largest revenue source totalling 5.41 per cent or R18,060 million and decreases to R15,757 million by 2015/16. The third largest sources is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income

The tables below provide detail investment information and investment particulars by maturity.

Table 27 MBRR SA15 – Detail Investment Information

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
5 Major Banks (Call)		179,475	202,436	218,456	453,327	307,183	506,811	53,564	47,234	107,917
5 Major Banks (30 days)		79,000	118,170	113,000						
5 Major Banks (60 - 90 days)		167,000	132,721	105,609						
Investec (Long term)		8,185	35,464	38,855	35,464	35,464	38,855	32,922	37,218	0
Municipality sub-total	1	433,660	488,791	475,920	488,791	342,647	545,665	86,486	84,452	107,917
Consolidated total:		433,660	488,791	475,920	488,791	342,647	545,665	86,486	84,452	107,917

Table 28 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
Parent Municipality											
5 Mayor Banks		Call	Call		fixed	5.0%-5.45%	No	-	Call	187,520	
5 Mayor Banks		30 days	30 Days	yes	fixed	4.95% - 5.17%	No	-	30 days	65,885	380
5 Mayor Banks		60 - 90 Days	60 - 90 Days	yes	fixed	5.0% - 5.3%	No	-	60 - 90 Days	253,405	1,678
Investec		5 years	Long term	yes	fixed	8.28% - 9.77%	No	-	30 June 2013	10,229	
Investec Municipality sub-total		5 Years	Long term	yes	Variable	8.28% - 9.77%	No	-	07 September 2015	28,626	
										545,665	2,058

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surpluses be invested. This surplus is intended to partly fund contribution to local municipalities from own sources as well as ensure adequate cash backing of reserves and funds.

Operating Grants form a significant percentage of the revenue basket for the District. In the 2013/14 financial year, the operating grants totalled R313,592 million or 94.00 per cent. This increases to R322,354 million and R330,835 million in the respective financial years of the MTREF and includes the RSC Levy Replacement, local government equitable share and other operating grants from national government.

Investment revenue is the second largest revenue source totalling 5.41 per cent or R18,060 million and decreases to R15,757 million by 2015/16. The third largest sources is other revenue which consists of various items such as income received from discounts, sale of tender documents and sundry income.

The following table is a detailed analysis of the District's borrowing liability.

Table 29 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality										
Long-Term Loans (annuity/reducing balance)		51,514	45,632	39,906	40,246	40,572	40,572	34,533	28,313	21,711
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases					326					
PPP liabilities										
Finance Granted By Cap										
Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	51,514	45,632	39,906	40,572	40,572	40,572	34,533	28,313	21,711

The following graph illustrates the growth in outstanding borrowing for the 2009/10 to 2015/16 period.

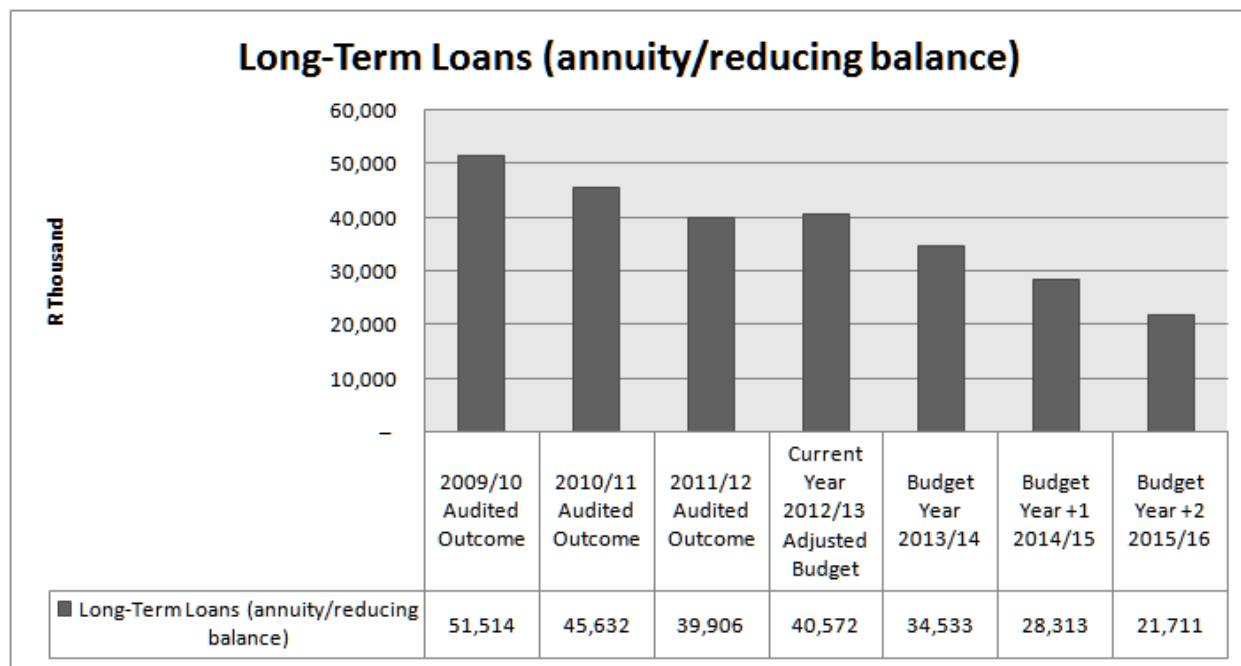


Figure 6 Decline in outstanding borrowing (long-term liabilities)

Table 30 MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		269,708	284,650	294,224	303,175	303,175	303,175	313,592	322,354	330,835
Local Government Equitable Share		11,114	16,858	19,488	19,030	19,030	19,030	19,749	20,446	21,455
RSC Levy Replacement		256,825	265,446	272,506	280,681	280,681	280,681	289,101	297,774	305,153
Finance Management		750	1,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Municipal Systems Improvement		735	750	1,000	1,000	1,000	1,000	890	934	967
EPWP Incentive		285	596		1,214	1,214	1,214	1,000		
Rural Roads Asset Management Grant								1,602	1,950	2,010
Provincial Government:		-	-	-	-	-	-	-	-	-
Rural Roads Asset Management Grant										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	269,708	284,650	294,224	303,175	303,175	303,175	313,592	322,354	330,835
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		269,708	284,650	294,224	303,175	303,175	303,175	313,592	322,354	330,835

2.6.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- É Clear separation of receipts and payments within each cash flow category;
- É Clear separation of capital and operating receipts from government, which also enables cash from Ratepayers and other to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- É Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 31 MBRR Table A7 - Budget cash flow statement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		3,070	6,184	5,190	1,467	3,590	3,608	3,395	1,966	2,013	2,077
Government - operating	1	269,775	284,772	294,685	303,175	303,175	303,175	302,215	313,592	322,354	330,835
Government - capital	1										
Interest		34,076	31,177	30,277	23,562	18,198	16,018	13,344	18,065	17,440	15,762
Dividends											
Payments											
Suppliers and employees		(127,413)	(72,265)	(77,205)	(145,543)	(156,707)	(86,154)	(123,485)	(281,358)	(262,615)	(235,006)
Finance charges		(3,536)	(3,353)	(5,973)	(8,601)	(5,871)	(4,842)	(4,035)	(5,778)	(5,647)	(5,930)
Transfers and Grants	1	(115,633)	(179,054)	(248,857)	(449,856)	(358,673)	(140,085)	(119,586)	(439,454)	(41,731)	(40,550)
NET CASH FROM/(USED) OPERATING ACTIVITIES		60,339	67,461	(1,882)	(275,797)	(196,288)	91,719	71,848	(392,967)	31,813	67,188
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments		(872)	(27,279)	(3,391)	-	-	-	-	5,933	(4,296)	37,218
Payments											
Capital assets		(5,076)	(12,772)	(7,020)	(66,365)	(36,992)	(19,036)	(9,031)	(56,338)	(32,204)	(36,847)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5,948)	(40,051)	(10,410)	(66,365)	(36,992)	(19,036)	(9,031)	(50,405)	(36,500)	371
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(4,444)	(5,651)	(5,811)	(5,060)	(5,060)	(5,060)	(4,238)	(4,874)	(4,643)	(4,875)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4,444)	(5,651)	(5,811)	(5,060)	(5,060)	(5,060)	(4,238)	(4,874)	(4,643)	(4,875)
NET INCREASE/ (DECREASE) IN CASH HELD		49,947	21,759	(18,104)	(347,222)	(238,340)	67,624	58,578	(448,246)	(9,330)	62,683
Cash/cash equivalents at the year begin:	2	394,446	444,393	466,152	466,152	466,152	448,048	466,152	515,672	67,425	58,095
Cash/cash equivalents at the year end:	2	444,393	466,152	448,048	118,930	227,812	515,672	524,730	67,425	58,095	120,778

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

It can be seen that the cash levels of the District raised from R394,446 million over the 2009/10 to R448,048 million in 2011/12 period.

The approved 2012/13 MTREF provide for a further net decrease in cash to R227,812 million for the 2012/13 financial year resulting in an overall projected positive cash position of R515,672 million at year end.

Cash and cash equivalents totals R67,425 million as at the end of the 2013/14 financial year and escalates to R120,778 million by 2015/16.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- É What are the predicted cash and investments that are available at the end of the budget year?
- É How are those funds used?
- É What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be funded. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 32 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	444,393	466,152	448,048	118,930	227,812	515,672	524,730	67,425	58,095	120,778
Other current investments > 90 days		0	0	-	347,222	211,943	(0)	(0)	(0)	-	-
Non current assets - Investments	1	8,185	35,464	38,855	35,464	35,464	38,855	38,855	32,922	37,218	0
Cash and investments available:		452,578	501,616	486,903	501,616	475,219	554,526	563,584	100,347	95,313	120,778
<u>Application of cash and investments</u>											
Unspent conditional transfers		809	688	-	688	688	688	960	-	-	-
Unspent borrowing Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	4,320	46,718	31,008	47,577	46,611	46,563	11,901	21,345	19,840	18,637
Other provisions Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		5,129	47,406	31,008	48,265	47,299	47,251	12,861	21,345	19,840	18,637
Surplus(shortfall)		447,449	454,210	455,895	453,351	427,921	507,276	550,723	79,002	75,474	102,142

From the above table it can be seen that the cash and investments available total R21,336million in the 2013/14 financial year and progressively decrease to R18,834 million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- É The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 . Funding a Municipal Budget.
- É In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

- É The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be funded.
- É Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- É From the table it can be seen that for the period 2009/10 to 2012/13 the surplus decreased from R447,449 million to R455,898 million.
- É Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2012/13 MTREF was sufficiently funded.
- É As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

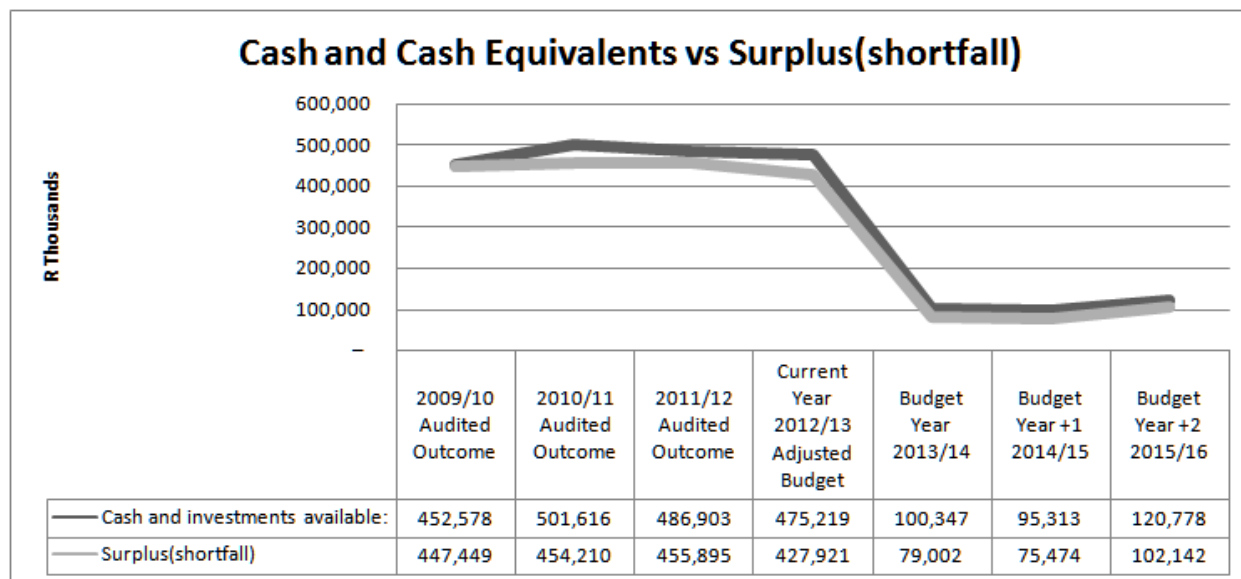


Figure 7 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 33 MBRR SA10 – Funding compliance measurement

Description	MFM A section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1) b	1	444,393	466,152	448,048	118,930	227,812	515,672	524,730	67,425	58,095	120,778
Cash + investments at the yr end less applications - R'000	18(1) b	2	447,449	454,210	455,895	453,351	427,921	507,276	550,723	79,002	75,474	102,142
Cash year end/monthly employee/supplier payments	18(1) b	3	114.6	105.6	92.0	11.5	23.3	78.3	92.2	4.0	3.6	7.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565	59,711
Service charge rev % change - macro CPIX target exclusive	18(1) a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1) a,(2)	6	106.1%	99.3%	104.1%	93.1%	99.5%	99.9%	100.0%	99.7%	99.8%	99.7%
Debt impairment expense as a % of total billable revenue	18(1) a,(2)	7	4.0%	2.3%	6.9%	0.0%	50.0%	0.0%	0.0%	20.0%	11.8%	11.8%
Capital payments % of capital expenditure	18(1) c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1) c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1) a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1) a	11	N.A.	(50.9%)	39.6%	(28.4%)	0.6%	0.0%	3.2%	(15.1%)	(12.8%)	(17.6%)
Long term receivables % change - incr(decr)	18(1) a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1) (vi)	13	1.2%	1.9%	2.7%	4.0%	5.4%	3.7%	8.6%	6.8%	4.7%	4.9%
Asset renewal % of capital budget	20(1) (vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.6.4.1 Cash/cash equivalent position

The District's forecast cash position was discussed as part of the budgeted cash flow statement. A positive cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2013/14 MTREF shows R67,425 million, R58,095 million and R120,778 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 18, on page 27. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the District to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. The ratio has been increasing for the period 2009/10 to 2012/13, moving from 114.6 to 9.20 with the adopted 2013/14 MTREF. As part of the 2013/14 MTREF the municipalities improving Project expenditure the cash position causes the ratio to down to 78.3 and then declines to 4 for the 2013/14 and move slightly upwards to 7.6 in the 2015/16 year. It can be concluded that the District maintains a stable cash position.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An adjusted surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

The surplus excluding depreciation offsets decreased from R132,501 million in 2009/2010 to a deficit of R2,091 million in 2011/12. It should be noted that the deficit of R399,847million estimated in 2013/14 is mainly due to the current commitments on contributions to local municipalities, which is funded from accumulated surpluses.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

This ratio does not apply to the District as no property rates /service charges is collected by the District.

2.6.4.6 Cash receipts as a percentage of other revenue

This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 100 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has no billable revenue.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. No additional borrowings are undertaken.

2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The District has budgeted for all transfers.

2.6.4.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding consumer debtors are realistic. With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has no consumer debtors.

2.6.4.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the District's strategy pertaining to asset management and repairs and maintenance are contained in Table 47 MBRR SA34C on page 101.

2.6.4.13 Asset renewal/rehabilitation expenditure level

The District's only infrastructure assets are Thembisile Hani roads. This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for repairs and maintenance budgets.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 34 MBRR SA19 - Expenditure on transfers and grant programmes

Nkangala District Municipality DC31 - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		269,708	284,650	294,224	301,961	301,961	301,961	313,592	322,354	330,835
Local Government Equitable Share		11,114	16,858	19,468	19,030	19,030	19,030	19,749	20,446	21,455
RSC Levy Replacement		256,825	265,446	272,506	280,681	280,681	280,681	289,101	297,774	305,153
Finance Management		750	1,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Municipal Systems Improvement		735	750	1,000	1,000	1,000	1,000	890	934	967
EPWP Incentive		285	596					1,000		
Rural Roads Asset Management Grant								1,602	1,950	2,010
Total operating expenditure of Transfers and Grants:		269,708	284,650	294,224	301,961	301,961	301,961	313,592	322,354	330,835
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		269,708	284,650	294,224	301,961	301,961	301,961	313,592	322,354	330,835

Table 35 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Operating transfers and grants:</u>	1, 3									
National Government:										
Balance unspent at beginning of the year		809	688		-					
Current year receipts		269,708	284,650	294,224	303,175	303,175	303,175	313,592	322,354	330,835
Conditions met - transferred to revenue		270,517	285,338	294,224	303,175	303,175	303,175	313,592	322,354	330,835
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		270,517	285,338	294,224	303,175	303,175	303,175	313,592	322,354	330,835
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		270,517	285,338	294,224	303,175	303,175	303,175	313,592	322,354	330,835
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.8 Councillor and employee benefits

Table 36 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Councillors (Political Office Bearers plus Other)</u>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		7,846	5,146	6,320	10,547	7,933	6,594	11,069	11,778	12,532
Pension and UIF Contributions		112	692	959	-	1,040	1,034	-	-	-
Medical Aid Contributions		40	212	150	-	205	201	-	-	-
Motor Vehicle Allowance		383	2,031	2,466	2,637	2,610	2,593	2,767	2,944	3,133
Cell phone Allowance		147	309	360	403	490	468	424	452	480
Housing Allowances		-	198	-	-	-	-	-	-	-
Other benefits and allowances		-	2	-	917	450	316	318	1,011	1,011
Sub Total - Councillors % increase	4	8,529	8,589 0.7%	10,255 19.4%	14,504 41.4%	12,728 (12.2%)	11,205 (12.0%)	14,579 30.1%	16,185 11.0%	17,156 6.0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		3,238	3,669	4,768	5,624	5,624	5,624	5,617	5,976	6,358
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus		271			844	844	844	786	837	890
Motor Vehicle Allowance	3	637	754	644						
Cell phone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3	248	295	344						
Payments in lieu of leave										
Long service awards										
Post-retirement benefit oblig	6									
Sub Total - Senior Managers % increase	4	4,393	4,717 7.4%	5,756 22.0%	6,468 12.4%	6,468 -	6,468 -	6,403 (1.0%)	6,813 6.4%	7,249 6.4%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		17,511	22,326	24,659	61,257	48,724	34,876	90,935	90,393	96,178
Pension and UIF Contributions		2,432	2,804	3,207	5,241	5,630	4,835	8,626	9,178	9,765
Medical Aid Contributions		2,597	3,362	2,074	4,253	2,982	2,449	8,463	9,005	9,581
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,965	2,054	2,206	3,281	3,635	3,469	3,527	3,753	3,993
Cell phone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	139	79	70	1,296	155	76	1,918	2,041	2,172
Other benefits and allowances	3	308	214	259	598	850	241	1,229	1,304	1,384
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligat	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff % increase	4	24,951	30,839 23.6%	32,475 5.3%	75,925 133.8%	61,976 (18.4%)	45,947 (25.9%)	114,698 149.6%	115,673 0.9%	123,073 6.4%
Total Parent Municipality		37,873	44,145	48,486	96,897	81,172	63,620	135,680	138,671	147,478
TOTAL SALARY, ALLOW & BENEF		37,873	44,145	48,486	96,897	81,172	63,620	135,680	138,671	147,478
% increase	4		16.6%	9.8%	99.8%	(16.2%)	(21.6%)	113.3%	2.2%	6.4%
TOTAL MANAGERS AND STAFF	5,7	29,344	35,556	38,231	82,393	68,444	52,415	121,101	122,486	130,322

Table 37 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Rand per annum								
Councillors	3							
Speaker	4		629,184		178,529			807,713
Chief Whip			629,184		178,529			807,713
Executive Mayor			838,912		252,284			1,091,196
Deputy Executive Mayor			-		-			-
Executive Committee			3,775,105		1,071,176			4,846,281
Total for all other councillors			5,197,047		1,829,004			7,026,051
Total Councillors	8	-	11,069,433	-	3,509,522			14,578,955
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,549,970			216,996		1,766,966
Chief Finance Officer			1,016,647			142,331		1,158,977
Director Technical Services			1,016,647			142,331		1,158,977
Director Social Services			1,016,647			142,331		1,158,977
Director Corporate Services			1,016,647			142,331		1,158,977
<i>List of each official with packages >= senior manager</i>								-
Total Senior Managers of the Municipality	8,10	-	5,616,557	-	-	786,318		6,402,875
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	16,685,990	-	3,509,522	786,318		20,981,830

Table 38 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	Ref 1,2	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positi ons	Perma nent emplo yees	Contr act emplo yees	Positi ons	Perma nent emplo yees	Contrac t emplo yees	Positi ons	Perma nent emplo yees	Contrac t emplo yees
Municipal Council and Boards of Municipal Entities Councillors (Political Office Bearers plus Other Councillors')		55		53	59		59	59		59
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		4	5		5	5		5
Other Managers	7	19		8	33		33	31		31
Professionals		19	1	16	20	7	13	19	7	12
<i>Finance</i>		1	1		7	6	1	7	6	1
<i>Spatial/town planning</i>		4		3	1		1	1		1
<i>Information Technology</i>		1		1	2		2	2		2
<i>Roads</i>		1		1	1		1	1		1
<i>Electricity</i>		1		1	1		1	1		1
<i>Water</i>		1		1	1		1	1		1
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		10		9	7	1	6	6	1	5
Technicians		19	13	4	88	88	–	109	109	–
<i>Finance</i>		1		1	13	13		13	13	
<i>Spatial/town planning</i>		3		3	6	6		5	5	
<i>Information Technology</i>		2	2		4	4		4	4	
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		13	11		65	65		87	87	
Clerks (Clerical and administrative)		47	29	4						
Service and sales workers		31	23		55	55		59	59	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations		5	2							
TOTAL PERSONNEL NUMBERS	9	200	68	89	260	150	110	282	175	107
% increase					30.0%	120.6%	23.6%	8.5%	16.7%	(2.7%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	28	11	3	29	24	5	29	24	5
Human Resources personnel headcount	8, 10		2		5	1	4	5	1	4

2.9 Monthly targets for revenue, expenditure and cash flow

Table 39 MBRR SA25 - Budgeted monthly revenue by source and expenditure by type

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source	-															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		8	8	8	8	8	8	8	8	8	8	8	8	100	128	134
Interest earned - external investments		1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	18,060	17,435	15,757
Interest earned - outstanding debtors		0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		105,624	-	-	-	103,484	-	-	103,484	-	-	-	1,000	313,592	322,354	330,835
Other revenue		-	-	-	73	73	73	73	73	73	73	73	1,286	1,866	1,885	1,943
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers & contrib)		107,138	1,514	1,514	1,586	105,070	1,586	1,586	105,070	1,586	1,586	1,586	3,800	333,623	341,807	348,674

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type	-															
Employee related costs		10,011	10,011	10,011	10,011	10,011	10,011	10,011	10,011	10,011	10,011	10,011	10,983	121,101	122,486	130,322
Remuneration of councillors		1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	14,579	16,185	17,156
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	20	20	15	16
Depreciation & asset impairment		572	572	572	572	572	572	572	572	572	572	572	572	6,861	7,233	7,461
Finance charges		-	-	1,600	-	-	1,175	-	-	1,600	-	-	1,403	5,778	5,647	5,930
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		61	56	63	56	56	56	57	58	62	57	56	72	709	649	557
Contracted services		847	727	1,325	727	727	1,005	727	776	1,055	753	752	1,480	10,899	10,048	10,576
Transfers and grants		17,794	27,004	28,972	35,212	38,772	40,184	39,396	44,599	45,605	43,222	37,817	40,877	439,454	41,731	40,550
Other expenditure		11,761	7,618	15,066	9,230	10,043	7,518	9,974	8,968	9,695	10,321	7,471	26,404	134,069	113,247	76,395
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		42,260	47,202	58,824	57,022	61,396	61,735	61,951	66,198	69,815	66,150	57,893	83,026	733,471	317,241	288,963
Surplus/(Deficit)		64,878	(45,688)	(57,310)	(55,436)	43,675	(60,148)	(60,365)	38,872	(68,229)	(64,564)	(56,306)	(79,226)	(399,847)	24,565	59,711
Transfers recognised - capital														-	-	-
Contributions recognised - capital														-	-	-
Contributed assets														-	-	-
Surplus/(Deficit) after capital transfers & contributions		64,878	(45,688)	(57,310)	(55,436)	43,675	(60,148)	(60,365)	38,872	(68,229)	(64,564)	(56,306)	(79,226)	(399,847)	24,565	59,711
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	64,878	(45,688)	(57,310)	(55,436)	43,675	(60,148)	(60,365)	38,872	(68,229)	(64,564)	(56,306)	(79,226)	(399,847)	24,565	59,711

Table 40 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	-															
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - ADMINISTRATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE		106,248	1,514	1,514	1,586	105,070	1,586	1,586	105,070	1,586	1,586	1,586	3,800	332,733	340,873	347,707
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services and PMU		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - DPU AND IDP		890	-	-	-	-	-	-	-	-	-	-	-	890	934	967
Vote 7 - PLANNING & DEVELOPMENT CONTR LMS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - LED AGENCY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure by Vote to be appropriated	-															
Vote 1 - EXECUTIVE & COUNCIL		16,071	14,411	19,399	16,325	13,212	12,109	14,997	15,785	13,697	14,791	11,630	19,174	181,601	133,142	47,881
Vote 2 - ADMINISTRATION		2,479	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	2,434	4,002	30,816	23,477	25,111
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE		1,675	1,874	3,774	2,602	2,795	3,289	3,459	3,408	5,189	3,432	3,533	4,785	39,815	28,200	29,836
Vote 4 - COMMUNITY & SOCIAL SERVICES		4,690	4,494	5,857	4,594	4,768	7,387	4,853	5,193	6,193	4,924	5,071	14,166	72,190	70,242	70,287
Vote 5 - Technical Services and PMU		2,520	2,871	3,178	3,542	4,221	1,607	1,557	3,335	3,335	3,335	3,128	3,056	35,686	33,702	1,537
Vote 6 - DPU AND IDP		2,862	3,204	3,095	3,374	2,982	3,719	3,260	3,350	3,639	3,442	2,879	6,511	42,317	28,483	14,311
Vote 7 - PLANNING & DEV CONTR TO LOCAL MUNI'S		11,964	17,915	21,087	24,151	30,984	31,190	31,391	32,692	35,328	33,794	29,218	31,332	331,046	-	-
Vote 8 - LED AGENCY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		42,260	47,202	58,824	57,022	61,396	61,735	61,951	66,198	69,815	66,150	57,893	83,026	733,471	317,241	288,963
Surplus/(Deficit)	1	64,878	(45,688)	(57,310)	(55,436)	43,675	(60,148)	(60,365)	38,872	(68,229)	(64,564)	(56,306)	(79,226)	(399,847)	24,565	59,711

Table 41 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard	-															
<i>Governance and administration</i>		106,248	1,514	1,514	1,586	105,070	1,586	1,586	105,070	1,586	1,586	1,586	3,800	332,733	340,873	347,707
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		106,248	1,514	1,514	1,586	105,070	1,586	1,586	105,070	1,586	1,586	1,586	3,800	332,733	340,873	347,707
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		890	-	-	-	-	-	-	-	-	-	-	-	890	934	967
Planning and development		890	-	-	-	-	-	-	-	-	-	-	-	890	934	967
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		107,138	1,514	1,514	1,586	105,070	1,586	1,586	105,070	1,586	1,586	1,586	3,800	333,623	341,807	348,674

Expenditure - Standard	-															
Governance and administration		10,640	12,028	15,355	13,846	10,254	11,764	14,649	14,358	13,314	14,272	11,166	21,182	162,829	127,237	136,198
Executive and council		6,646	7,855	9,282	8,945	5,159	6,176	8,890	8,651	5,826	8,542	5,334	(7,576)	73,731	70,375	75,713
Budget and treasury office		1,460	1,684	3,583	2,411	2,605	3,099	3,269	3,218	4,999	3,241	3,343	4,485	37,398	25,681	27,172
Corporate services		2,534	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	24,273	51,700	31,181	33,312
Community and public safety		2,850	2,651	3,909	2,702	2,775	5,394	2,791	3,110	3,862	2,855	2,922	11,316	47,138	44,258	42,793
Community and social services		1,003	909	1,055	919	929	2,125	939	949	1,090	954	959	1,805	13,639	12,738	13,446
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		1,847	1,742	2,854	1,783	1,845	3,269	1,851	2,160	2,772	1,901	1,963	9,512	33,499	31,520	29,348
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		25,091	31,931	37,218	38,940	47,776	43,540	43,526	47,744	51,747	48,431	42,912	49,136	507,993	145,746	106,072
Planning and development		20,730	27,079	31,946	33,352	41,391	39,712	39,720	42,123	45,879	42,817	37,417	44,511	446,677	86,586	77,678
Road transport		2,417	2,888	3,195	3,559	4,238	1,625	1,575	3,352	3,352	3,352	3,145	875	33,574	32,276	-
Environmental protection		1,945	1,963	2,076	2,029	2,147	2,203	2,231	2,269	2,516	2,262	2,350	3,749	27,741	26,884	28,394
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		3,678	592	2,342	1,533	592	1,036	986	986	892	592	892	1,392	15,511	-	3,900
Total Expenditure - Standard		42,260	47,202	58,824	57,022	61,396	61,735	61,951	66,198	69,815	66,150	57,893	83,026	733,471	317,241	288,963
Surplus/(Deficit) before assoc. Share of surplus/ (deficit) of associate		64,878	(45,688)	(57,310)	(55,436)	43,675	(60,148)	(60,365)	38,872	(68,229)	(64,564)	(56,306)	(79,226)	(399,847)	24,565	59,711
Surplus/(Deficit)	1	64,878	(45,688)	(57,310)	(55,436)	43,675	(60,148)	(60,365)	38,872	(68,229)	(64,564)	(56,306)	(79,226)	(399,847)	24,565	59,711

Table 42 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE & COUNCIL		72	72	77	75	72	74	325	72	326	1,116	77	235	2,590	1,908	1,974
Vote 2 - ADMINISTRATION		19	19	19	19	19	19	19	19	19	269	519	1,769	2,730	250	367
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE		-	-	-	2	2	-	13	29	29	129	29	2	236	113	118
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	250	-	150	200	300	-	-	350	-	22,403	23,653	17,933	22,100
Vote 5 - Technical Services and PMU		472	1,062	2,171	2,481	2,584	861	530	895	1,176	1,256	961	647	15,095	12,000	12,288
Vote 6 - DPU AND IDP		560	840	1,959	2,099	1,399	700	630	700	840	979	770	560	12,034	-	-
Vote 7 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS TO LOCAL MUNI'S	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - LED AGENCY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	2	1,122	1,992	4,476	4,675	4,226	1,853	1,817	1,715	2,390	4,100	2,355	25,616	56,338	32,204	36,847
Total Capital Expenditure	2	1,122	1,992	4,476	4,675	4,226	1,853	1,817	1,715	2,390	4,100	2,355	25,616	56,338	32,204	36,847

Table 43 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	R ef	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure - Standard	1															
Governance and administration		91	91	91	96	92	91	257	120	370	1 515	625	1 998	5 536	2 054	2 238
Executive and council		72	72	72	75	72	72	335	100	350	1 244	105	228	2 794	1 792	1 857
Budget and treasury office		-	-	-	2	2	-	3	2	2	2	2	-	12	13	13
Corporate services		19	19	19	19	19	19	19	19	19	269	519	1 769	2 730	250	367
Community and public safety		560	840	2 209	2 099	1 549	900	930	700	840	1 329	770	22 543	35 267	17 933	22 100
Community and social services		-	-	-	-	-	200	-	-	-	-	-	200	400	78	80
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		560	840	2 209	2 099	1 549	700	930	700	840	1 329	770	22 343	34 867	17 855	22 020
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		472	1 062	2 176	2 481	2 584	863	530	895	1 180	1 256	961	1 076	15 535	12 216	12 510
Planning and development		-	-	5	-	-	2	-	-	4	-	-	9	20	216	222
Road transport		472	1 062	2 171	2 481	2 584	861	530	895	1 176	1 256	961	647	15 095	12 000	12 288
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	420	420	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	1,122	1,992	4,476	4,675	4,226	1,853	1,817	1,715	2,390	4,100	2,355	25,616	56,338	32,204	36,847

Table 44 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source																
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	100	128	134	
Interest earned - external investments	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	18,060	17,435	15,757	
Interest earned - outstanding debtors	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6	
Transfer receipts - operational	-	-	-	73	73	73	73	73	73	73	73	313,012	313,592	322,354	330,835	
Other revenue	105,624	-	-	-	103,484	-	-	103,484	-	-	-	(310,726)	1,866	1,885	1,943	
Cash Receipts by Source	107,138	1,514	1,514	1,586	105,070	1,586	1,586	105,070	1,586	1,586	1,586	3,800	333,623	341,807	348,674	
Other Cash Flows by Source																
Decrease (increase) in non-current investm												5,933	5,933	(4,296)	37,218	
Total Cash Receipts by Source	107,138	1,514	1,514	1,586	105,070	1,586	1,586	105,070	1,586	1,586	1,586	9,733	339,556	337,510	385,892	
Cash Payments by Type																
Employee related costs	9,010	9,010	9,010	9,010	9,010	9,010	9,010	9,010	9,010	9,010	9,010	21,995	121,101	122,486	130,322	
Remuneration of councillors	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	14,579	16,185	17,156	
Finance charges	-	-	1,600	-	-	1,175	-	-	1,600	-	-	1,403	5,778	5,647	5,930	
Other materials	61	56	63	56	56	56	57	58	62	57	56	72	709	649	557	
Contracted services	847	727	1,325	727	727	1,005	727	776	1,055	753	752	1,480	10,899	10,048	10,576	
Transfers and grants - other municipalities	10,676	16,202	17,383	21,127	23,263	24,110	23,638	26,759	27,363	25,933	22,690	200,308	439,454	41,731	40,550	
Transfers and grants - other												-				
Other expenditure	8,233	5,333	10,546	6,461	7,030	5,262	6,982	6,277	6,787	7,225	5,230	58,704	134,069	113,247	76,395	
Cash Payments by Type	30,041	32,542	41,142	38,595	41,301	41,833	41,628	44,095	47,092	44,192	38,952	285,177	726,590	309,994	281,486	
Other Cash Flows/Payments by Type																
Capital assets	1,014	1,714	3,582	3,910	3,494	1,721	1,417	1,594	2,203	2,159	1,699	31,832	56,338	32,204	36,847	
Repayment of borrowing	-	-	1,082	-	-	1,355	-	-	1,082	-	-	1,355	4,874	4,643	4,875	
Total Cash Payments by Type	31,055	34,256	45,806	42,505	44,795	44,909	43,045	45,689	50,377	46,352	40,650	318,364	787,802	346,840	323,209	
NET INCREASE/(DECREASE) IN CASH HELD	76,083	(32,742)	(44,292)	(40,919)	60,275	(43,323)	(41,459)	59,382	(48,790)	(44,765)	(39,064)	(308,631)	(448,246)	(9,330)	62,683	
Cash/cash equivalents at the month/year begin:	515,672	591,754	559,012	514,720	473,801	534,077	490,754	449,295	508,677	459,886	415,121	376,057	515,672	67,425	58,095	
Cash/cash equivalents at the month/year end:	591,754	559,012	514,720	473,801	534,077	490,754	449,295	508,677	459,886	415,121	376,057	67,425	67,425	58,095	120,778	

Table 45 MBRR SA34a – Capital expenditure on new assets by class

DC31 Nkangala - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	1,070	2,459	40,763	12,174	12,760	15,095	12,000	12,288
Infrastructure - Road transport		–	1,070	2,459	40,763	12,174	12,760	15,095	12,000	12,288
Roads, Pavements & Bridges		–	1,070	2,459	40,763	12,174	12,760	15,095	12,000	12,288
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		–	–	–	–	–	–	–	–	–
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management		–	–	–	–	–	–	–	–	–
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		–	–	–	6,003	5,956	3,546	4,845	3,415	3,497
Parks & gardens		–	–	–	–	–	–	–	–	–
Sportsfields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		–	–	–	–	–	–	–	–	–
Fire, safety & emergency		–	–	–	6,003	5,956	3,546	4,845	3,415	3,497
Security and policing		–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	–	–	–	–	–
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		9,062	4,847	10,313	19,599	18,861	2,730	33,898	16,788	21,062
General vehicles		607	1,078	2,170	–	–	–	1,379	–	–
Specialised vehicles		–	–	–	4,909	4,879	–	5,605	3,415	3,497
Plant & equipment		6,818	391	1,472	193	276	15	1,724	272	387
Computers - hardware/equipment		–	–	–	907	984	908	850	758	795
Furniture and other office equipment		1,529	2,539	806	1,058	1,431	254	1,232	1,138	1,171
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		107	839	5,853	12,446	10,691	1,535	23,018	11,109	15,112
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	–	13	85	600	17	90	95	100
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	2,500	–	–
Computers - software & programming		–	–	–	–	–	–	2,500	–	–
Other (list sub-class)		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	9,062	5,917	12,772	66,365	36,992	19,036	56,338	32,204	36,847
Specialised vehicles		–	–	–	4,909	4,879	–	5,605	3,415	3,497
Refuse		–	–	–	4,909	4,879	–	5,605	3,415	3,497
Fire		–	–	–	–	–	–	–	–	–
Conservancy		–	–	–	–	–	–	–	–	–
Ambulances		–	–	–	–	–	–	–	–	–

Table 46 MBRR SA34c – Repairs & Maintenance by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		569	1,077	1,154	4,656	6,830	2,792	6,324	5,250	5,515
General vehicles		83	191	135	412	450	303	1,467	185	195
Specialised vehicles		43	-	-	-	-	-	-	-	-
Plant & equipment		34	1	-	104	58	31	110	92	99
Computers - hardware/equipment		-	-	-	819	300	15	437	460	483
Furniture and other office equipment		121	283	53	21	21	-	19	8	9
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	603	966	-	-	-	-	-	-
Other Buildings		288	-	-	3,300	6,000	2,443	4,291	4,505	4,730
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		420	531	1,181	1,125	931	775	1,248	1,314	1,381
Computers - software & programming		420	531	1,181	1,125	931	775	1,248	1,314	1,381
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	989	1,608	2,335	5,781	7,760	3,566	7,572	6,564	6,896
Specialised vehicles		43	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		43	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		1.2%	1.9%	2.7%	4.0%	5.4%	3.7%	6.8%	4.7%	4.9%
R&M as % Operatina Expenditure		0.6%	0.6%	0.7%	0.9%	1.5%	1.4%	1.0%	2.1%	2.4%

DC31 Nkangala - Supporting Table SA34d Depreciation by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		256	309	353	304	368	352	320	338	348
Infrastructure - Road transport		256	309	353	304	368	352	320	338	348
Roads, Pavements & Bridges		256	309	353	304	368	352	320	338	348
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
	2									
	3									
Community		287	346	395	340	411	394	358	378	390
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency		272	328	374	323	390	374	340	358	370
Security and policing		15	18	20	18	21	20	18	19	20
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
	7									
	8									
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
	10									
Other assets		4,947	5,964	6,809	5,867	7,096	6,798	6,182	6,517	6,723
General vehicles		651	784	896	772	933	894	813	857	884
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		568	685	782	674	815	781	710	749	772
Computers - hardware/equipment		1,458	1,758	2,007	1,729	2,091	2,004	1,822	1,921	1,981
Furniture and other office equipment		616	743	848	731	884	847	770	812	838
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		1,646	1,984	2,265	1,952	2,361	2,262	2,057	2,168	2,237
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		8	9	11	9	11	11	10	10	10
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Depreciation	1	5,490	6,619	7,557	6,511	7,875	7,545	6,861	7,233	7,461

Table 47 MBRR SA35 – Future financial implications of the capital budget

R thousand		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE & COUNCIL		2,590	1,908	1,974				
Vote 2 - ADMINISTRATION		2,730	250	367				
Vote 3 - FINANCE - BUDGET & TREASURY OFFICE		236	113	118				
Vote 4 - COMMUNITY & SOCIAL SERVICES		23,653	17,933	22,100				
Vote 5 - Technical Services and PMU		15,095	12,000	12,288				
Vote 6 - DPU AND IDP		12,034	-	-				
Vote 7 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNI'S		-	-	-				
Vote 8 - LED AGENCY		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		56,338	32,204	36,847	-	-	-	-

Table 48 MBRR SA1 – Supporting detail to budgeted financial performance

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
<u>Other Revenue by source</u>											
GRANTS SETA		114	109	199	201	1,300	1,300	1,314	1,213	1,225	1,250
DISCOUNT RECIEVED		1,462	2,616	2,425	409	1,200	1,219	1,121	–	–	–
SUNDRY INCOME		565	2,742	1,664	14	410	404	337	15	15	16
VUNA AWARDS		–	–	–	–	–	–	–	–	–	–
APPLIC TENDER DOCUMENTS		482	415	402	843	580	580	532	638	645	677
BAD DEBTS RECOVERED		56	38	18	–	–	–	–	–	–	–
PROFIT ON INVESTMENT		–	–	–	–	–	–	–	–	–	–
SERVICE LEVY		–	–	–	–	–	–	–	–	–	–
Total 'Other' Revenue	1	2,679	5,920	4,707	1,467	3,490	3,504	3,304	1,866	1,885	1,943
<u>Employee related costs</u>											
Basic Salaries and Wages	2	21,904	27,043	30,415	67,725	55,192	41,344	34,454	97,337	97,205	103,426
Pension and UIF Contributions		2,432	2,804	3,207	5,241	5,630	4,835	4,029	8,626	9,178	9,765
Medical Aid Contributions		2,597	3,362	2,074	4,253	2,982	2,449	2,041	8,463	9,005	9,581
Overtime		–	–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		1,965	2,054	2,206	3,281	3,635	3,469	2,891	3,527	3,753	3,993
Cellphone Allowance		–	–	–	–	–	–	–	–	–	–
Housing Allowances		139	79	70	1,296	155	76	63	1,918	2,041	2,172
Other benefits and allowances		308	214	259	598	850	241	201	1,229	1,304	1,384
Post-retirement benefit obligations	4										
sub-total	5	29,344	35,556	38,231	82,393	68,444	52,415	43,679	121,101	122,486	130,322
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	29,344	35,556	38,231	82,393	68,444	52,415	43,679	121,101	122,486	130,322

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment											
Lease amortisation		5,490	6,619	7,557	6,511	7,875	7,545	6,288	6,861	7,233	7,461
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	5,490	6,619	7,557	6,511	7,875	7,545	6,288	6,861	7,233	7,461
<u>Transfers and grants</u>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		111,720	175,775	248,857	449,856	358,673	140,085	119,586	439,454	41,731	40,550
Total transfers and grants	1	111,720	175,775	248,857	449,856	358,673	140,085	119,586	439,454	41,731	40,550
<u>Allocations to organs of state:</u>											
Electricity											
Water											
Sanitation											
Other		1,731	2,368	2,088	7,129	8,707	4,262	3,552	10,899	10,048	10,576
Total contracted services		1,731	2,368	2,088	7,129	8,707	4,262	3,552	10,899	10,048	10,576
<u>Repairs and Maintenance by Expenditure Item</u>											
Other Expenditure	8	989	1,608	2,335	5,781	7,760	3,566	3,566	7,572	6,564	6,896
Total Repairs and Maintenance Expenditure	9	989	1,608	2,335	5,781	7,760	3,566	3,566	7,572	6,564	6,896

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
Consultant fees		-	-	4	500	528	393	328	2,500	2,625	2,756
Audit fees		1,021	2,333	1,757	1,820	2,670	2,196	1,830	2,804	3,000	3,150
General expenses	3	(5,266)	(10,245)	(7,882)	(1,652)	16,981	4,829	10,656	60,557	36,351	8,523
ADVERTISEMENTS		142	197	418	541	442	311	259	629	476	516
BANK CHARGES		74	59	62	127	60	88	74	75	80	84
BOOKS AND MAGAZINES		41	54	48	87	50	48	40	60	63	66
OFFICE ACCOMADATION / RENTAL		3,517	7,912	7,887	12,025	12,265	-	-	12,411	13,061	13,623
CREDIT RATING COSTS		-	-	-	190	250	-	-	201	212	223
DEPUTATION COSTS-CONGRESSES		60	8	36	327	272	138	115	342	339	357
DONATIONS		-	-	-	424	250	-	-	-	-	-
ENTERTAINMENT COSTS		860	983	1,029	914	1,799	1,557	1,298	2,078	2,263	2,413
FUEL		134	355	178	981	542	568	474	762	443	471
INSURANCE		331	386	210	991	542	233	194	940	996	1,046
LEGAL FEES		712	569	434	636	1,636	1,635	1,363	3,256	2,812	2,952
MEMBERSHIP FEES		84	222	218	290	236	56	46	365	384	413
PLANNING		1,479	3,368	5,185	1,348	5,175	3,546	2,710	14,959	10,684	1,674
PRINTING AND STATIONERY		767	656	1,014	1,208	1,812	1,137	947	2,175	2,316	2,455
PUBLICITY		1,207	1,100	1,060	1,489	2,550	1,079	899	2,867	2,415	2,536
TOWNSHIP ESTABLISHMENT		-	372	8	5,000	3,155	1,593	1,116	7,543	6,800	4,150
SECURITY FEES		407	462	515	780	570	568	473	800	843	885
SURVEYS AND STUDIES		-	-	-	2,430	1,500	1	1	3,900	17,500	18,200
TRAINING		870	505	1,120	1,792	6,018	1,173	977	5,118	1,667	1,613
TELECOMMUNICATION		1,463	1,471	1,785	2,979	1,776	1,637	1,364	3,414	3,010	3,158
TRAVEL AND ACCOMODATION		1,511	1,494	2,131	4,020	4,385	4,053	3,377	5,159	3,776	3,945
MUNICIPAL ACCOUNT		880	1,269	1,847	1,090	1,078	1,257	1,047	1,155	1,130	1,186
Total 'Other' Expenditure	1	10,295	13,529	19,063	40,337	66,541	28,095	29,588	134,069	113,247	76,395

Table 49 MBRR SA2 – Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - EXECUTIVE & COUNCIL	Vote 2 - ADMINISTRATION	Vote 3 - FINANCE - BUDGET & TREASURY OFFICE	Vote 4 - COMMUNITY & SOCIAL SERVICES	Vote 5 - Technical Services and PMU	Vote 7 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNI'S	Total
R thousand	1							
Revenue By Source								
Rental of facilities and equipment		-	-	100	-	-	-	100
Interest earned - external investments		-	-	18,060	-	-	-	18,060
Interest earned - outstanding debtors		-	-	5	-	-	-	5
Other revenue		-	-	1,866	-	-	-	1,866
Transfers recognised - operational		-	-	312,702	-	-	890	313,592
Gains on disposal of PPE		-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	332,733	-	-	890	333,623
Expenditure By Type	-							
Employee related costs		26,611	15,692	15,319	42,401	16,077	5,000	121,101
Remuneration of councillors		14,579	-	-	-	-	-	14,579
Debt impairment		-	-	20	-	-	-	20
Depreciation & asset impairment		4,128	194	193	1,451	852	43	6,861
Finance charges		2,466	75	3,219	-	19	-	5,778
Other materials		423	10	47	173	56	-	709
Contracted services		5,937	368	1,202	3,194	199	-	10,899
Transfers and grants		71,368	11,796	13,900	6,894	-	4,450	439,454
Other expenditure		56,088	2,681	5,915	18,078	18,484	32,824	134,069
Loss on disposal of PPE		-	-	-	-	-	-	-
Total Expenditure		181,601	30,816	39,815	72,190	35,686	42,317	733,471
Surplus/(Deficit)		(181,601)	(30,816)	292,918	(72,190)	(35,686)	(41,427)	(399,847)
Surplus/(Deficit) after capital transfers & contributions		(181,601)	(30,816)	292,918	(72,190)	(35,686)	(41,427)	(399,847)

Table 50 MBRR SA3 – Supporting detail to Budgeted Financial Position

DC31 Nkangala - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15
R thousand										
ASSETS										
Call investment deposits										
Call deposits < 90 days						65,869				
Other current investments > 90 days		425,475	453,327	437,065	453,327	307,183	440,942	515,869	53,564	47,234
Total Call investment deposits	2	425,475	453,327	437,065	453,327	307,183	506,811	515,869	53,564	47,234
Consumer debtors										
Consumer debtors										
Less: Provision for debt impairment										
Total Consumer debtors	2	-	-	-	-	-	-	-	-	-
Debt impairment provision										
Balance at the beginning of the year										
Contributions to the provision										
Bad debts written off										
Balance at end of year		-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		103,699	116,471	123,267	182,836	181,678	142,303	132,298	164,502	201,350
Leases recognised as PPE	3	2,439	2,439	2,663	2,439	2,439	2,439	2,663		
Less: Accumulated depreciation		25,960	32,579	40,136	39,082	39,082	47,681	46,423	53,656	61,117
Total Property, plant and equipment (PPE)	2	80,179	86,332	85,795	146,194	145,035	97,061	88,539	110,846	140,233
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities		6,422	6,653	6,568	5,060	5,060	5,060	6,568	5,778	5,647
Total Current liabilities - Borrowing		6,422	6,653	6,568	5,060	5,060	5,060	6,568	5,778	5,647
Trade and other payables										
Trade and other creditors		34,002	60,351	50,961	60,351	60,351	60,351	26,149	33,039	30,039
Unspent conditional transfers		809	688	-	688	688	688	960	-	-
VAT										
Total Trade and other payables	2	34,811	61,039	50,961	61,039	61,039	61,039	27,109	33,039	30,039
Non current liabilities - Borrowing										
Borrowing	4	50,513	45,306	39,822	40,246	40,246	40,246	35,668	34,533	28,313
Finance leases (including PPP asset element)		1,001	326	85	326	326	326			
Total Non current liabilities - Borrowing		51,514	45,632	39,906	40,572	40,572	40,572	35,668	34,533	28,313
Provisions - non-current										
Retirement benefits		5,085	6,841	7,128	6,841	6,841	6,841	7,128	7,478	7,638
List other major provision items										
Refuse landfill site rehabilitation										
Other										
Total Provisions - non-current		5,085	6,841	7,128	6,841	6,841	6,841	7,128	7,478	7,638
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		518,582	645,075	722,427	1,004,869	899,169	899,169	720,335	792,216	570,877
GRAP adjustments		(1,564)	4,444							
Restated balance		517,018	649,519	722,427	1,004,869	899,169	899,169	720,335	792,216	570,877
Surplus/(Deficit)		132,501	72,908	(2,091)	(282,442)	(204,213)	74,096	102,675	(399,847)	24,565
Appropriations to Reserves										
Transfers from Reserves										
Depreciation offsets										
Other adjustments										
Accumulated Surplus/(Deficit)	1	649,519	722,427	720,335	722,427	694,956	973,266	823,010	392,369	595,443
Reserves										
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	2	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	649,519	722,427	720,335	722,427	694,956	973,266	823,010	392,369	595,443
Total capital expenditure includes expenditure on nationally significant priorities:										
Provision of basic services										

Table 51 MBRR SA6 – Reconciliation of IDP strategic objectives and budget (capital expenditure)

DC31 Nkangala - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Service Delivery & Infrastructure Development		KPA 5		1,674	1,851	11,995	64,206	33,813	17,952	38,748	30,129	34,588
Local Economic Development		KPA 3		-	-	-	19	250	3	20	21	22
Municipal Financial Viability & Management		KPA 4		94	714	137	103	185	28	236	113	118
Institutional Development & Municipal Transformation		KPA 1		35	165	56	126	807	23	3,429	985	1,138
Good Governance, Intergovernmental Relations & Public Participation		KPA 2		421	1,858	386	1,912	1,937	1,030	1,872	957	982
Spatial Rationale		KPA 6		6,838	1,329	199	-	-	-	12,034	-	-
Allocations to other priorities			3									
Total Capital Expenditure			1	9,062	5,917	12,772	66,365	36,992	19,036	56,338	32,204	36,847

Table 52 MBRR SA21 -Transfers & grants made by the municipality

DC31 Nkangala - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Non-Cash Transfers to other municipalities											
DR JS MOROKA LOCAL MUNICIPALITY	1	17,528	48,053	46,230	27,500	33,015	8,483	6,936	48,392	-	-
EMALAHLENI LOCAL MUNICIPALITY		21,241	37,110	61,598	23,970	80,046	27,896	22,502	89,974	-	-
THEMBISILE HANI LOCAL MUNICIPALITY		14,152	24,491	33,760	25,000	78,089	31,877	29,240	76,491	-	-
EMAKHAZENI LOCAL MUNICIPALITY		19,645	11,267	17,926	10,900	42,870	19,349	16,462	33,048	-	-
STEVE TSHWETE LOCAL MUNICIPALITY		13,950	24,777	30,750	23,420	48,857	23,956	20,493	48,026	-	-
VICTOR KHANYE LOCAL MUNICIPALITY		13,080	12,200	37,771	11,770	18,449	4,321	2,997	26,614	-	-
GENERAL		12,125	17,876	20,822	327,296	57,346	24,203	20,956	116,908	41,731	40,550
Total Non-Cash Transfers To Municipalities:		111,720	175,775	248,857	449,856	358,673	140,085	119,586	439,454	41,731	40,550
TOTAL NON-CASH TRANSFERS AND GRANTS		111,720	175,775	248,857	449,856	358,673	140,085	119,586	439,454	41,731	40,550
TOTAL TRANSFERS AND GRANTS	6	111,720	175,775	248,857	449,856	358,673	140,085	119,586	439,454	41,731	40,550



Municipal Manager's quality certificate

I, A. G. ZIMBWA, Acting Municipal Manager of Nkangala District Municipality, hereby certify that the Annual Budget 2013/14 – 2015/16 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 2013/14 – 2015/16 and supporting documents are consistent with the Integrated Development Plan of the municipality.

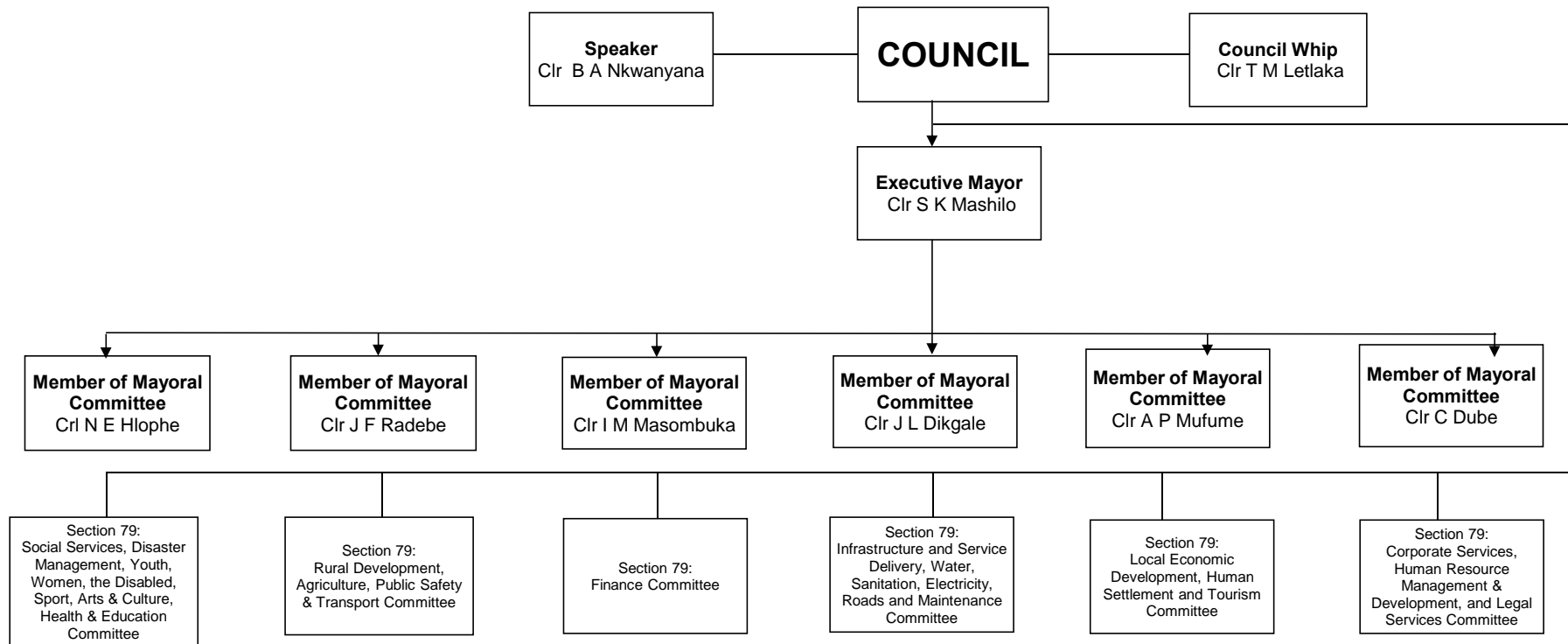
Signature: _____

A handwritten signature in black ink, appearing to be 'A. G. ZIMBWA', written over a horizontal line.

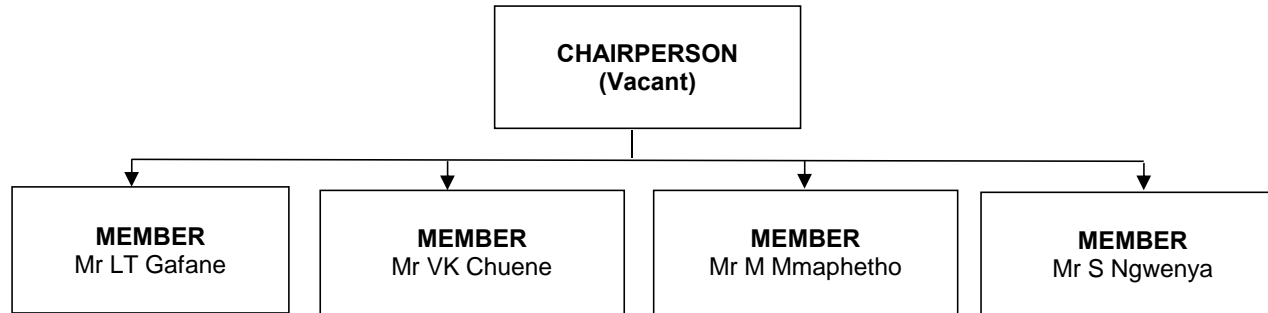
Acting Municipal Manager of Nkangala District Municipality (DC31)

Date: _____

27-05-2013



ORGANOGRAM: AUDIT COMMITTEE



OFFICE OF THE EXECUTIVE MAYOR

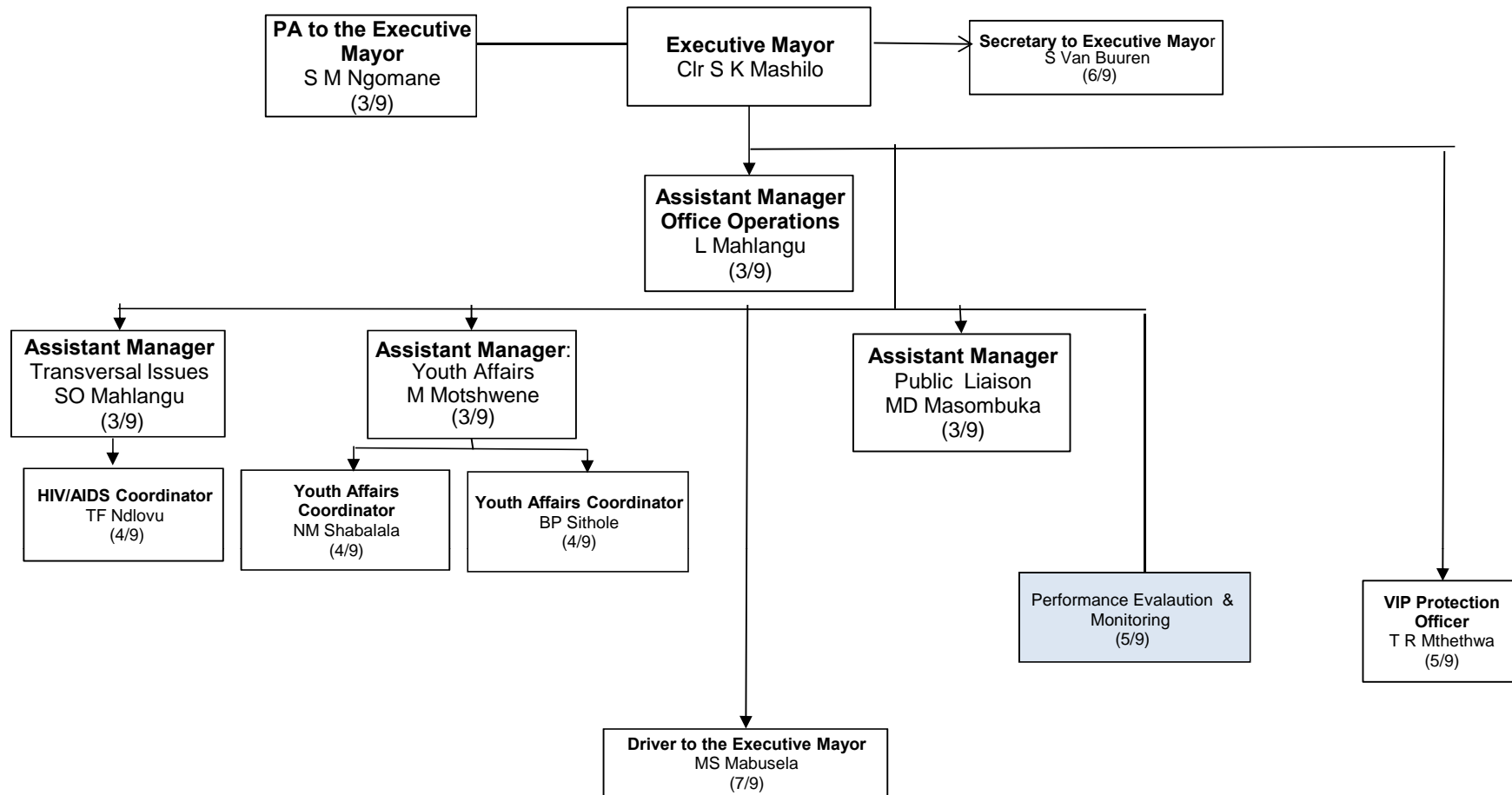
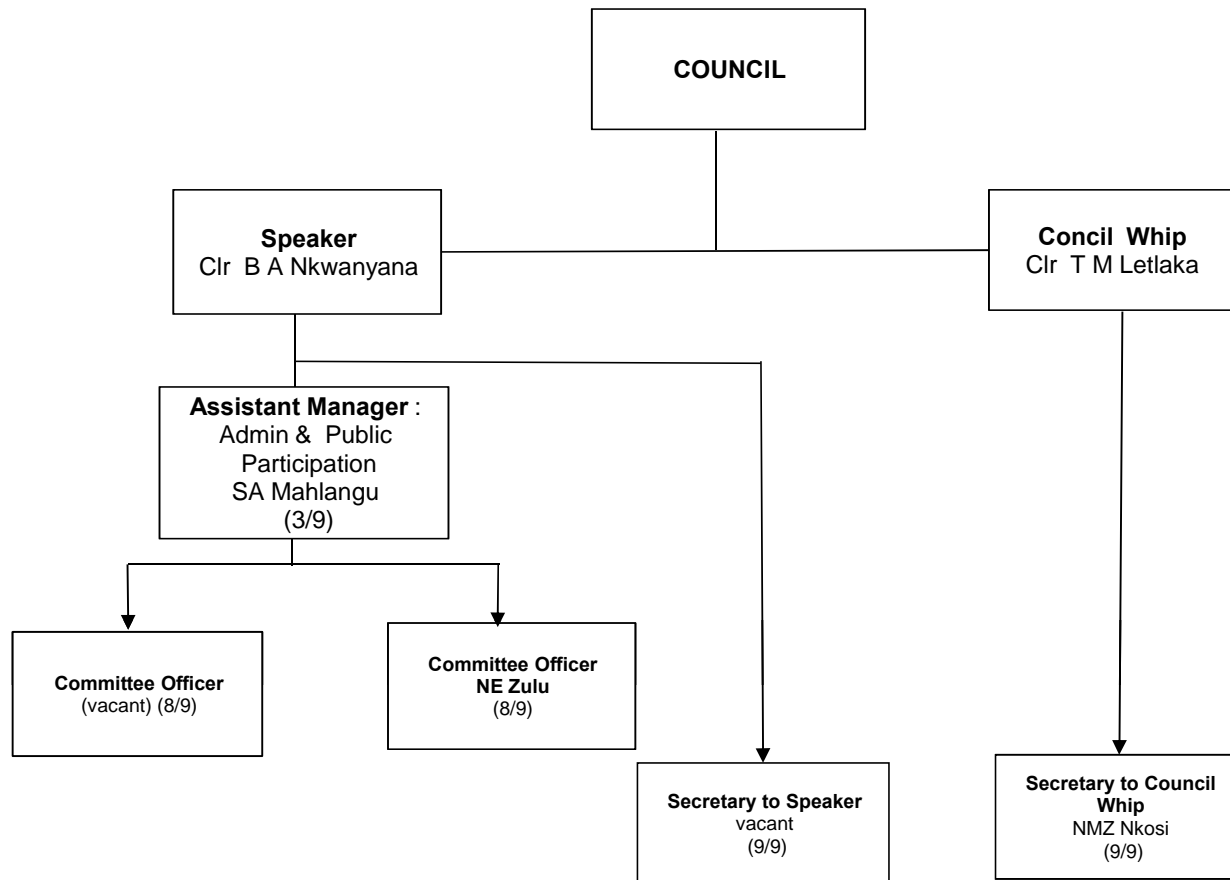
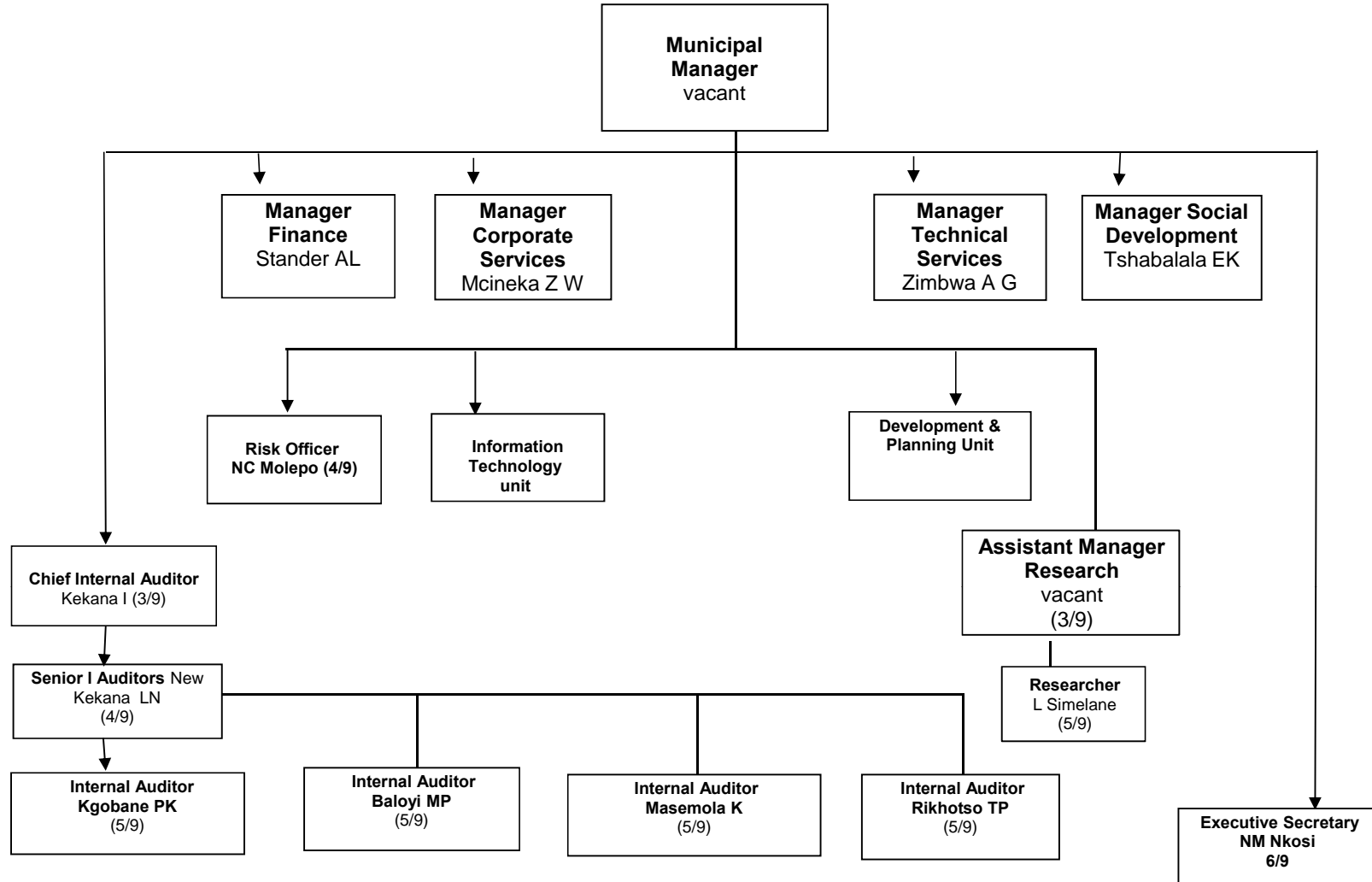


Diagram 3B

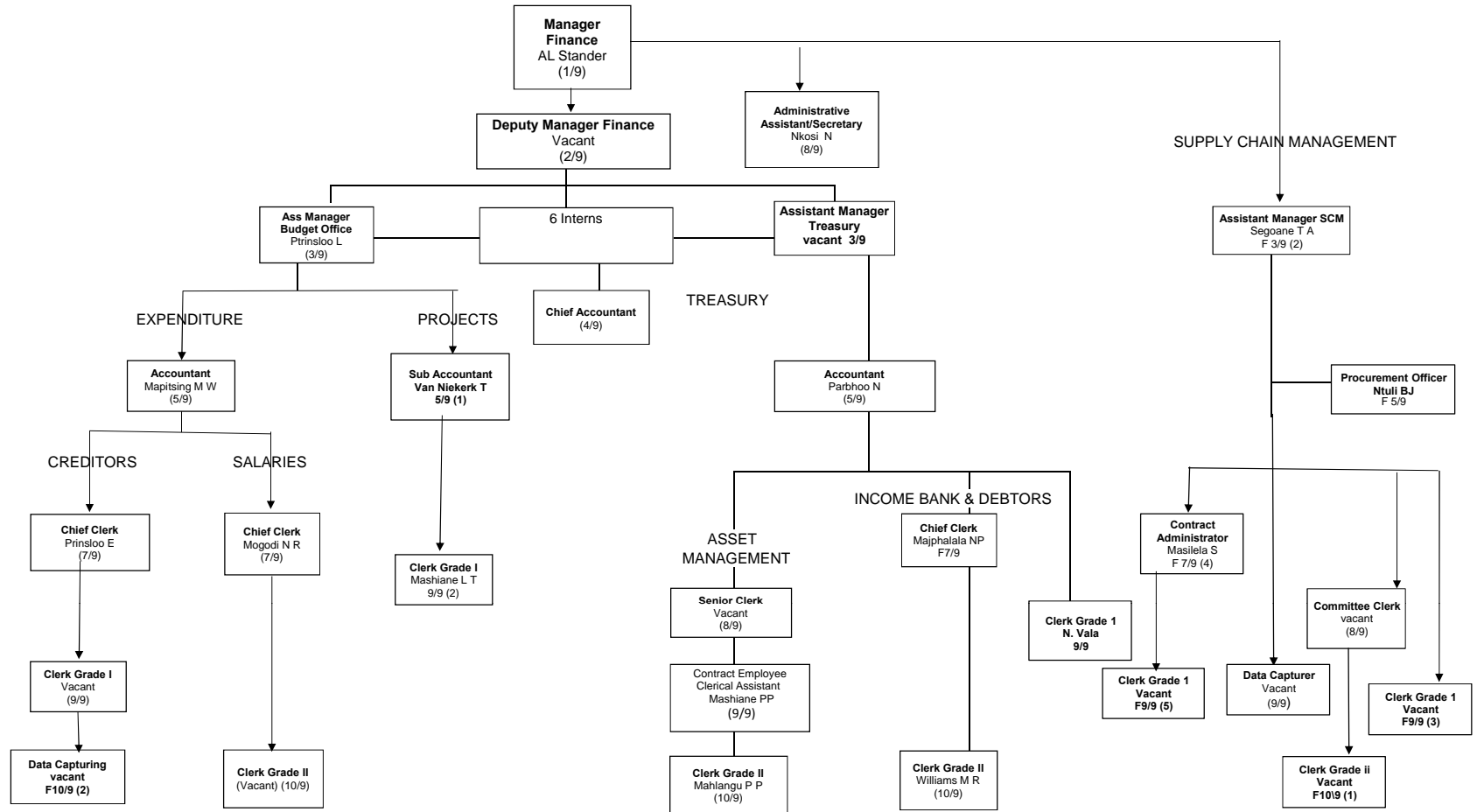
OFFICE OF THE SPEAKER AND COUNCIL WHIP



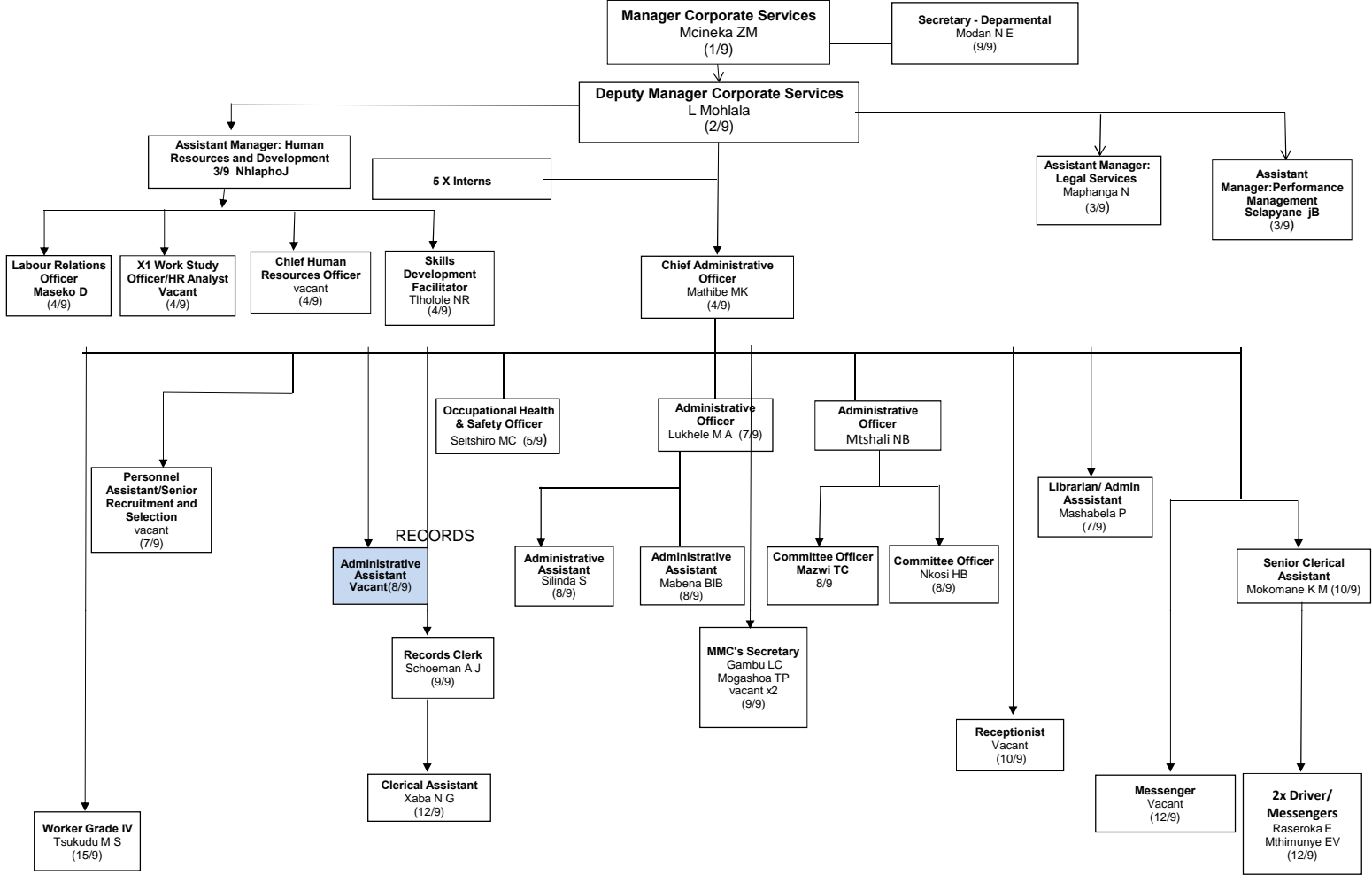
ORGANOGRAM: MUNICIPAL MANAGER



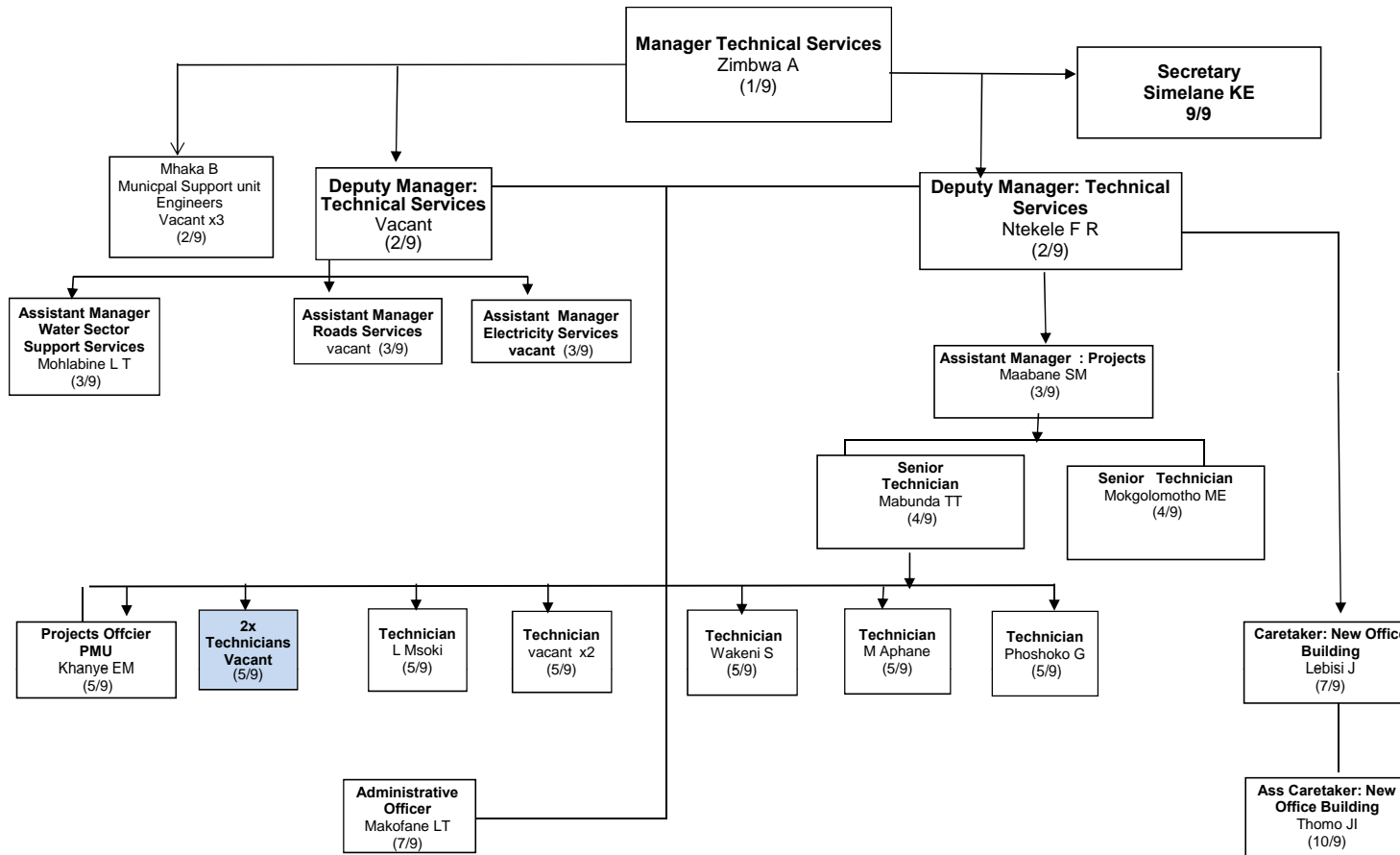
ORGANOGRAM: FINANCE DEPARTMENT



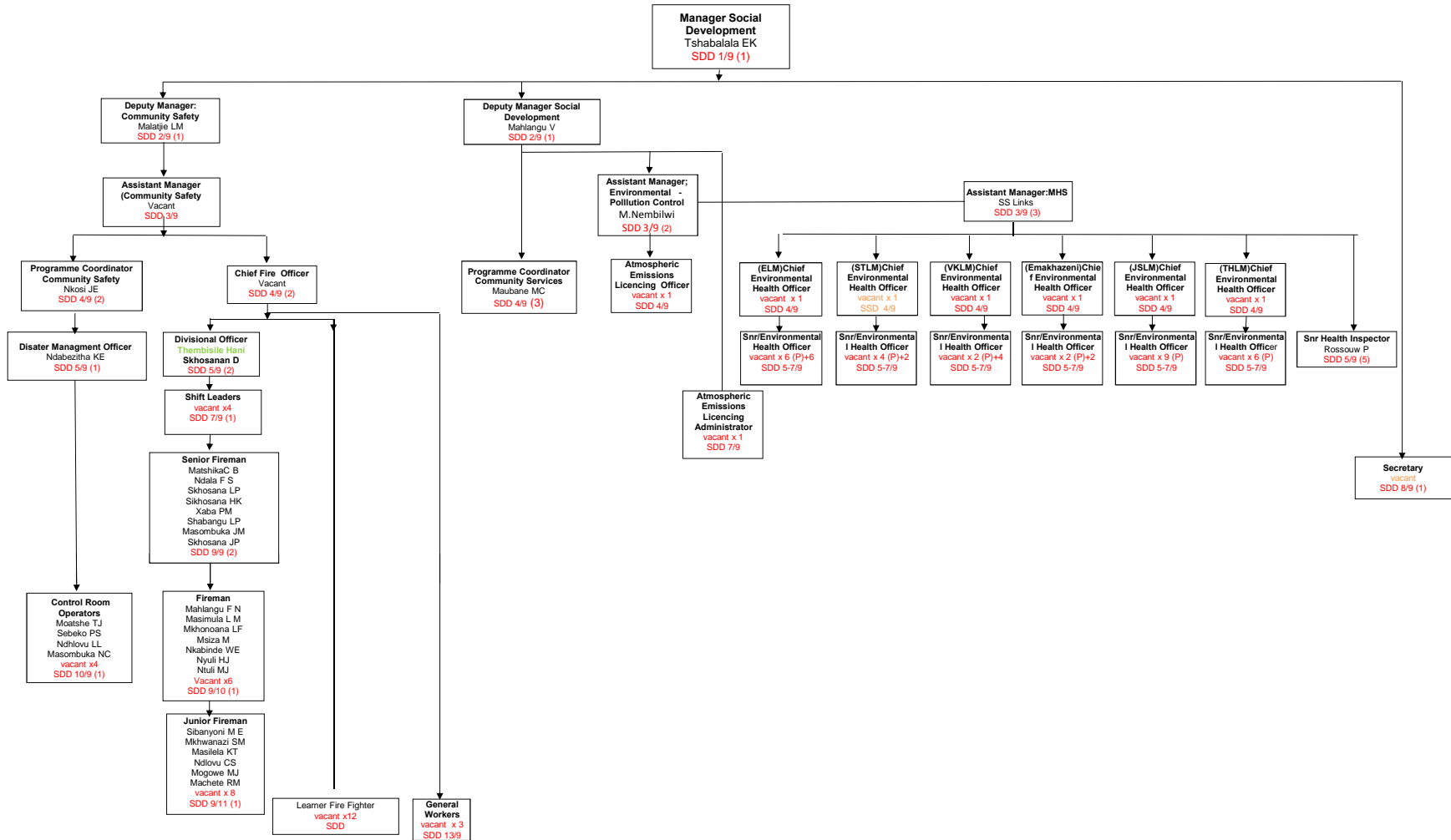
ORGANOGRAM: CORPORATE SERVICES DEPARTMENT



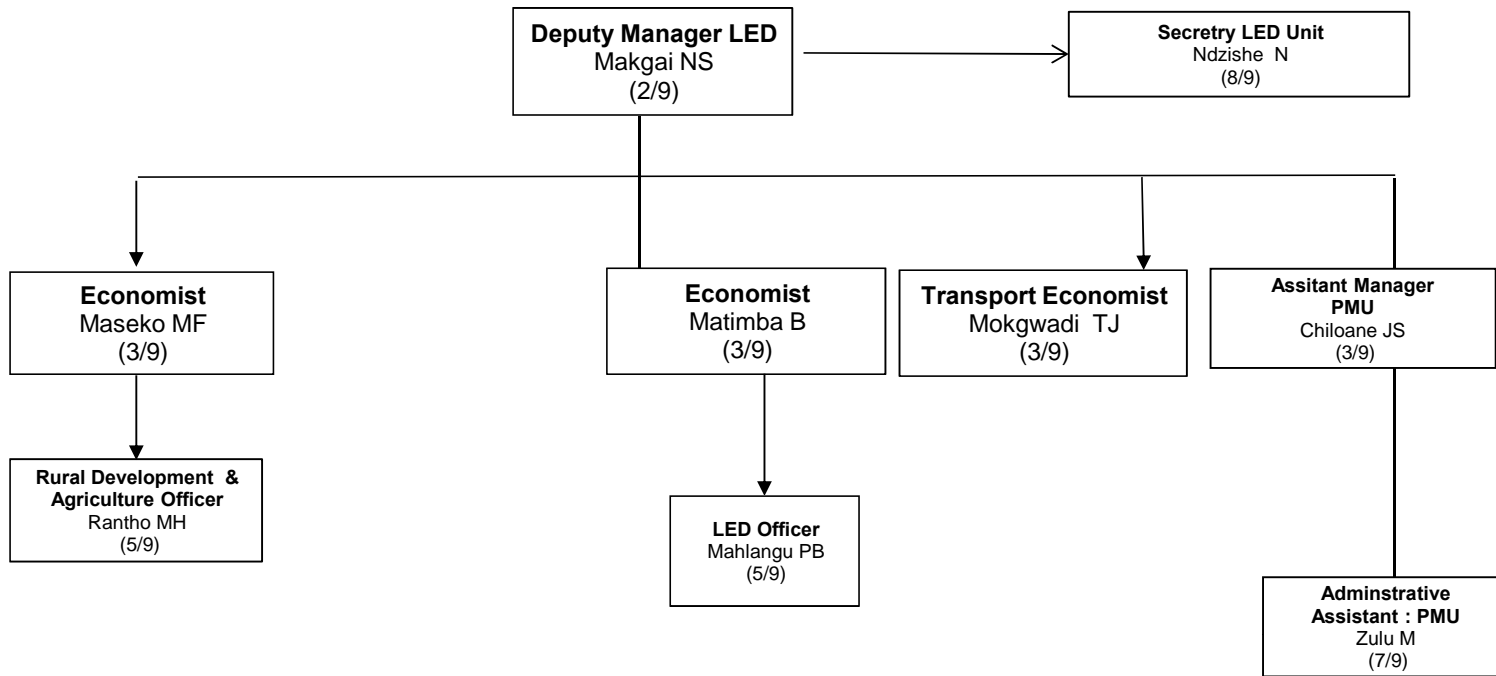
ORGANOGRAM: TECHNICAL SERVICES DEPARTMENT



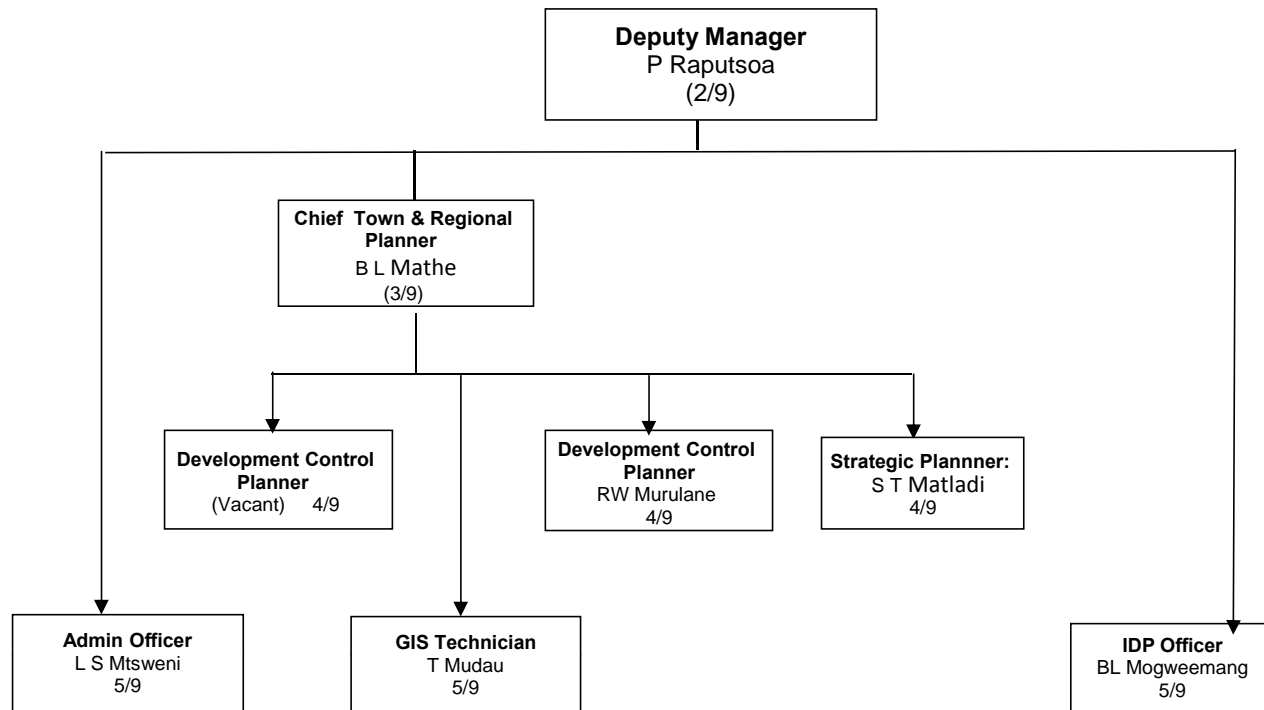
ORGANOGRAM: SOCIAL SERVICES DEPARTMENT



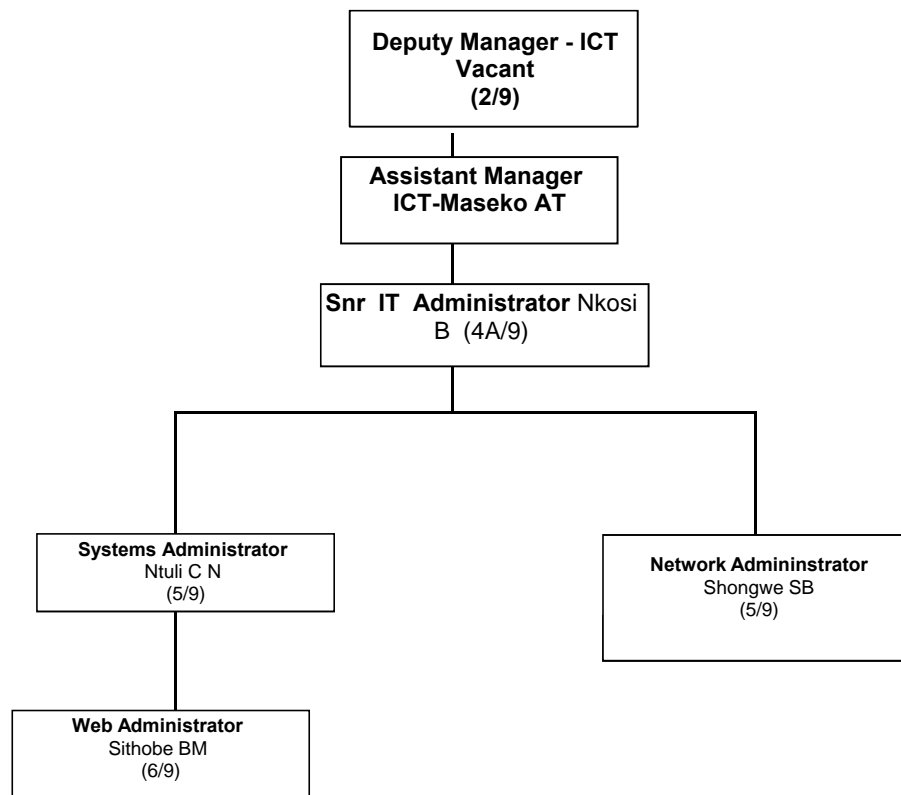
LOCAL ECONOMIC DEVELOPMENT UNIT



ORGANOGRAM: DEVELOPMENT & PLANNING UNIT

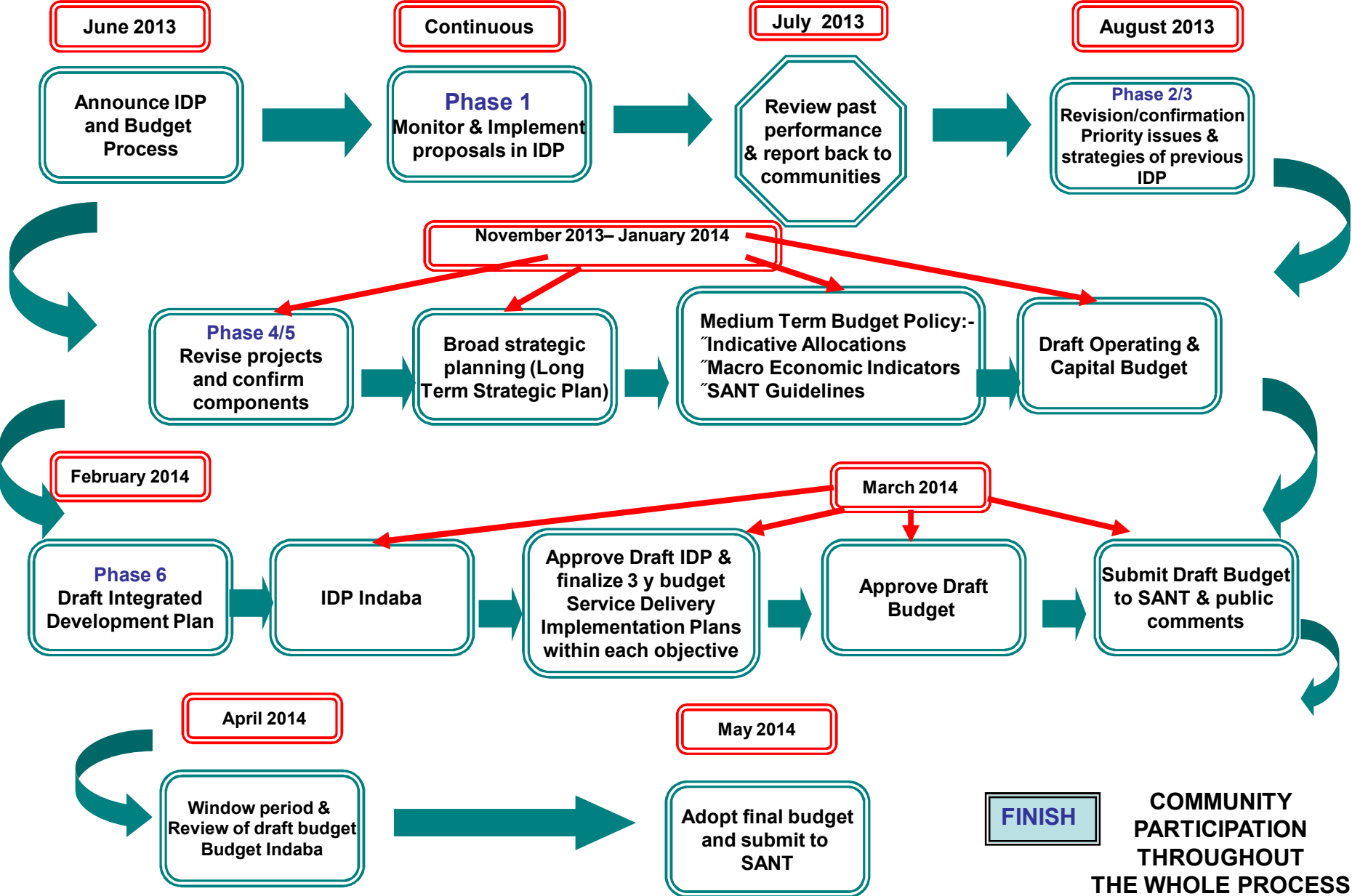


ORGANOGRAM: INFORMATION TECHNOLOGY UNIT



START

PROPOSED PLANNING AND BUDGET CYCLE 2014/2015



NKANGALA DISTRICT MUNICIPALITY



FLEET MANAGEMENT AND PETROL CARD USAGE POLICY

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FLEET MANAGEMENT AND PETROL CARD USAGE POLICY - NKANGALA DISTRICT MUNICIPALITY

Definitions

Unless the context otherwise indicates:

- i. Fleet Manager
Refers to the Nkangala District Municipality's Fleet Manager;
- ii. Fleet Assets
Refers to Municipality's vehicles and machines;
- iii. Driver
Is the official of the Nkangala District Municipality entrusted with a fleet asset at any given time;
- iv. Asset Management Policy.
Refers to the approved Asset Management Policy of Nkangala District Municipality;
- v. Issue form
Refers to the trip authority form, that allows a driver to drive a municipal vehicle as per the route detailed in such a form;
- vi. Management of Pool Vehicles
Management will include servicing, maintenance, issuing of vehicles, *licensing*, purchasing and disposal thereof;
- vii. Log Book
Give details of the route travelled by the driver, including the kilometer reading of the vehicle used for the authorized purpose, and any comments;

viii. Petrol card

Refer to the petrol cards issued per vehicle by the NDM bank.

1 Preamble Introduction

- 1.1 Department Corporate Services of Nkangala District Municipality presently manages the Municipality's fleet vehicles of the Nkangala Office and Social Services manage the fleet of vehicles at the Kwamhlanga Fire Station and the Disaster Management Centre. The size of the fleet managed by the both departments is quite small. Technical Services manages the fleet of machinery and equipment of the Thembisile Road Maintenance function.
- 1.2 The introduction of an efficient fleet management system will ensure the equitable distribution of vehicles across Nkangala District Municipality's departments. A component of a pool vehicle system will be entrenched therein. The pool vehicle system will also ensure easy access to Municipality's vehicles by all departments, as vehicles will be controlled and managed from a central point i.e. Corporate Services department. It will contribute to the effective and efficient use of the Municipality's resources in that the number of vehicles required will be reduced and the official will be allocated the type of vehicle required for the road and purpose he/ she is travelling on.

2 Purpose

- 2.1 To provide and maintain an effective and efficient fleet of vehicles, list of machinery and equipment, and manage such fleet in a manner that the Municipality's mission and fleet users' aspired goals are met in a cost effective way.
- 2.2 To regulate the management and use of pool vehicles by the officials of the Nkangala District Municipality and to ensure that the fleet is used in a safe and efficient manner.
- 2.3 To provide a procedure for reporting accidents and procedure of conducting an inquiry into vehicle accidents involving Municipal vehicles.
- 2.4 To provide a framework for remedial actions to be instituted by Management.
- 2.5 To introduce operational controls which explain clearly who can use a vehicle with regard to drivers, passengers, authority to use, issuing, parking, log books, fuel management, fuel cards, keys and equipment.
- 2.6 To ensure that vehicles are serviced on time and properly maintained to support the Municipality in the attainment of its objectives.
- 2.7 To co-ordinate the management of Municipal transport by means of control measures which are applicable to all officials and Councilors.

3 Management, Accountability and Responsibility for NDM's Fleet Assets

- 3.1 The fleet management policy and operational fleet management will be the responsibility of the Corporate Services Department and will be administered by the Legal Services Manager or a person delegated to perform the latter duties by the Manager of the Department.
- 3.2 Corporate Services Department must maintain a list of vehicles, machinery and equipment.
- 3.3 Fleet assets required on an ad hoc, seasonal or temporary basis should be provided from the central pool.
- 3.4 This policy will apply to all Nkangala District Municipality officials, who are required to use pool vehicles when conducting their official duties.
- 3.5 This applies to contract / temporary as well as full time employees.
- 3.6 Heads of Departments of NDM will be accountable for the vehicles which are allocated to officials within their respective Departments.
- 3.7 Authorization for the usage of vehicles will only be approved by Heads of Departments, except where the HOD has delegated such a power to the senior official within his/her Department.
- 3.8 Such an official referred to in 3.7 must be from the level of a Assistant Manager or higher.
- 3.9 Social Services is responsible for the management of fleet assets that have been allocated to their respective Department in relation to the Kwamhlanga Fire Station and Disaster Management Centre.

- 3.10 Technical Services is responsible for the management of fleet assets that have been allocated to their respective Department in relation to the Thembisile Roads function.
- 3.11 HODs are required to budget in their operational budget for the usage of vehicles by the employees within their Departments.
- 3.12 The Manager Corporate Services are responsible for the disciplinary action arising from the misuse of the Municipality's vehicles by the employees.

4 Policy statement

- 4.1 This policy covers the use and management of pool vehicles within the Nkangala District Municipality.
- 4.2 If vehicles are paid for by the Nkangala District Municipality but managed by other Municipalities, the recipient municipality must ensure that their control systems are as effective as those outlined in the policy. They must report against the key performance indicators used by the Nkangala District Municipality. NDM must visit the recipient Municipality once every ~~two months~~ quarter to inspect the condition of the vehicles and to ensure that they still exist.
- 4.3 Transport to a department of the Nkangala District Municipality is supplied as a tool to support the department in the delivery of its objectives. It must therefore be used in the most cost-effective manner.
- 4.4 The Corporate Services Department is responsible for the ongoing development of a policy framework and an operational management system for the use of pool vehicles.
- 4.5 The Corporate Services Department will co-ordinate Nkangala District Municipality's fleet management and consolidate management reporting.

5 Utilisation of fleet assets

5.1 The Municipality's fleet assets should be utilized in a responsible manner, which will ensure the valuable and long-term use of such assets.

5.2 Negative deviations must be reported, followed up and corrected on a continuous basis.

5.3 Allocation of Vehicles

5.3.1 All NDM vehicles are considered as the property of the Municipality regardless of the original source of the vehicle.

5.3.2 There are three (3) types of allocations that can be approved by the Heads of Departments of NDM.

5.3.2.1 Permanent allocation

Permanent allocation to officials will be due to the nature of the duties performed, frequency of the usage of the vehicle and for emergency services. Permanent allocation will be reviewed annually.

5.3.2.1.1 An official with a Municipality's vehicle allocated to him/her will be required to sign a weekly trip authority which will be approved by his/ her HOD.

5.3.2.1.2 Keys and logbooks for permanently allocated vehicles should be returned to Corporate Services Department every Friday by no later than 16h00 and collected on Monday mornings, on completion of the trip authority mentioned in 5.3.2.1.1.

5.3.2.1.3 Monthly log sheets in respect of permanently allocated vehicles will have to be submitted to Budget and Treasury Office by the relevant department for costing purposes.

5.3.2.1.4 The Head of the relevant department will be responsible for arranging for repairs and maintenance of the vehicle permanently allocated to the officials and it will be the responsibility of the official/ Department to whom the vehicle is permanently allocated to take it in for repairs.

5.3.2.1.5 Motivation for the allocation referred to 5.3.2 in must be in writing stating the reason for such an allocation with the signature of the HOD.

5.3.2.1.6 When the vehicle is not in use during the day, the driver must ensure that the vehicle's keys are handed to a designated official for safe-keeping.

~~Keys and logbooks for permanently allocated vehicles should be returned to the Corporate Services Department every Friday by no later than 16h00 and collected on Monday mornings, on completion of the trip authority.~~

5.3.2.1.7 The Heads of Departments shall take responsibility and be accountable for officials' allocated vehicles in their respective departments.

5.3.2.2 Short term allocation

5.3.2.2.1 Vehicles can be allocated to officials for a short term period of a week, two weeks or a month depending on the need.

5.3.2.2.2 Short term allocation of vehicles can only be effected subject to an approval by the Head of Department of the official who intends to have the vehicle allocated.

5.3.2.2.3 The Corporate Services Department can't issue a vehicle for short-term allocation without the approval of the HOD.

5.3.2.3 Pool vehicles (i.e. vehicles used on a casual basis).

5.3.2.3.1 The policy caters for regular and daily allocation of pool vehicles.

5.3.2.3.2 The regular or daily allocation operates on the basis of day to day need for the use of vehicles as determined by the official's operation duties of NDM.

5.3.2.3.3 The allocations referred to in 5.3.2.3.1 require a signed trip authority which is approved by the HOD in which the official seeking a vehicle is located

5.3.2.3.4 In the event of non-availability of pool vehicles, the Corporate Services Department will make necessary arrangements by approaching departments with permanently allocated vehicles. Departments are under no circumstances allowed to lend vehicles that are permanently allocated to them to users from other departments without consulting Corporate Services Department.

DRAFT

5.4 Who can use a pool vehicle?

5.4.1 Pool vehicles can be used by any official with the authorized trip authority involved in an activity in line with the objectives of the responsible department within the Nkangala District Municipality.

5.4.2 Vehicles cannot be used for party political purposes under any circumstances, or to take part in industrial union activities.

5.5 Care and Safe Guarding of Municipal Vehicles

5.5.1 Municipal vehicles must be kept in a clean and neat condition at all times.

5.5.2 No smoking is allowed in Municipal vehicles.

5.5.3 Although eating and drinking in Municipal vehicles is not encouraged, should circumstances dictate otherwise, the driver should remove litter/ left-overs from the vehicle.

5.5.4 No intoxicating substance must be consumed before and/or whilst driving a Municipal vehicle.

5.6 Exclusions

5.6.1 This policy does not apply to Municipal employees who are receiving car allowances, as a separate policy for those employees is in place.

5.6.2 Councilors who receive car allowance for the use of NDM vehicles for performing ceremonial functions should comply with Policy on Use of Municipal Vehicles by Councilors Performing Ceremonial Functions.

5.7 Drivers

5.7.1 A pool vehicle can only be driven by Nkangala District Municipality employees.

- 5.7.2 The driver must have an unendorsed valid driver's license. The officer must check the license for validity and the ability to drive.
- 5.7.3 The driver must have no outstanding transport related disciplinary action against them at the time of taking the vehicle.
- 5.7.4 Where necessary, drivers must be in possession of a Professional Drivers Permit.
- 5.8 Passengers
- 5.8.1 Passengers carried by a pool vehicle must be authorized to travel in the vehicle.
- 5.8.2 The picking up of casual passengers (i.e. hitchhikers) is not allowed under any circumstances.
- 5.8.3 The driver of the vehicle will be held responsible for ensuring that unauthorized passengers are not conveyed.
- 5.8.4 Indemnification letter must be signed by the HOD authorizing the official who intends to carry passengers who are not Municipal officials. (refer to Annexure B+)
- 5.9 Authority to use a vehicle
- 5.9.1 All officials requiring a vehicle must have a signed trip authority from their management before the vehicle is allocated.
- 5.9.2 In normal circumstances a trip authority must be authorized by an official at Assistant Manager level or above, who is senior to the person traveling and is in their direct management line.
- 5.9.3 In circumstances where this is not possible, alternate signatories must be identified within the Municipality.

- 5.9.4 If a vehicle is moved in an emergency, a trip authority must be obtained immediately after the event, or within 24 hours of the movement.
- 5.9.5 This process is only to be used in a case of extreme emergency and the manager must be satisfied that the journey was necessary.
- 5.9.6 If a vehicle is based with a member of staff away from the office, then a trip authority can be issued against a weekly or monthly work plan.
- 5.9.7 Trip authorities must not run longer than one week at a time for staff based at the main office.

5.10 Issuing of vehicles

5.10.1 All vehicles should be issued on the day of travel unless advance authority to park the vehicle at home has been obtained, refer to Clause 5.11 of this policy.

5.10.2 The driver must carry his/her license and produce it to the transport officer within the Corporate Services Department upon request.

5.10.3 The signed trip authority must be carried in the vehicle with a copy placed on the file at the Corporate Services Department.

5.10.4 The intended time of departure and return is to be recorded on to the vehicle issue form and compared against the actual time of return.

5.10.5 Continued late return of vehicles may lead to a refusal to allocate vehicles in the future.

5.10.6 The person responsible for fleet will complete a vehicle issue form and a visual checklist before and after each trip. (refer to Annexures %A+ and %C+)

5.10.7 The driver will then sign the issue form.

5.10.8 The driver then takes responsibility for the vehicle at this point. The vehicle will be checked using the same procedures.

5.10.9 The driver must hand in all petrol/diesel/oil purchase slips to the transport officer for checking and allocation after each trip.

5.11 Parking a vehicle overnight

5.11.1 In normal circumstances vehicles must be parked at official locations.

5.11.2 The officer responsible for transport must allocate an approved parking place for each vehicle.

5.11.3 The parking places should be lockable or with 24 hour security available.

5.11.4 When the vehicle is away from Municipality's parking, the driver ~~must use a steering or gear lock on the vehicle~~ ensure that the vehicle is locked and parked at secure facilities.

5.11.5 Where secure facilities are not available, the vehicle should be parked at the nearest official property.

5.11.6 The driver of the vehicle is responsible for ensuring that the vehicle is parked as safely as circumstances permit.

5.11.7 Parking charges for the use of secure parking will be refunded.

5.11.8 Permission may be given for a vehicle to be parked overnight at a home of an official if:

5.11.8.1 The driver undertakes to keep the vehicle in adequately secured premises i.e. a garage or lockable gates and,

5.11.8.2 The member of staff will be leaving early morning or returning late at night.

- 5.11.8.3 The actual times that this would come into force would be the time when public transport starts / stops. Exceptions can also be made if the personal security of the individual is also at stake, or
- 5.11.8.4 The home of the individual is at a place between the office and their destination such that it is not sensible to come into the office (normally a journey saving of at least 25 km would be expected), or
- 5.11.8.5 The individual works from home or,
- 5.11.8.6 The individual is on call and there is no means by which they can be transported in event of a call out.
- 5.11.9 A signed authority form to park a vehicle at home must be issued. (refer to Annexure 9D+)
- 5.11.10 The person responsible for signing trip authorities must sign it.
- 5.11.11 It will normally be issued for each occasion.
- 5.11.12 However, for those on call, blanket permission can be issued for a specific time period.
- 5.11.13 The permission is subject to review and can be withdrawn at any time.
- 5.11.14 Whilst a vehicle is parked at home it may not be used for any private purposes.
- 5.11.15 If an emergency arises and it becomes necessary to use the vehicle, a signed trip authority for the movement must be obtained within 24 hours of the journey.
- 5.11.16 Private use of the vehicle whilst parked at home will lead to the withdrawal of the privilege and possible disciplinary action.
- 5.11.17 The officer responsible for transport must perform a distance check to determine the reasonableness thereof.

6 Log books, petrol cards, vehicle keys, and vehicle equipment

- 6.1 The driver takes responsibility for the logbook, keys and petrol card once the vehicle issue form has been signed until the vehicle has been returned to the transport officer at the end of the journey.
- 6.2 All vehicle keys should be safely secured (preferably in a locked container) in the transport office when the vehicle is not in use.
- 6.3 A spare set of all vehicle keys should be kept in a secure place, e.g. the office safe.
- 6.4 The petrol card is to be treated as cash and the driver will be held responsible for the transactions that take place on it whilst it is in his/her possession.
- 6.5 All fuel receipts must be kept and made available when the vehicle is returned to the transport officer.
- 6.6 It is the responsibility of the driver to fill in the vehicle logbook legibly and accurately.
- 6.7 It must be possible from the details given for a distance check to be carried out. A distance check must be performed where the vehicle was not parked at official locations. Adhoc distance checks should be performed where vehicles are parked at official locations. This should be performed by the officer responsible for transport. The officer responsible for transport must either attach a calculation of the distance check to the Vehicle Issue Form+or must perform the calculation on the form. Any discrepancies should be investigated.
- 6.8 Loose vehicle equipment, e.g. the spare wheel, toolkit, jack and any other extras will be checked at the time of issuing the vehicle and will remain the

responsibility of the driver until such time as the vehicle is returned to the transport officer.

6.9 The Fleet Manager will make available to the Budget and Treasury Office log sheets at the end of each month for costing purposes.

6.10 The copy of the log sheet will thereafter be stored in the electronic data system.

7 Management systems

7.1 The following key indicators will be kept for each vehicle by the Senior Administration Officer: Assets and Archives.

- Actual kilometers traveled
- Fuel utilization (km/l)
- Total maintenance cost
- Maintenance cost per kilometer
- Running cost per kilometer
- Availability
- Utilization
- Vehicle Performance Vs other similar vehicles within the fleet
- Accidents

8 Vehicle Accidents

- 8.1 A copy of the accident report form should be kept in the vehicle.
- 8.2 The following procedure shall be followed in the event of a Municipality-owned motor vehicle becoming involved in an accident, no matter how trivial, and irrespective of whether or not any person or animal or property, other than the Municipality's vehicle is involved: -
- 8.2.1 Call a police or a traffic officer and, if requested to do so supply name and address of the driver of the motor vehicle to any person having reasonable grounds for requiring this information.
- 8.2.2 If a police or traffic officer is not available, report the accident to a police station as soon after the occurrence of the accident as practicable, but at least within 24 hours.
- 8.2.3 In no circumstances shall liability be admitted or unguarded statements are made to any person or payment offered or made to a third party.
- 8.2.4 Should any third party involved admits liability, endeavors should be made to obtain a statement in writing from him/her to this effect.
- 8.2.5 Should a driver of a vehicle be suspected of being under the influence of intoxicating liquor or narcotic drugs, this fact must be brought to the notice of the police or traffic officer present at the scene of the accident, with the least possible delay and every assistance should be rendered to such police or traffic officer in ensuring that the suspected person is examined by a doctor as soon as possible, or be subjected to a legally permissible Alco-test.
- 8.2.6 Obtain as soon as possible, preferably at the scene of the accident, at least the following particulars, which are required for completing the accident report form and be kept in the vehicle: -
- 8.2.6.1 Registration number, make and type of other vehicle(s).

- 8.2.6.2 Name(s) and address of driver(s) of the other vehicle(s).
- 8.2.6.3 Name(s) and address(es) of person(s) involved in an accident be it she/he/they was/were passenger/s of the Municipal vehicle, driver or the third party or pedestrian(s).
- 8.2.6.4 Name and address of the third party's insurance company.
- 8.2.6.5 Name, occupation and address and age or estimated age of any pedestrian(s) involved in the accident and of any pedestrians killed or injured
- 8.2.6.6 Description of animals and fixed objects involved in the accident and the name and address of the owner.
- 8.2.6.7 Name and address of witnesses including the occupants of the other vehicle(s) in their capacities as witnesses.
- 8.2.6.8 Measurements for the preparation of a sketch of the scene of the accident (pace off the distance if there is no scientific tape measure).
- 8.2.6.9 Note the geographical landscape of the place of accident, type of road, accident related obstructive substances or object on or around the road, road make-up including any fencing and weather condition at the time of the accident.
- 8.2.6.10 The Municipality's vehicle user should obtain identity of the third party involved in the accident.

9 Internal Accident Reporting

- 9.1 The driver of the Municipal vehicle shall, within twenty-four hours after the accident, submit a written report to the officer responsible for transport, who will ensure that the accident report form is completed and forwarded to the Senior Insurance Clerk.

- 9.2 The Senior Insurance Clerk or his/her superior shall make endeavors (in addition to obtaining a mechanical report on the condition of the vehicle after the accident) to obtain a minimum of two repair quotations from different repairing agencies or write-off report if applicable and trade-in value of the vehicle.
- 9.3 In the event of institution of a legal action by the third party, the driver concerned shall upon receipt of summons, subpoena or notice to appear in court pass that information to the Senior Insurance Clerk or his/her superior so that the Municipality's insurers may be approached.
- 9.4 Any accident, damage or third party claim received shall immediately be submitted to the Senior Insurance Clerk. Any damage made to the Municipal vehicle as a result of an accident involving another vehicle or animal/s or any object, shall be reported to the officer responsible for transport who will ensure that the accident report form is completed and forwarded to the Senior Insurance Clerk.
- 9.5 Upon admission of complete liability in the accident report a driver of the Municipal vehicle involved in accident shall be given an option to personally bear all repair costs.

10 Accident Committee

This is a Committee appointed by the Executive Manager Corporate Services to assist him/her in the investigations of misuse of Municipal fleet and motor vehicle accidents.

10.1 Duties of the Accident Committee

- 10.1.1 To consider reports on the misuse of Municipal vehicles.
- 10.1.2 To consider reports on motor vehicle accidents.
- 10.1.3 To consider reports on any non-compliance of the Municipality's Fleet Management Policy and Asset Management Policy.
- 10.1.4 Interview the driver, assessor, third party or any other person with information relevant to the accident. In addition, the Accident Committee may:
 - Request witnesses to make a verbal/written statement about the accident.
 - Probe the nature of the trip and granting of authority to the driver.
- 10.1.5 Recommend actions to be taken against drivers to the Manager: Corporate Services Manager.
- 10.1.6 The committee must meet 2 weeks (or earlier) after the accident occurred.

11 Duties of the officer responsible for transport

- 11.1 Shall investigate all Vehicle Accidents and gather all documentary, photographic and other evidence that may be relevant to the case and submit to accident committee.
- 11.2 If feasible the officer responsible for transport, with the assistance of the Senior Safety Officer, may conduct an inspection of the accident scene.
- 11.3 The officer responsible for transport must submit a report on results of points 11.1 to 11.3 to the Accident Committee referred to 10.

12 Framework for remedial Actions

12.1 All remedial and corrective actions will be subject to and governed by the Municipality's disciplinary procedure.

12.2 The following structure of progressive imposition of fines on drivers who have been found partly or mainly responsible for the occurrence of the accident involving a Municipal vehicle through direct or indirect means, shall be adhered to: -

TABLE OF FINES

RATE OF DAMAGE (%)	RATE OF FINE ®
0 - 5	250
6-10	500
11-15	750
16-20	1 000
21-25	1 250
26-30	1 500
31-35	1 750
36-40	2 000
41-45	2 250
46-50	2 500
51-55	2 750
56-60	3 000
61-65	3 250
66-70	3 500
71-75	3 750
76-80	4 000
81-85	4 250
86-90	4 500
91-95	4 750
96-100	5 000

12.2.1 These represent minimum fines. Should the cost of repairs be less than the amounts shown above, the amount of the fine will not exceed the total cost of repairs. The rate of damage shall be determined as follows:-

Approved cost of repairs X 100 divide by Trade-in-value

12.2.2 These fines may be imposed in addition to any sanction, which a Disciplinary Hearing may decide upon.

12.3 The fine is payable by means of deduction from an employee's salary over a period not longer than 6 months. A motivation letter must be submitted to the Manager: Corporate Services where an employee requires the period to exceed 6 months.

12.3.1 The Municipal employee shall sign an acknowledgement of debt in which the time frame for the payment of the fine shall also be captured.

13 Hired Vehicles

13.1 In the case when no pool vehicles are available, the Head of Department must approve the hire of vehicle and confirm funding. It will be the responsibility of the officer responsible for transport to hire such a vehicle without delay.

13.2 The Policy will apply to all hired vehicles when no pool vehicle is available, but will exclude car rentals when officials travel by plane when away on official business of council, which will be dealt with through the travel, accommodation and subsistence policy.

14 Disposal and acquisition of fleet assets by Nkangala District Municipality

- 14.1 Fleet Assets will be disposed in line with the Supply Chain Management policy and regulations and the Asset Management Policy, Procedures and Implementation guide.
- 14.2 Vehicles will be replaced every 5 years or 200 000km, subject to the overall condition of the vehicle, and availability of budgeted funds.
- 14.3 The Municipality will require a Certificate of Fitness annually from a reputable organization for every vehicle that falls outside the warranty period.
- 14.4 The Asset Management Policy, Procedures and Implementation guide outlines the procedures to be followed in acquiring Municipal assets, and the same will apply to the fleet assets.

15 Traffic Offences

- 15.1 The driver of a Municipal vehicle shall diligently obey all traffic laws and shall be responsible for the payment of all traffic fines which may be attributable to his or her negligence.
- 15.2 The Municipality may, at its sole discretion, financially assist a driver convicted of a road traffic offence with the payment of a fine or private legal assistance to enable a driver to defend a criminal or civil claim against him or her in a court of law.
- 15.3 The officer responsible for transport will direct traffic fines to relevant users for payment by the offender. The logbook will be used as a source document to ascertain the offenders of traffic rules.

	Nkangala District Municipality		FMP-NDM 1
	Vehicle issue/ Trip Authorization form		
SECTION A : DETAILS OF DRIVER			Mileage
Name of driver:			Out :
Driver[s] ID number :			In :
Name[s] of passenger[s] :			Distance travelled:
			License Code :
			Time
			Out :
			In :
SECTION B : TRIP PARTICULARS			
From:	To:	Date of Trip:	
From:	To:	Date of Trip:	
SECTION C: DETAILS OF ALLOCATED VEHICLE			
Department	Vehicle Stationed	OFFICIAL STAMP	
Registration No.	Make/Model		
Condition of Vehicle			
[Please note that if the vehicle is to be kept overnight, signed permission must be given by Head of Department]			
Approval by HOD for overnight stay :	YES/NO		
Signature of driver	Print Name		
SECTION D : APPROVAL	Trip approved by Dept. Head/Designate:		
Signature	Print Name	Signature	
		Print Name	
Condition of Vehicle at return			



NKANGALA DISTRICT MUNICIPALITY

Date:.....

To:.....

AUTHORITY TO TRAVEL AS PASSENGER IN COUNCIL VEHICLE

ACCEPTANCE BY PASSENGER

I.....hereby understand that I shall travel as a passenger in the municipal vehicle referred to herein solely at my risk and hereby agree to indemnify the Municipality, its agents, employees or contractors against any loss, damage or injury which I may suffer as a result of my conveyance in the said vehicle.

SIGNATURE OF PASSENGER

DATE:.....

AUTHORITY TO TRAVEL AS PASSENGER IN COUNCIL VEHICLE

Authority is hereby given for you to travel as a passenger in Municipal Vehicle Registration Number..... On for the purpose of.....

By traveling a passenger in the aforesaid vehicle, you hereby agree that neither the Municipality nor any of its agents, employees or contractors, shall be liable for any injury, loss or damage to you whatsoever arising from your conveyance in the said vehicle and you hereby waive any claim you may have against the Municipality in this regard.

Yours
faithfully

SIGNATURE OF HEAD OF DEPARTMENT: _____

DATE: _____



NKANGALA DISTRICT MUNICIPALITY VEHICLE

CHECKLIST PRIOR TO USAGE

DRIVER'S NAME:	DATE:
VEHICLE MAKE:	REG. NO.
TIME ISSUED :	TIME RETURNED:

I AM AWARE OF THE FLEET MANAGEMENT POLICY AND PROCEDURES AND WILL ADHERE TO ALL CONDITIONS PRESCRIBED. I AM AWARE THAT, IF I LOSE THE FUEL CARD AND PARKING DISK, I WILL BE RESPONSIBLE FOR THE REPLACEMENT COSTS.

ACCESSORIES & PARTS	YES	NO	REMARKS
Unendorsed Credit Card Drivers Licence			
Radio fitted or supplied			
Petrol level [full tank, $\frac{3}{4}$, $\frac{1}{2}$, $\frac{1}{4}$			
Oil level checked			
Spare wheel, Jack and spanners			
Windscreen			
Dents			
Mirrors			
Oil Leaks			
Rubber Mats			
Check Licence Disc for validity and write			
Check fuel cap for security			
Log Book issued			
Fuel card issued			
Parking Disc			
Tyre Check			
Further comments.			
SIGNATURE OF DRIVER			



NKANGALA DISTRICT MUNICIPALITY

APPLICATION TO PARK VEHICLE AT HOME OR OTHER SECURE AREA

To: Head of Department

I hereby apply for authority to park municipal vehicle Registration Number

_____ at my home situated at ____ or at the property situated at _____.

The reasons for this application are as follows:

In the event of my application being approved, I agree to abide by the provisions of the Municipality's policy with regard to the parking of the vehicle at my home or other secure area.

SIGNATURE OF APPLICANT: _____

DATE: _____

DESIGNATION: _____

DEPARTMENT: _____

APPLICATION APPROVED/ NOT APPROVED BY MANAGER: RESPONSIBLE FOR FLEET FOR THE FOLLOWING REASON(S)

SIGNATURE OF HEAD OF DEPARTMENT: _____ **DATE:** _____

OR

Authority is hereby granted to..... to park municipal vehicle

Registration Number..... at his/her home situated
ator

at the property situated at, being the approved parking

area, subject to the following conditions:

- [a] The authority contained herein being valid for the period
..... to
- [b] The authority contained herein being subject to review or withdrawal at any
time subject to prior consultation with the employee where necessary.
- [c] That whilst the vehicle is parked at the home of the employee or at the approved
parking area, it may not be used for any non- work or private purpose.
- [d] That if an emergency arises whilst the vehicle is parked at the home of employee
or the approved parking area necessitating the use of the vehicle, then a signed
trip authority for the movement of such vehicle must be obtained within 24 hours
of the journey.
- [e] The private use of a vehicle whilst parked at the home of the employee or the
approved parking area will lead to the withdrawal of the privilege and
possible disciplinary action against the employee concerned.

SIGNATURE OF HEAD OF DEPARTMENT :

DATE:.....20.....

NKANGALA DISTRICT MUNICIPALITY

**STOLEN VEHICLE
REPORT**

VEHICLE REGISTRATION NUMBER	
MAKE	
MODEL	
YEAR	
VEHICLE INVENTORY NUMBER	
COLOUR	
ENGINE NUMBER	
MILEAGE/ODOMETER READING	
DATE OF LAST SERVICE	
GENERAL CONDITION INCLUDING RUST	
NAME OF DRIVER AT TIME OF THEFT	
DATE OF THEFT	
PLACE OF THEFT	
STATE CIRCUMSTANCES IN WHICH THEFT TOOK PLACE	

WAS THE THEFT REPORTED TO THE SOUTH AFRICAN POLICE SERVICES	YES	NO

IF YES, DATE OF REPORTING	
S.A. POLICE SERVICE CR NUMBER	
DATE REPORTED TO INSURER	
DATE REPORTED TO COUNCIL	
RESPONSE FROM INSURANCE COMPANY:	

SIGNATURE OF DRIVER

**SIGNATURE OF
MANAGER: FLEET
MANAGEMENT**

DATE _____

DATE _____

**TARIFF POLICY: RENTAL OF FACILITIES
(USE OF COUNCIL CHAMBER, PARLOUR,
TRAINING ROOM AND COMMITTEE
ROOMS)**



**NKANGALA DISTRICT
MUNICIPALITY**

TARIFF POLICY: RENTAL OF FACILITIES (USE OF COUNCIL CHAMBER, PARLOUR, TRAINING ROOM AND COMMITTEE ROOMS)

1. Background

The District Municipality allows the use of certain facilities, eg. The Council Chamber, Parlour, etc. to third parties on an on-going basis

2. Objectives of the policy

The objective of this policy are to:

- Ensure that the rental of council facilities are dealt with in accordance with authorized processes only
- Ensure that the municipality has and maintains an effective system of internal control .

3 Who may rent facilities?

The following organizations are allowed to use the Nkangala District Municipality's Council Chamber, Parlour, Training Room and Committee Rooms subject to the conditions contained in this policy:

- National Government Departments
- Provincial Government Departments
- Local Municipalities
- SALGA
- Parastatals
- Non-Governmental Organizations
- Private Institutions

4 Deposits

A deposit of R1 000.00 is payable by all non-governmental organizations and private institutions when the booking for the venue is made. Should there be no damage to the venue or equipment and the venue needs no cleaning, the deposit will be refunded.

In the case of any damage to the venue or equipment or in case the venue needs cleaning after the conclusion of the function, the deposit will be repaid

after deduction of any amount necessary to repair the damage, repair or replace the equipment or cleaning of the venue.

The amount to be deducted will be determined by the Municipal Manager or his plenipotentiary whose decisions shall be final and binding. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.

5 Council Chamber

A tariff of R100.00 per hour or part thereof for the use of the Council Chamber and facilities are payable in advance. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.

6 Parlour

A tariff of R100.00 per hour or part thereof for the use of the Parlour and facilities are payable in advance. This tariff is payable in addition to the tariff payable for the use of the Council Chamber. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.

7 Training Room

A tariff of R70.00 per hour or part thereof is payable for the use of the Training Room and facilities. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.

8 Committee Rooms and any other facilities

A tariff of R50.00 per hour or part thereof is payable for the use of any Committee Room and facilities. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.

9 Sunday and public holidays

If the venue is to be used before 08h00 and/or after 16h00 and on Saturdays, Sundays and Public Holidays, double the normal tariff is payable. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.

10 **Organs of state**

The venues are available free of charge during normal office hours for use by a National Government Department, Provincial Government Department, Local Municipality; SALGA and Parastatals.

11 **Bona fide Non-Governmental Organisation or registered welfare organisation**

The venue is made available free of charge if, in the opinion of the Municipal Manger or his plenipotentiary, the venue is to be used by a bona fide Non-Governmental Organisation or registered welfare organisation; provided that the event to be held is:

- To the benefit of the community; and
- No admission fees are payable

The deposit is still payable in such cases.

12 **Letter of undertaking**

A letter of undertaking as prescribed must be issued by the person responsible for the use of the venue.

13 **Age restrictions**

No agreement to use a venue may be entered into with a person under the age of 21 years

14 **Cancelation**

The Municipal Manager or his plenipotentiary may refuse or cancel any booking for a venue if it is deemed that:

- The proposed use may expose Council to any risk of damage or liability of whatever nature; or
- The proposed use is contrary to the morals of the community; or
- The proposed use may damage the Nkangala District Municipality's image and reputation; or

- The proposed use is limiting the use by other institutions or persons; or
- The proposed venue is to be used by the Nkangala District Municipality itself.

The Nkangala District Municipality is not obliged to furnish any reasons for refusal to make a venue available to any institution.

15 Restrictions

No furniture, decorations or equipment in the venue may be taken out of the venue for any purposes whatsoever.

16 No stationery or equipment of whatsoever nature will be supplied by the Nkangala District Municipality. If banners, posters etc are put up during a meeting, such banners posters etc. may not be fixed with nails, or in any manner that may damage the walls etc. Such poster, banners etc. must also be removed at the end of the meeting, failing which a fee will be levied to remove such banners etc.

17 Use of kitchen

The Municipal Manager is authorized to allow the use of kitchen on such terms and conditions he may determine in his own discretion.

18 The Municipal Manager is authorized to allow the use of a venue by an institution without any formalities in his own discretion.

19 Responsibility of person responsible for renting the facility

The person responsible for the rental of the venue must visit the venue at least 1 (one) day before the date of the proposed use of the venue in order to complete the checklist prescribed by the Municipal Manger for the use of the venue.

20 The person responsible for the rental of the venue must appoint a specific person to usher the persons who will attend the proposed meeting to the correct venue, ensuring that all safety and prescribed conditions for entering the offices of the Nkangala District Municipality are complied with at all times.

- 21 The Municipal Manager or his delegate is authorized to determine any other conditions which may be required or necessary.

NKANGALA DISTRICT MUNICIPALITY

POLICY: USE OF COUNCIL CHAMBER, PARLOUR, TRAINING ROOM AND COMMITTEE ROOMS

- 1 The following organizations are allowed to use the Nkangala District Municipality's Council Chamber, Parlour, Training Room and Committee Rooms subject to the conditions contained in this policy:
 - National Government Departments
 - Provincial Government Departments
 - Local Municipalities
 - SALGA
 - Parastatals
 - Non-Governmental Organizations
 - Private Institutions
- 2 A deposit of R1 000.00 is payable by all non-governmental organizations and private institutions when the booking for the venue is made. Should there be no damage to the venue or equipment and the venue needs no cleaning, the deposit will be refunded. In the case of any damage to the venue or equipment or in case the venue needs cleaning after the conclusion of the function, the deposit will be repaid after deduction of any amount necessary to repair the damage, repair or replace the equipment or cleaning of the venue. The amount to be deducted will be determined by the Municipal Manager or his plenipotentiary whose decisions shall be final and binding. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.
- 3 A tariff of R50.00 per hour or part thereof for the use of the Council Chamber and facilities are payable in advance. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.
- 4 A tariff of R50.00 per hour or part thereof for the use of the Parlour and facilities are payable in advance. This tariff is payable in addition to the tariff payable for the use of the Council Chamber. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.
- 5 A tariff of R35.00 per hour or part thereof is payable for the use of the Training Room and facilities. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.
- 6 A tariff of R25.00 per hour or part thereof is payable for the use of any Committee Room and facilities. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.
- 7 If the venue is to be used before 08h00 and/or after 16h00 and on Saturdays, Sundays and Public Holidays, double the normal tariff is payable. This fee will also be applicable if the venue is used for a period longer than the period of use applied for.
- 8 The venues are available free of charge during normal office hours for use by a National Government Department, Provincial Government Department, Local Municipality; SALGA and Parastatals.
- 9 The venue is made available free of charge if, in the opinion of the Municipal Manager or his plenipotentiary, the venue is to be used by a bona fide Non-Governmental Organisation or registered welfare organisation; provided that the event to be held is:
 - To the benefit of the community; and
 - No admission fees are payable

The deposit is still payable in such cases.

- 10 A letter of undertaking as prescribed must be issued by the person responsible for the use of the venue.
- 11 No agreement to use a venue may be entered into with a person under the age of 21 years
- 12 The Municipal Manager or his plenipotentiary may refuse or cancel any booking for a venue if it is deemed that:
- The proposed use may expose Council to any risk of damage or liability of whatever nature; or
 - The proposed use is contrary to the morals of the community; or
 - The proposed use may damage the Nkangala District Municipality's image and reputation; or
 - The proposed use is limiting the use by other institutions or persons; or
 - The proposed venue is to be used by the Nkangala District Municipality itself.
- The Nkangala District Municipality is not obliged to furnish any reasons for refusal to make a venue available to any institution.
- 13 No furniture, decorations or equipment in the venue may be taken out of the venue for any purposes whatsoever.
- 14 No stationery or equipment of whatsoever nature will be supplied by the Nkangala District Municipality. If banners, posters etc are put up during a meeting, such banners posters etc. may not be fixed with nails, or in any manner that may damage the walls etc. Such poster, banners etc. must also be removed at the end of the meeting, failing which a fee will be levied to remove such banners etc.
- 15 The Municipal Manager is authorized to allow the use of kitchen on such terms and conditions he may determine in his own discretion.
- 16 The Municipal Manager is authorized to allow the use of a venue by an institution without any formalities in his own discretion.
- 17 The person responsible for the lease of the venue must visit the venue at least 1 (one) day before the date of the proposed use of the venue in order to complete the checklist prescribed by the Municipal Manager for the use of the venue.
- 18 The person responsible for the lease of the venue must appoint a specific person to usher the persons who will attend the proposed meeting to the correct venue, ensuring that all safety and prescribed conditions for entering the offices of the Nkangala District Municipality are complied with at all times.
- 19 The Municipal Manager or his plenipotentiary is authorized to determine any other conditions which may be required or necessary.

NKANGALA DISTRICT MUNICIPALITY

APPLICATION TO USE FACILITIES

1 Application is hereby made to use the following facilities of the Nkangala District Municipality:

Council Chamber		Parlour		Training Room		Committee Room	
-----------------	--	---------	--	---------------	--	----------------	--

2 Date required: _____

3 Time required: From: _____

To: _____

4 Intended use: _____

5 Details of applicant: _____

Name of responsible person: _____

Address: _____

Telephone number: Office _____

Fax number: _____

Cellphone number: _____

SIGNATURE OF APPLICANT

FOR OFFICE USE ONLY

APPROVED BY:

SIGNATURE

Deposit paid on: _____

Receipt: _____

Tariff paid on: _____

Receipt: _____

Deposit paid back on: _____

NKANGALA DISTRICT MUNICIPALITY
USAGE AGREEMENT AND INDEMNITY FORM

1 I, the undersigned _____ representing _____, (hereafter referred to as the LESSEE), hereby acknowledge that I applied to lease a venue and facilities (hereafter referred to as the VENUE) of the NKANGALA DISTRICT MUNICIPALITY (hereafter referred to as the MUNICIPALITY) for use on _____ for the purpose of _____.

2 The MUNICIPALITY hereby permits the use of the VENUE subject to the adherence to its policy in this regard which the LESSEE acknowledges having received, noted and agreed to.

3 The LESSEE agrees that the deposit paid may be applied to repair any damage to the VENUE, repair or replace any damaged or lost equipment, or to clean the VENUE after the conclusion of our use of the VENUE.

4 It is agreed that the VENUE will only be used for the purpose specified on the application. It is agreed that the MUNICIPALITY may terminate the use of the VENUE if it is found to be in contravention of the use specified in the application.

5 It is agreed that the VENUE will be kept and left in a clean, hygienic and orderly condition at the conclusion of its use and that clause 3 above will apply if this is not the case.

6 The MUNICIPALITY reserves the right to cancel any booking(s) made prior to and/or during the time of the event should the MUNICIPALITY be of the opinion that:

- The proposed use may expose the MUNICIPALITY to any risk of damage or liability of whatever nature; or
- The proposed use is contrary to the morals of the community; or
- The proposed use may damage the MUNICIPALITY's image and reputation; or
- The proposed use is limiting the use by other institutions or persons; or
- The proposed venue is to be used by the MUNICIPALITY itself.

7 The MUNICIPALITY is not liable for any damage suffered by any of the persons using the VENUE or any injuries suffered by any of the persons using the VENUE of whatever nature or caused by whatever action or non-action of the MUNICIPALITY or any cause whatsoever. The LESSEE hereby indemnifies the MUNICIPALITY against any claims for damages or injuries arising out of or resulting from the use of the VENUE.

8 The LESSEE shall inform the MUNICIPALITY of any damage to the VENUE or equipment or loss or damage to equipment before and/or during the use of the VENUE. The LESSEE shall be held liable for any damage or loss whether or not caused by accident, willfully or negligently by any person(s) using the VENUE.

9 The deposit, less any amount deducted if any, will be refunded within a period of 21 (TWENTY ONE) days after the date of the event.

10 In the case of any dispute or disputes regarding the interpretation and application of the provisions of this agreement, the LESSEE herewith agrees to accept the jurisdiction of the Magistrate's Court, in the settlement of such dispute or disputes, notwithstanding the fact that such dispute or disputes may fall outside the jurisdiction of the Magistrate's Court.

This permission is regarded as an ad-hoc permission in terms of section 45 of the Magistrate's Court Act, 1944, as amended, in respect of any lawsuit or lawsuits arising from this agreement. Notwithstanding the provisions contained in this clause the MUNICIPALITY reserves the right, at own choice or discretion, to institute action in any higher court that may have jurisdiction.

Should the MUNICIPALITY deem it necessary or is necessitated to institute legal proceedings due to the non-fulfilment of any condition or conditions of this agreement, the MUNICIPALITY will be entitled to claim the cost thereof, on the scale between attorney-and-client, from the LESSEE. In addition the MUNICIPALITY will be entitled to the normal collection fees, on the scale between attorney-and-client, on any claim or arrears payment collected by its legal representatives from the LESSEE.

11 The LESSEE chooses and accepts the following address as domicilium citandi et executandi:

Any notice in terms of this agreement will be forwarded to these addresses by pre-paid registered post and will be deemed to be received and delivered on the 10th day after the date of registration thereof.

12 The LESSEE denounces the following privileges and legal exceptions and declares that he/she is fully conversant with the meaning thereof and that he/she fully understands them: "non numeratae pecuniae", "non causa debiti", "errore calculi", "revision of accounts" and "no value received".

13 The LESSEE acknowledges that this agreement was duly completed before the signing thereof.

THUS DONE AND SIGNED AT _____ ON _____

AS WITNESSES:

1 _____

LESSEE

2 _____

MUNICIPALITY

4/15/2009

(35)

EXTRACT FROM A (2009) COUNCIL MEETING HELD ON 31 MARCH 2009

DM39/03/2009

SUBSISTENCE ALLOWANCE: COUNCILLORS AND OFFICIALS
2/P, 4/P, 4/5/2

REPORT OF THE ACTING MANAGER: CORPORATE SERVICES:

1 Council resolved as follows per Resolution DM133/08/2006 dated 30 August 2006 in respect of the subsistence allowance payable to Councillors and officials:

"2 *THAT it be determined as policy:*

2.1 *THAT the maximum amount which may be paid for hotel accommodation when a Councillor or official has to stay over on official Council business be determined as R1 800 per night, including meals but excluding VAT.*

2.2 *THAT the following maximum allowances be paid to Councillors and officials in case of out of pocket expenses where the actual expenditure is not paid by Council:*

<i>Incidental costs</i>	<i>R60.00 per day if the Councillor or official is away from Council's offices for 4 or more hours.</i>
<i>Overnight allowance and meals and incidental costs</i>	<i>R196.00 per night away from the Councillor's or employee's normal place of residence.</i>
<i>Overseas allowance</i>	<i>\$190.00 per day</i>

2.3 *THAT proof of the actual expenditure incurred be submitted to Council for payment before any reimbursement is made to such Councillor or employee.*

2.4 *THAT no costs in respect of alcoholic beverages, laundry services or hotel telephone bills be paid by Council when a Councillor or official has to stay over while away from the office on official Council business.*

It is currently virtually impossible to find proper hotel accommodation for less than R1 800 per night, including meals, but excluding VAT as resolved by Council. The opinion is accordingly held that this amount should be reviewed. In this regard a survey of rates for hotels in Johannesburg, Pretoria, Cape Town, Port Elizabeth, Durban, Secunda and Nelspruit was done. The survey included one room for one night with dinner and breakfast included but excluding VAT. A summary of the results is attached hereto as ANNEXURE "Z" pages 427 to 441.

3 From the summary the average cost for a room for one night, including dinner and breakfast, but excluding VAT of all the hotels come to approximately R2 570.00 per night compared to the amount of R1 800.00 as approved by Council. The opinion is accordingly held that the amount of R1 800.00 as approved in 2006 should be increased to at least R2 500.00. The opinion is further held that the Municipal Manager should be authorised to approve the exceeding of this amount in cases where it is not possible to find accommodation within this limitation.

4 In respect of the subsistence allowance payable it is to be noted that the Receiver of Revenue issued a circular regarding the Statutory rates of Tax: 2010 Year of Assessment. A copy of this circular is attached hereto for information.

5 The amounts of R60.00 and R196.00 have been increased to R80.00 and R260.00 per day respectively when a person stays at least one night away from his/her place for business purposes.

6 In respect of overseas travel, the Receiver of Revenue provided a list of daily amounts actually deemed to have been expended for various countries around the world in the same circular.

7 It is also to be noted that in terms of the latest determination by the Minister in respect of salaries and allowances of Councillors, the Minister determined that " In addition to the total remuneration package, a councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties."

8 It is accordingly suggested:

8.1 THAT it be determined as policy:

8.1.1 THAT the maximum amount which may be paid for hotel accommodation when a Councillor or official has to stay over on official Council business be determined as R2 500 per night, including meals but excluding VAT.

8.1.2 THAT the Municipal Manager be authorised to approve the exceeding of this amount in cases where accommodation cannot be found within this limitation.

8.1.3 THAT the following maximum allowances be paid to Councillors and officials in case of out of pocket expenses where the actual expenditure is not paid by Council, subject to the approval of such expenditure by the Municipal Manager or his plenipotentiary:

Incidental costs	R80.00 per day if the Councillor or official is away from Council's offices for 4 or more hours.
Overnight allowance and meals and incidental costs	R260.00 per night away from the Councillor's or employee's normal place of residence.

8.1.4 THAT it be determined as policy that an overseas daily allowance based on the list issued by the Receiver of Revenue be paid when a Councillor or official represents Council on an overseas journey, subject to the approval of such expenditure by the Municipal Manager or his plenipotentiary.

8.1.5 THAT proof of the reasonable and actual expenditure incurred be submitted to the Municipal Manager or his plenipotentiary for approval before any reimbursement is made to such Councillor or employee.

8.1.6 THAT no costs in respect of alcoholic beverages or hotel telephone bills be paid by Council when a Councillor or official has to stay over while away from the office on official Council business.

8.2 THAT Resolution DM133/08/2006 dated 30 August 2006 be rescinded.

COMMENTS BY THE ACTING MANAGER: FINANCE:

The suggestion by the Acting Manager: Corporate Services is supported.

RECOMMENDATION BY THE MUNICIPAL MANAGER:

- 1 THAT it be determined as policy:
 - 1.1 THAT the maximum amount which may be paid for hotel accommodation when a Councillor or official has to stay over on official Council business be determined as R2 500 per night, including meals but excluding VAT.
 - 1.2 THAT the Municipal Manager be authorised to approve the exceeding of this amount in cases where accommodation cannot be found within this limitation.
 - 1.3 THAT the following maximum allowances be paid to Councillors and officials in case of out of pocket expenses where the actual expenditure is not paid by Council:

Incidental costs	R80.00 per day if the Councillor or official is away from Council's offices for 4 or more hours.
Overnight allowance and meals and incidental costs	R260.00 per night away from the Councillor's or employee's normal place of residence.
Overseas allowance	\$190.00 per day

- 1.4 THAT an overseas daily allowance based on the list issued by the Receiver of Revenue be paid when a Councillor or official represents Council on an overseas journey.
 - 1.5 THAT proof of the reasonable and actual expenditure incurred be submitted to the Municipal Manager or his plenipotentiary for approval before any reimbursement is made to such Councillor or employee.
 - 1.6 THAT no costs in respect of alcoholic beverages or hotel telephone bills be paid by Council when a Councillor or official has to stay over while away from the office on official Council business.
- 2 THAT Resolution DM133/08/2006 dated 30 August 2006 be rescinded.

THE EXECUTIVE MAYOR RESOLVED TO RECOMMEND:

- 1 THAT it be determined as policy:
 - 1.1 THAT the maximum amount which may be paid for hotel accommodation when a Councillor or official has to stay over on official Council business be determined as R2 500 per night, including meals but excluding VAT.
 - 1.2 THAT the Municipal Manager be authorised to approve the exceeding of this amount in cases where accommodation cannot be found within this limitation.
 - 1.3 THAT the following maximum allowances be paid to Councillors and officials in case of out of pocket expenses where the actual expenditure is not paid by Council:

Incidental costs	R80.00 per day if the Councillor or official is away from Council's offices for 4 or more hours.
Overnight allowance and meals and incidental costs	R260.00 per night away from the Councillor's or employee's normal place of residence.
Overseas allowance	\$190.00 per day

-
- 1.4 THAT an overseas daily allowance based on the list issued by the Receiver of Revenue be paid when a Councillor or official represents Council on an overseas journey.
 - 1.5 THAT proof of the reasonable and actual expenditure incurred be submitted to the Municipal Manager or his plenipotentiary for approval before any reimbursement is made to such Councillor or employee.
 - 1.6 THAT no costs in respect of alcoholic beverages or hotel telephone bills be paid by Council when a Councillor or official has to stay over while away from the office on official Council business.
 - 2 THAT Resolution DM133/08/2006 dated 30 August 2006 be rescinded.

DM39/03/2009

SUBSISTENCE ALLOWANCE: COUNCILLORS AND OFFICIALS

2/P, 4/P, 4/5/2 (306)

THE EXECUTIVE MAYOR RESOLVED TO RECOMMEND:

- 1 THAT it be determined as policy:
- 1.1 THAT the maximum amount which may be paid for hotel accommodation when a Councillor or official has to stay over on official Council business be determined as R2 500 per night, including meals but excluding VAT.
- 1.2 THAT the Municipal Manager be authorised to approve the exceeding of this amount in cases where accommodation cannot be found within this limitation.
- 1.3 THAT the following maximum allowances be paid to Councillors and officials in case of out of pocket expenses where the actual expenditure is not paid by Council:

Incidental costs	R80.00 per day if the Councillor or official is away from Council's offices for 4 or more hours.
Overnight allowance and meals and incidental costs	R260.00 per night away from the Councillor's or employee's normal place of residence.
Overseas allowance	\$190.00 per day

- 1.4 THAT an overseas daily allowance based on the list issued by the Receiver of Revenue be paid when a Councillor or official represents Council on an overseas journey.
 - 1.5 THAT proof of the reasonable and actual expenditure incurred be submitted to the Municipal Manager or his plenipotentiary for approval before any reimbursement is made to such Councillor or employee.
 - 1.6 THAT no costs in respect of alcoholic beverages or hotel telephone bills be paid by Council when a Councillor or official has to stay over while away from the office on official Council business.
- 2 THAT Resolution DM133/08/2006 dated 30 August 2006 be rescinded.

DM39/03/2009

SUBSISTENCE ALLOWANCE: COUNCILLORS AND OFFICIALS
2/P, 4/P, 4/5/2 (306)

RESOLVED:

- 1 THAT it be determined as policy:
- 1.1 THAT the maximum amount which may be paid for hotel accommodation when a Councillor or official has to stay over on official Council business be determined as R2 500 per night, including meals but excluding VAT.
- 1.2 THAT the Municipal Manager be authorised to approve the exceeding of this amount in cases where accommodation cannot be found within this limitation.
- 1.3 THAT the following maximum allowances be paid to Councillors and officials in case of out of pocket expenses where the actual expenditure is not paid by Council:

Incidental costs	R80.00 per day if the Councillor or official is away from Council's offices for 4 or more hours.
Overnight allowance and meals and incidental costs	R260.00 per night away from the Councillor's or employee's normal place of residence.
Overseas Allowance	\$190.00 per day

- 1.4 THAT an overseas daily allowance based on the list issued by the Receiver of Revenue be paid when a Councillor or official represents Council on an overseas journey.
 - 1.5 THAT proof of the reasonable and actual expenditure incurred be submitted to the Municipal Manager or his plenipotentiary for approval before any reimbursement is made to such Councillor or employee.
 - 1.6 THAT no costs in respect of alcoholic beverages or hotel telephone bills be paid by Council when a Councillor or official has to stay over while away from the office on official Council business.
- 2 THAT Resolution DM133/08/2006 dated 30 August 2006 be rescinded.

ACCOMMODATION TRAVEL AND SUBSISTENCE POLICY



NKANGALA DISTRICT MUNICIPALITY

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1 OBJECTIVE

It is essential that representatives of the municipality from time to time travel to other cities and towns in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organisations operating in the sphere of local government. It is important for representatives to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders.

In terms of the Income Tax Act (No. 58 of 1962) Councillors and employees traveling to other destinations for official business purposes or needs be granted an ad-hoc travel and subsistence allowance.

The object of this policy is to enforce the promulgated legislation in terms of ad-hoc travel and subsistence allowances, in order to set uniform guidelines for Councillors and officials from Nkangala District Municipality.

This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling.

2 DEFINITIONS

Councillor as defined in terms of the Municipal Structures Act (Act 117 of 1998)

Day allowance is equivalent to the total allowance granted for meals and incidental cost for 24-hour period portion thereof to a minimum of 6 hours after the first 24 hours.

Holder of public office is any member of a municipal council.

Incidental cost expenses which are not necessarily incurred in performing the duties of employment whilst away on business (e.g telephone cost, laundry cost, drinks, tips etc.)

Meals, any food/refreshment that an employee is entitled to whilst on official Council business away from the workplace.

Municipal official, in relation to a municipality or municipal entity, means:

- An employee of a municipality or municipal entity
- A person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- A person contracted by a municipality or municipal entity otherwise than as an employee

Official duty approved official council business / activities

Official travel is the travel on official business away from their normal workplace and exclude travel from and to their workplace

Radius a straight line extending from the center of a circle to its edge or from the center of a sphere to its surface

SARS South African Revenue Services

Travel: domestic: For purposes of this policy, domestic travel shall mean travel within South Africa

Travel: International: For purpose of this policy, international travel shall mean travel to any country outside South Africa

3 RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY

- 3.1 Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- 3.2 Representatives who travel on the business of the municipality must appreciate, at all times, that they are ambassadors for the municipality, that their actions, conduct and statements must be in the best interests of the municipality, and that they must comply with any specific mandates they have been given.

4 SUBSISTENCE AND TRAVEL ALLOWANCE

- 4.1 A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover the following expenses:
 - 4.1.1 meals (including reasonable gratuities);
 - 4.1.2 incidentals such as refreshments, snacks, drinks and newspapers; and
 - 4.1.3 all business-related travel.
- 4.2 A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing.
- 4.3 Calculation of the allowances shall be in respect of the period from the latest reasonable time at which it would be necessary for the traveler using the authorized form of transport to leave the ordinary place of residence or office in order to be present at the appointed time to the earliest reasonable time on or about which such traveler could, by using such transport, arrive back at the ordinary place of residence or office.

5 ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

- 5.1 A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see 9.1 below), may be claimed.
- 5.2 The subsistence allowance may be claimed without the representative having to furnish proof of expenses, as it is deemed as actual cost in terms of the Income Tax Act (No. 58 of 1962).
- 5.3 Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). If a representative of the municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance.
- 5.4 A representative of the municipality must claim his or her subsistence allowance, as provided in this policy, before embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least three working days before the planned trip.
- 5.5 No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality.
- 5.6 All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.
- 5.7 For the purposes of a subsistence allowance, a representative shall mean:
 - 5.7.1 Executive Mayor,
 - 5.7.2 Speaker
 - 5.7.3 Council Whip
 - 5.7.4 Members of the Mayoral Committee,

- 5.7.5 other Councillors specifically authorised to represent the municipality on a particular occasion
- 5.7.6 Municipal Manager
- 5.7.7 Heads of Departments
- 5.7.8 any other official specifically authorised to represent the municipality on a particular occasion
- 5.7.9 any official who is a member of a recognised professional institution and is granted permission to attend meetings and conferences of such institution.

6 ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

- 6.1 For purposes of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.
- 6.2 In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance.
- 6.3 In the event where an official is unable to make use of the meals provided due to religious convictions the reimbursement for alternative meals shall be dealt with on an ad hoc basis with the authorization of the Municipal Manager or his/her delegated authority

6.4 Travel: domestic: one or more nights spent away from home

- 6.4.1 Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in an hotel, motel, guesthouse or bed and breakfast establishment.
- 6.4.2 The actual cost of accommodation will be borne by the municipality, subject to a maximum of R2 500 per night for the accommodation and breakfast in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.

- 6.4.3 A daily allowance, at the SARS rate, to defray incidental costs only (deemed to have been expended) will be paid in advance to the amount as announced and gazette annually in February by the Minister of Finance, to the recipient where the official business trip is in the Republic of South Africa (domestic travel). Any amount over and above the prescribed amount, if for whatever reason approved by Council, will be taxable.
- 6.4.4 A daily allowance, at the SARS rate, to defray meals and incidental costs (deemed to have been expended) will be paid in advance to the amount as announced and gazette annually in February by the Minister of Finance, to the recipient where the official business trip is in the Republic of South Africa (domestic travel) and that the representative needs to stay overnight for the purpose traveled for. Any amount over and above the prescribed amount, if for whatever reason approved by Council, will be taxable.
- 6.4.5 If a representative travels on the business of the municipality where the business unavoidably entails one or more nights to be spent away from home, and furnish proof of meal expenses other than the actual place of accommodation, a reimbursement subsistence allowance of not more than R120 per lunch and R160 per dinner is payable.
- 6.4.6 If a representative stays with a relative or friend, no accommodation allowance may be claimed, however the representative may, in addition to the applicable subsistence allowance, claim a Taxable amount of R200.00 (Two Hundred Rand) per day.
- 6.4.7 Employees or holders of public office would only be allowed to claim for accommodation if the destination is beyond a radius of 100 kilometers from the municipal area.
- 6.4.8 Where it is not necessary to sleep overnight on any travel for municipal business, no accommodation costs will be paid but only incidental costs and/or meals can be claimed for.

6.4.9 In cases where Council's official Travel Agent did not make the reservation, payments of overnight accommodation for representatives shall be paid directly into the account of the hotel or guesthouse. Requests for reservations and payment must be submitted by the relevant official at least seven days prior to embarking on an official trip to enable the administration sufficient time to process the reservation and payment. This is to avoid unnecessary inconvenience to all parties concerned.

6.4.10 In the event where an official is unable to make use of the meals provided due to religious convictions the reimbursement for alternative meals shall be dealt with on an ad hoc basis with the authorization of the Municipal Manager or his/her delegated authority .

6.5 Travel: domestic: for a day or part of a day with no overnight stay

6.5.1 Where it is not necessary to sleep overnight on any travel for municipal business, no accommodation costs will be paid but only incidental costs and/or meals can be claimed for and will only be payable if the representative is away from Four(4) hours or more.

6.5.2 A daily allowance, at 25% of the SARS rate for overnight subsistence, to defray meals and incidental costs (deemed to have been expended) will be paid in advance to the amount as announced and gazette annually in February by the Minister of Finance, to the recipient where the official business trip is in the Republic of South Africa (domestic travel) and that the representative needs to stay overnight for the purpose traveled for, without furnishing proof of expenses.

6.5.3 If a representative travels on the business of the municipality for a day or part of a day, and furnish proof of meal expenses, a reimbursement subsistence allowance of R100 per day or part of a day is payable. No more than R100 shall be payable per day, irrespective of the number of trips undertaken.

6.5.4 Any amount over and above the prescribed amount, if for whatever reason approved by Council, will be taxable.

6.6 Travel: international: one or more nights spent away from home

- 6.6.1 Any representative embarking on an overseas visit must request his/her subsistence allowance not later than 7 (seven) working days before actual date of departure. For consistency, the value of the subsistence will be calculated against an exchange rate obtained from Council's official bankers as listed 5 (Five) working days before the actual departure date indicated on the plane ticket or reservation which must accompany the request for subsistence. This exchange rate will be according to the currency of the specific country to be visited.
- 6.6.2 Council will reimburse the costs of visas for countries to be visited in accordance with the official visit.
- 6.6.3 Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in an hotel, motel, guesthouse or bed and breakfast establishment.
- 6.6.4 The recoverable cost of accommodation for international travel may not exceed US\$350 per day.
- 6.6.5 A daily allowance, at the SARS rate, to defray incidental costs only (deemed to have been expended) will be paid in advance to the amount as announced and gazette annually in February by the Minister of Finance, to the recipient where the official business trip is in the Republic of South Africa (international travel). Any amount over and above the prescribed amount, if for whatever reason approved by Council, will be taxable.

- 6.6.6 A daily allowance, at the SARS rate, to defray meals and incidental costs (deemed to have been expended) will be paid in advance to the amount as announced and gazette annually in February by the Minister of Finance, to the recipient where the official business trip is in the Republic of South Africa (domestic travel) and that the representative needs to stay overnight for the purpose traveled for. Any amount over and above the prescribed amount, if for whatever reason approved by Council, will be taxable.
- 6.6.7 In cases where Council's official Travel Agent did not make the reservation, payments of overnight accommodation for representatives shall be paid directly into the account of the hotel or guesthouse. Requests for reservations and payment must be submitted by the relevant official at least seven days prior to embarking on an official trip to enable the administration sufficient time to process the reservation and payment. This is to avoid unnecessary inconvenience to all parties concerned.
- 6.6.8 On return from overseas visits the representatives must submit to the next Council meeting a written report, which may be a collective exercise, regarding the value, experience and benefits achieved. It will be the responsibility of Municipal Manager to forward the report to Council.

7 CAR RENTAL AND OTHER TRAVEL COSTS

- 7.1 Only category B+ to E+ vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle (for example, when the number of representatives involved could justify the hire of a micro-bus).
- 7.2 Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the municipality without having received prior authorisation will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

- 7.3 All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorised by the Municipal Manager.
- 7.4 Representatives who prefer to make use of their own personal transport he/she will be reimbursed at the lowest of the rate as indicated in 7.5 below or the cost of a return airplane ticket and the kilometers travelled from his/her normal workplace to the nearest airport.
- 7.5 If a representative has to utilise his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed at the rate per kilometre or any other maximum amount prescribed from time to time by the South African Revenue Service. The distance to which the reimbursement applies, must be the shortest distance between the municipality's offices and the location where the official business is to be transacted.
- 7.6 In case where representatives make use of their own personal transport he/she will be reimbursed at the following rates and scenarios for kilometers traveled in respect of official trips on behalf of the Nkangala District Municipality as calculated for the shortest distance from normal residence or place of work to the approved venue and back:
- 7.6.1 Officials who are in receipt of a Vehicle Subsidy will be reimbursed against the official Running Costs Tables of the ~~AA~~ Rates for Vehicle Operating Costs+for the specific vehicle used;
- 7.6.2 The Municipal Manager (Sect 57 Appointees), Heads of Departments and Contractual to Incumbent employees, where applicable, will be reimbursed at the rate determined for the use of privately-owned vehicles by the Department of Transport; Notice: ~~Tariffs~~ Tariffs for the use of Motor Transport+as distributed monthly by the Department of Local Government and Housing.
- 7.6.3 Councilors will be reimbursed in terms of the Determination of Upper Limits of Councillors as follows, at the rate determined for the use of privately-owned vehicles by the Department of Transport; Notice: ~~Tariffs~~ Tariffs for the use of Motor Transport+as distributed monthly by the Department of Local Government and Housing.

- 7.6.4 Representatives, other than mentioned in paragraphs 7.6.1, 7.6.2 and 7.6.3 will be reimbursed at the SARS rate as announced and gazette annually in February by the Minister of Finance.
- 7.7 Reimburse travel claims will only be paid in terms of vehicles owned by the representative and proof of the ownership, a copy of the purchase invoice clearly indicating the price and capacity of the vehicle was furnished to Council.
- 7.8 Prior approval must be acquired for all of the above arrangements.

8 SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS

- 8.1 No subsistence costs will be paid to any candidate invited for an interview, but travelling costs can be reimbursed at the rate per kilometre or any other maximum amount prescribed from time to time by the South African Revenue Service if the candidate has to travel more than 50km to attend the interview.
- 8.2 When necessary persons invited for interviews should be booked on a flight in economy class. Persons invited for interviews who prefer to make use of their own personal transport he/she will be reimbursed at the lowest of the rate as indicated in 8.1 above or the cost of a return airplane ticket and the kilometers travelled from his/her place of residence to the nearest airport.

9 TOLL GATE FEES, PARKING FEES AND OTHER UNAVOIDABLE EXPENSES

- 9.1 The reimbursement of tollgate fees, parking fees and any unavoidable expenses related to the approved official business travel will be paid on the furnishing of proof of the expenses.

10 AUTHORISATION

For purposes of implementing this policy:

- 10.1 Only the Municipal Manager may authorise any travel to be undertaken by Heads of Departments or Unit Managers who reports directly to the Municipal Manager,

- or payments to be made for persons invited for interviews, but provided the expenses to be incurred are on the approved budget of the relevant department.
- 10.2 Only Heads of Departments or Unit Managers may authorise any travel to be undertaken by officials who reports to the relevant Head of Department or the Unit Manager, provided the expenses to be incurred are on the approved budget of the relevant department.
- 10.3 Only the Executive Mayor may authorise any travel to be undertaken by the Mayor, Speaker, Council Whip, any Councillor, or the Municipal Manager, but provided the expenses to be incurred are on the approved budget of the municipality.
- 10.4 The Executive Mayor shall approve his or her own travel on municipal business, provided the expenses to be incurred are on the approved budget of the municipality, and provided further that the Executive Mayor reports to the following council meeting on the nature of and reasons for such travel and the expenses incurred.
- 10.5 An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the Municipal Manager or Executive Mayor, Head of Department or Unit Manager, as the case may be.
- 10.6 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Executive Mayor or the Municipal Manager, as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

11 PAYMENTS OF CLAIMS

11.1 Payment of claims will only be effected on receipt of a completed claim on the prescribed claim form duly authorized in terms of paragraph 10 above.

11.2 Claims will only be considered if the relevant tax invoice for accommodation is attached to the claim form.

12 LEGAL REQUIREMENTS

12.1 In terms of Section 66 of the Municipal Finance Management Act No. 56 of 2003 the accounting officer of the municipality must report to the council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.